

BE AMBITIOUS BE DETERMINED TAKE DECISIVE ACTIONS

ANNUAL REPORT 2023





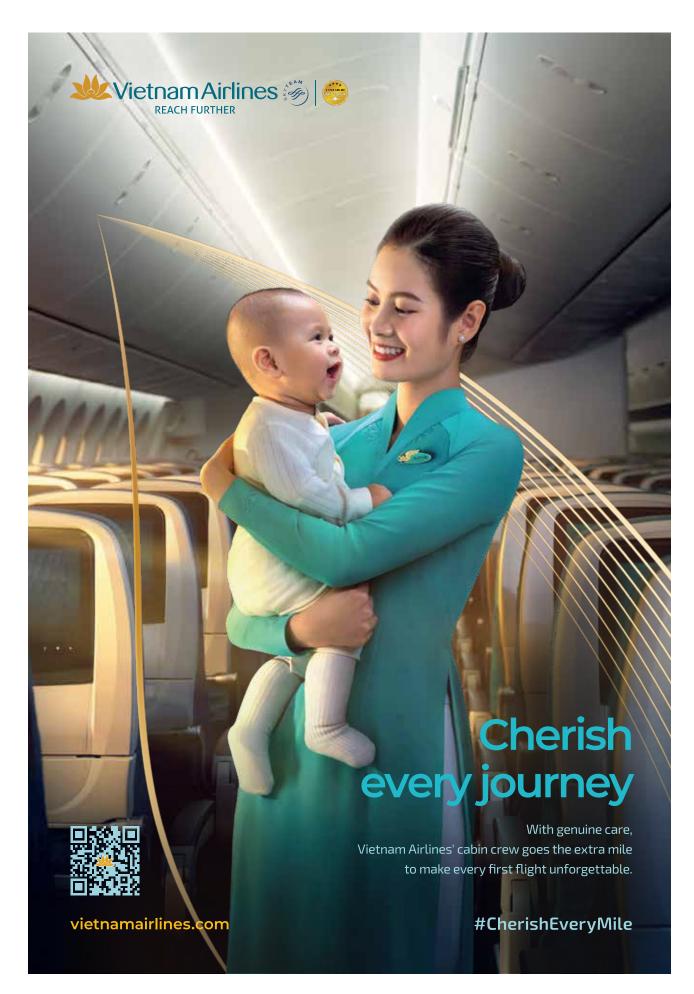






LIST OF ABBREVIATIONS

ASK	Available Seat Kilometers
AFTK	Available Freight Tonne Kilometers
ВН	Block Hour
MOBOD/MOBOS	Members of Board of Directors/Members of Board of Management
OAE	Officers and employees
IΤ	Information Technology
JSC	Joint Stock Company
GSM	General Shareholders' Meetings
МС	Members' Council
BOD	Board of Directors
PA	Pacific Airlines Joint Stock Aviation Company
К6	Cambodia Angkor Air
РВТ	Profit before tax
PAT	Profit after tax
LCC	Low Cost Carrier
RPK	Revenue Passenger Kilometers
RFTK	Revenue Freight Tonne Kilometers
PAB	Production and Business
LLC	Limited Liability Company
Vietnam Airlines/VNA	Parent company (including Vietnam Airlines and VASCO)
VNA Group	Vietnam Airlines and PA
Consolidated	Vietnam Airlines and subsidiaries, affiliates
AT	Air Transport
VNA JSC	Vietnam Airlines JSC
sc	Safety Committee
AS	Aviation Security



_ 6 _



CHAPTER

MESSAGE FROM CHAIRMAN OF THE BOARD OF DIRECTORS AND PRESIDENT & CEO



01 Message from Chairman of the Board of Directors and President & CEO

Mr. **DANG NGOC HOA**Chairman of the Board of Directors

Message from

CHAIRMAN OF THE BOARD OF DIRECTORS AND PRESIDENT & CEO

Dear Valued Shareholders,

On behalf of the Board of Directors and the Board of Management, we extend our sincere greetings and heartfelt appreciation for your unwavering support and trust in our company.

The year 2023 was an important landmark in our history, marked by a robust recovery and notable achievements. Vietnam Airlines transported over 24.1 million passengers and 230 thousand tons of cargo, representing impressive year-over-year growth of 16.4% and 5.8%, respectively. Our operational improvements have been instrumental in enhancing our business outcomes, with consolidated revenue of 93.265 trillion VND marking a 30% increase over 2022 and nearing our peak level of 2019. Our consolidated pre-tax loss was reduced by 5.582 trillion VND, effectively halving the deficit compared to 2022. These accomplishments were the result of our proactive and practical measures, in addition to favourable changes in the market.

Vietnam Airlines has restored all domestic routes and most international routes to pre-COVID-19 levels, while also launching new routes to Australia and India, thereby maintaining our position as the domestic airline with the largest route network. Our effective implementation of commercial, advertising, and communication activities has bolstered our revenue and enhanced the brand image of Vietnam Airlines. The "Uplifting Service" program has proven

effective delivering exceptional experience that our customers highly appreciate. Moreover, we have placed a strong focus on cost-cutting and thorough savings. In addition to scaling costs with output, we have negotiated price reductions with our providers, resulting in savings of over 3.2 trillion VND. Furthermore, we have proposed to government agencies to extend supporting policies on tax and fee reductions.

In 2023, we intensified our efforts in information technology and digital transformation, aligning with our digital transformation strategy for the period 2022 - 2026. By applying new technologies and software to various processes and customer touchpoints, we have increased labor productivity, operational efficiency, and customer satisfaction. Our commitment to social responsibility and sustainable development remained strong. We collaborated extensively with organizations, both domestically and internationally, to undertake meaningful activities such as donating miles for charity, supporting surgeries for children with disabling facial deformities, organizing "Orange Sky" flights to raise gender equality awareness or providing workers with difficult circumstances with free-of-charge flight tickets to help them reunite with families for Tet celebrations...



PP We are confident that **Vietnam Airlines** will accomplish its 2024 business goals and continue to reach further.

> Mr. LE HONG HA President & CEO

Our efforts in 2023 have earned us numerous prestigious awards, including the "Five Star Global Airline" by Airline Passenger Experience Association (APEX); World's 20 Safest Airlines by AirlineRatings; Asia's Leading Airline across 4 categories: Cultural Airline, Economy Class, Cabin Crew and Inflight Magazine and World's Leading Cultural Airline by World Travel Awards 2023; Human Act Prize - Action for Community...

Dear Valued Shareholders,

In 2024, the ever-changing landscape of the aviation world presents both opportunities and challenges. Political conflicts have disrupted the supply chain, significantly impacting the global economy, with fuel prices forecasted to remain high at around 100 USD per barrel.

However, Vietnam's economic growth remains stable, supported by a positive recovery of the international aviation market at 13 - 19% growth rate compared to 2023, about 90% of 2019 level. Based on business forecasting, the Board of Directors and the Board of Management have developed objectives, directions, and key tasks for 2024. Our primary goal is to further reduce losses and achieve a revenue-expenditure balance. We will continue restructuring our assets, capital sources, and investment portfolios, optimizing production and business processes, and innovating corporate governance. We aim to optimize our resources and aircraft fleet utilization, ensuring an adequate supply of pilots, flight

attendants, and engineers. To maintain efficiency and market share, we will adjust our product offerings according to the market dynamic and competitive landscape. We plan to expand our international route network, introduce new routes to Western Europe and Southeast Asia, while diversifying our products, innovating sales activities and sales channels to increase revenue.

We will continually improve service quality towards a 5-star standard, enhancing the passenger experience. Concurrently, we will maintain stringent control over cost-saving and management programs, seeking opportunities for negotiations to extend, postpone, or reduce outstanding debts. Our digital transformation and new technology application efforts will continue to be implemented extensively, aiming to position Vietnam Airlines as a leading digital airline.

Dear Valued Shareholders,

Backed by robust support from the Party, the State, the National Assembly, the Government, and administrative agencies, as well as our shareholders, customers, partners, and suppliers, we are confident that Vietnam Airlines will accomplish its business goals for 2024 and continue to reach further. The Board of Directors, the Board of Management, and all employees of Vietnam Airlines are united in their commitment to developing our company, ensuring sustainable growth, and keeping pace with regional and international competitors./.



CHAPTER

DEVELOPMENT ORIENTATION AND STRATEGY

. Major goals of Vietnam Airlines	
2. Medium-term and long-term development strategy of Vietnam Airlines	17
3. Sustainable development goals	18
4. Risks	20

__ 14 __

1. Major goals of VNA

- Elevate its Safety Culture to the highest, advanced level 5 "Generative" by 2025.
- Attain a position within the Top 3 full-service carriers in Southeast Asia in terms of scale
- Secure a spot among the Top 10 most popular airlines in Asia.
- Strengthen 4-star service and strive towards achieving 5-star status.
- Implement technological transformation towards becoming a digital airline.
- Earn recognition as one of the Best Employers in Vietnam.
- Ensure liquidity and continuous operational capability; progressively improve and restore financial capacity; Secure capital resources essential for business and investment activities.



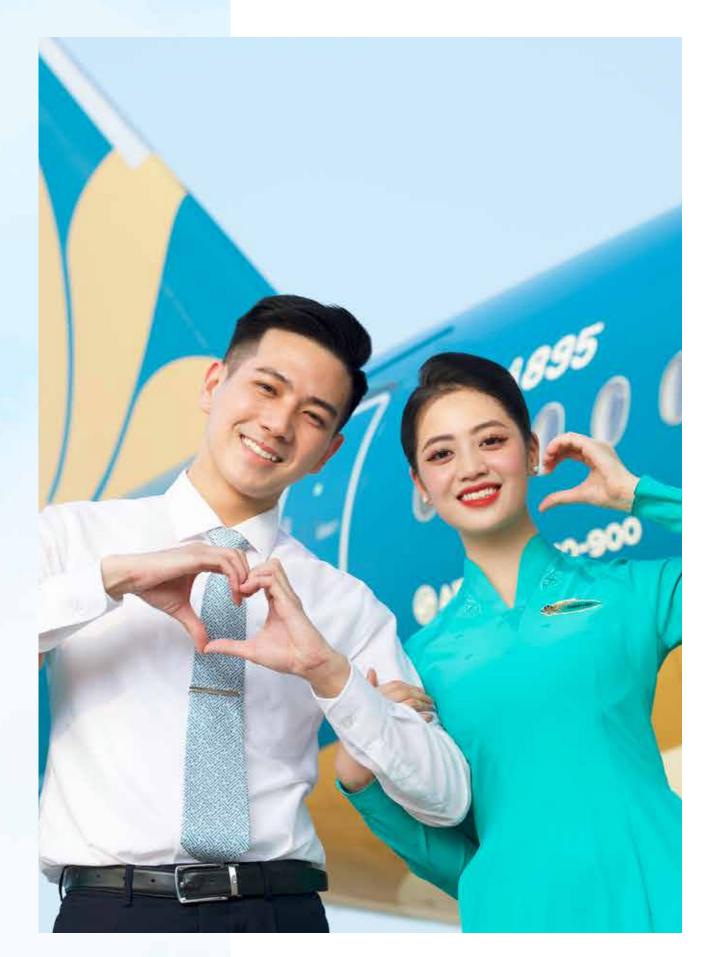
2. Medium-term and long-term development strategy of VNA

- Maintain VNA Group's leading position in the passenger air transport market.
- Achieve a Customer Satisfaction Index (CSI) exceeding 4 points and an average Net Promoter Score (NPS) surpassing 30 points.
- Aim for a total passenger throughput of 252 262 million passengers and a total freight throughput of 3.4 - 3.9 million tons in the period 2021 - 2030, with an average annual growth of 20.9 - 21.6% and 7.9 - 8.9%, respectively.
- Target total revenue and profit before tax of approximately 860.3 trillion VND and 10,061 trillion VND, respectively, in the 2021 - 2030 period.
- Increase the Return on Equity (ROE) to 23.6% by the end of 2030.



3. Sustainable Development Goals

- As the flag air carrier of Vietnam, VNA is responsible for planning and implementing sustainable development programs and goals to minimize environmental impacts while enhancing economic objectives. Our sustainable development plan can be achieved through various measures, such as reducing CO2 emissions through aircraft modernization programs, adopting fuel-saving technologies, optimizing routes, and reducing plastic waste and water usage. Additionally, with the increasing demand for sustainable travel options, businesses that integrate the Sustainable Development Goals (SDGs) into their economic objectives are more likely to attract a larger customer base and improve their reputation. This, in turn, enhances customer loyalty and increases future profitability, contributing to building and sustaining a competitive advantage in the aviation industry.
- VNA is committed to consistently asserting and maintaining the position and reputation of our brand in the hearts of Vietnamese and global customers, aiming to deliver the highest quality products and services to customers while contributing to the overall development of the community and society. In addition to our core business activities, VNA places special emphasis on improving social welfare and actively participates in community development initiatives.
- VNA prioritizes compliance with environmental protection laws by establishing an organizational structure, developing regulations, and implementing control and evaluation measures for the entire system's operations. We also continuously modernize our aircraft fleet with new and advanced models that minimize environmental impact, such as reducing emissions and noise. As a member of IATA and the SkyTeam alliance, VNA aims to fulfill the commitment of the global aviation industry (ICAO, IATA) to achieve net-zero carbon by 2050 through the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA).
- VNA is committed to providing a sustainable, and safe working environment. We invest in the training and development of our human resources, creating favorable conditions for personal and professional growth. We pledge to uphold and protect the rights of our employees, ensuring fair wages and reasonable welfare policies.



4. Risks

 The 2021 - 2025 period represents a transformative phase. Notably, the emergence of the Fourth Industrial Revolution, the proliferation of digital technology, and the advent of Big Data have resulted in shifts in consumer behavior across various customer segments. Additionally, the Vietnamese aviation industry continues to face challenges in environmental protection, risks related to diseases and natural disasters, as well as persisting inconsistencies and contradictions in the legal system. Furthermore, the industry experiences intensified international competition due to the growing prevalence of Open Skies Agreements.

Economic factors

□ Following the COVID-19 pandemic, the global economy is still fragile amidst the ongoing conflict between Russia and Ukraine, leading to high inflation and continuous increase of interest rates by central banks. According to IMF forecasts, global growth is projected to reach only 3.0% in 2023 and 2.9% in 2024, following a growth of 3.5% in 2022. Meanwhile, the World Bank forecasts global growth to range from 2.1% to 2.4% during 2023 - 2024. Vietnam's economy was under enormous pressure during this period. IMF forecasts Vietnam's GDP growth to reach 4.7% in 2023 and 5.8% in 2024, a significant fall compared to the impressive growth rate of 8.0% in 2022 and lower than pre-COVID's level of 7% per year.

Environmental factors

- □ The aviation industry contributes 2% of global CO2 emissions and is expected to become one of the sectors with significant influence on global climate change due to its rapid development. Meanwhile, other industries are transitioning to cleaner energy sources. The adoption of new energy sources is a solution to mitigate the negative impact on the environment and create a positive impression on customers, in line with the trend of carbon reduction and increased recycling in green consumption. This will influence the decision-making process regarding the leasing and utilization of aircraft fleets by airlines.
- Disease outbreaks and environmental disasters are unpredictable events that pose significant risks to the aviation industry. They directly affect people's travel demands, and the aviation sector is often one of the first to bear the consequences of such events.



Competition landscape

- In the domestic market, the macro economy faced many difficulties, leading to a weakening of travel demand in 2023. Although the first quarter of 2023 witnessed a strong recovery of 18% growth compared to 2019, the market stagnated during the peak summer season and gradually weakened in the off-peak months, prompting airlines to adjust capacity to better match market demand and balance productivity with efficiency.
- On the other hand, international market has witnessed a positive recovery following different developments in various market areas. However, in general, the recovery speed in the last months of the year was slower than expected, especially in Northeast Asia. Australia and India were among regions with the strongest boom, pushing competition to the level of competition increased significantly, with airlines constantly entering this region with new routes and increased frequencies.
- □ In summary, Vietnam's aviation market is gradually recovering to 2019's level, however still remains uneven across regions. Some markets stagnated and recovered slowly due to weak demand and the competition has not returned to the level of 2019. This trend is likely to persist in 2024 and 2025.

Disease threats

The removal of rigorous isolation and medical screening measures when COVID-19 was under control enabled international air travel regain its momentum. However, the persistent threat of new COVID-19 variants and other infectious diseases continued to impact the recovery and progress of the aviation industry.



__20__

__ 21__

CHAPTER

COMPANY OVERVIEW

1. General information	24
2. Business lines and Business network	26
3. Establishment and Development history	28
4. Organization and Management structure	30
5. Shareholder structure	40
6. Highlighted events	42
7. Awards and Accolades	46



1. General information

Name in Vietnamese: Tổng Công ty Hàng không Việt Nam

Name in English: Vietnam Airlines JSC

Address: 200 Nguyen Son, Bo De Ward, Long Bien District, Hanoi

■ Telephone number: 024 38 732 732

■ Fax: 024 38 722 375

Website: www.vietnamairlines.com

■ Email: nhadautu@vietnamairlines.com

 Business registration certicate for Joint Stock Company number 0100107518, issued by Hanoi Department of Planning and Investment, and registered for the 9th change on 12 January 2022. Charter capital:

22,143,941,740,000 VND

■ Ticker symbol: HVN; Par value: VND 10,000 per share

Total number of outstanding shares: 2,214,394,174 shares (as of December 31, 2023)



2. Business lines and Business network

2.1 Business lines

The main business of Vietnam Airlines is air transportation of passengers, cargo, luggage, parcels, postal items, and mail.

Other business lines are specied in the Article 5 of the Charter dated June 28, 2022

2.2 Business network

As of December 31, 2023, Vietnam Airlines has



List of dependent units (domestic and overseas)

2.2.1 List of domestic branches/offices

Branch of Vietnam Airlines JSC - Vietnam branch	
Branch of Vietnam Airlines 150 - Vietnam branch	

- 2 Branch of Vietnam Airlines JSC in Tuy Hoa
- 3 Branch of Vietnam Airlines JSC in Chu Lai
- 4 Branch of Vietnam Airlines JSC in Dong Hoi
- 5 Branch of Vietnam Airlines JSC in Hai Phong
- 6 Branch of Vietnam Airlines JSC in Vinh
- 7 Branch of Vietnam Airlines JSC in Dien Bien
- 8 Branch of Vietnam Airlines JSC in Buon Me Thuot
- 9 Branch of Vietnam Airlines JSC in Nha Trang
- 10 Branch of Vietnam Airlines JSC in Quy Nhon
- 11 Branch of Vietnam Airlines JSC in Da Lat
- 12 Branch of Vietnam Airlines JSC in Hue
- 13 Branch of Vietnam Airlines JSC in Pleiku
- 14 Branch of Vietnam Airlines JSC in Can Tho
- 15 Branch of Vietnam Airlines JSC in Phu Quoc
- 16 Branch of Vietnam Airlines JSC in Rach Gia
- 17 Branch of Vietnam Airlines JSC in Thanh Hoa
- Branch of Vietnam Airlines JSC
- Vietnam Air Service Company (VASCO)
- Branch of Vietnam Airlines JSC
 - Flight Training Center
- 20 Branch of Vietnam Airlines JSC in Hanoi
- 21 Branch of Vietnam Airlines JSC in Con Dao
- 22 Branch of Vietnam Airlines JSC in Ca Mau
- Branch of Vietnam Airlines JSC.
- Lotusmiles
- 24 Airport Service and Operation Center (ASOC)
- 25 Heritage Magazine
- 26 Flight Crew 919
- 27 Cabin Crew

2.2.2 List of overseas branches/offices

- 1 Branch of Vietnam Airlines JSC in The United Kingdom
- 2 Branch of Vietnam Airlines JSC in Cambodia
- 3 Branch of Vietnam Airlines JSC in Siem Reap
- 4 Branch of Vietnam Airlines JSC in Taiwan
- 5 Branch of Vietnam Airlines JSC in Kaohsiung
- 6 Branch of Vietnam Airlines JSC in Germany
- 7 Branch of Vietnam Airlines JSC In Republic of Korea
- 8 Branch of Vietnam Airlines JSC in Busan
- 9 Branch of Vietnam Airlines JSC in Hong Kong
- 10 Branch of Vietnam Airlines JSC in Laos
- 11 Branch of Vietnam Airlines JSC in Luang Prabang
- 12 Branch of Vietnam Airlines JSC in Russia
- 13 Branch of Vietnam Airlines JSC in Malaysia
- 14 Branch of Vietnam Airlines JSC in The United States
- 15 Branch of Vietnam Airlines JSC in Myanmar
- 16 Branch of Vietnam Airlines JSC in Japan
- 17 Branch of Vietnam Airlines JSC in Osaka
- 18 Branch of Vietnam Airlines JSC in Fukuoka
- 19 Branch of Vietnam Airlines JSC in Nagoya
- 20 Branch of Vietnam Airlines JSC in France
- 21 Branch of Vietnam Airlines JSC in Singapore
- 22 Branch of Vietnam Airlines JSC in Thailand
- 23 Branch of Vietnam Airlines JSC in Australia
- 24 Branch of Vietnam Airlines JSC in Melbourne
- 25 Branch of Vietnam Airlines JSC in China
- 26 Branch of Vietnam Airlines JSC in Shanghai
- 27 Branch of Vietnam Airlines JSC in Guangzhou
- 28 Branch of Vietnam Airlines JSC in Chengdu
- 29 Branch of Vietnam Airlines JSC in Indonesia
- ____
- 30 Branch of Vietnam Airlines JSC in India
- 31 Representative o ce in Europe



1993



Vietnam National Airlines was iestablished.

1995

Vietnam Airlines Group was incorporated by merging 20 enterprises in the aviation industry.

2002

WVietnam Airlines

Vietnam Airlines launched its new logo - The Golden Lotus, symbolizing outstanding improvements in service quality, flight route expansion, and fleet development

BOEING

2003

Vietnam Airlines overhauled its operations by adopting the holding company model, following Decision No. 372/QD-TTg on April 4, 2003 issued by the Prime Minister Vietnam Airlines received and commissioned the first Boeing 777 aircraft, which marked its fleet modernization project

777

2006



Vietnam Airlines became an official member of IATA

2010



Vietnam Airlines became a State-owned One-Member Limited Liability Company Vietnam Airlines became the 10th member of the SkyTeam Airline Alliance

3. ESTABLISHMENT & **DEVELOPMENT**

HISTORY



2017

LOTUSMILES

January 2017: Vietnam Airlines, whose shares were o cially listed on the UPCOM stock exchange with the ticker HVN, became a public company with leading market capitalization;

September 2017: Received 4-Star Airline Certification from Skytrax for the second consecutive time;

December 2017: Welcomed the 200th million passenger after 20 years of operation and reached 1.5 million Lotusmiles members

2016



July 2016: Officially certificated as a 4-star international airline according to Skytrax ANA Holdings Inc. officially became Vietnam Airlines' strategic shareholder and signed the Share Sale Agreement and Technical Support Agreement

2015

Vietnam Airlines

March 2015: Vietnam Airlines held the first General Shareholders' Meeting and adopted the Charter of Joint Stock Company

April 2015: Officially operated as a Joint Stock Company since April 1, 2015

July 2015: Became the first airline in Southeast Asia and the second in the world to receive the new generation Airbus A350-900 aircraft. Launched the new corporate identity system; Completed the application for a public company and securities registration

2014

September 2014:

The Prime Minister approved Vietnam Airlines' equitization plan

November 2014:

Vietnam Airlines successfully launched its initial public o ering at Ho Chi Minh City Stock Exchange

2018

AIRBUS A321

July 2018: Received 4-Star Airline Certification from Skytrax for the 3rd consecutive time;

October 2018: Signed a cooperation agreement with Vingroup to integrate products of aviation and tourism on the entire flight network and tourist accommodations of the two parties:

November 2018: Officially received the first Airbus A321neo

→ 2019

May 2019: HVN shares were officially listed on Ho Chi Minh Stock Exchange (HOSE) on May 7, 2019;

August 2019: Officially granted a Foreign Air Carrier Permit from the US Department of Transportation to expand the reciprocal codeshare agreement with Delta Air Lines;

October 2019: Welcomed the 100th aircraft to Vietnam Airlines' fleet.

2020

May 2020: 25th anniversary of Vietnam Airlines' establishment

→ 2021



Awarded the 5-star COVID-19 Airline Safety Rating from Skytrax.

November 2021: Operated scheduled direct flights between Vietnam and the **United States**

→ 2022

Received prestigious awards such as "Asia's Leading Airline for Economy Class," "Asia's Leading Airline for Cultural Identity," Asia's Leading Airline Brand, Asia's Best MICE Airline, and Top 1 Famous Brand - Vietnamese competitive brand.

June 2022: Became the first and only airline in Vietnam to obtain the Extended Diversion Time Operations (EDTO) certificate for over 180 minutes for aircraft equipped with 2 engines;

December 2022: Became the first Vietnamese airline to operate flights to/from Europe through the airspace of some West Asian countries.

→ 2023

Ranked among the 20 safest airlines in the world, ranked 44th in the World's 100 Best Airlines awarded by Skytrax, and ranked 1st in the Top 10 Most Recommended Brands in 2022 awarded by YouGov. Established the Sustainable **Development Committee** and published VNA's sustainable development report for the first time.

28

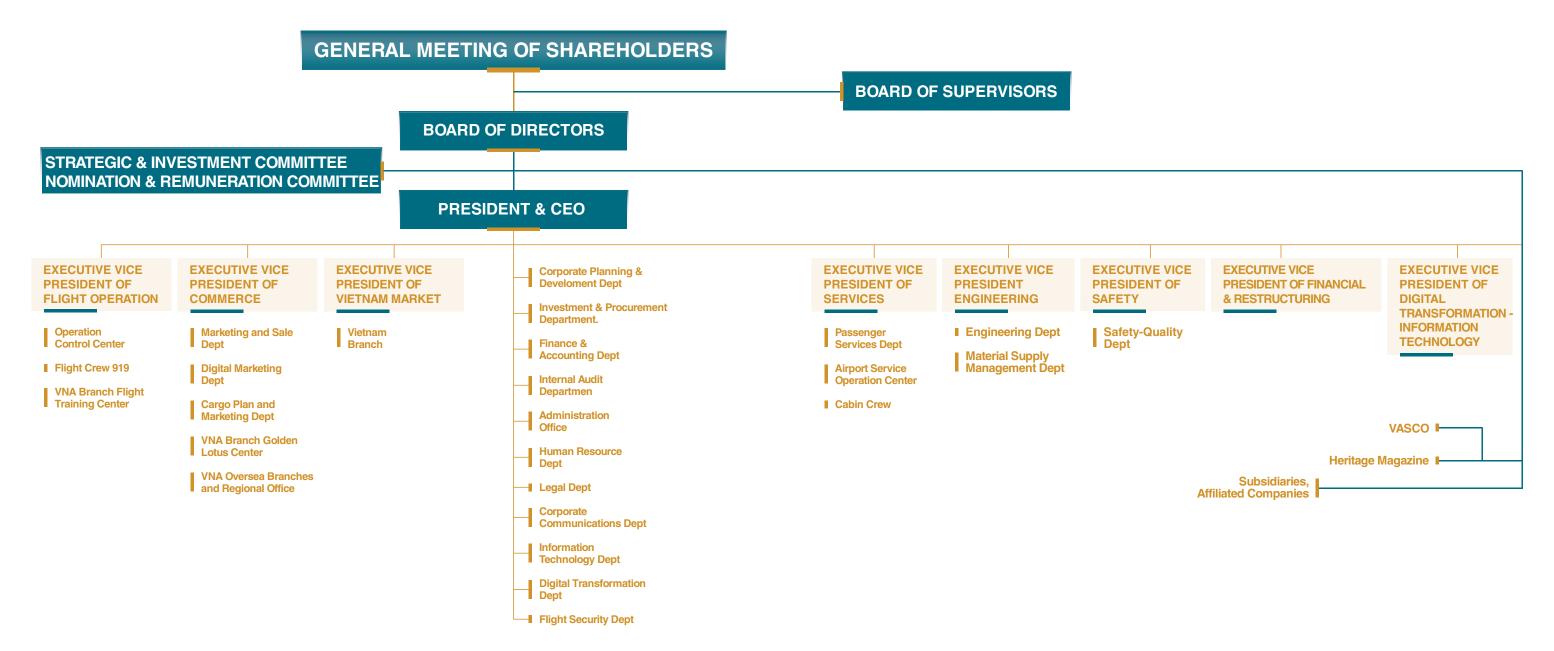
4. Organization and management structure

4.1 Organization structure

Vietnam Airlines is a joint-stock company with legal status in accordance with Vietnamese laws.

Organization chart as of December 31, 2023:

Changes in the organizational structure in 2023: Establishing Indian Branch; Restructuring VASCO to meet the requirements of authorities on AOC; Restructuring ASOC, establishing Branch of Vietnam Airlines Joint Stock Company - Airport Service and Operation Center (ASOC).



30

4.2 The Leadership team as of December 31, 2023

4.2.1 Board of Directors



Mr. Dang Ngoc Hoa Position: Chairman of the Board

- Other organizations: Chairman of Investment and Strategy Committee. Vice Chairman of the Vietnam - China Friendship Association term VII (2023 - 2028). Member of Executive Committee of Vietnam Chamber of Commerce and Industry (VCCI), 2021 - 2026 term
- Year of birth: 1972
- Year of commencement at Vietnam Airlines: 1995
- Qualification: Master of Aviation Engineering



Position: Member of the Board cum President & CEO

- Other organizations: Chairman of Member's Council of Vietnam Air Petrol One-Member Co. Ltd (SKYPEC); Member of the Executive Committee of Vietnam Union of Friendship Organizations term VI of 2019 - 2024 tenure
- Year of birth: 1972
- Year of commencement at Vietnam Airlines: 1994
- Qualification: Bachelor of Economics; Bachelor of Laws





Mr. Ta Manh Hung Position: Member of the Board

- Other organizations: Vice Chairman of the Board of Directors of Cambodia Angkor Air (K6)
- Year of birth: 1972
- Year of commencement at Vietnam Airlines: 1996
- Qualification: Master of Economic Management

Mr. Le Truong Giang

Position: Member of the Board

- Other organizations: Chairman of the Human Resource and Remuneration Committee; Chairman of the Board of Tan Son Nhat Cargo Services JSC (TCS); Member of Executive Committee of the Vietnam Canoeing, Rowing and Sailing Federation, term III (2022 - 2027)
- Year of birth: 1967
- Year of commencement at Vietnam Airlines: 1993
- Qualification: Master of Business Administration



Mr. Dinh Viet Tung

- Position: Member of the Board
- Other organizations: Deputy General Director of SCIC. Chairman of the Board of Directors of SCIC Investment One Member Company Limited. Chairman of the Board of LICOGI Corporation; Chairman of the Board of Bao Minh Insurance Corporation
- Year of birth: 1974
- Year of commencement at Vietnam Airlines: 2021
- Qualification: Master of Banking and Finance

Mr. Truong Van Phuoc

Position: Independent Member of the Board

- Other organizations: Member of the Prime Minister's Economic Advisory Group; Member of the Science Board of Standing Committee of National Assembly
- Year of birth: 1959
- Year of commencement at Vietnam Airlines: 2021
- Qualification: PhD in Finance, Money Circulation and Credit



Mr. Hiroyuki Kometani Position: Member of the Board

- Other organizations: Executive Vice President, Head of Strategy and Future Creation of ANA Holdings
- Year of birth: 1965
- Year of commencement at Vietnam Airlines: 2022
- Qualification: Bachelor of Economics



4.2.2 Board of Management

Mr. Le Hong Ha

Position: Member of the Board cum President & CEO

- Other organizations: Chairman of Member's Council of Vietnam Air Petrol One-Member Co. Ltd (SKYPEC); Member of the Executive Committee of Vietnam Union of Friendship Organizations term VI of 2019 - 2024 tenure
- Year of birth: 1972
- Year of commencement at Vietnam Airlines: 1994
- Qualification: Bachelor of Economics; Bachelor of Laws





Mr. Trinh Hong Quang

Position: Executive Vice President

- Other organizations: Member of the Executive Committee of the Vietnam Organ Transplant Association, term 2022 - 2027
- Year of birth: 1963
- Year of commencement at Vietnam Airlines: 1992
- Qualification: Master of Business Administration



Mr. Nguyen Chien Thang

Position: Executive Vice President

- Other organizations: Chairman of the Members' Council of Vietnam Airlines Engineering Company Limited (VAECO). Vice Chairman of Vietnam Aircraft Leasing Joint Stock Company (VALC)
- Year of birth: 1972
- Year of commencement at Vietnam Airlines: 1995
- Qualification: Master of Aviation Engineering



Mr. To Ngoc Giang Position: **Executive Vice President**

- Other organizations: Captain of the Flight Crew Division 919, Vice President of the Vietnam - France Friendship and Cooperation Association, term VII (2022 - 2027). Chairman of the Board of Directors of Viet Flight Training Joint Stock Company.
- Year of birth: 1970
- Year of commencement at Vietnam Airlines: 1995
- Qualification: Master of Science/ Pilot



Mr. Dinh Van Tuan

Position: Executive Vice President

- Other organizations: Chairman of the Board of Directors of Pacific Airlines JSC (PA).
- Year of birth: 1970
- Year of commencement at Vietnam Airlines: 1996
- Qualification: Master of Development Economics



Mr. Nguyen The Bao

Position: Executive Vice President

- Other organizations: General Director of Vietnam Branch
- Year of birth: 1975
- Year of commencement at Vietnam Airlines: 1994
- Qualification: Master of Political Economics



Position: Executive Vice President

- Other organizations: Chairman of the Board of Directors of Noi Bai Airport Services JSC (NASCO)
- Year of birth: 1972
- Year of commencement at Vietnam Airlines: 1997
- Qualification: Master of Business Administration



Mr. Dang Anh Tuan

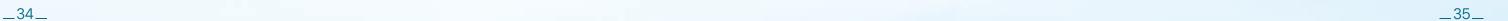
Position: Executive Vice President

- Other organizations: Director of Corporate Communications Department. Chairman of the Board of Directors of Aviation Information - Telecommunications Joint Stock Company. Director of Propaganda Department
- Year of birth: 1973
- Year of commencement at Vietnam Airlines: 1992
- Qualification: Master of Business Administration, Master of Public Administration

Mr. Trinh Ngoc Thanh Position: Executive Vice President

- Other organizations: Chairman of the Member's Council of Vietnam Airport
- Ground Services Company Limited (VIAGS); Member of IATA's Industry A airs Advisory Council (IAAC); Member of Vietnam's Slot Coordination Council
- Year of birth: 1964
- Year of commencement at Vietnam Airlines: 1988
- Qualification: Master of Business Administration





4.2.3 Chief Accountant

Mr. Tran Thanh Hien

Position: Chief Accountant cum Director of Finance and **Accounting Department**

- Year of birth: 1963
- Year of commencement at Vietnam Airlines: 1992
- Qualification: Master of Business Administration



4.2.4 Board of Supervisors



Mrs. **Duong Thi Viet Tham** Position: Chief Supervisor

- Year of birth: 1971
- Year of commencement at Vietnam Airlines: 1993
- Qualification: Bachelor of Accounting

Mrs. Nguyen Thi Hong Loan

Position: Member of the Board of Supervisors

- Other organizations: Deputy Manager of General Planning SCIC
- Year of birth: 1979
- Year of commencement at Vietnam Airlines: 2021
- Qualification: Master of Business Administration





Ms. Le Truc Quynh Position: Member of the Board of Supervisors

- Year of birth: 1993
- Year of commencement at Vietnam Airlines: 2023
- Qualification: Master of Accounting and Finance

4.2.5 Chief Administrator - Corporate Secretary



Mrs. Kim Thi Thu Huyen

Position: Chief Administrator - Secretary of the company

- Year of birth: 1972
- Year of commencement at Vietnam Airlines: 1996
- Qualification: Master of Business Administration

4.3 Committees under the Board of Directors

Investment and Strategy Committee

- Mr. Dang Ngoc Hoa, Chairman of the Board Chairman of the Committee
- Mr. Le Hong Ha, Member of the Board cum President & CEO Member
- Mr. Ta Manh Hung, Member of the Board Member
- Mr. Le Truong Giang, Member of the Board Member
- Mr. Le Duc Canh, Executive Vice President Member
- Mr. Tran Thanh Hien, Chief Accountant cum Director of Finance and Accounting Department Member
- Mr. Nguyen Quang Trung, Director of Planning and Development Department Member
- Mr. Do Dong Hung, Deputy Director of Corporate Communications Department

Human Resource and Remuneration Committee

- Mr. Le Truong Giang, Member of the Board Chairman of the Committee
- Mr. Nguyen Chien Thang, Executive Vice President Member
- Mr. Vu Dinh Thuy, Director of Human Resource Department Member
- Mr. Trieu Hai Dang, General Manager of Human Resource Department Secretary

37 _36_

03 Company overview

4.4 List of Subsidiaries and Affiliates as of December 31, 2023

4.4.1 List of Subsidiaries

Unit million VND

					Unit r	million VND
No	Subsidiaries	Short name	Address	Business lines	Actual charter capital	Stake of VNA(%)
1	Vietnam Airlines Engineering Limited	VAECO	Noi Bai International Airport. Phu Minh Commune. Soc Son District Hanoi	Maintenance, and repair of aircraft, engines, and spare parts	1,093,117	100.00
2	Vietnam Air Petrol Limited	SKYPEC	202 Nguyen Son. So De Ward. Long Bien District, Hanoi	Airline fuel supply	800,000	100.00
3	Vietnam Airlines Caterers Limited	VACS	Tan Son Nhat International Airport. Ward 2. Tan Đinh District HCMC	Airline catering services	85,440	100.00
4	Vietnam Airport Ground Services	VIAGS	49 Truong Son, Ward 2. Tan Binh District, HCMC	Ground, technical, and commercial services	250,000	100.00
5	Pacific Airlines	PA	112 Hong Ha. Ward 2. Tan Dinh District HCMC	Aviation transportation	3,522,001	98.84
6	Koi Bai Cargo Terminal Services	NETS	No, Bai International Airport. Phu Minh Commune. Soc Son District Hanoi	Air cargo services	261,669	55.13
7	Tan Son Nhat Cargo Services LimitedJSC	TCS	46 - 48 Hau Giang. Ward 4. Tan Binh District, HCMC	Air cargo services	93,726	55.00
8	Tan Son Nhat Cargo Services and Forwarding Limited	TECS	6 Thang Long. Ward 4. Tan Binh District, HCMC	Air cargo services	51,430	51.00
9	Vinako Forwarding Company Limited	VIN AKO	49 Truong Son, Ward 2. Tan Binh District, HCMC	Forwarding, logistics, warehousing services.*.	8,573	65.05
10	Koi Bai Catering Services JSC	NCS	Noi Bai Inter national Airport. Phu Minh Commune. SocSon District Hanoi	Airline catering services and related services	179,491	60.17
11	Noi Bai Airport Services JSC	NASCO	Noi Bai International Airport, Phu Minh Commune. Soc Son District Hanoi	Support services in aviation and related services	83,158	51.00
12	Viet Flight Training JSC	VFT	117 Hong Ha. Ward 2. TanBinh District, HCMC	Pilot training	66,000	51.52
13	Aviation Information and Telecommunications JSC.	AITS	414 Nguyen Van Cu, Bo De Ward, Long Bien District, Hanoi	IT and telecommunications services	58,032	52.73
14	Aviation Labor Supply and Import-Export JSC.	ALSIMEXC	1, Alley 200/10 Nguyen Son. Bo De Ward, Long Dien District.	Labor export and import	10,000	51.00
15	Sabre Vietnam JSC	SABRE VN	5th Floor. De Nhat Building. 53 Quang Trung, Nguyen Du Ward. Hai Đa Trung District. Hanoi	Services related to the distribution of the Sabre system and call system	5,200	51.69

4.4.2 List of Affiliates

No	Affiliates	Short name	Address	Business lines	Paid-in charter capital	Stake of VNA(%)
1	Vietnam Aircraft Leasing JSC	VALC	6' Floor. 18 LyThuong Kiet Phan Chu Trinh Ward, Hoan Kiem Ward. Ha Noi	Purchase, Lease, and sublease of aircraft	63,315,837 USD	32.48
2	Da Nang Airport Service JSC	MASCO	Da Nang International Airport. Hai Chau District Da Nang City	Air catering services, direct support services for air transportation	42,677 (VND million)	36.11
3	General Aviation Import-Export JSC	AIRIMEX	414 Nguyen Van Cu, Bo De Ward. Long Bien District. Ha Noi	Import and distribution of aircraft spare parts and airport ground equipment	31,113 (VND million)	41.31
4	Aviation High-Grade Plastic JSC	APLACO	Alley 200 Nguyen Son. Bo De Ward, Long Bien District, Ha Noi	High-grade plastic	44,708 (VND million)	30.41

4.4.3 List of others

No	Others	Short name	Address	Business lines	Paid-in charter capital	Ownership of VNA (%)
1	Cambodia .Angkor Air	K6	206A, Preah Norodom Blvd, Sangkat Tonle Basac. Khan Chamkarmon, Phnom Penh, Cambodia	Transport of air cargo and air passenger	14,000,000 (USD)	14.00
2	Saigon Posts & Telecommunications Service Joint Stock Corporation	SPT	10 Co Giang, District 1, Ho Chi Minh City	Posts, Telecommunications and Information Technology	4,315 (VND million)	0.36

38 _39_

5. Shareholder Structure

5.1 Stock information

Type of share	Common shares	
Par value	10,000 VND / per share	
Total number of outstanding shares	2,214,394,174 shares	
Total number of listed shares	2,214,394,174 shares	

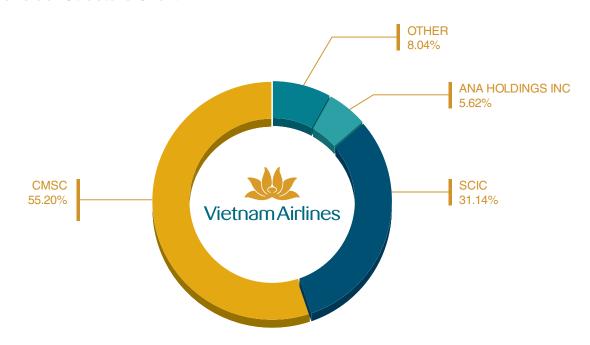
5.2 Shareholder structure: according to the list of shareholders dated October 12th, 2023

NO.	Shareholder	Number of shares	Ownership (%)	Number of shareholders
1	Local	2,083,081,610	94.07	39,414
1.1	Individual	152,932,871	6.91	39,370
1.2	Institution	1,930,148,739	87.16	44
	Commission for the Management of	1,222,368,291	55.20	1
	State Capital at Enterprises (CMSC)			
	State Capital Investment	689,488,080	31.14	1
	Corporation (SCIC)			
	Other	18,292,368	0.83	42
2	Foreign	131,312,564	5.93	752
2.1	Individual	5,846,547	0.26	721
2.2	Institution	125,466,017	5.67	31
	ANA Holdings Inc.	124,438,698	5.62	1
	Other	1,027,319	0.05	30
	Total	2,214,394,174	100.00	40,166

List of Major Shareholders (ownership above 5% of the state)

NO.	SHAREHOLDER	NUMBER OF SHARES	Ownership (%)
1	Commission for the Management of	1,222,368,291	55.20%
	State Capital at Enterprises (CMSC)		
2	State Capital Investment Corporation (SCIC)	689,488,080	31.14%
3	ANA HOLDINGS INC	124,438,698	5.62%

Shareholder Structure Chart



5.3 Changes in Owner's Equity

NO.	Time	Valu	Charter Capital	Forms of capital increase
1	April 2015	1,076,689,380,000	11,198,648,400,000	
2	July 2016	1,907,570,690,000	12,275,337,780,000	Private placement to
				foreign investors
3	December 2018	7,961,033,270,000	14,182,908,470,000	Offering of shares to
				existing shareholders
4	September 2021		22,143,941,740,000	Offering of shares to
				existing shareholders

40

6. Highlighted Events

2023 is a significant milestone, marking the **30th anniversary of the establishment of Vietnam Airlines**. Although the past year has gone through many ups and downs, with the bravery of Vietnam Airlines along with the Board of Directors' flexibility in operating and grasping all market developments and opportunities, the country's flag carrier has overcome difficulties and has proud achievements

■ Safe service, especially focusing on flights serving Party and State leaders

With its national mission, Vietnam Airlines is proud to successfully complete the political tasks assigned by the Party and State. In 2023, the Airline successfully carried out all specialized flights to serve leaders of the Party, State, Government and National Assembly. All flights are carried out maintaining the highest standards, with experienced flight crews, a team of highly specialized engineers, technicians and ground staffs, ensuring safety, security, and attention.



■Contributing to the mutual success of Committee for Management of State Capital at Enterprises

In 2023, Vietnam Airlines tried to fulfill missions, plans, and assigned targets along with 18 Corporations and Enterprises belonging to the Committee for Management of State Capital at Enterprises (CMSC) to place significant roles in main economic sectors and fields, ensure military security, society security, implement mission assigned by Party and State; show, create a remarkable income for the Government budget. As the representative of the State capital, CMSC instructed, guided, supported, and supervised Vietnam Airlines in the manufacturing business, as well as companion, work with the Vietnam Airlines JSC to get over obstacles. Moreover, Vietnam Airlines with 18 Corporations and Enterprises belonging to the CMSC organised a wide range of activities including running, soccer competitions, tennis, art performance and so on.







Sign and expand cooperation with provinces, cities, agencies and businesses

Vietnam Airlines continues to promote proactive cooperation, both internally and externally to expand its market and create new relationships. The cooperation is built on the basis of sustainable development, for the common goals of Vietnam Airlines. In 2023, the Airline has signed agreements with a series of provinces and cities such as: Ho Chi Minh City, Ha Nam, Thai Nguyen, Da Nang, etc. and increased cooperation with organizations such as: VTV Cab, MobiFone, Visa, TTC Group, Singapore Tourism Board, etc.



■ Joined the Association of Asia Pacific Airlines

Vietnam Airlines officially joined the Association of Asia Pacific Airlines (AAPA) on November 14, 2023. The event affirms Vietnam Airlines' new steps in expanding international cooperation, strengthening operations and enhancing its position in the region.

■ 30 years of reaching out to the region and the world

As Vietnam Airlines, the country's flag carrier, marks the 30th anniversary of its establishment in May (1993 - 2023) 2023. Over 30 years of development, Vietnam Airlines has transported more than 300 million passengers, approximately 4.5 million tons of goods on 1.6 million flights, reached a revenue of 1.1 million billion VND and paid more than 65,300 billion VND to the state budget. The Airline has contributed to national economic development and social security by creating tens of thousands of stable jobs in air transport, cargo transport and support fields.



■ Successfully organized the 2023 Annual General Meeting of Shareholders

Vietnam Airlines successfully organized the 2023 Annual General Meeting of Shareholders on December 16, 2023. At the Congress, Vietnam Airlines leaders and shareholders shared that the Airline pays special attention to implementing the restructuring project which aiming to balance overhead with revenue from 2024, while making efforts to restructure production and business activities, proactively developing and implementing solutions for financial restructuring, asset restructuring, streamlining the organizational structure, improving the quality of resources; promoting the application of information technology and digital transformation, closely following Vietnam Airlines' digital transformation strategy for the period 2022 - 2026.



42

■ Purchase 50 Boeing 737 MAX aircraft

On September 11, 2023, in Hanoi, Vietnam Airlines and Boeing aircraft manufacturer signed a memorandum of understanding on the sale of 50 Boeing 737 MAX narrow-body airliners with a value of 10 billion USD. This cooperation has special significance in the context of US President Joe Biden's official visit to Vietnam and the two countries Vietnam - United States raising the relationship to the Comprehensive Strategic Partnership. The signing event is part of the narrow-body airliner project to serve the development plan and improve service quality of Vietnam Airlines on domestic and Asian routes, and at the same time help the Airline complete its modern, comfortable and fuel-efficient aircrafts.





■ Welcome the 5 millionth Lotusmiles member

Vietnam Airlines' Lotusmiles program welcomed its 5 millionth member in August 2023. With 5 million loyal customers, Vietnam Airlines takes the leading position in term of loyal customers in Vietnam and is in the mid-range of airlines in the SkyTeam airline alliance. This number is proof that Airline is constantly improving service quality and attentiveness in customer care.

Host the IATA World Safety & Operations **Conference 2023**

From September 19 - 21, 2023, the International Air Transport Association (IATA) officially organized the World Safety & Operations Conference 2023 in Hanoi. Vietnam Airlines is honored to be the host airline hosting this important conference. The conference gathered more than 800 guests who are representatives of airlines and international organizations in the aviation field around the world. The fact that Vietnam Airlines was selected as the host airline for this event has shown the international community's trust in the safety and operational efficiency of Vietnam Airlines as well as the entire Vietnamese aviation industry



■ Successfully organized the Trade Union Congress, term 2023 - 2028

On October 11, 2023, the 6th Trade Union Congress of Vietnam Airlines, term 2023 - 2028, took place successfully. With the motto "Innovation - Democracy - Solidarity - Development", the Congress identified 3 strategic breakthroughs and 7 key tasks such as: "Accompanying businesses, taking care of the material life of employees; Building harmonious, stable and progressive labor relations within Vietnam Airlines". "Building a team of union officials with intelligence, bravery, enthusiasm, responsibility, and prestige". "Comprehensive digital transformation in trade union activities, prioritizing union member management and finance".



■ Increase frequency and open new routes, aiming to completely restore the international flight network

From September 2023, Vietnam Airlines continues to increase frequency on many routes to Europe, Australia and China, thereby restoring nearly 90% of the international flight network frequency to meet the increasing travel needs of passengers. At the same time, the National flag carrier continues to open 4 new routes: Hanoi and Mumbai (India), Da Nang - Don Muong (Thailand), Ho Chi Minh City -Melbourne and Ho Chi Minh City - Perth Australia).



__44__ __45__

7. Awards and Accolades

I. International award

- 1 Top 20 Safest Airlines In The World by AirlineRatings
- 2 World Travel Award:
 - Asia's Leading Airline for Crew Services
 - Asia's Leading Inflight Magazine awarded by World Travel Award
- 3 Asia's Best MICE Airline awarded by World Travel Award
- 4 Five Star Global Airline awarded by APEX
- 5 Top 10 Best Airlines In The World by Bounce











II. Domestic award

- 1 National brand awarded by the Ministry of Industry and Trade
- 2 Top 10 famous brands awarded by Vietnam Intellectual Property Association
- 3 Enterprises meeting Vietnamese business culture standards awarded by the Central Propaganda Department and the Ministry of Industry and Trade
- 4 Awards given by Brand Finance:
 - □ The most valuable airline in Vietnam
 - Top 5 enterprises growing brand strength in the whole industry
- Human Act Prize (Action for community) Persistence project "Connecting Love With the Golden Lotus" awarded by VCCorp.







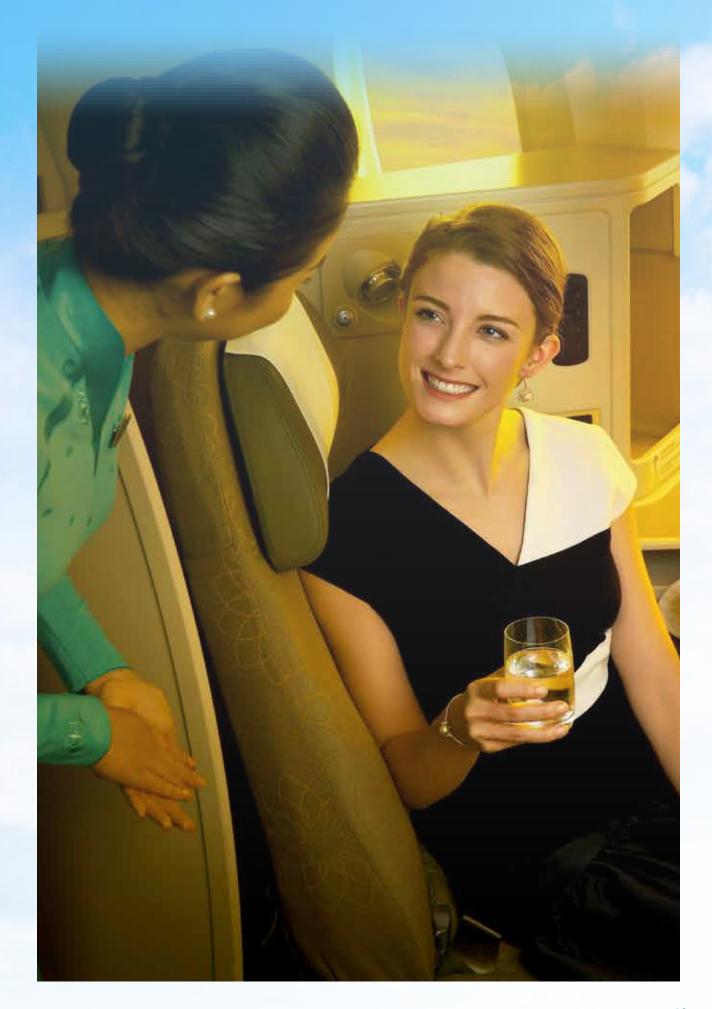




CHAPTER

BUSINESS PERFORMANCE

1. Key operational indicators	50
2. Key financial indicators	54



1. Key operational indicators

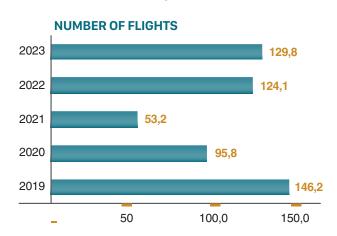
1.1 Vietnam Airlines (VNA và VASCO)

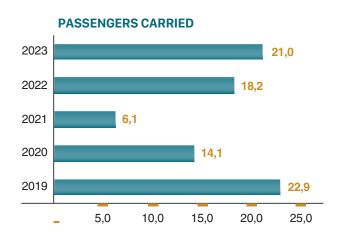
Updated data 2019 - 2023

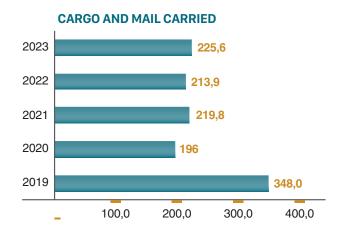
Unit	2019	2020	2021	2022	2023
Thousand (one-way)	146.2	95.8	53.2	124.1	129.8
Million	22.9	14.1	6.1	18.2	21.0
Thousand tons	348	196	219.8	213.9	225.6
Billion passengers km	37.6	15.2	5.1	20.9	33.2
Billion scats km	46.5	19.4	7.2	28.1	42.2
%	80.9%	78.3%	71.6%	74.4%	78.8%
%	29.1%	39.6%	40.5%	33.4%	9.3%
	Thousand (one-way) Million Thousand tons Billion passengers km Billion scats km	Thousand (one-way) 146.2 Million 22.9 Thousand tons 348 Billion passengers km 37.6 Billion scats km 46.5 % 80.9%	Thousand (one-way) 146.2 95.8 Million 22.9 14.1 Thousand tons 348 196 Billion passengers km 37.6 15.2 Billion scats km 46.5 19.4 % 80.9% 78.3%	Thousand (one-way) 146.2 95.8 53.2 Million 22.9 14.1 6.1 Thousand tons 348 196 219.8 Billion passengers km 37.6 15.2 5.1 Billion scats km 46.5 19.4 7.2 % 80.9% 78.3% 71.6%	Thousand (one-way) 146.2 95.8 53.2 124.1 Million 22.9 14.1 6.1 18.2 Thousand tons 348 196 219.8 213.9 Billion passengers km 37.6 15.2 5.1 20.9 Billion scats km 46.5 19.4 7.2 28.1 % 80.9% 78.3% 71.6% 74.4%

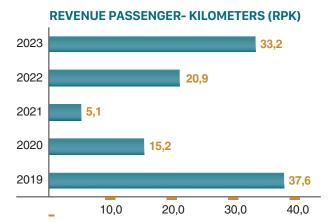
Note: 2019 - 2022 data published in previous years' annual reports

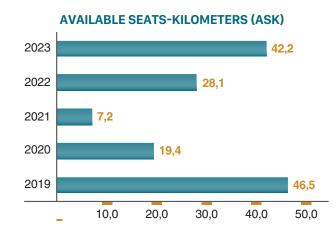
Column chart for the period 2019 - 2023

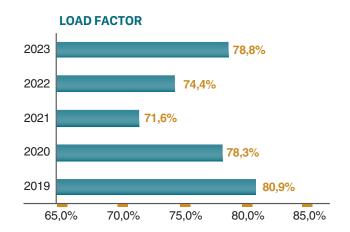




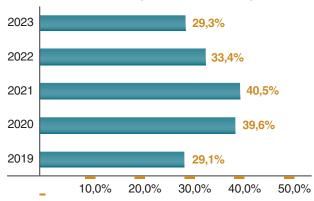








MARKET SHARE (WHOLE NETWORK)



Vietnam Airlines Annual Report 2023 a

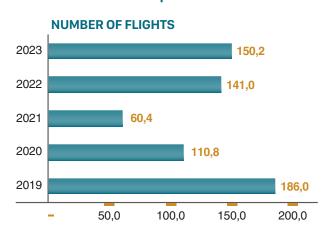
1.2 Vietnam Airlines Group (VNA, VASCO và PA)

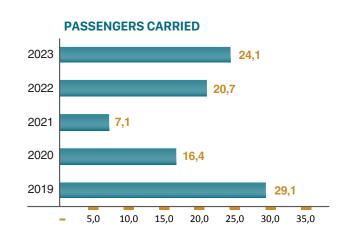
Update date 2019 - 2023

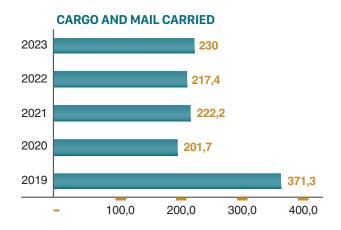
Metric	Unit	2019	2020	2021	2022	2023
Number of flights	Thousand (one-wav)	186.0	110.8	60.4	141.0	150.2
Passengers carried	Million	29.1	16.4	7.1	20.7	24.1
Cargo and parcel carried	Thousand tons	371.3	201.7	222.2	217.4	230
Revenue Passenger-Kilometers (RPK)Billion passengers km		42.9	17.0	5.8	22.6	35.4
Available Seat-Kilometers (ASK)	ilometers (ASK) Billion scats km		21.6	8.2	30.2	44.9
Load Factor	%	81.2%	78.5%	71.4%	74.9%	78.8%
Market share %		37.0%	46.1%	46.5%	37.7%	33.6%

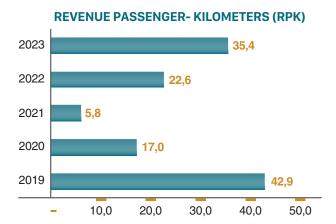
Note: 2019 - 2022 data published in previous years' annual reports

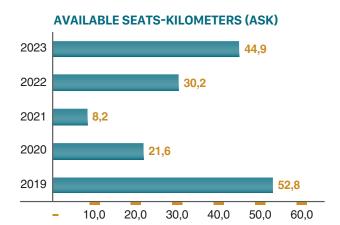
Column chart for the period 2019 - 2023

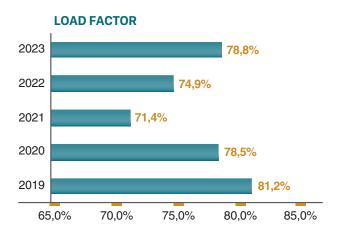


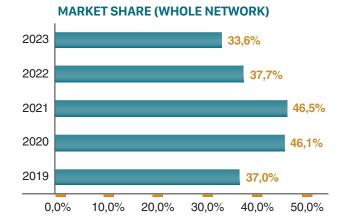






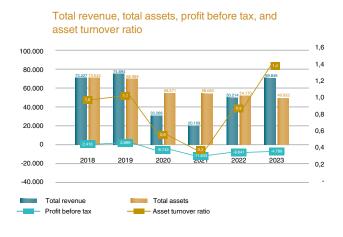


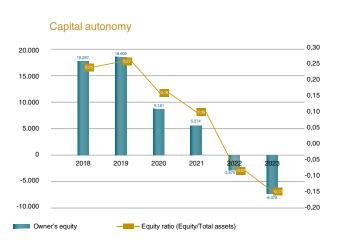


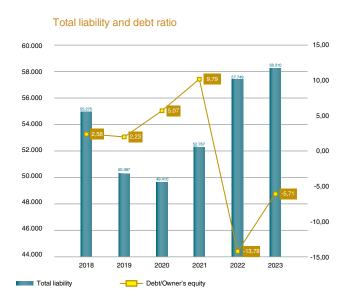


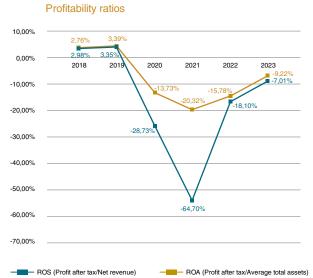
2. Key financial indicators

2.1 Parent Company

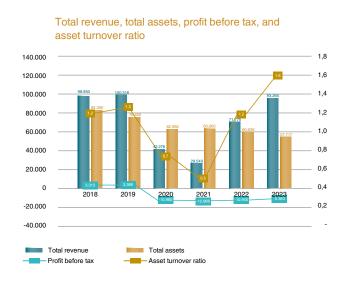


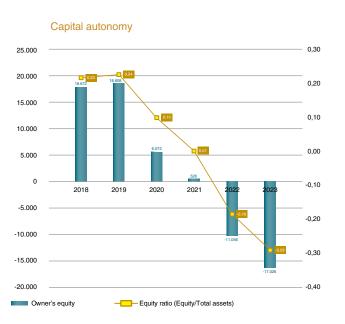


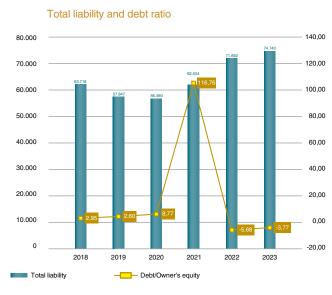


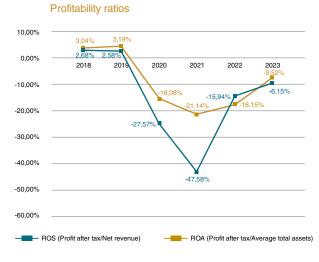


2.2 Consolidated results

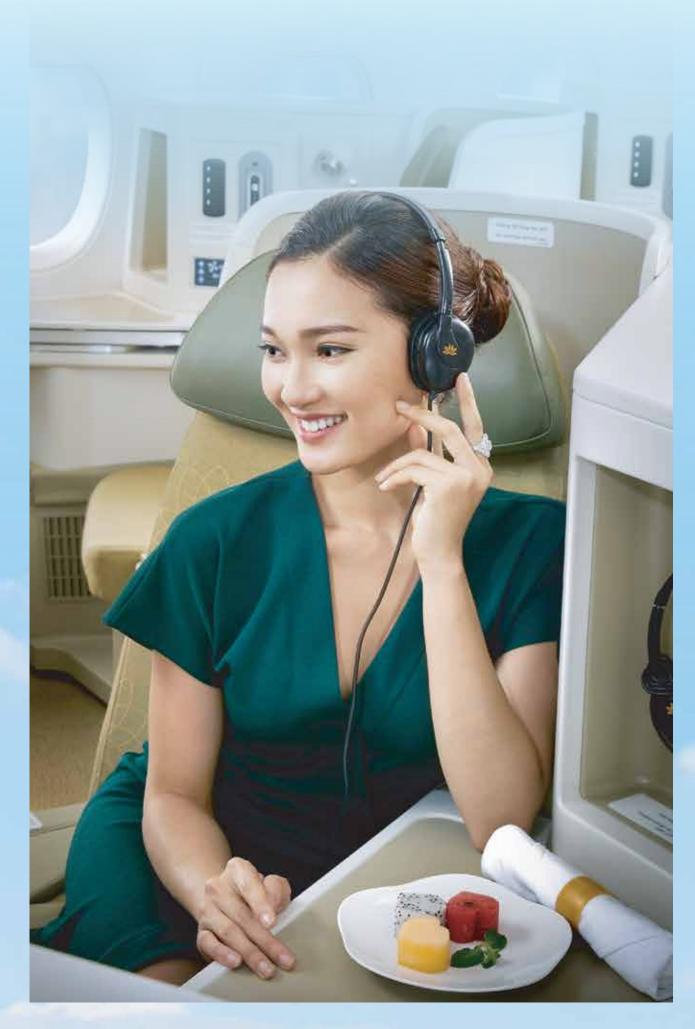








54



CHAPTER

ASSESSMENTS OF THE BOARD OF DIRECTORS

1. On the operations of Vietnam Airlines	58
2. On the activities of the Board of Management	60
3. On the orientation of the Board of Directors	61

56

1. Vietnam Airlines Operations

1.1 VNA business activity

Successfully organized the Annual General Meeting of Shareholders to approve contents according to authority and regulations.

Production and business activities: VNA has proactively and effectively deployed a series of solutions to manage production and business activities in accordance with market developments, ensuring absolute safety for operations. Its network covers 56 regular routes, and expanded services to HAN/SGN - BOM, HAN - MEL, SGN - PER. The domestic flight network has completely recovered compared to 2019 with 45 routes.

VNA strengthens governance and optimizes costs in all departments, fields, agencies and units within VNA. At the same time, VNA recommends that state agencies consider extending policies to support tax and fee reduction (reducing environmental protection tax costs in 2023); Continues to negotiate and defer payments with suppliers regarding aircraft rentals, repairs and maintenance, flight service expenses, etc. In addition, VNA also regularly evaluates and proposes timely solutions to optimize revenue and reduce losses compared to plan; Manage cash flow flexibly, ensure continuous operations, and continue to improve service quality.

VNA has won many service awards (Top 20 Safest Airlines In The World by AirlineRatings; "Five-Star Global Airline" from the Airline Passenger Experience Association (APEX), etc.), always fulfills its role as country's flag carrier.

Innovating sales and increasing RASK: Managing flight route on the basis of increasing seat utilization ratio, increasing the sale of ancillary revenue on total transportation revenue.

Enhancing coordination of commercial activities and products among companies in VNA Group to optimize resource efficiency and competitiveness.

Continuing to restructure the sales system, innovating sales activities towards proactive sales, expanding the market, and increasing access to many customer segments. Developing specific marketing and sales programs for each customer group, especially for foreign markets.

Merchandise sales maintain the number one position,

leading the market of the National Airlines in the domestic market; Managing and optimizing revenue on routes with high load utilization factors, deploying low-segment sales to fill flight loads.

Upgrading online sales tools (web/app), continuing to improve customer experience through online channels and personalize marketing to customers, increasing the proportion of revenue through these channels.

Developing and implementing new strategic and tactical advertising programs to rejuvenate VNA's image in a modern, friendly and more suitable way with industry trends and customer needs.

Solutions to ensure liquidity and continuous operation: VNA always focuses on improving the quality of planning and financial balance, proactively developing financial plans suitable to the production and business situation, regularly reviewing cost items, expenditure norms, and practicing cost savings; Restructuring debt, flexibly using short-term loans to compensate for cash flow shortages. With the production and business situation gradually improving in the first months of the year and peak periods such as Tet, especially during the summer peak period, VNA's cash flow has improved significantly. VNA has also somewhat balanced its cash flow to ensure the maintenance of production and business activities, supporting the payment of overdue debt to partners as committed, repaying debt to member companies, repaying member companies, repaying bank debt and paying for ticket refunds to ensure credibility with partners and customers, maintain smooth supply and business operations.

Improving resource efficiency: VNA deploys effective and flexible management of flight schedules to optimize aircraft resources, pilot and flight attendant schedules, and increase the efficiency of VNA's general resources. Develop high-quality human resources, increase the Vietnamese pilot force to replace the use of foreign pilots, and expand the development of international pilot careers; use resources with high productivity; Reduce labor costs per unit of output.

Digital transformation: In 2023, the Board of Directors (including the Chairman of the Board of Directors - Head of the Digital Transformation Steering Committee) has closely followed and given timely instructions in digital transformation.

VNA established Digital Transformation Project Teams headed by EVP to directly implement VNA"s important Digital Transformation Projects to speed up progress and ensure efficiency.

VNA has implemented many key digital transformation programs with synchronous implementation of core systems in the Commercial, Service, and Technical sectors (putting into operation the MRO-IT project, Amadeus PSS, RMS, SkyOffice system), digitization of professional documents, etc. serving as an important premise for Transformation to improve business efficiency, labor productivity, customer and employee experience.

TCT has deployed virtual infrastructure to the Cloud for key applications such as Contract management, mobile App infrastructure, and completed the planning and deployment of the Internet system at TCT.

VNA has continued to promote the development of Vietnam Airlines Digital Culture with the development of specific behavioral standards according to digital culture criteria as well as the issuance of standard documents such as Digital Culture Handbook, Digital Culture Declaration, etc.

Restructuring, streamlining labor and organizational apparatus: The Board of Directors continues to direct, review, consolidate and adjust organizations, agencies and entities to meet the production and business requirements of VNA: Strengthen the Vietnam Branch organization; Reorganize ASOC into ASOC Branch, Reorganize VASCO.

Master plan of solutions to overcome difficulties for VNA due to the impact of the Covid-19 pandemic (Master plan): VNA continues to improve and report to the Capital Management Committee and competent authorities to consider and resolve problems with mechanisms and policies, and at the same time proactively implement a number of urgent solutions under the direction of Government Leaders.

Investment project at Long Thanh International Airport: VNA evaluates that the investment in the project "VNA's synchronous aviation specialized service complex at Long Thanh International Airport" is an important basis for recovery and sustainable development in the post-Covid-19 period, VNA is preparing related procedures to invest this project.

1.2 Results of implementing the Resolution of General Meeting of Shareholders

Results of implementating the 2023 business plan

In order to implement the contents approved by the General Meeting of Shareholders, the Board of Directors has drastically directed business solutions from the beginning of the year towards the goal of ensuring continuous, sustainable operations and reducing losses.

In the first half of 2023, the recovery momentum of the air transport market has been quite strong, but it has tended to slow down since the second quarter; International air transport activities remained much lower than pre-pandemic levels; Although important input factors (fuel prices, interest rates, exchange rates) were more stable, they were still at a high level. In the second half of 2023, production and business activities have encountered many difficulties due to the summer peak results being lower than expected, declining demand in key markets, unfavorable domestic market situation, recurring overcrowding and decline in average

revenue. However, with the efforts of the entire system, VNA's production and business results in 2023 have reduced losses compared to the plan approved by the General Meeting of Shareholders.

(The results of some targets assigned by the General Meeting of Shareholders in 2023 are presented in detail in the Business Report submitted to the General Meeting of Shareholders).

Salary and remuneration of the Board of **Directors and the Board of Supervisors**

Salary and remuneration of the Board of Directors and Board of Supervisors in 2023 were implemented in accordance with the approval of the General Meeting of Shareholders. (details in "Report on salaries and remunerations of the Board of Directors and Supervisory Board implemented in 2023 and plan for 2024" submitted to the 2023 Annual General Meeting of Shareholders).

Sale of six ATR72 aircraft to replace with regional jet fleet

Based on the approved plan in Resolution 1551/ NQ-HĐQT/TCTHK dated October 29, 2021VNA initiated the sale of 6 ATR72-500 aircraft in the first round in 2021, but it was not successful. IBased on the plan to sell an ATR72-500 aircraft approved in NQ1547/NQ-HDQT/TCTHK dated November 13, 2023, VNA launched the sale (the second time) of an ATR72-500 VN-B225 aircraft in February 2024 and continue to develop a plan to sell the other five aircraft in accordance with the market situation and exploitation needs of VNA. The second sale result was not successful.

Decision to sell 09 A321CEO aircraft

In 2023, VNA successfully sold and auctioned three A321CEO aircraft (VN-A350/351/352) and completed the transfer in Q1/2024.

Presently, six A321CEO aircraft manufactured in 2007 - 2008 remain in VNA's fleet. The plan to sell or engage in sale and leaseback for these aircraft in 2024 and subsequent years will be considered based on assessments of operational needs, market conditions, and actual cash flow balance.

Restructuring work and the Restructuring Masterplan of Vietnam Airlines for the period 2021 - 2025

In 2023, VNA proactively pursue self-restructuring initiatives to incrementally revive production and business operations. Concurrently, VNA will also finalize the Master Project and submit it to the CMSC for feedback from ministries. After the Master Project has been approved by the competent authorities, the Board of Directors will approve the Restructuring Masterplan of Vietnam Airlines for the period 2021 - 2025 as a basis for organizing and implementing the plan.

2. On the activities of the Board of Management

In 2023, the Board of Management has effectively implemented solutions to ensure business operations in accordance with market developments, ensuring absolute safety for market operation.

The Board of Management has seriously implemented the Resolutions and Decisions of the Board of Directors, closely and carefully managed production and business activities with a high sense of responsibility, overcome difficulties, and continuously improve professional and modern management capacity to successfully complete assigned tasks for the legal and maximum benefits of VNA and its shareholders.

Every month, the CEO periodically reports on VNA's business results at Board of Directors meetings. Every quarter, the CEO reports to the Board of Directors on the results of implementing the Board of Directors' Resolutions/Decisions.

The Board of Management has made full reports as prescribed during the implementation of the instructions and sought directions of Board of Directors when issues arise that are beyond the CEO's authority. The Board of Management has also organized regular work with agencies and entities to promptly review and resolve difficulties and obstacles in production and business activities and have flexible, timely operations appropriate to each moment of VNA's production and business activities.

CEO is also a member of the Board of Directors, so the communication between Board of Management and Board of Directors is very close and regular. Accordingly, the supervision of business performance of Board of Management also takes place continuously, ensuring timely support and direction from the Board of Directors.





3. On the orientation of the Board of Directors

The Board of Directors determines the goals, directions and tasks for 2024 as follows:

Business operations: Improve business efficiency, targets closely or better than the VNA's 5-year plan; Strengthen management and optimize costs, aiming for the most important goal in 2024 of balancing revenue and expenditure in business activities, ensuring solvency; Domestic loads closely follows market demand, prioritizing resources to maintain market share on key routes, continuing to expand the international flight network; Improve service quality, increasing customer experience; Optimize resources and efficiency of aircraft fleet usage/month.

Investment: Focus on key and urgent investment projects that directly serve production and business; Deploy the investment plan to develop the aircraft fleet and restructure the costs of the aircraft fleet (Sale and Lease Back; dry charter/wet charter, aircraft configuration conversion, etc.); Prepare resources for the Project of synchronous aviation specialized service complex at Long Thanh International Airport.

Implement organizational restructuring arrangement, and optimization of production and business processes. Ensure resources for pilots, flight attendants, and engineers for high output plans; Focus on training management staff.

Applying information technology and digital transformation to VNA's business activities: Continue to review, evaluate, and master plan the Digital Transformation/Information Technology system to synchronously deploy applications Digital Transformation/Information Technology in all areas of VNA's activities; Continue to upgrade and develop Web/Sale App and other digital applications to provide upgraded service experiences and increase customer loyalty to Vietnam Airlines; Complete the construction and exploitation of a shared data warehouse with the aim of turning VNA into a data-based decision-making organization.

Accelerate the progress of divestment work at TCS, Skypec, Pacific Airlines.

Follow the progress of the report "Master plan of solutions to overcome difficulties caused by the impact of the Covid-19 pandemic so that VNA can soon recover and develop sustainably in the period 2021 - 2025" and be determined to successfully deploy it when approved to meet the VNA's production and business requirements.



CHAPTER

REPORTS AND ASSESSMENTS OF THE BOARD OF MANAGEMENT ON BUSINESS RESULTS IN 2023

1. Overview of Business environment	64
2. Performance in various functions	65
3. Investment activities	118
4. Financial performance	127
5. Innovations in organizational structure and management policy	134
6. Future development plan	135

63

62

1. Overview of business environment

In 2023, the COVID-19 pandemic was contained. but many other global problems have arisen such as political conflicts and economic recession. According to analytical data from organizations such as the Organization for Economic Cooperation and Development (OECD), IMF, IATA, global GDP growth was expected to reach only 3% in 2023, marking the lowest level in the past 3 years. Particularly, GDP growth of the developed countries only reached 1.3% due to the significant impact of tightening monetary policies and growing conflict between Russia and Ukraine. GDP growth in developing countries reached 3.9%, but was under considerable pressure from the public debt issues.

Sharing the same viewpoint, the World Bank believed that the global economy remained unstable in the context of the prolonged impact, such as the COVID-19 pandemic and the conflict between Russia and Ukraine, along with tightening monetary policies to curb inflation. The driving forces for global economic recovery in the first months of 2023 were expected to decline in the last months of the year.

The price of jet fuel in 2023 was at 105.38 USD/barrel. The average exchange rate for the year was 23,816 VND per USD, about 1.8% higher than the average rate in 2022. By the end of 2023, the exchange rate was 24,240 VND per USD, marking an increase of 670 VND compared to the beginning of the year.

US long-term interest rates in 2023 remained high as the Fed continued raising interest rates to combat inflation. Conversely, in the domestic market, interest rates gradually declined due to the policies of the State Bank of Vietnam. Interest expenses and financial expenses in 2023 were about 407 billion VND higher than in 2019. This increase was primarily attributed to higher interest rates, increased short-term debts, and extended or rescheduled debts for suppliers despite a sharp

Domestic market

The domestic economy still faced difficulties which led to a fall of travel demand this year. The first quarter of 2023 saw significant recovery and strong growth of up to 18% compared to 2019, the market slowed down during the summer peak and gradually weakened in the off-peak months, forcing companies to adjust supply to better suit market demand. For the whole year 2023, the total number of passengers in the domestic market reached 40.14 million, a decrease of 6.9% compared to 2022, an increase of 7.5% compared to 2019, and 85.9% of the forecast at the beginning of the year.

International market

In 2023, air travels to/from Vietnam showed positive recovery however remained uneven across different market areas. The recovery speed in the last months of the year was slower than expected, especially in Northeast Asia. Australia and India saw the strongest growth compared to 2019 as airlines continuously added new routes and increased frequency. The number of passengers in Europe and Northeast Asia (including charter flights) was only equivalent to 45% and 64% of the 2019 level, respectively. This was attributable to non-resumed flights to Russia and the slow recovery of Kore, China and Hong

In Southeast Asia, the market was vibrant, with a recovery level of up to 99% compared to the pre-COVID-19 period, and there was a shift towards tourist attractions in Thailand and Indonesia. Overall, the total number of passengers (including charter flights) in 2023 was estimated to reach 31.6 million, which is equivalent to 76.8% of the 2019 level and 88.3% of the forecast at the beginning of the year.

000000

2. Performance in various functions

2.1 Route network

By the end of 2023, VNA operated a total of 56 regular international routes (equivalent to 90% of the 2019 level) connecting Vietnam to 28 destinations in 18 countries/territories. During that year, VNA opened several new routes, including HAN/SGN - BOM (in May 2023), HAN - MEL (in June 2023), and SGN - PER (in December 2023). In the domestic market, VNA operated 45 routes (equivalent to the 2019 level) to 21 destinations.

Data on Domestic and International Network (directly operated):

2022	Destin	ations	Route network		
2023	Domestic	International	Domestic	International	
Parent company	21	28	45	56	
PA	16	2	20	3	
Total	21	28	45	56	



INTERNATIONAL NETWORK





--- Operated by codeshare partners.

Vietnam Airlines offers codeshare services on 20 domestic French routes to/from Paris operated by SNCF.

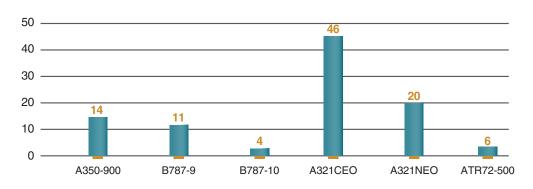
DOMESTIC NETWORK

ASIAN NETWORK



2.2 Fleet

2.2.1 Fleet structure as of December 31, 2023



2.2.2 Fleet data as of December 31, 2023

A	As	of December 31, 2	2023	NOTE	
Aircraft type	Leas	Owned	Total	NOTE	
TurboProp	0	6	6	Aircraft propeller with	
	U	0	b	turbine engine, 72 seats	
ATR72-500	0	6	6		
Narrow-body aircraft	30	36	66	(From 178 - 203 seats)	
1001050	- 10		40	Including 01 dry-lease aircraft	
A321CEO	10	36	46	to K6	
A321NEO	20	0	20		
Wide-body aircraft	22	7	29	(From 274 - 367 seats)	
A350-900	14	0	14		
B787-9	4	7	11		
B787-10	4	0	4		
TOTAL	52	49	101		
	_				

2.2.3 Fluctuations in aircraft in 2023

Aircraft type	As of January 1, 2023	As of December 31, 2023	Fluctuation	Remarks
A350	14	14	0	
B787-9	11	11	0	
B787-10	4	4	0	
A321 CEO	46	46	0	
A321 NEO	20	20	0	
ATR72	6	6	0	

Fleet Development Plan for the 2021 - 2025 period, with vision towards 2030

Aircraft type orientation: VNA Group plans to utilize a fleet incorporating new and advanced aircraft. The fleet will consist of three primary types conforming to international standards:

WIDE-BODY AIRCRAFT

Wide-body aircraft will continue to be used on routes to and from the US, Europe, Australia, and North Asia, with added frequencies on flights to Europe and Northeast Asia.

NARROW-BODY AIRCRAFT

low-capacity/ short-haul divided into groups of and A320-equivalent aircraft. VNA will operate the A321 equipped with a configurations

REGIONAL JET AIRCRAFT

For local airports and others unable accommodate narrow-body aircraft, VNA continues to seek aircraft for replacing ATRs on routes with smaller market capacities. Additionally, they aim to complement narrow-body aircraft on routes that do not meet market size requirements but necessitate high frequencies for enhanced competition

__70__

Fleet development plan for the 2021 - 2025 period, with the vision towards 2030

VNA (VN+0V)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Widc-body aircraft	19	29	29	27	29-34	31-35	32-35	32-36	32-37	34-37
Narrow-body aircraft	39	56	65	53	62-70	65-75	66-78	68-81	71-85	73-88
AT' Regional jet	6	6	6	5	4-5	4-5	4-5	4-5	4-5	4-6
Total	64	91	100	86	95-109	100-115	102-118	104-122	107-127	109-129

2.3 Commercial performance

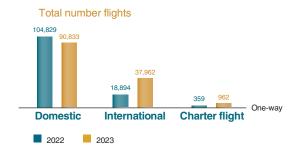
2.3.1 Passenger transportation

Parent company

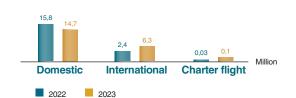
In the context of epidemics, military conflicts and economic uncertainties still pose potential risks, the aviation industry will need more time to fully recover to pre-Covid levels.

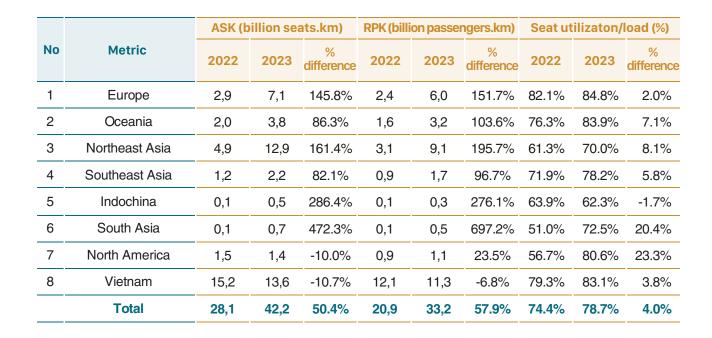
VNA is diligently managing its business activities in accordance with market developments and aircraft resources, ensuring operational efficiency. As of now, VNA has fully restored the domestic flight network and resumed most of its international flight routes (except Russia and Myanmar), while also opening several new routes.

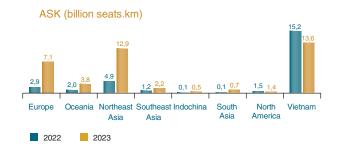
Metric	Unit	2022	2023	2023/2022 (%)
Total Dumber flights	One-wav	124,082	129,757	104.6%
Domestic		104,829	90,833	86.6%
International		18,894	37,962	200.9%
Charter flieht		359	962	268.0%
Total number of passengers	Million	18,2	21,0	115.3%
Domestic		15,8	14,7	93.0%
International		2,4	6,3	255.9%
Charter tlieht		0,03	0,1	317.9%



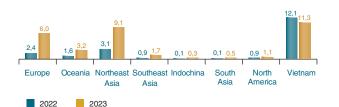
Total number of passengers







RPK (billion passengers.km)





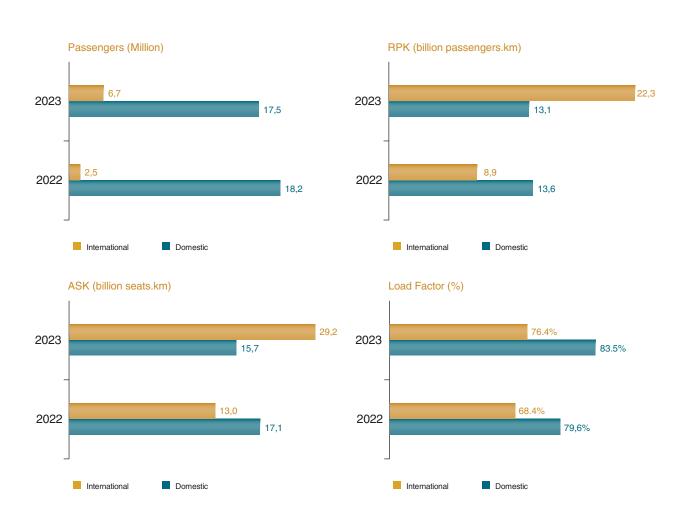


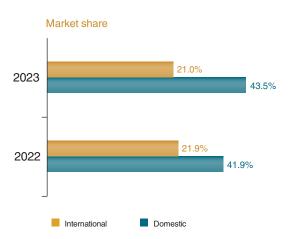
73 __72__

VNA Group

	International			Domestic			Total		
Metric	2022	2023	% difference	2022	2023	% difference	2022	2023	% difference
Passengers	2,5	6,7	166.4	18,2	17,5	-4.1	20,7	24,1	16.5
RPK	8,9	22,3	150.9	13,6	13,1	-3.8	22,5	35,4	57.4
ASK	13,0	29,2	124.8	17,1	15,7	-8.4	30,2	44,9	48.7
Load factor	68.4	76.4	8.0	79.6	83.5	3.9	74.9	78.9	4.0
Market share (*)	21.9	21.0	-0.9	41.9	43.5	1.6	37.7	33.6	-4.1

Unit: Passengers: million; RPK: billion passengers.km; ASK: billion seats.km; Load factor: %; Market share: % (*): Including charter flights



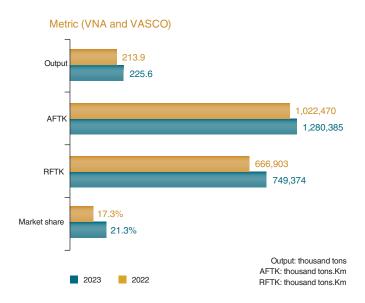


2.3.2 Cargo and parcel transportation

Parent company (VNA and VASCO)

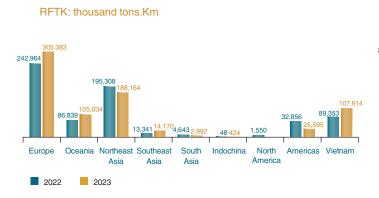
Cargo and parcel transportation results

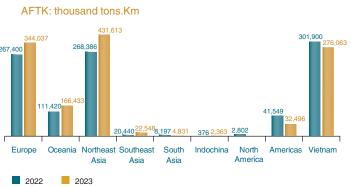
Metric (VNA and VASCO)	Unit	2022	2023	SS 23/22
Output	Thousand tons	213.9	225.6	105%
AFTK	Thousand tons.km	1,022,470	1,280,385	125%
RFTK	Thousand tons.km	666,903	749,374	112%
Market share	%	17.3%	21.3%	4.0%

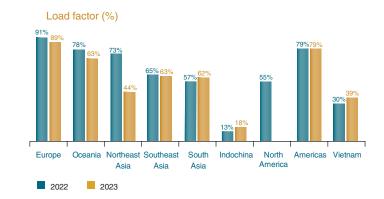


Evaluation and analysis by market

	RFTK: t	housand t	tons.Km	AFTK: tl	nousand t	ons.Km	Lo	ad factor	(%)
Metric	2022	2023	% difference	2022	2023	% difference	2022	2023	% difference
Europe	242,964	305,383	126%	267,400	344,037	129%	91%	89%	-2%
Oceania	86,839	105,034	121%	111,420	166,433	149%	78%	63%	-15%
Northeast Asia	195,308	188,164	96%	268,386	431,613	161%	73%	44%	-29%
Southeast Asia	13,341	14,170	106%	20,440	22,548	110%	65%	63%	-2%
South Asia	4,643	2,992	64%	8,197	4,831	59%	57%	62%	5%
Indochina	48	424	883%	376	2,363	628%	13%	18%	5%
Middle East	1,550	-		2,802	-		55%		
Americas	32,856	25,595	78%	41,549	32,496	78%	79%	79%	0%
Vietnam	89,353	107,614	120%	301,900	276,063	91%	30%	39%	9%
Total	666,903	749,374	112%	1,022,470	1,280,385	125%	65%	59%	-7%





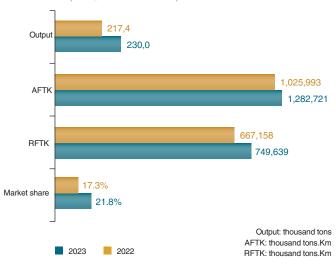


VNA Group (Parent company and PA)

Cargo and parcel transportation results

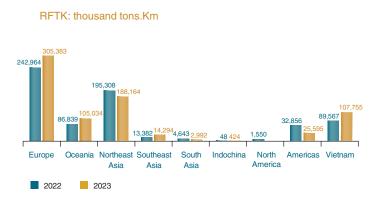
Metric (VNA, VASCO and PA)	Unit	2022	2023	SS 23-22
Output	Thousand tons	ousand tons 217,4		106%
AFTK	Thousand tons.km	1,025,993	1,282,721	125%
RFTK	Thousand tons.km	667,158	749,639	112%
Market share	%	17.3%	21.8%	4.5%

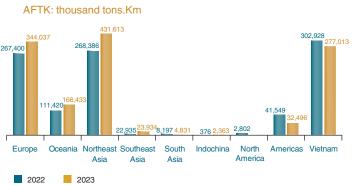
Metric (VNA, VASCO and PA)

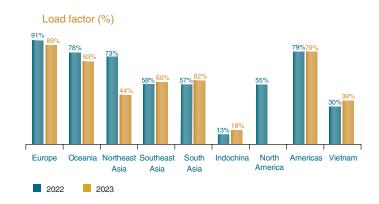


Evaluation and analysis on exploitation results by market

	RFTK: t	housand t	ons.Km	AFTK: th	nousand t	ons.Km	Load factor (%)		
Metric	2022	2023	% difference	2022	2023	% difference	2022	2023	% difference
Europe	242,964	305,383	126%	267,400	344,037	129%	91%	89%	-2%
Oceania	86,839	105,034	121%	111,420	166,433	149%	78%	63%	-15%
Northeast Asia	195,308	188,164	96%	268,386	431,613	161%	73%	44%	-29%
Southeast Asia	13,382	14,294	107%	22,935	23,934	104%	58%	60%	1%
South Asia	4,643	2,992	64%	8,197	4,831	59%	57%	62%	5%
Indochina	48	424	883%	376	2,363	628%	13%	18%	5%
Middle East	1,550	-	0%	2,802	-	0%	55%		
Americas	32,856	25,595	78%	41,549	32,496	78%	79%	79%	0%
Vietnam	89,567	107,755	120%	302,928	277,013	91%	30%	39%	9%
Total	667,158	749,639	112%	1,025,993	1,282,721	125%	65%	58%	-7%







2.3.3 Frequent Flyer Program (Lotusmiles)

Membership information

Number of members

Area	Р	G	Т	S	R	Total
Domestic	33,738	40,698	94,522	1,322,953	2,615,801	4,107,712
International	3,653	6,102	16,342	480,995	708,392	1,215,484
Total	37,391	46,800	110,864	1,803,948	3,324,193	5,323,196

In 2023, the total accumulated miles reached nearly 6 billion miles, marking a year-on-year increase of 40%. The total rewarded miles reached 3.4 billion miles, showing a year-on-year increase of 23%, which is equivalent to 57% of the total accumulated miles.

Membership development

- In 2023, the number of Golden Lotus members reached 5,3 million, an increase of 810,000 members, equivalent to an increase of nearly 18%. There are member development solutions above results, specifically:
- Through Vietnam Airlines' data channel, exploit customer data buying tickets through Opaque/B2C sources;
- incentives:
- Through Vietnam Airlines' online touchpoints (Web/App);
- Through VNA's offline touchpoints: buying tickets, waiting rooms, distributing bookmarks on the plane...;
- Develop members at Vietnam Airlines events:
- Through partner channels such as: university student groups, Momo, VinID, VNPay.

Program revenue

- Total FFP revenue in 2023 reached more than 442 billion VND, exceeding 20% of the plan. Revenue reached and exceeded the plan for the following main reasons:
- which have been implemented to achieve the Don-aviation revenue reached 245 billion VND, marking a year-on-year increase of 14%, thanks to the continuous implementation of programs and the improvement of co-branded cards with domestic banks;
- □ Through agents, banking partners, service □ Aviation revenue increased sharply to 121 billion VND, equivalent to 170% of the adopted annual plan. This increase was mainly thanks to closely monitoring the market situation, reviewing VNA's opening sales and coordinating with partner companies to market to members during the Vietnamese market's off-peak period;
 - Product revenue by individual reached 76 billion VND, equivalent to 325% compared to the same period and 230% of the plan. In addition to working directly with agencies and entities, branches, and agents to promote the sale of miles, cards, etc., product revenue in 2023 has had such good growth mainly from the personalized marketing that the Golden Lotus center has successfully implemented.

__78__ __ 79__



System upgrade

- Becoming a digital airline with 5-star service quality, the Golden Lotus Program has effectively operated the customer management system. Introducing new features for members.
- (CLM)'s core system.
- Deploying technical solutions to prevent suspected fake accounts from claiming rewards, accumulating miles for complaints, and tightening control of member accounts.
- Offering family accounts that allow family members, including parents, spouses, and children, to pool miles to get rewards for the whole family;
- Improving online ticket exchange and other rewarding fuctions for members;

Promotional programs

The Program has continuously improved service quality by implementing the following policies:

Encouraging customers to buy tickets on the VNA's website and app via the program "Buy tickets online, Double bonus miles";

- Implementing short-term incentive programs "Friday Smiles" on every Friday;
- Implementing individually-tailored discount programs for members when purchasing miles and flights;
- Upgrading the Customer Lifecycle Management
 Offering free cards to those who buy Golden Lotus cards with lucky numbers, and offering "Golden" packages;
 - Providing members with various kinds of non-aviation rewards such as free MobiFone phone cards, VinID points, iPhones or Samsung phones, travel accessories, free health care service cards, green living products, and others.
 - Providing members with incentives from partners, such as discounts when booking hotel rooms, buying food, health care services, and expanding the incentives in the international market.
 - Implementing multilateral cooperation programs to increase customer spending and revenue: Introducing a spending program with co-branded cards to accumulate miles, receive discount on ticket prices, and avail service incentives from the program's partners such as hotels, restaurants, sports facilities, and entertainment venues.

Customer experience

The Program has implemented policies to improve customer experience, which include:

- Deploying the Million Miler membership program with classy services, enhancing customer experience;
- Deploying the 1-contact program for premium members of Vietnam Airlines;
- Shortening the time to add miles: 120 minutes after the flight takes off, miles will be added to the member account instead of waiting 5 days as before;
- Check miles earn/burn through Miles Calculator.

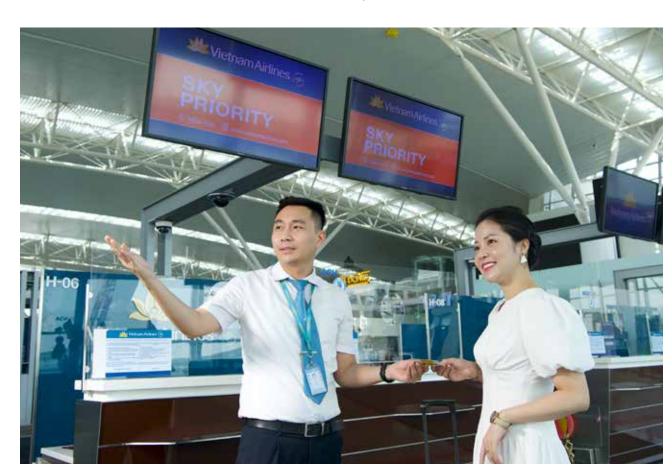
Quality of member transactions

- The rate of missed calls during and outside of business hours for all card classes was below the allowable threshold. MM and P members had a rate of less than 4%, while G and T members had a rate of less than 5.5%.
- The rate of requests to add additional miles exceeded the allowed threshold (4%), mainly due to members not entering the Golden Lotus card number during booking (accounting for 98%).

The total number of emails and calls received from members was nearly 500,000 in 2023, with 99% of them expressing their satisfaction.

Risk control

- Assessing risks whenever new programs and policies are deployed; checking and evaluating data to quickly detect newly arising risks and adjust policies; and closely coordinating with partners to implement solutions to prevent risks and ensure on-time payments.
- Verifying accounts before recognizing Million Miller members and before awarding rewards for the Lotus Bingo program.





__ 81__ __80__



2.4 Service Performance

In 2023, VNA was honored to receive multiple from prestigious organizations. AirlineRating.com, a leading website in airline evaluations, recognized VNA as one of the Top 20 Safest Airlines in the world. The Airline Passenger Experience Association (APEX) awarded VNA the prestigious Five-Star Global Airline title. SkyTeam presented VNA with the "Boldest Move" award for its sustainable development efforts. Additionally, VNA was recognized as Asia's Leading Airline for Economy Class by the World Travel Awards and ranked among the Top 3 airlines for best food and beverage services by APEX.

Service quality in 2023 was well guaranteed. The Goodwill's Net Promoter Score (NPS) improved compared to the pre-pandemic period, while the overall Customer Satisfaction Index (CSI) increased slightly compared to 2022 and increased sharply compared to the pre-pandemic period. The number

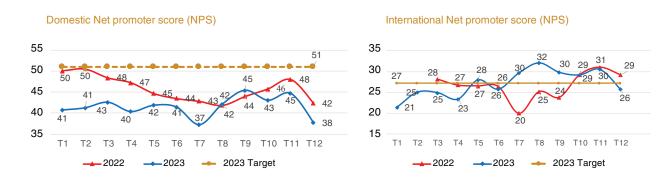
of letters of commendation reached 9,158 letters in 2023, marking a year-on-year increase of 30% compared to the 2022 figure of 6,945. These commendations were concentrated at customer touchpoints such as check-in counters and flight attendant service.

In 2023, the Uplifting Service program continued to be implemented in accordance with the proposed roadmap and has yielded many positive results. The significant shift in strategic thinking among senior leaders, prioritizing service excellence, has helped maintain the focus on mindset improvement, awareness, and customer care among all employees. Moreover, VNA's perspective on sustainable development through enhancement remains steadfast. Many service staff have demonstrated practical actions and contributed ideas for improvement in their daily work, delivering exceptional service experiences to customers.

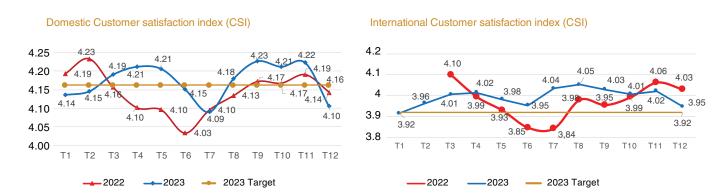


INDICATORS OF CUSTOMER SATISFACTION (CSI, NPS) & COMPARED TO **INDUSTRY AVERAGE**

The domestic Net Promoter Score (NPS) in 2023 remained stable, fluctuating at 42 points, 4 points lower than 2022 and fell short of the target of 51. The domestic score hit its lowest point in July 2023, dropping to 37 points, before gradually recovering in the latter months of the year. This decline was attributed to low OTP and VFM indexes, which sharply decreased during peak periods such as the Tet and especially the summer season. In contrast, the international NPS showed improvement, indicating a slight upward trend in the third quarter and reaching an average score of 27 points by the end of the year, thereby meeting the set target.



The domestic Customer Satisfaction Index (CSI) performed well in 2023, reaching 4.17 points, exceeding the target by 0.01 points (target: 4.16), and increasing by 0.02 points compared to 2022. The international CSI in 2023 showed improvement, particularly in the third quarter, reaching an average of 4.00 points. This exceeded the target by 0.08 points (target: 3.92) and represented a 0.04-point increase compared to 2022 và tăng 0.04 điểm so với năm 2022.



Source: VNA's online survey on frequent flyers

__82__ __ 83__

OUTSTANDING NUMBERS/INDEXS RELATED TO SERVICE QUALITY

In 2023, VNA deployed ground and air services to enhance quality and provide new experiences for customers:

Ensuring the absolute safety of flights to instill confidence in customers when choosing VNA.

Designating the business lounge as a key service, VNA continually upgrades its quality to meet international standards. The Premier Lotus Lounge, designed in a modern and luxurious style, offers high-class service standards for VIP guests, Million Miler guests, and Platinum card members. This service highlight helps attract and retain high-revenue customers.

Implementing modern technology in service stages, including level 2 electronic identity account application, deploying E-gates (automated border control systems), and introducing a self-service baggage drop-off system at Self Bag-Drop. Additionally, testing contactless check-in via SMS is underway.

Launching the Vietnam Food Travel Map project on flights to the US, Europe, and Australia, featuring famous Vietnamese dishes such as Hanoi kebab rice noodles, bread with wine sauce, Hue beef vermicelli, Quang noodles, vermicelli mixed with grilled meat, and My Tho noodles. The service department aims to transform each flight into a messenger connecting the essence of Vietnamese culinary culture with a wide range of domestic and international passengers.

Introducing the pre-ordering service for class C meals on international flights, offering passengers the convenience of choosing dishes according to their preferences and laying the foundation for meal sales in the next phase.

Featuring Vietnamese Café as a significant highlight in the customer experience journey, providing coffee cups imbued with Vietnamese identity, including Black Coffee, Milk Coffee, and Bac Xiu, on VNA's flights. Additionally, beverages made with healthy ingredients such as lychee tea, cinnamon orange tea, passion fruit tea, and lemongrass/orange juice enhance VNA's Cloud Cafe offerings.

Organizing a series of "Flight of Surprise" flights on special occasions such as traditional Tet,

International Women's Day on March 8, International Children's Day on June 1, the 1st anniversary of opening the first direct flight to the US, the 20th anniversary of diplomatic relations between Vietnam and France, and the "Sustainable Development" challenge flight which conveyed the message about the environment and demonstrated VNA's responsibility.

Innovating in-flight entertainment: The "Cinema above the Clouds" program monthly updates Hollywood blockbusters, famous Asian movies, and the most popular Vietnamese movies. TV programs covering diverse topics from culture, sports, entertainment to new content such as podcasts, audio books, and Spirit Channel newsletters are also updated regularly. Moreover, the "Music Stage in the Clouds" features harmonious songs that connect with customers' hearts. Unique musical works, hit songs by prominent singers, and exclusive programs for VNA all blend together in the choir named "Sound of the Sky".

Deploying in-flight sales: The exclusive LotusDeli brand has touched passengers' hearts and brought in impressive revenue of more than 26 billion VND, earning more than 10 billion in profit for VNA.

Experience sponsorship is a new form of cooperation between VNA and our service providers. By the end of August 2023, the total value of contracts signed by VNA and our service providers reached 20 billion VND. This form of collaboration holds promise for future development opportunities.

Recalling and re-supplying dry goods and disposable utensils helped save nearly 3 billion VND quarterly.

Reducing plastic waste: Environmentally friendly Y-grade equipment standards have been issued, and electronic menus have been deployed since June 2023, contributing to environmental protection and sustainable development.

The Central Hub system was launched to integrate information from various systems, facilitating data processing and offering a comprehensive overview of service quality, thus ultimately enhancing efficiency and saving time



2.5 Technical performance

2.5.1 Results of technical assurance for safe and efficient operations

Optimizing the content of periodic maintenance work packages, improving preparation, control, and coordination to ensure aircraft check on schedule.

Continuing to enhance planning and coordination of maintenance activities to improve operational efficiency, minimizing aircraft groundings, delays, flight cancellations, extended periodic rates, and increasing the fleet's operational readiness coefficient.

Maintaining control over the technical status of the fleet, proactively identifying breakdown causes, identifying potential hidden failures, implementing preventive measures, as well as basic technical programs to improve the aircraft's take-off reliability index.

Maintaining and enhancing the monitoring of maintenance and repair progress, along with flexible management of periodic plans; utilizing information technology to manage and coordinate progress and periodic planning to ensure timely aircraft maintenance. Continuin implementation of

basic technical programs (AD/SB, MOD) to enhance equipment and aircraft system reliability; Establishing a comprehensive program to improve the quality and efficiency of maintenance, repair work, and fault detection; Maintaining and enhancing coordination between Flight Operations and Technical Units to minimize operational disruptions.

Completing periodic maintenance to meet conditions for selling or returning ATR72, VN-B237 aircraft, thereby increasing revenue and alleviating cost pressures during aircraft downtime; Ensuring maintenance of aircraft interior quality despite challenges in human and material resources, including enhanced cleanliness (ECP cleaning improvements, increased seat cover washing frequency); Implementing programs to upgrade A321 CEO aircraft interiors and deploy the wifi-box wireless entertainment system on A321 CEO aircraft. Giving priority to refurbishing the C cabin interior of wide-body aircraft.



2.5.2 Solutions to improve aircraft e ciency and reduce technical costs...

Engineering, maintenance, and supply management

In addition to continuing the Equalized EA Check program for A321s, based on the actual results of periodic work packages, VNA and VAECO have coordinated to implement Block C Check as well as periodically review the content of packages for each specific job to minimize aircraft downtime for maintenance as well as effectively use human/material resources.

Implementing the Continuous Improvement (CI) program during peak periods to optimize stages and reduce the TAT for periodic maintenance.

Implementing basic engineering programs, including preventive maintenance and enhanced maintenance, to increase the reliability of the aircraft.

Effectively adopting aircraft and engine status monitoring tools such as AHM, SHM, ADEM, and failure prediction software such as SPM and PRCP for early detection of failures, proactive handling, and avoidance of operational disruptions.

2023 was a challenging year for the global transportation market, marked by the lack of input materials to output spare parts, or increased prices of spare parts. Consequently, repair workshops were overloaded due to insufficient resources. Faced with this situation, VNA proactively sought suitable solutions:

Diversifying suppliers and increasing the utilization of outsourced package services based on flight hours to minimize the risk of repair and maintenance costs going out of control. Applying measures to manage costs arising outside the contract.

Increasing the utilization of repair and maintenance services domestically and in nearby areas to minimize transportation costs, shorten repair turnaround time, leading to reduced repair and maintenance costs, and reduced investment costs in warehouses.

Regularly recalculating inventory levels to timely adjust to changes in the number of aircraft in operation.

Closely coordinating with VAECO to prepare the optimal list at the right time to shorten the maintenance time.

Increasing on-wing repairs, extending the lifespan of spare parts, and sourcing replacement parts to deal with shortages.

For engine repairs, VNA carefully planns the scope of repair, controlling supply replacements, and minimizing engine maintenance time. Additionally, VNA collaborates with manufacturers to obtain cost support, explore optimal solutions for engine issues, and negotiate price reductions.

Increasing technical staff at key stations to reduce maintenance costs and enhance flexibility.

Actively negotiating with Boeing, Airbus, and manufacturers to maximize support (FOC, credit) for failures attributed to design, material, or equipment defects.

Technical cost management

Updating and analyzing unit costs (CASK) quarterly, annually, and as required, identifying the causes of increased costs, and making timely adjustments within the planning year, especially for engine rental and repairs.

Continuing to develop Performance Indicators (PIs) for technical costs at a more detailed level, analyzing and evaluating influencing factors, and immediately implementing cost-cutting measures for each factor.

Strictly and regularly managing engine repair contracts, consolidating contracts for spare parts, fuel, and other services and procurement to safeguard VNA's economic interests.

Negotiating discounts and support from contract partners, as well as negotiating to extend or defer due debts and waive late payment interest for deferred debts.

Controlling the costs of engine and APU repairs through solutions such as negotiating price reductions, establishing maximum repair costs (NTE), improving control over spare parts, and minimizing the scope of work for LRU/QEC.

__87__ __86__





2.5.3 Development direction for maintenance facilities of VNA and VAECO

Strengthening cooperation with major partners in aircraft maintenance to learn advanced management practices and then apply them at VNA and VAECO to optimize aircraft maintenance and repair costs, improve competitiveness, and strive to becomea leading regional maintenance

Actively preparing to build hangars for aircraft, engine and equipment maintenance at Noi Bai and Long Thanh airports.

Accelerating digital transformation in repair and maintenance management. This includes adopting a new MRO IT system (AMOS) and put it into operation in April 2024 to meet the management requirements of VNA and VAECO; developing TIMS software to digitize technical processes and centralize technical management, aiming to improve management efficiency and labor productivity; Increasing the use of application

software provided by aircraft manufacturers and equipment suppliers and developing in-house software for improved efficiency in aircraft maintenance and repair. Developing essential expertise to improve maintenance capability, training technical team, and reducing outsourcing costs in welding, nacelle maintenance, composite structure repair, non-destructive testing, and engine inspection; making necessary preparations for the operation of Hangar 3 in Noi Bai Airport and Hangar in Long Thanh Airport.

Reviewing and developing technical capabilities to design, manufacture and obtain approval from aviation authorities such as CAAV, FAA, and EASA for local modifications and locally-produced parts. This initiative aims to enable greater autonomy in maintenance operations.

2.5.4 Impressive and outstanding indicators of technical works

In 2023, VNA accomplished a significant amount of work, which helped achieve business targets, maintain absolute safety, and fulfill the annual plan:

Norms	2023 Results
ARL	93.09 (Target 94.30) - Not achieved
OCR	3.1% (Target 4.91% *) - Achieved
DR A321	99.63 (Target 99.50) - Achieved
DR A350	99.45 (Target 99.35) - Achieved
DR B787	99.25 (Target 99.20) - Achieved
DR ATR72	99.65 (Target 99.50) - Achieved

(OCR target of 4.91% is the average of the first 6 months of 2023)

Aircraft maintenance:

Offsite maintenance: Provide technical assurance for 258,625 FH (in which A321: 146,346 FH, A350: 51,180 FH, B787: 54,169 FH và ATR72: 6,930 FH).

Onsite maintenance:

Check types	A321	A350	B787	ATR72
A-checks	0	52	58	8
EC checks	85	0	0	0
C/Y checks	156	22	13	2
Others	127	21	12	15



__88__ __ 89__



- In 2023, VNA safely operated 128,885 flights a year-on-year increase of 4%, of which 200 VIP/VAP flights/special cabins served Party and State leaders.
- The punctuality index remained at a high level, with outgoing OTP reaching 86.8% and incoming OTP reaching 81.6%.
- By drastically implementing cost-saving solutions, VNA estimated to save 853 billion VND, significantly contributing to its overall cost reduction efforts.

2.6.1 Administration

Operating VNA and VASCO flights safely, flexibly,

Ensuring safe and attentive service for all specialized flights, including those carrying Party and State leaders and those transporting delegates attending meetings of the Party Central Committee and the National Assembly.

Proactively gathering information and developing plans to effectively respond to emergency situations, adjusting flight routes, and promptly requesting flight permits to ensure absolute safety for all its flights. Deploying creative, timely, and cost-effective solutions: interline flights, reduce airport transfers, increase seat utilization ratio, and combine airport transfers with passengers.

Managing flight schedules, flight permits, and T+29 slots effectively and flexibly, ensuring connection between commercial and operational requirements.

Continuing to perfect the centralized operating model, improve operating capacity and quality, add Duty Captain positions, and control load in the operating crew to achieve some positive results. Maintaining an operating system to respond to unusual and emergency situations.

2 2.6.2 Ensuring pilot resources for operations

As of December 31, 2023, VNA had 962 pilots. including 494 captains and 468 co-pilots. Vietnamese pilots accounted for 841 (87%), while foreign pilots accounted for 121 (13%).

Pilot resources meet Corporation's operation output.

2.6.3 Ensuring safety

The incident rates of type A, B/10,000 CB; incident rates of type C, D/10,000 CB; case rates of type E/10,000 CB; case rates of level 3/10,000 all reached the 2023 targets.

2.6.4 Techniques

Ensuring the flight operation document and data system for the entire system. Developing route plans, preparing data and documents to serve special charter flights (18 VIP flights). Developing flexible, effective and safe plans for flights from Vietnam to/from Europe and Australia.

Developing and completing regulations and processes, and directly participating in assessment processes through IOSA 2023 and MARI 2023 assessments, and renewing CAAV's AOC certificate. Coordinating with CHK and VATM to develop and promulgate PBN flight procedures at domestic airports, and participate in planning the airport network within the territory of Vietnam. Completing the EFB, building NOTAM, WX, and CFP when updating to the FMS system. Officially appling FD Pro system, removing Jeppesen documents on VNA EDOC. Restructuring the document system to increase the efficiency of using eDOC on iPad, EFB Class 3 B787. Building FON software to save time.

Negotiating with NCCs AIB, ATR, Honeywell, Jeppesen, NavBlue on payment extension and postponement.

2.6.5 Managing flight schedule of pilots and flight attendants

Calculating pilot and flight attendant resources to meet the demands of each operational period.

Continuing to maintain the centralized management model for the flight assignment of pilots and flight attendants; Optimizing flight routes and adjusting pilot/flight attendant structure to ensure effective assignments during the recovery period.

The centralized management model for the flight assignment of pilots and flight attendants helps improve flight schedule stability and enable quick responses to fluctuations in flight schedules



2.6.6 Operation Management

Various solutions were implemented in 2023 to save fuel costs, resulting in the savings of 22,000 tons, equivalent to 600 billion VND. Analyzing and evaluating aircraft operations to improve operational efficiency and cost reduction. Monitoring PF of flight crews, coordinating with the Technical Committee to implement solutions to reduce PF for flight crews, and arranging aircraft in line with the PF. Updating databases of block time, taxi time, and fuel norms to develop flight schedules and ensure efficient use of aircraft.

Strengthening KPI management to monitor, analyze and advise solutions to ensure completion of assigned KPIs. Preparing periodical and ad-hoc reports upon requests from airports, aviation organizations, VNA leaders, and the Board of Directors.

Advising VNA EVPs and the Board of Directors of the Operation Control Center to complete the 2023 plan, managing the budget to ensure CASK below the target, cutting costs throughout the Flight Operations Department. Managing according to cost KPIs, building the plan for 2024 in association with the Department's goals, ensuring to fulfil the VNA's goals, and improving labor productivity.

Digital transformation: Coordinating with Digital Transformation Center and Viettel when surveying and consulting on VNA's Digital Transformation Strategy. Completing the digital transformation tasks set for 2023 (30% of the Operation Control Center's roadmap). Implementing the planned digital transformation programs of the Operation Control Center in accordance with the VNA's Digital Transformation Strategy.

Coordinating to organize online training courses, maintaining FOD competency test, and renewing

Teacher Certification on Operation Control Specialist on time.

Strictly managing contracts, requesting payment of operating and overflight fees, and overseeing fees for landing, take-off and the control of flight crews, pilots and flight attendants.

2.6.7 Scientific research, initiatives and results

In 2023, there were numerous initiatives aimed at improving operational flexibility and effectiveness. These included interlining flights to reduce airport transfers and increase seat utilization ratios, combining airport transfers with passengers, pumping fuel at airports offering low costs, synchronizing flight schedules of aircraft, pilots, and flight attendants, and optimizing flight assignments to reduce quarantine days and alleviate stress for flight crews.

2.6.8 Training for conversion, recovery, upgrading, and special types of operations for pilots Number of students: 150, reaching 69% of the

Number of classes: 80, reaching 72% of the yearly plan.

2.6.9 Conducting periodic training and assessments of English proficiency and broadcasting skills for pilots and aviation security staff on routes to the US

Number of students: 2,071, reaching 95% of the yearly plan.

Number of classes: 79, reaching 74% of the yearly plan.

2.6.10 Training flight attendants in 2023

Number of students: 6,338, reaching 97% of the yearly plan.

Number of classes: 414, reaching 101% of the yearly plan. __ 91 __

__90__





In 2023, the Safety Committee convened four meetings. The annual meeting at the beginning of the year set out goals and safety performance indicators for 2023. The Safety Committee operated effectively and monitors closely VNA's safety goals, indicators, policies and orientations. Safety Action Groups (SAGs) organized monthly meetings to monitor the implementation of operational safety. They coordinated with agencies and entities to timely offer measures in response to threats from identified hazards and ensure appropriate arrangements for collecting safety data; Supervising the implementation of safety measures, strengthening technical training and ensuring safety in flight operations, ground operations and cargo operations.

The Safety and Quality Policy (version 5) was signed and promulgated on January 1, 2024. It concretized the contents of "Leadership Involvement" of the Safety Committee, promoting safety culture towards an advanced level and focusing on culture of integrity, as well as promoting a culture of continuous learning throughout the Corporation.

With two decades of participation in the IOSA assessment program, VNA has always been highly appreciated by IATA. Notably, VNA's key indicators related to flight safety were superior to domestic airlines and at a high level compared to the world average. VNA has successfully renewed its IOSA Operational Safety Certificate for the 10th consecutive time, ensuring all system operations fully comply with IOSA standards based on four core goals: ensuring Reliability, Safety and Quality; standardizing assessment; ensuring ongoing compliance with IOSA standards and focusing on implementation.

Vietnam was selected by IATA to host the 2023 World Safety and Operations Conference. The meeting was attended by more than 800 global aviation industry leaders and experts, discussing ways to improve safety and operational efficiency in the aftermath of the COVID-19 pandemic.

VNA was given the highest safety rating by AirlineRatings, a reputable website specializing in

evaluating global airline safety and service quality, with a perfect score of 7/7. It was also honored as one of the Top 20 safest airlines in the world in 2023. VNA, the Airports Corporation of Vietnam (ACV) and the Viet Nam Air Traffic Management Co. Ltd. (VATM) organized an aviation safety conference for the first time in Hai Phong City on November 3 and 4. At the meeting hosted by VNA, leaders of the three corporations signed a document titled "Commitment to aviation safety coordination" to strengthen their cooperation in providing services and ensuring safety in flight operations.

The Aviation Wildlife Management Conference was also organized successfully. During the conference, leading experts discussed measures to control and prevent wildlife animals from impacting negatively on aviation operations. Additionally, ICAO experts and researchers from the University of Natural Sciences and the National Institute of Ecology conducted working visits to HAN, SGN, DAD, HUI, PQC, and VCS airports. Promoting safety culture: Since 2017, VNA has made tremendous efforts to promote a safety culture and develop specific plans and roadmaps. According to the IATA's 2023 safety culture survey, VNA's safety culture index reached 4.8 points. VNA has set a target of reaching the Generative level by 2025. VNA' safety culture highlights honesty, transparency and a working environment where employees are ready to report errors. VNA does not apply disciplinary measures to any employee who proactively and truly reports incidents, events affecting safety, or inadvertent errors. VNA has developed a safety data system to predict, promptly identify, handle and prevent risks, ensuring absolute aviation security and safety.

Organizing training classes for all employees, ranging from senior leaders to employees, on safety culture; Conducting surveys on safety culture, organizing Gamification competitions on safety and safety culture workshops.

Flight safety incidents, human factor-related incidents and solutions: In 2023, there were 59 incidents/cases reported to the CAAV, marking a decrease of 38 incidents compared to 2022. Among these incidents, there were no

incidents/cases of type A, B, and one incidents of of type D, an increase of 2 incidents compared to decrease of 40 cases compared to 2022.

- Safety Incidents KPI: 4.76 per 10,000 flights,
 Review and lessons learned were regularly achieved (target 9.50).
- Human Factor Incidents: 13 incidents, a decrease of 3 compared to 2022. KPI: 1.05, achieved (target 1.12).
- Flight Safety: 16 incidents, accounting for 27%, a

decrease of 38 compared to 2022

- type C, similar to 2022. There were three incidents
 Technical safety: 39 incidents, accounting for 66%, a decrease of 1 compared to 2022.
- 2022. There were 55 cases of type E, indicating a Ground safety: 4 incidents, accounting for 7%, an increase of 1 compared to 2022.
 - conducted in 2023 with close coordination between relevant agencies and entities, particularly focusing on flight operations

Solutions to minimize incidents and cases

Strictly maintaining on-call duty, on-duty command, on-duty production management, on-duty department head, and on-duty technical staff. Properly arranging labor to ensure smooth operations, production and business activities, achieving safe and effective goals.

Before each flight, dispatchers at airports conduct thorough briefings with the flight crew, providing them with accurate information on operating conditions, flight itinerary, and weather conditions. Domestic and international branches have strengthened supervision of flight services provided by partners according to signed contracts.

Flight crews focus on watching, listening to and accurately receiving air traffic instructions, especially regarding altitude (flight level), flight direction, and runway information. They strictly and fully implement the cross-checking process of the flight crew, particularly concerning air traffic control clearance.

Ensuring that maintenance staff strictly adhere to procedures during work performance.

Proactively reporting dangers, potential safetythreatening conditions, and maintenance errors to promptly take remedial measures.

Implementing fundamental technical solutions to improve the reliability of systems and aircraft equipment; Immediately implementing solutions to prevent damage to engines and critical systems such as control systems, landing gear systems and pressurization systems.

Planning maintenance and human resources in accordance with operational requirements to avoid overload and human factors that cause errors during maintenance.

Timely detecting potential risks and providing recommendations in areas such as taxiways, aprons and FOD during airport repairs and upgrades to ensure absolute safety for flights.

__92__ __93__



2.8 Security

VNA is determined to ensure security in its operating activities through the employment of qualified and trained personnel, well-maintained equipment, and strict procedures under appropriate supervision to safeguard the lives of passengers and all our employees.

VNA issued Aviation Security Programs approved by the Civil Aviation Authority of Vietnam and foreign authorities to comply with aviation security regulations in Vietnam and other countries where VNA operates. These programs outline mandatory regulations, requiring strict compliance from all VNA staff, departments, and units.

VNA accepts the associated costs of aviation security and effectively utilizes financial resources to invest in aviation security measures, ensuring the overall safety of our operations, air traffic, and national security.

VNA expects its staff to professionally implement the commitments and policies outlined in the Aviation Security Programs and relevant documents in all operations. Any violations of aviation security will be thoroughly investigated, clarified, and strictly addressed, while timely recognition will be given to units or individuals for exemplary compliance.



VNA's aviation security assurance in 2023

In 2023, VNA continued to confront difficulties and challenges amidst an air transport business environment affected by economic and political uncertainties regionally and globally. Trade tensions between economies were on the rise, while escalating political and military conflicts in various countries and regions significantly impacted both domestic and international freight and passenger volumes. Moreover, the aftermath of the COVID-19 pandemic and the Russia-Ukraine military conflict had profound effects on the aviation industry and VNA.

In response to these challenges, VNA implemented various management and administrative solutions, closely following the guidance of the State Capital Management Committee, the Ministry of Transport, the CAAV, and the Prime Minister, and actively cooperating with relevant authorities and units. The primary focus was on effectively implementing aviation security measures in accordance with regulations to ensure the safety and security of our operations in all areas. These efforts have made a significant contribution to our business performance. Notable achievements include:

Firstly, the operational capacity of VNA's aviation security management system. After thorough research and assessment, considering the functions and tasks of aviation security assurance agencies globally, regionally, and in Vietnam, including those of ACV and VATM, VNA decided to establish an Aviation Security Committee. This decision involves upgrading the current Aviation Security Department to ensure it holds administrative responsibilities and authority equivalent to other advisory and assisting agencies within VNA. The Aviation Security Committee has been operational since January 1, 2024. As per the organizational model of the Aviation Security Committee, the Head of the Committee serves as the head of the aviation security management system of the Corporation. They are ultimately responsible to the General Director for ensuring aviation security in accordance with the law.

Secondly, promptly developing, updating, and amending aviation security policies and standards in accordance with legal regulations and actual operations. The focus is on updating and amending the 7th Aviation Security Program, Aviation Security Regulations of its affiliated units, and VNA's Aviation Security Curriculum in compliance 34/2022/TT-BGTVT, Circulars 41/2020/TT-BGTVT, and 42/2023/TT-BGTVT issued by the Ministry of Transport; updating and amending VNA's procedures for serving special flights and specialized cabins according to Decree 96/2021/ND-CP and Circular 25/2022/TT-BGTVT issued by the Government and the Ministry of Transport, respectively; Developing and implementing security procedures to open flight routes HAN/SGN-BOM. HAN-MEL. HAN/SGN-PER: Conducting aviation security quality control to meet aviation security standards during inspections by the Civil Aviation Authority of Vietnam (CAAV) and the US Transportation Security Administration (TSA).

Thirdly, proactively coordinating with competent authorities to firmly grasp the relevant security situations at home and abroad, aiming to promptly identify and evaluate security threats and risks, deploy security measures for flight routes and operating areas and respond effectively to situations that may affect VNA's operating activities:

- (1) Implementing plans to ensure absolute security for 145 domestic flights and 21 international flights carrying Party and State leaders, which made a significant contribution to serving the Party and State's foreign affairs.
- (2) Strengthening security measures during Tet holidays, anniversaries, important events of the country and at the time of the terrorist incident in Dak Lak, and for flights to/from

Indonesia due to terrorist threats from the JAD terrorist organization, as well as for flights to/from Europe against security threats and terrorist attacks in some European countries.

(3) Timely assessing security risks to adjust flights to/from Europe through Iranian airspace and flights to/from Europe and the United States through Russian airspace.

__94__ __ 95__



- - (4) Coordinating with relevant authorities and organizations to search, verify and provide relevant information to meet 150 requests from domestic and foreign authorities; timely updating and issuing warnings on the information system regarding 201 wanted subjects, subjects related to cases requiring monitoring, and subjects banned from transportation.
 - (5) Deploying a series of measures to ensure security for passengers, luggage, goods, postal items, and aircraft; promptly detecting and handling 65 cases related to aviation security, with no serious incidents recorded, a slight increase compared to 2022. This significantly contributed to ensuring security for all flights and operations at home and abroad.

Fourthly, strengthening solutions to prevent smuggling, trade fraud, and counterfeit goods, as well as controlling internal security to minimize violations of discipline and law by employees. VNA closely followed the directions of competent authorities, especially the National Steering Committee on preventing smuggling, trade fraud, and counterfeit goods (Steering Committee 389), the Ministry of Transport, the State Capital Management Committee, and the CAAV. We proactively deployed many solutions to gradually minimize cases of smuggling, commercial fraud, and violations of law and discipline:

- (1) Raising the awareness of all staff members regarding aviation security culture to ensure that they do not engage in or assist smuggling activities, or violate regulations and laws.
- 2) Reviewing and enhancing internal control, including implementing rotation and mandating that all officers and employees with direct contact with luggage, goods, and aircraft sign a commitment to

refrain from engaging in or assisting smuggling, commercial fraud, or transportation of counterfeit goods.

- (3) Strengthening inspection of flight crew luggage on international flights to ensure strict compliance with flight crew luggage and customs regulations.
- (4) Proactively deploying measures to prevent smuggling, trade fraud, and counterfeit goods; promptly detecting and strictly addressing any violations as VNA does not tolerate or cover up acts of smuggling, trade fraud, or counterfeit goods.

Fifthly, cproactively coordinating with the Immigration Department (A08) and the Ministry of Public Security to deploy aviation security officers on our flights. VNA closely collaborated with A08 to train aviation security officers and created favourable conditions for them to fulfill their duties without disrupting commercial and specialized flights:

- (1) Coordinating with related agencies to organize two training courses on aviation knowledge and aviation security for 42 aviation security officers.
- (2) Coordinating with related agencies to deploy aviation security officers on 22 commercial flights utilizing A350s and B787s for practical training.
- (3) Coordinating with related agencies to deploy aviation security officers on 68 domestic flights with special cabins serving Party and State leaders during their domestic business trips.

Party and State leaders on domestic business trips.

No	Incident	2023 cases	2022 cases	Change
1	Bomb/ explosives/ weapon threat	2	2	0
2	Disruptions or drunkeness	11	10	1↑
3	Onboard smoking	19	8	111
4	Onboard usage of mobile devices	0	0	0
5	Onboard stealing	1	0	1↑
6	False document usage	12	9	3↑
7	False identification	1	0	1↑
8	Illegal weapon carriage	0	2	2↓
9	Transport of unapproved weapons, ammunition, and support instruments	9	11	2↓
10	In-ground stealing	0	0	0
11	Missing items in checked baggage	0	0	0
12	Wrong flight boarding	3	7	4↓
13	Life-vest missing/ stealing	1	0	1↑
14	Smuggling, commercial fraud and counterfeit goods	4	0	4↑
15	Passengers banned from flying	0	1	1↓
16	Crew violation	0	1	1↓
17	Other security violations	2	6	4↓
	Total	65	57	
				_





2.9 Human resource management

2.9.1 Total number of employees as of December 31, 2023

The total consolidated number of employees as of December 31, 2023 was 19,167, including 5,229 of the parent company and 13,938 from subsidiaries and affiliates.

Of the above, with respect to the parent company: The employee count includes individuals listed in the management roster of departments and entities (excluding ALSIMEXCO).

Vietnam Airlines' workforce continues develop following the trend of rejuvenation, focusing on improving and developing expertise and skills not only in quantity but also in quality, especially with specific employees such as pilots and flight attendants, ready to meet the requirements of production, business and air transport activities.

Parent company

a. Average labor force, average age

The average number of employees throughout the year was 5,161, calculated on the number of employees and converted according to the ratio

of actual working days in each month. For pilots and flight attendants, their charges are based on the actual number of flight operations they performed.



Chart of labor force by gender and age

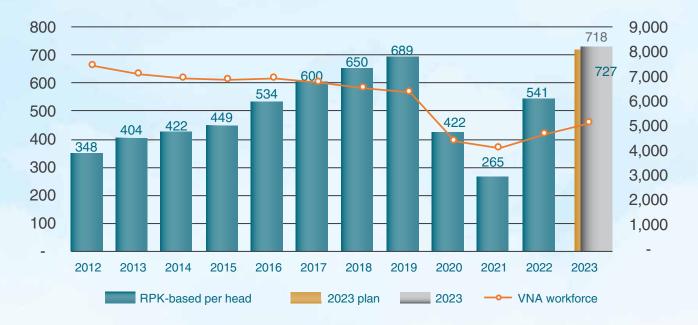
b. Labor productivity indicators

In order to ensure that human resources are used optimally and economically, output scenarios, ensure that pilot and flight attendant resources for flight operations are built according to high output plans; Employees whose labor contracts were temporarily suspended due to the effects of Covid-19 have returned to work from January 1, 2023 and have been arranged and evaluated for work performance in accordance with regulations; The number of resigned employees has been recruited appropriately,

corresponding to the scale of production and business activities, meeting the needs of gradual recovery, implementing the policy of digital transformation, increasing management capacity and competitiveness.

With the operation and economical use of labor, the average workforce in 2023 was 5,161 people, equal to 97% of the Plan 2022 reported to the General Meeting of Shareholders. RTK (Revenued Ton Kilometer) - based per head was 727 thousand tons.km/labor, reaching 101% of the plan.

Chart: Labor use and labor productivity 2023



Reason for increase or decrease compared to the previous year: The number of ground workers voluntarily quitting their jobs in 2023 gradually decreased compared to the previous year due to VNA's business situation gradually recovering, workers returning to work after temporarily suspending their labor contracts and productivity wages improved.

Main influencing factors: The leading factor influencing ground workers' decision to quit their jobs in previous years is the impact of the epidemic, leading to insecurity of income and immediate and long-term development opportunities.

Solutions have been implemented to improve and enhance labor efficiency:

Ensuring a transparent salary and bonus mechanism. Actively communicating internally about employee

benefits, focusing on benefits as a factor to attract candidates when recruiting and retaining employees.

Fair and transparent evaluation mechanism: regularly recognizing and evaluating employee capabilities based on the work performance, listening, giving positive feedback and rewarding when employees achieve good results, providing promotion opportunities for deserving individuals.

Spreading corporate culture to many workers: building a solid corporate culture, modern working environment, digital transformation to reduce work pressure and increase labor productivity.

Building a clear career path, creating development conditions for employees; Focusing on skills training and internal rotation.



2.9.2 Implementation results

Recruitment

Vietnam Airlines has continued its program of sourcing, recruiting, and training specific workforce through socialization. This includes targeting basic pilots for training to transition into flight operations and recruiting additional flight attendants to compensate for the termination of labor contracts and to prepare resources for 2024. In addition, the recruitment process has contributed to adding an abundant source of young ground workers with great potential, making a positive contribution in improvement of labor quality and productivity.

Training

In the context of a business environment with many difficulties and challenges after the COVID-19 epidemic, VNA's training system has shown proactiveness and dedication in compiling and updating policies and training programs as required by the Civil Aviation Administration of Vietnam; Organizing well the training for Pilots, Flight Attendants, Aircraft Technical Staff, Ground Operations Staff, training and developing resource officers, managers, and teachers, contributing to completing the planned targets for 2023 - a key year in the 5-year plan for the period 2021 - 2025 of VNA.

NO.	Training contents	Number of rainees
	Organizing training in IOSA subjects as required by the	
	Civil Aviation Safety Regulations in the field of aircraft	
1	operation for pilots, flight attendants, aircraft technicans,	97,350
	and ground operators.	
2	Organizing PSS system conversion training for officers	6,459
2	and teachers of the Commerce and Service sectors	0,400
3	Organizing Uplifting service training for all levels from	0.000
3	senior and middle management leaders to all staff	2,096
	Organizing of training and development of pilots:	
4	Training to change aircraft type	Above 100
	☐ Training to upgrade captains	

Overall assessment: The training has been organized in accordance with objectives and requirements, with the following achievements: Successful completion of the construction and update of the training documentation system, which has been submitted for approval to the Civil Aviation Administration of Vietnam. This includes the Training Policy of the Flight Operations Department (PART D1) according to Circular 09/2023/TT - BGTVT, Dangerous Goods Training Program according to CBTA (Competency Based Training Accessment), Aviation Security Training Program and Curriculum according to Circular 34/2022/TT - BGTVT.

Completed the development of a curriculum for 10 training tools for Uplifting Service;

Organizing of training of resource officers, managers, and teachers to prepare for VNA's operation plan in 2024 and upcoming years, specifically as follows:

Developing and updating regulations, policies, programs, and textbooks: Proactively building and updating a system of policies, programs, textbooks, and training documents to ensure on schedule and meet the requirements of CAAV. IOSA - IATA and requirements of the General Assembly;

- management and business operations, and specialized seminars; Deploying an in-depth aviation training program for planned and appointed subjects and managers;
- Teacher development training: Planning and training to develop teacher resources, especially pilot teachers;
- Specific labor training: Speeding up the progress of raining to change type and Training to upgrade captains (captains of all types of aircraft);
- Completing the PSS system conversion training plan by mid-April 2024;

- Manager training: Developing training programs for
 Training in IOSA subjects: Strictly maintaining and controlling the training of IOSA subjects for pilots, flight attendants, and ground operators to maintain flight safety of VNA;
 - Applying IT and digital technology: Promoting the digitalization of lectures on E-learning to increase the effectiveness of online teaching, creating initiative for students and teachers and saving time and costs of VNA; creating a learning cultural environment, encouraging employees to actively study and attend seminars, promoting employees' ideas and initiatives to contribute to VNA, etc.





Corporate culture

Throughout the process of establishment and sustainable development of Vietnam Airlines, building corporate culture, developing office and human culture on the foundation of inheriting and promoting cultural values of the nation, traditional values of the Civil Aviation industry and the Vietnam People's Army - the Heroic Army of the Heroic nation, has created the internal strength as well as the unique culture of VNA. From there, it contributes to the crystallization of core values for corporate culture and is instilled over time, becoming ethical standards not only in communication and behavioral culture but also including vision, mission, core values, rules, management style, goals, development strategies, as well as the behavior and attitude of all Vietnam Airlines' members. In addition

to the spirit of upholding responsibility in preserving and promoting existing good values, developing and enhancing corporate culture associated with digital transformation and meeting international integration requirements are also extremely important criteria. With the goal of building a strong Vietnam Airlines with its own identity and cultural and behavioral codes, the "Vietnam Airlines Culture Handbook" is gradually being completed, issued and deployed to create culture. Acting as a guideline for each member of the organization to understand, appreciate and preserve the quintessential values of the business, the cultural handbook is an indispensable tools in the process of change and self-improvement of each individual, joining hands to strengthen collective strength.







Responsibility towards the environment and society

After 3 years of serious impact from the pandemic, by 2023, the Covid-19 epidemic has basically been completely controlled in the world, the incoming passengers are expected to recover, VNA's business activities have shown signs of positive changes. On the basis of determining the salary fund for 2023 according to Decree No. 20/2020/ND-CP, VNA has flexibly managed salary policies appropriate to the scale of production and business, thereby creating stable living conditions for employees, retaining high-quality employees, and maintaining resources for recovery development after the pandemic.

In order to motivate employees who have been trying to complete their tasks and maintain employee engagement with VNA, VNA's leaders have made changes in salary policy right from the beginning of the year. Specifically: adjusting to increase the rate of flight salary, productivity salary, etc. higher than 2022 for all title groups: Vietnamese Pilots, Full-time Flight Attendants, Ground Workers. This policy is maintained stably throughout the year to motivate employees even though the macroeconomic situation has many unpredictable fluctuations (Russo-Ukrainian war, Israel war, increased oil prices, increased foreign exchange rates, etc.) that significantly affect VNA's business plan. In addition, VNA has actively worked and coordinated with the

Capital Management Committee and the Ministry of Labor, Invalids and Social Affairs to submit to the Prime Minister for approval an additional salary fund to compensate for the salary difference between Vietnamese pilots and foreign pilots for VNA. On August 23, 2023, the Prime Minister signed and promulgated Decree No. 64/2023/ND-CP on supplementing Government's Decree No. 87/2021/ND-CP dated September 29, 2021 on extending the time of implementation and amending and supplementing a number of articles of Government's Decree No. 20/2020/ND-CP dated February 17, 2020 on piloting labor and salary management for a number of economic groups and state-owned corporations.

Regarding other policies, VNA always properly and fully implements the State's regulations and laws on labor, social insurance, health insurance, and unemployment insurance. In addition, VNA continues to maintain other welfare regimes such as health insurance for employees, fare-free ticket regime, industry uniforms, and support regime for employees waiting for retirement.

Flexible management of human resources and salary policies in accordance with the business situation helps the average salary of employees in 2023 recover over 85% compared to 2019 (the peak business period of VNA).



__ 102 __ __ 103 __



2.10 Communications and brand development

In 2023, VNA's branding, advertising and communication activities have been deployed in a comprehensive, multi-channel direction, strongly supporting sales and increasing revenue. At the same time, media advertising focuses on humane, friendly, youthful, dynamic, creative, and modern elements, affirming the position and role of Vietnam Airlines in the development of the country and promoting Vietnamese culture.

The brand image

- Maintaining brand image at all touch points with customers and employees.
- Developing brand identity in a youthful, modern and trendy direction.
- Strengthening cooperation with provinces, cities, corporations, businesses, embassies and consulates of other countries to build and develop brands and images.
- Continuing to conduct research and implement the brand repositioning program.

Media advertisement

- Connecting with customers through 360-degree marketing across multiple media channels and events.
- Focusing on advertising and communication about the strengths and highlights of Vietnam Airlines products and services such as Dedicated service, Modern aircraft, Culinary quintessence, Professional flight attendants, Destinations, Top 20 safest airlines in the world, etc.
- Promoting sales advertising of high revenue classes and sales advertising in key international markets.
- Timely and accurate implementation of tactical advertising programs, with special emphasis on personalization. Advertising campaigns achieve outstanding KPI efficiency on digital platforms.
- External and internal communication information closely follows VNA's production and business orientation. Media KPIs and market share are guaranteed.
- Press relations continue to be maintained and promoted to support communication activities.
- Actively participate in organizing and sponsoring national and international programs and events.
- Interactive communication and customer care channels on social networks are diversified (Facebook, Instagram, Tiktok, Zalo, LinkedIn...).
- Catching up with new trends and tools through programs such as OneS, mascot and rejuvenate the VNA brand through cooperation with young artists.



Highlighted events

Organizing campaigns and events to create highlights and attract the attention of customers, partners and the public such as events celebrating holidays and Tet; opening new routes (India, Australia); Vietnam Airlines Festa fair; VITM and ITE fairs; signing ceremony with provinces and businesses; the 20th anniversary of the French route; MoU signing ceremony for 50 Boeing 737 MAX aircraft; World Safety & Operations Conference (WSOC) - IATA; Youth Travel Awards; Hanoi Open Dragon Boat Swimming and Run for Love; Celebrating 15 years of website; gender equality campaign: Launching Ceremony and Orange Sky flights; Organizing the A321 to operate the new Dien Bien airport.

CSR activities

Effectively deploying outstanding CSR activities bearing the brand's mark through connecting and calling for resources from LotuSmile members to bring more value to the community and society. The activities have raised a total of 6.71 million miles (equivalent to 4.1 billion VND). Typical CSR programs in 2023:

- Coordinating with doctors to organize surgeries for 180 cases of jaw skull face eye diseases, 1100 smile surgeries, and screening for heart defects in 35,000 children.
- Donating more than 2 tons of leftover food after flights to help 800 people in difficult situations lacking food.
- Successfully organizing Dream Trips 1 and 2 for hundreds of orphans and disadvantaged children.
- Organizing a reunion flight to bring workers back to their hometown during the Lunar New Year.
- Organizing Run For Love race.
- Accompanying the National Launching Ceremony, responding to the 2023 Environmental Action Month, Vietnam Airlines has planted 3,000 new green lim trees at Ngan Pho River Protection Forest, Ha Tinh province.



Awards

10 international awards

NO.	International awards
1	Top 20 safest airlines in the world - AirlineRatings
2	Top 100 best airlines in the world (ranked 44/100)- Skytrax
3	Top 10 best airlines operating to the United States - Bounce
4	Asia's Leading Airline for Economy Class - World Travel Awards
5	Asia's Leading Airline for Cultural Identity - World Travel Awards
6	Asia's Leading Airline for Cabin Crew Service - World Travel Awards
7	Asia's Leading In-Flight Magazine - World Travel Awards
8	Asia's Leading Airline for Cultural Identity - World Travel Awards
9	Five Star Global Airline - APEX
10	Top 3 airlines with the best food and beverage services - APEX

13 domestic awards

NO.	Domestic awards
140.	Domestic awards
1	The most considered travel brand in Vietnam
2	National brand
3	The most improved brand (ranked 1st) - YouGov
4	Top 2 brands for customer experience in Vietnamese market - Campaign Asia
5	Top 10 most famous brands (ranked 1st) - Vietnam Intellectual Property Association
6	The most valuable brands in the Vietnam - Brand Finance and Mibrand Vietnam
7	Top 5 enterprises growing brand power in the entire industry - Brand Finance and Mibrand Vietnam
8	Top 26 most valuable brands in Vietnam - Brand Equity
9	Top 500 best employers in Vietnam (ranked 52/500)
10	Top 3 airlines with the best food and beverage services - APEX
11	Human Act Prize (Action for community) for the Persistence
	Project connecting love with the Golden Lotus
12	Enterprise that meet Vietnam Business Culture 2023 standards
	Propaganda Department and Ministry of Industry and Trade
13	Best Brand Rankings - Decision Lab

Results

Metric	2023 Plan	2023 Actual
VNA Group communication coverage	56%	58.8%
Sentiment	Positive > 25.9%	Positive > 26.03%

2.11 Information technology

a. New or improved IT applications in business fields (commerce, operation, engineering, sales, administration, etc.)

In 2023, VNA has promoted IT solutions to make Vietnam Airlines becoming a digital airline; Researching and applying smart IT solutions in all fields to optimize work processes, save costs, increase revenue and bring customer experience in accordance with the development requirements of the Industrial Revolution 4.0. Specifically:

- Completed the implementation of important software systems serving the profession: VNA'sContract Management Software (CMS); Technical Integrity Management System (TIMS); Emergency Management Software, Loyalty Fraud Management Software;
- Completed upgrading the Trade Reporting and Compliance Engine in the Commodities and Golden Lotus to a new technology platform;
- Completed the construction of Loyalty Programs (Loyalty Rewards) - Booker of the B2B system;
- Continuing to expand the deployment of DCP Webservices connection for traditional agents and OTAs to expand the sales network;
- Continuing to complete the API Data Hub system to serve the management of OTAs in VNA's new PSS conversion program;
- Optimizing Internet transmission channels to serve business and prepare for PSS/DCS system conversion;
- Ensuring the video conferencing and VPN infrastructure system serves the activities of VNA's staff and employees.

b. Assessment of IT system available (SLA)

- The average IT system availability in 2023 is 99.99%.
- The average security indicators in 2023 are 100%

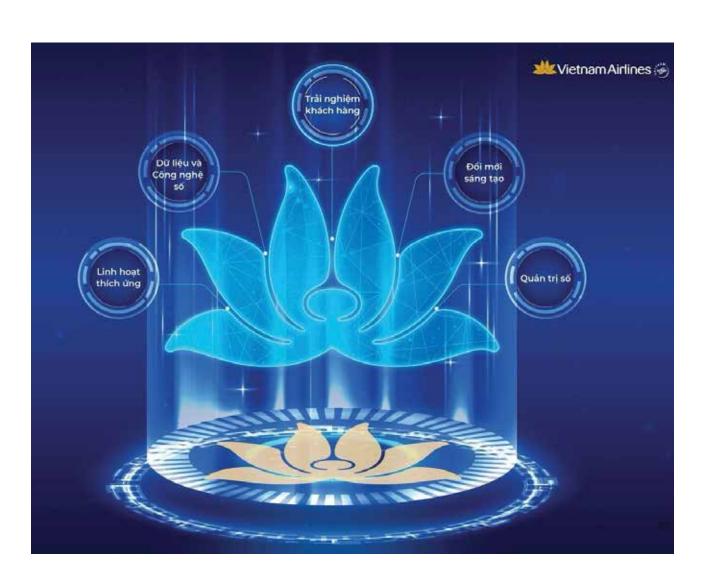
- c. Policies on information security, confidentiality of information for customers, shareholders and important changes (if any)
- Ensuring information security for IT systems, achieving the set KPIs such as the rate of workstations installed with information security software reached 100%; the rate of servers installed with information security software reached 100%; the rate of handling information security incidents reached 100%.
- Optimizing other security and order services and solutions to cope with VNA's budget difficulties.
- Commiting to conducting information security assessments and remediating security vulnerabilities for critical IT systems and new systems. Continuing to maintain certification of compliance with international security standards PCI DSS of the International Card Payment Association. Applying and deploying the Information Security Management system according to ISO 27001 standards for data center management and database administration.
- Complaints about data protection sent to DPO are resolved, limited and quickly overcome security issues such as false booking, DDoS of e-commerce websites; Ensuring all data protection complaints referred to the DPO are resolved.
- Organizing assessment of user awareness of information security and practice phishing attacks via Email. Deploying and replacing SSLs, bringing back a centralized management model. Implementing anti-spoofing solutions for emails sent from outside.
- Implementing a plan to separate the domain of the Email marketing system, improving the safety and effectiveness of Email Marketing. Conducting research, apply, and test new information security solutions such as PAM; SOAR and EDR.



d. Roadmap and solutions to become a Digital **Enterprise 4.0 (Digital Airlines)**

- Promoting research on digital infrastructure conversion solutions, organizing digital data sources and promoting the operation of Business intelligence reporting (BI). Organizing a shared Data LakeHouse covering all fields, meeting the needs of data exploitation and management in the Cloud environment. Issuing data management policies and data exploitation procedures throughout VNA.
- Synchronously deploying information technology systems according to standards in aviation based on Best Practices for Aviation. Deploying the application of achievements of the 4.0 Industrial Revolution such as Artificial Intelligence (AI) in forecasting, optimizing fuel use, etc.; biometric identification (Biometric); exploiting big data (Big Data) in the fields of commerce, exploitation

- operations, automate customer service, and improving customer experience.
- Enhancing the application and deployment of IT systems in technical maintenance activities, early failure prediction to improve the efficiency of aircraft maintenance and repair.
- Upgrading the information security operations center (SOC); Meeting regulations and instructions of authorities on Information Security; Successfully deploying and maintaining Information Security standards such as ISO 27001; PCI DSS;... upgrading ccess management decentralization of important applications; perfecting the information security model targeting each application; Deploying decentralized management models on the application and database layers, ensuring data management, data retrieval, and data tracing when required.



2.12 Restructuring of the parent company and member companies

2.12.1 Operational restructuring

Flight route

Managing business operations and activities in alignment with market developments and operating aircraft resources. In the international market, stopping or reducing the frequency of ineffective routes, continuing to expand the market through opening new routes. In addition, other routes basically maintain the same operating frequency as in 2019, except for routes to Russia and Myanmar due to political instability. In the domestic market, maintaining VNA Group's main market share on trunk airline, continuing to increase tourist flights, operating flexibly to ensure efficiency.

On sale

Emphasizing online sales channels to advance towards Vietnam Airlines' vision of becoming a digital airline by 2025.

Expanding the ecosystem of e-commerce platforms, e-wallets, and applications in Vietnam, along with partnerships with major global Metasearch and OTAs.

Personalizing the selling process, service delivery, and enhancing the overall customer experience by building a comprehensive customer database and upgrading the website and mobile app. Effectively exploiting regular customer data, B2C, and B2B to deploy sales programs and increase revenue.

Investing in the development and sales of complementary products. Successfully converting the new reservation system, quickly promoting the effectiveness of the new system's advanced features to serve sales well. Effectively using fleets in low load conditions, focusing on long and effective routes, narrowing the frequency of ineffective routes, and improving average prices. Continuing to open new routes to increase the coverage of the flight network, seeking new opportunities and markets.

Taking advantage of the strengths of flight network to increase the sale of connecting flights, franchise 6, diversifying customer sources, and competing flexibly in markets with low-cost airlines such as Southeast Asia and Northeast Asia.

Perfecting systems and service processes,

improving quality in serving and selling to corporate customers through innovating preferential policies, focusing on high-turnover customers, building and improving software systems serving business customers.

Successfully launching and selling Gift Card products to high-income customers, VNA's subsidiaries, and strategic/comprehensive partners, improving convenience and service quality through improving tools for selling and using Gift Cards on Vietnam Airlines website.

Utilizing commissions and trade discounts (CKTM) strategically to stimulate sales when necessary, minimizing commissions and leveraging CKTM across the network.

Expanding indirect sales channels by increasing the coverage of Vietnam Airlines' agents and sellers across provinces and cities through perfecting B2B sales tools and expanding policies for direct sellers. Leveraging B2B/B2C Salesforce tools to efficitively manage and engage with passengers, major corporate customers, agents, and travel agencies, clearly/firmly understanding customer sources towards the goal of improving stable, long-term sales efficiency; Enhancing the effectiveness of sales administration, agency sales channel management, and CA management through B2B Salesforce tools. Continuing to deploy new sales tools: coordinating with GDS, application agent system, NDC tests. This is a new selling method that helps increase customer experience, enhance information, and promote products, especially complementary products, to direct customers.

Effectively expanding cooperation with strategic partners and provinces to implement sales programs, increase revenue, coordinate to promote local tourism, increase media advertising, and enhance Vietnamese image in markets.

On cargo transportation

Sustaining the VNA Group's domestic market share at 56% (market share of HANSGN trunk airline ~62%). Closely following commodity market developments, implementing flexible policies, and optimizing flight revenue.

__ 108 __ __ 109 __



Endeavoring to maintain the load utilization factor of international passenger flights above 71%. Strengthening cooperation with airlines, improving efficiency and expanding cooperation.

On service

Following the restructuring programs of the Services sector from 2022, entities in the Sector are constantly perfecting their organizational structure

and functions in a streamlined direction, improving the quality of resources; promoting the application of information technology and digital transformation, closely following Vietnam Airlines' digital transformation strategy for the period 2022 - 2026. Accordingly, the Service sector has contributed significantly to turn Vietnam Airlines into a digital airline, creating a foundation for Vietnam Airlines to develop effectively and sustainably.

2.12.2 Financial restructuring of the parent company

In the context of many unfavorable business activities while VNA's financial situation has not improved due to the legacy of the Covid-19 pandemic, VNA has proactively implemented many restructuring solutions including: continuing to implement cost-saving and cutting solutions, especially costs associated with output scale; promoting negotiations and agreements with partners on plans to restructure the time and amount of debt repayment to suppliers (mainly debt for aircraft rental, repair and maintenance, and flight service expenses); Continuing to restructure loans to reduce the cash flow burden for the VNA and flexibly use short-term loan capital

to have cash flow serving business activities; Completed disbursement of proceeds from capital transfer at K6 in phase 1 to supplement cash flow for business. Furthermore, one of the solutions that Vietnam Airlines JSC implemented in 2023 is to finish making and reporting to competent authorities to consider the overall scheme of solutions to remove difficulties from COVID-19 in the period 2021 - 2025 with the financial restructuring solution. Vietnam Airlines is reporting, explaining, and pushing the process to approve the scheme of authorities to implement this solution with in 2024.

2.12.3 Restructuring of member companies

In 2023, Vietnam Airlines actively implemented divestment at member companies and achieved a number of results such as: completing the divestment phase 1 at Cambodia Angkor Air, proactively carrying out preparations for capital

transfer of Vietnam Airlines at a number of member companies in parallel with the process of reporting for policy approval, solutions to remove difficulties in capital transfer mechanisms by competent authorities.

2.12.4 Human resource and salary restructuring

In 2023, Vietnam Airlines will continue to flexibly operate the policy of using human resources in accordance with the operation scale, gradually adding laborers to work according to market developments, maintaining the highest availability of resources, and complying with the provisions of the law. This approach aims to create motivation for employees as business activities gradually recover.

Regarding the organization, Vietnam Airlines established an Indian Branch and assigned the

Vietnam Branch to manage the operations of the Dien Bien Branch. As for the salary policy, VNA's salary fund is determined according to the State's decrees. On the basis of summarizing the pilot implementation of labor management, salaries and bonuses for a number of economic groups and state-owned corporations in the period 2020 - 2022 according to Decree 20/2020/ND-CP and Decree 87/2021/ND-CP, VNA reported the results, difficulties and problems during pilot implementation, and coordinated with the Capital

Management Committee and the Ministry of Labor, War Invalids and Social Affairs to submit to the Prime Minister for approval Decree No. 64/2023/ND-CP supplementing Decree No. 87/2021/ND-CP. Accordingly, every year VNA is supplemented with salary funds for Vietnamese Pilots if it completes the planned profit target

assigned by the Capital Management Committee. This additional fund creates conditions to help VNA narrow the salary gap between Vietnamese pilots and foreign pilots of Vietnam Airlines, retaining specific resources, and balancing the remaining funds to distribute to other workers, creating conditions for stabilizing income for workers

2.12.5 The application of digital transformation in business activities

Vietnam Airlines is strongly applying e-commerce platforms to sales activities such as continuously upgrading and developing the Website to create a unique sales platform and customer experience. Developing Mobile App to increase sales channels and mobile experience. Integrating and cooperating multi-channel with banking partners, trading floors, and e-markets to diversify products. Continuously cooperating with partners to open channels accumulating reward points for customers, bringing customers the most

benefits when using Vietnam Airlines service. In addition to direct sales of aviation products, a number of non-aviation products are also integrated and expanded to customers through commercial portals such as VNMall, VNAmazing or other trade promotion activities. In addition to direct sales of aviation products, a number of non-aviation products are also integrated and expanded to customers through commercial portals such as VNMall, VNAmazing or other trade promotion activities.

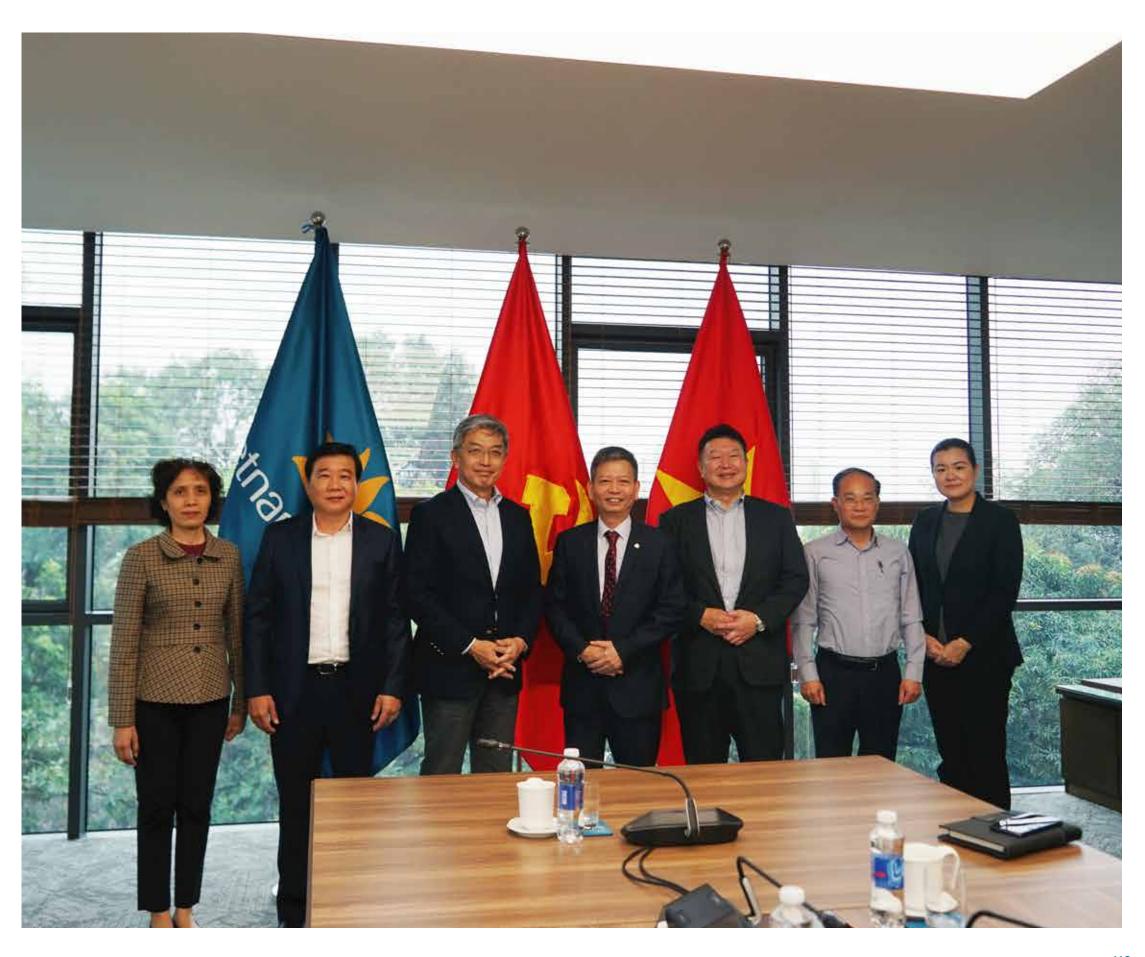
__ 110 __ __ 111 __

Vietnam Airlines Annual Report 2023

2.13 Cooperation programs

a. Strategic partnership with the shareholder ANA Holdings Inc.

In 2023, Vietnam Airlines and ANA further enhanced their comprehensive strategic cooperation according to agreements between the two sides within the investment cooperation framework to purchase shares of Vietnam Airlines in 2016. In this year, both parties have increased exchanges on the possibility of joint venture cooperation in the field of trade, while promoting the implementation of technical support in the fields of: flight attendant training, digital transformation, some support in the commercial field (business model, online sales, new distribution system, etc.). Through ANA's support, Vietnam Airlines has learned many experiences to improve the quality of flight attendants and improve passenger service processes. For digital transformation, ANA's support has helped Vietnam Airlines build and deploy a data management and exploitation system, gradually perfecting data solutions that bring value to business activities for VNA and improve customer experience.



b. Commercial cooperation (bilateral/ multilateral/ joint venture/ Skyteam)

- Regarding codeshare cooperation, in 2023, Vietnam Airlines has resumed cooperation with 20/24 international airlines and 1 French train company; signed a codeshare agreement with two new partners in the European region, Virgin Atlantic and Turkish Airlines; exchanging codeshare cooperations with Saudi Arabia Airlines, Emirates, and Singapore Airlines to restore and expand the cooperative flight network, better serving the increasingly diverse needs of passengers.
- Regarding joint venture cooperation, VNA maintains the joint venture cooperation between Vietnam - France with Air France (French airline), business cooperation on domestic routes with Pacific Airlines and exchange of joint venture cooperation possibilities with a number of potential partners.
- Regarding Special Prorate Agreements (SPA). VNA also effectively manages more than 80 SPA cooperation with airlines and shipping lines. Strengthening cooperation helps VNA expand its flight network, diversify products, protect revenue for Vietnam Airlines and contribute to improving the efficiency of flight operations, enhancing brand image and enhancing presence in most major markets in the world.
- Regarding multilateral cooperation, Vietnam Airlines has actively participated in activities at multilateral organizations IATA and the SkyTeam

- Alliance to promote the role and influence of VNA in building and shaping general policies of the Union. In 2023, VNA has enhanced international integration activities by coordinating with IATA to successfully organize many international conferences in Vietnam. In addition, the Corpoation also completed procedures to join the Association of Asia Pacific Airlines (AAPA). This is an organization that has a certain influence in the aviation industry, especially in the Asia-Pacific region. Joining AAPA helps Vietnam Airlines strengthen cooperation with member airlines;
- Directly participate in lobbying activities to increase influence and enhance Vietnam Airlines' position in the region. Joining AAPA also helps strengthen Vietnam Airlines' relationship with regional airlines, enhancing cooperation and mutual support in many fields. Regarding government agreements and industrial relations, VNA always proactively comments on policies to regulate idling operations between Vietnam and other countries to protect Vietnam Airlines' interests in operations. Accordingly, in 2023, VNA has proposed a plan to negotiate and join the CHK group to exchange bilateral aviation agreements between Vietnam and South Korea, India, Australia, Russia as well as multilateral agreements within ASEAN, and ASEAN with dialogue countries EU/New Zealand/Korea/Japan/China.











- Signing ceremony of cooperation between Vietnam Airlines VietHarvest
- VNA and Singapore Airlines signed an MOU cooperation agreement
- Working session between the CEO and IATA
- Meeting with VNA and Vietnamese ambassadors abroad



c. Cooperation with local authorities

- The collaboration between Vietnam Airlines and provinces/cities was further strengthened and expanded. By the end of 2023, Vietnam Airlines actively engaged in comprehensive cooperation agreements with 37/63 People's Committees of provinces and cities. In 2023 alone, Vietnam Airlines has signed a new and extended comprehensive cooperation agreement with 08 People's Committees of provinces/cities: Ha Nam, Da Nang, Hai Phong, Nam Dinh, Phu Yen, Thai Nguyen, Dien Bien, Ho Chi Minh City;
- With previously signed cooperation, Vietnam Airlines maintained and implemented tourism, cultural, and trade promotion activities. These agreements aimed to coordinate efforts in promoting tourism, commercial investment,

aviation, and destinations. The collaboration also involved the development of policies to effectively support and prioritize the use of each other's products and services. Furthermore, Vietnam Airlines actively strengthened image promotion, highlighting the significance of comprehensive cooperation between the airline provinces/cities in the process of operation and development. This collaboration aimed to enhance business efficiency and foster economic development both at the local and national levels. Cooperation with provinces/cities in recent years has contributed to helping Vietnam Airlines elevate its national brand, affirming its role as Top 1 Best Aviation Enterprise in Vietnam.





d. Cooperation with economics groups

The cooperation agreement between Vietnam Airlines and economic groups was aimed at leveraging the strengths of each party in operational and business areas, in order to foster comprehensive cooperation, and to establish a long-term strategic partnership in the process of operation and development. Through comprehensive cooperation, Vietnam Airlines and these groups engaged in mutually supportive activities, expanding and developing their business operations to effectively capitalize on their respective strengths and tap into domestic and international markets. This included focusing on the traditional

business fields of each party as well as other areas of mutual interest. The cooperation aims to enhance the benefits for o cials and employees of both parties. In 2023, Vietnam Airlines has continued to expand cooperation agreements with BIDV Insurance Corporation (BIC) and Thanh Thanh Cong - Bien Hoa Joint Stock Company, and extended cooperation with Mobifone Telecommunications Additionally, Vietnam Airlines Corporation. maintained and implemented ongoing cooperation activities with major corporations and economic groups that it has partnered with before, such as VinGroup, Sun Group, Nova Group, Thien Minh Group, and BRG.

3. Investment activities

3.1 Large project investments

The investment and development plan for 2023 of VNA received approval from the General Meeting of Shareholders through the Resolution No. 02/NQ-DHDCD dated December 16, 2023 with a total budget of 1,175.5 billion VND, including: 42.5 billion VND asset investment costs; 1,133 billion VND in funding to prepare the aviation service complex at Long Thanh International Airport.

Summary of the implementation of development plan for 2023 is as follows:

		2023 PLAN	20	23 ACTUAL	% A	% ACTUAL/ PLAN		
INVESTMENT PORTFOLIO	Number of projects	Disbursement (VND billion)	Number of projects	Disbursement (VND billion)	Số dự án	Disbursement (VND billion)		
1	2	3	4	5	6	7		
Asset investment	23	42.5	5	40,5	21.7%	95.3%		
Aircraft	1							
Bask construction	10	39.3	3	37.3	30.0%	95.2%		
IT and equipment	12	3.2	2	3.2	16.6%	100.0%		
External investment	3							
Provision for		1,133						
investments								
Total	26	1,175.5	5	40.5	19.2%	3.4%		

Note: Column 4 is the total number of approved pre-investment projects, the number of completed investment projects and put into use, and the nal settlement projects in 2023.

ASSET INVESTMENTS

Aircraft investment

The Department of Natural Resources and Environment has approved the environmental impact assessment report for the project involving 50 narrow-body aircraft, VNA and Boeing signed an MOU accepting Boeing's offer for 50 B737Max ships on the occasion of the US President's high-level visit to Vietnam on September 11, 2023, serves as a basis for the two sides to consider the offer, and is also a factor promoting the negotiation with manufacturers to support the process of completing project investment procedures.

Equipment investment

The total value of equipment investment in 2023 amounted to 3.2 billion VND. This primarily included disbursements for 2 equipment projects serving training as required by aviation authorities (completed and put into use in 2023).

Construction investment

The total value of construction investment in 2023 reached 37.3 billion VND, of which 36.4 billion VND has been disbursed for the M1 Building Project at 200 Nguyen Son. The project has been completed and operational since the first quarter of 2021. However, the payment schedule was extended and 0.9 billion VND paid for the cost of preparing to invest in the aviation service complex at Long Thanh International Airport.

Investment provisions in Long Thanh

In 2023, VNA has reserved 1,133 billion VND to disburse the aviation service complex at Long Thanh International Airport, including 150 billion VND for VNA's operation center in Long Thanh and 983 billion VND to contributed capital to private enterprises to invest in Long Thanh. In 2023, VNA has not yet deployed these investments because the State Management Agency is selecting investors for these items, and this funding will be transferred for implementation from the beginning of 2024.

General assessment of property investment

In 2023, VNA has correctly implemented the policy of extending the progress of investment preparation projects to suit the financial situation of VNA. Investment funds disbursed in 2023 are mainly to pay the balance of the completed project but the disbursement schedule has been extended (house M2); Payment of consulting fees for projects at Long Thanh International Airport; Partial payment of contracts for training equipment purchase projects of the LRC to meet regulations of the Aviation Administration. Investment implementation is carried out in accordance with the regulations of the State and VNA.

__ 118 __ __ 119 __

3.2 External investments

1. Overall assessment of the efficiency of external investment

In 2023, due to the impact of the global economic recession in the post-epidemic period and complex political fluctuations in the world, the recovery process of airlines has slowed down, business activities at enterprises with capital contributed by VNA have improved but continue to face many difficulties. Enterprises have been and are continuing to implement corrective solutions, proactively and flexibly manage business, maintain market share and customers, ensuring the quality of goods and services provided to VNA, ensuring flight safety, exploiting all revenue sources, thoroughly reducing costs to improve business results, striving to successfully complete assigned plans; ensuring the quality of goods and services provided to VNA and ensuring flight safety.

2. Business performance of investees in 2023

2.1 Subsidiaries

No.	Logo	Company	VNA's Ownership	Business performance
1	VAECO ALABOMO OF ACTIONAL ARTICLES	VAECO	100%	Aviation technical training organization VAECO is a one-member limited liability company fully owned by VNA. VAECO is the only aircraft maintenance organization in Vietnam to receive both the most prestigious certificates in the world, FAR-145 of the US Federal Aviation Administration (FAA, 2010) and EASA-145 of the European Aviation Safety Agency (EASA, 2017), along with the CAAV certificate from the Vietnam Aviation Administration and 20 aviation authorities around the world. With 6 hangars fully equipped with modern equipment, VAECO is a leading enterprise in Vietnam providing off-site maintenance, on-site maintenance, interior maintenance services and supplies of spare parts and supplies for the entire fleet of Vietnam Airlines and more than 80 other civil airlines around the world. VAECO Training Center is the first and largest technical training organization in Vietnam approved by the Vietnam Aviation Administration, not only training VAECO technical staff but also conducting training for many external organizations and entities. During the period 2022 - 2023, which is the period of economic recovery after the Covid pandemic, VAECO has focused on implementing key projects such as hangar 3 Noi Bai, converting MRO IT software applications in aircraft maintenance technical management, improving capacity, maintenance capacity and labor productivity, focusing on joint ventures with reputable maintenance organizations in the world in the field of aircraft maintenance. VAECO's 2023 business results have improved significantly with total revenue reaching 2,403 billion VND, profit before tax reaching 143.9 billion VND, ROE reaching 10.2%.

No.	Logo	Company
2	Skypec	SKYPEC
3	VIAGS AMMENT TO ACCUMENTATION	VIAGS

SKYPEC is a reputable one-member limited liability company wholly owned by VNA specializing in aviation fuel supply to domestic and international airlines. With a storage system spanning over 200,000m3, the company operates at 18 airports throughout Vietnam and 4 major international airports in Korea.

Business performance

To meet stringent quality standards for aircraft fuel, SKYPEC continuously invests in additional refueling vehicles, modern facilities, and laboratories that comply with international standards ISO/IEC 17025:2017 with 10 standard tests. The company's quality management system is certified by the QMS organization, adhering to ISO 9001-2015 international standards. With these measures, SKYPEC is always prepared to serve its domestic and international airline customers optimally. The company has also implemented an intelligent monitoring system, integrating GPS and dashcam technologies to digitize its refueling vehicles, ensuring strict control over the fuel supply chain. SKYPEC serves as the fuel supplier for all domestic airlines and nearly 100 foreign airlines operating in Vietnam. In 2023, after the impact of the Covid-19 epidemic, the economy was affected by the conflict between Russia and Ukraine and the war in the Gaza Strip, so the global economy continued to face difficulties due to economic recession and inflation; Especially in 2023, fuel prices have fluctuated with large amplitudes, and many times the supply is tense, making it difficult to balance supplies. Unpredictable developments in exchange rates decreased in the first half of the year, then increased from July to October and only decreased slightly in the last months of the year, increasing financial costs as well as exchange rate risks, greatly affecting results. Production and business of the Company. Facing the above challenges, SKYPEC has made efforts to implement operating solutions to overcome difficulties and crises and improve operational efficiency. Therefore SKYPEC's production and business activities in 2023 have achieved positive results with a total output of 1,478,879 tons; Total revenue target has reached 33,451 billion VND and profit before tax reached over 172 billion VND, ROE reached 18.2%.

VIAGS operates in the field of providing services at passenger terminals, cargo terminals, and aprons, o ering technical services, ground trading for passengers, and aircraft of airlines at various airports. With over 25 years of experience as a ground service enterprise, VIAGS has a workforce of nearly 4,000 highly skilled employees who undergo comprehensive training and possess expertise in various areas. The company also maintains a modern equipment system that adheres to the highest safety and quality standards, certified for ISO 9001:2015, ISO 14001:2015, and ISAGO. In 2023, the Company received many letters of praise for the safe, punctual and effective service of Asiana Airlines, Eva Air, and China Airlines. More specifically, VIAGS was also awarded awards such as "Best ground services provider" of Myanmar Airways International, "Best ground service partner of 2023" of Vietnam Airlines or "Ground handling company with the best service quality" of Malaysia Airlines.

Despite receiving positive signals from the market in 2023, in reality VIAGS has faced many difficulties. The complicated world political situation along with the economic recession and low-frequency operators have had a direct impact on VIAGS's air transport business. In addition, a number of new entities have appeared in the ground service market, causing competitive pressure to become increasingly fierce. Infrastructure at major airports such as Noi Bai and Tan Son Nhat has exceeded design capacity, narrow terminal premises affect operations, especially during peak holidays and Tet. Facing the above challenges, VIAGS has well implemented production and business management solutions, constantly improving service quality and optimizing profits. In particular, in 2023, VIAGS has welcomed 5 new airlines, bringing the total number of customers to 85 airlines (accounting for nearly 60% of the market share among ground handling companies in Vietnam), at the same time VIAGS has achieved 100% of the ground operation safety index set -SAG3 assigned by Vietnam Airlines Corporation.

Business results in 2023, the total number of flights the Company serves has reached 114,077 flights; Total revenue target has reached 2,032.16 billion VND, EBT reached more than 103 billion VND_ROF reached 27.1% __ 121 __

VNA's

Ownership



NO.	Logo	Company	VNA's Ownership	Business performance
4	VACS 8 N. BERGOO' OF VETWARD	VACS	100%	VACS, a company wholly owned by VNA, specializes in food production, ready-to-eat meals, and airline catering services. The company is committed to meeting the growing demands of its customers, and as such, it has implemented quality standards such as ISO 9001 and SQF 2000 (recognized for food hygiene and safety standards) with HACCP accreditation. In 2023, VACS received many awards and certificates of merit from Airlines such as: CI Outstanding Caterer & Best Partner 2023; JL Certificate of Appreciation Award 2023; Certificate of Merit and VNA Cup for 30 years of Accompaniment, Cooperation and Development 2023; Certificate of Merit from VNA Professional Award 2023 Enhance Vietnamese culinary identity on flights. In 2023, the domestic air transport market experienced a strong recovery, and airlines began reopening international routes, leading to a rapid improvement in VACS' business activities, at the same time, the Company proactively expanded the supply of non-air products, which helped VACS's production and business activities improve rapidly. Business results in 2023, VACS' total supply of meals has reached 9,321,586 meals; Total revenue target has reached 842.1 billion VND, EBT reached more than 120.3 billion VND, ROE reached 77%.
5	PACIFIC S	PACIFIC AIRLINES	98.84%	In 2023, the domestic air transport market has recovered. In January and early February, which is the peak period of Tet, PA took advantage of the opportunity to increase the exploitation of domestic routes and re-operate some international routes, however, the international market recovered slowly, the growth rate of domestic visitors did not meet the target. In addition, rising fuel prices and exchange rate fluctuations have negatively affected PA's business results. Faced with PA's extremely difficult situation, VNA has implemented solutions to coordinate resources, negotiate with suppliers to extend/postpone payments, and support price reductions to help PA overcome the crisis period. The Company's 2023 results have total revenue of 4,804 billion VND, profit before tax loss of 1,392 billion VND, a loss of 107 billion VND compared to the plan.
6	NCTS NOR BAN CARRO	NCTS	55.13%	NCTS Company has the advantage of being the first cargo service company at Noi Bai airport with experience and synchronously invested equipment, highly appreciated and recognized by customers for its professional service, especially for goods such as oversized and super heavy goods, oversized goods, and live animal goods. With increasingly customer requirements, the Company requires outstanding efforts to ensure service quality. The Company always focuses on fulfilling its commitments to customers, is highly appreciated by airlines for its service quality, and receives letters of commendation from airlines such as Etihad Airways (EY), Myanmar Airways International (8M), Asiana Airlines (OZ), Budget Lines (BD). In an effort to improve service quality, negotiate to retain airlines, take advantage of the opportunity to focus on the best conditions to serve companies that need to increase freighter trips and be drastic in solutions to increase revenue and reduce costs, so even though 2023 is a year of many difficulties. Therefore, although 2023 is a year of many difficulties and challenges, NCTS has achieved high production and business results with a service output of 301,533 tons, total revenue target of 724.1 billion VND, profit before tax of 273.3 billion VND, ROE reached 82.8%.
7	<u>IĆS</u>	TCS	55.00%	As the first and leading international warehouse at Tan Son Nhat airport with nearly 30 years of experience, TCS always strives to meet requirements and ensure the best service quality for customers. From August 2022, keeping up with changes in ICAO dangerous goods training regulations, TCS successfully became the first entity in Vietnam to receive certification as a Dangerous Goods Competency Based Training and Assessment Center recognized by IATA. In 2023, TCS was honored to receive the title "The Best Warehouse Handling Agent in S.E.A" awarded by Korean Air. In addition, the Company has implemented many

solutions to increase revenue and save costs, keeping production and business efficiency

at a high level, the output of goods served was 211,814 tons, total revenue of TCS reached

701 4 billion VND, Profit before tax reached 393.9 billion VND, BOF reached 305.4%





VNA's NO. Logo **Business performance** Company Ownership

VFT operates in the field of pilot training for airlines in the region. In 2022, the company achieved a signi fiant milestone by obtaining approval as a Level 1 pilot training organization (ATO1) from the Civil Aviation Administration of Vietnam. Since December 2022, VFT has been actively training pilots, marking a new phase of development in pilot training services in Vietnam. While facing challenges such as tough competition within the industry and the impact of the ongoing epidemic on pilot training programs, VFT has managed to navigate through these difficulties. The company incurred additional costs in the first year of implementing practical flight training. However, through diversification of training services and effective cost management, VFT achieved positive results in 2023. Total revenue reached 46.52 billion VND, EBT reached 4.4 billion VND, ROE reached 5.1%.

AITS operates in the information technology and telecommunications industry. The company plays a crucial role in VNA's air transport chain by offering essential information technology and telecommunications services such as: Core LAN network system; ĐBHD Server room; Data interaction portal (Datagateway) with external partners; extended warranty for WAN equipment; electronic invoice system; Control Lotusmile member accounts; BHĐ Spirit website, etc. As of 2023, AITS's total revenue has reached 302.54 billion VND, EBT has reached over 10.7 billion VND, and ROE has reached 12.2%.

ALSIMEXCO **ALSIMEXCO**

ALSIMEXCO primarily operates in the supply, hiring, import, and export of labor within and outside the aviation industry. One of its key areas is the provision of flight attendants to airlines, with a significant portion of its revenue coming from supplying to VNA, accounting for 80 - 90% of the total revenue. Therefore, the demand for ALSIMEXCO flight attendants from VNA as well as foreign airlines increased higher than expected, creating great advantages for the Company's production and business activities. This favorable market condition has provided significant advantages for the company's production and business activities. Although ALSIMEXCO has faced certain challenges affecting other areas of its operations, the company has proactively implemented exible solutions, effectively utilized available resources, and controlled costs to optimize overall business results. As a result, the Company's revenue target in 2023 has reached 506.9 billion VND; Profit before tax reached 3.9 billion VND; ROE ratio reached 27%.

Sabre Vietnam operates in the reservation system and related services sector, utilizing the Sabre global distribution system (GDS). Since 2017, Sabre Vietnam has been providing Customer Care Service for Vietnam Airlines and has been leveraging its experience and resources to extend this service to external customers. In 2023, for the GDS sector, in addition to the slower-than-expected recovery of the international market, the fact that most airlines in the region use the Amadeus master system (VNA is also starting to convert the PSS system) along with many airlines promoting sales through online channels has significantly affected SABER VN's market share. Regarding the field of customer care, as an indispensable link in VNA's 4-star service supply chain, moving towards 5-star standard, the Company has made efforts to ensure that customer care services for VNA are stable and smooth in the context that the difficulties causing the shortage of human resources have not yet been overcome. As a result, the Company's revenue target in 2023 has reached 115 billion VND; Profit before tax reached 9.5 billion VND; ROE ratio reached 131%.

2.2. Affiliates

2.2. <i>F</i>	Affiliates			
NO.	Logo	Company	VNA's Ownership	Business performance
1	VALC	VALC	32.48%	VALC operates in the aircraft industry, specializing in the buying, selling, leasing, and subleasing of aircraft. The company's establishment was driven by the objective of acquiring aircraft for lease to airlines, contributing to the growth of Vietnam's aviation sector. By increasing the number of locally owned aircraft, VALC aims to reduce reliance on the international aircraft supply market, enhance competitiveness, and foster integration of Vietnam's aviation industry with the global market. In 2023, the Company has stabilized production and business activities by leasing 10 A321 aircraft to VNA. With the sale and liquidation of ATR aircraft during the year, the Company's 2023 results have a revenue target of 76 million USD; Profit before tax reached 16.8 million USD; ROE ratio reached 21%.
2	NASCO	MASCO	65.05%	MASCO, the aviation service company operating at airports in the Central region, has a long-standing presence and is recognized as one of the pioneers in the industry. Its services include manufacturing and supplying in-flight meals, providing essential supplies and tools, passenger and crew transportation, conducting commercial activities at airport terminals, offering vocational training, etc. Masco is applying the ISO 22000:2018 food safety management system to production and business activities to ensure quality standards of meals supplied to Airlines. In 2023, while the domestic aviation market displayed a rapid recovery, the international market in the Central region experienced a slower rebound. Particularly, key flight routes to China were canceled as planned, so MASCO's business activities in the aviation sector still face many difficulties. In addition, the training of car and motorbike drivers must comply with the requirements for dash cams, electronic cabins, and simulation tests, causing tuition prices to increase compared to before and market demand is also saturated. As a result, in 2023, the total revenue target has reached 146.5 billion VND, EBT has reached more than 3.6 billion VND, and ROE has reached 8.4%.
3	AIRIMEX	AIRIMEX	41.31%	Specializing in the import and distribution of machinery, equipment, materials, spare parts, and providing import-export services for the aviation industry, in 2023, Airimex was still be the entity providing all import-export entrusted services for aircraft parts and transportation services for VNA. In addition to ensuring the conditions of facilities and staff, the Company still provided quality and reasonably priced goods to participate in procurement and supply packages. However, the Company also faced many challenges and difficulties due to fierce competition from partners operating in the field of transportation and ground equipment business. The office rental market declined due to the impact of the epidemic and prolonged deflation, many businesses had to close or reduce the scale of operations. Although the Company's business activities still faced many difficulties, by synchronously implementing solutions to increase revenue and reduce costs, Airimex has achieved a total revenue of 204.7 billion VND, PBT reached 5.3 billion VND, ROE reached 11.99%.
4	<i>7</i>	APLACO	30.41%	Main business activities are trading plastic products, common and high-end plastic products, including: plastic products for industry, export plastic products, household products, mold equipment, supplies for the plastic industry, etc. In addition, the company also engages in trading of recycling supplies, raw materials, and vehicle spare parts to





__ 124 __

support the recycling industry... In 2023, the company's production and business activities

faced many difficulties due to soaring prices, increasing raw material costs, capital shortages, and elevated financial expenses, etc. significantly impacting business

outcomes. Presently, financial report data from APLACO is not available for VNA.

2.3. Other investment

NO.	Logo	Company	VNA's Ownership	Business performance
1	កម្ពុជា នាំង្គរ ដែរ Camboda Angkor A.II	₂ K6	14.00%	Established in 2009 with capital contributions from the Royal Government of Cambodia, Vietnam Airlines, and Cambodian investors. In 2023, demand on Vietnam routes and Cambodia domestic routes recovered, giving K6 the opportunity to improve production and business results. K6 has made efforts to restore flight routes to Vietnam and China, and at the same time implemented solutions to increase revenue, reduce costs, negotiate payment delays, and capitalize on charter flights and cargo operations to supplement cash flow and sustain operations.
2	MSPT	SPT	0.36%	As a joint stock company, with VNA owning 0.36% of the charter capital (equivalent to 4.3 billion VND), SPT focuses on providing postal, telecommunications, and information technology services. Currently, VNA still does not have information about the company's 2023 business results

The 2023 business results of capital-contributed enterprises are unaudited data

3.3 Changes in investment capital of Vietnam Airlines in subsidiaries and affiliates

In 2023, VNA did not increase/decrease investment capital in subsidiaries/affiliates.

4. Financial performance

4.1. Mandatory financial indicators following Circular 96/2020/TT-BTC

Parent company's results

	_			
METRIC (PARENT COMPANY)	UNIT	2022	2023	Difference between 2023 and 2022
Total assets	VND billion	54,170	49,932	-7.8%
Net revenue	VND billion	48921	68,443	39.9%
Operating profit	VND billion	-9,088	-5,077	-44.1%
Other profit	VND billion	247	288	16.5%
Profit before tax	VND billion	-8,841	-4,789	-45.8%
Profit aftertax	VND billion	-8,853	-4,799	-45.8%
Dividend payout ratio (%)	%	0%	0%	
Tax and payables	VND billion	33	40	20.3%
1. Liquidity ratio				
+ Current ratio	Time	0.14	0.15	1.6%
(Short-term assets/Short-term debt)				
+ Quick ratio	Time	0.14	0.14	2.0%
(Short-term assets - Inventory)/Short-term debt				
2. Capital structure				
+ Debt/Total assets	%	106.6%	116.8%	9.5%
+ Short-term debt/ Total assets	%	71.2%	90.7%	27.4%
+ Long-term debt/ Total assets	%	35.4%	26.1%	-26.4%
+ Debt (excluding air transport liability)/ Equity	Time	-13.78	-5.71	-58.5%
+ Debt/Equity	Time	-16.13	-6.96	-56.9%
+ Equity/Total capital	%	-6.6%	-16.8%	153.9%
3. Operating efficiency				
+ Inventory turnover	Time	182.9	234.3	28.1%
(Costs of goods sold/ Average inventory)				
+ Total assets turnover	Time	0.90	1.37	51.8%
(Net revenue/ Total assets)				
4. Profitability ratio				
+ Profit after tax/ Net revenue (ROS)	%	-18.1%	-7.0%	-61.3%
+ Profit after tax/ Average owner's equity (ROE)	%	-1044.9%	80.3%	-107.7%
+ Profit after tax/ Average total assets (ROA)	%	-15.8%	-9.2%	-41.6%
+ Operating prof U Net revenue	%	-18.6%	-7.4%	-60.1%



METRIC	Unit	2022	2023	Difference between 2023 and 202
Total assets	VND billion	60,636	57,717	-4.8%
Net revenue	VND billion	70,410	91,540	30.0%
Operating profit	VND billion	-11,218	-5,978	-46.7%
Other profit	VND billion	273	615	125.5%
Profit before tax	VND billion	-10,945	-5,363	-51.0%
Profit after tax	VND billion	-11,223	-5,632	-49.8%
Dividend payout ratio (%)	%	0%	0%	
Tax and payables	VND billion	310	321	3.7%
1. Liquidity ratio				
+ Current ratio	Time	0.24	0.24	2.2%
(Short-term assets/Short-term debt)				
+ Quick ratio	Time	0.18	0.19	2.6%
(Short-term ossets)/Inventory				
2. Capital structure				
+ Debt/Total assets	%	118.2%	129.5%	9.5%
+ Short-term debt/ Total assets	%	85.4%	106.0%	24.1%
+ Long-term debt/ Total assets	%	32.8%	23.5%	-28.3%
+ Debt (excluding air transport liability)/ Equity	Time	-5.7	-3.8	-33.6%
+ Debt/Equity	Time	-6.5	-4.4	-32.3%
+ Equity/Total capital	%	-18.2%	-29.5%	61.8%
3. Operating efficiency				
+ Inventory turnover	Time	28.6	27.8	-2.8%
(Costs of goods sold/ Average inventory)				
+ Total assets turnover (Net revenue/ Total assets)	Time	1.16	1.59	36.6%
4. Profitability ratio				
+ Profit after tax/ Net revenue (ROS)	%	-15.9%	-6.2%	-61.4%
+ Profit after tax/ Average owner 's equity (ROE)	%	213.2%	40.1%	-81.2%
+ Profit after tax/ Average total assets (ROA)	%	-18.1%	-9.5%	-47.6%
+ Operating profit/ Net revenue	%	-15.9%	-6.5%	-59.0%
+EPS	VND	-5,102	-2,678	-47.5%
+ P/E	Time	-2.72	-4.57	67.9%

General overview

In 2023, the international market has not fully recovered and still faced many difficulties due to demand decline in some key markets and the impact of the Russia-Ukraine, Israel-Hamas, the domestic market from the second quarter began to be negatively affected by the macroeconomic situation, overcrowding and high competition, many input factors (fuel prices, interest rates, exchange rates) were still at a high and unfavorable level. Vietnam Airlines has operated its production and business activities flexibly according to the domestic and international aviation market situation, actively implementing solutions to

supplement revenue sources, managing revenue, implementing savings solutions, cost management, proactively proposing to extend State support policies (reducing environmental protection taxes), making maximum efforts to improve production and business results and cash flow. Vietnam Airlines' 2023 business results, the parent company's loss before tax was -4,789 billion VND, the consolidated loss before tax was -5,363 billion VND. With losses still at a large level, Vietnam Airlines' financial situation has been seriously affected, with financial indicators moving in a negative direction.

4.2. Financial analysis of the parent company and consilidation

Managerial strategies to enhance operational efficiency, business performance, and liquidity of Vietnam Airlines

In 2023, Vietnam Airlines continued to implement various strategies to improve business performance, ensure liquidity, and maintain operation continuity. These strategies include:

Operational activities: Vietnam Airlines evaluated and developed business scenarios. closelv monitoring government policies and market developments to adapt its domestic and international operations accordingly. VNA focused its resources on peak periods to generate additional revenue and cash flow, while also maximizing cargo transportation activities and capitalizing on market opportunities to enhance operational efficiency, increase revenue, and improve resource utilization. By the end of 2023, on the international flight network, VNA operated 56 regular routes (about 90% compared to 2019) to 28 destinations in 18 countries, expanding the flight network through opening new routes HAN/SGN -BOM (May 2023), HAN - MEL (June 2023), SGN -PER (December 2023). On the domestic flight network, VNA has operated 45 routes (fully restored compared to 2019) to 21 destinations.

Labor and salary policies: In 2023, VNA continued to implement organizational restructuring, arrangement, and optimization of production and business processes to improve work efficiency, individual promotion as well as enhance the overall competitiveness and adaptability of the organization

to fluctuations in the market and production and business environment.

Cost reduction and optimization: Vietnam Airlines continues to reduce, save, manage and optimize costs, recommending relevant agencies to extend solutions to support the Government's policy (environmental protection tax reduction policy for iet fuel).

Cash flow and liquidity management: Vietnam Airlines strengthened cash flow forecasting and implemented strict cash flow management, flexibly managed revenue and expenditure cash flows combined with reasonable use of short-term credit limits to ensure a balanced cash flow, maintain liquidity, and sustain operation continuity.

Vietnam Airlines proactively provided regular reports to the government, the CMSC, the Ministry of Finance, and other relevant state agencies. These reports updated stakeholders on the company's operations and business situation and proposed solutions to support the government and the aviation industry. Additionally, Vietnam Airlines has submitted reports to relevant authorities suggesting strategies to restore financial capacity after the COVID-19 epidemic, as outlined in the Master Plan and overall support solutions for Vietnam Airlines Corporation, covering the period of 2021 - 2025.

__ 128 __

^(*) The ROE ratio in 2022 and 2023 is positive due to negative average owner's equity and negative net profit after tax.

Revenue and profit of the parent company

Unit: billion VND

No.	Metric			Difference 2023/2022	
		2022	2023	Value	Value %
1	Total revenue	50,214	69,849	19,636	39.1%
	Net revenue	48,921	68,443	19,522	39.9%
	Financial revenue	1,044	1,118	74	7.1%
	Other income	248	288	40	16.1%
2	Total costs	59,054	74,638	15,584	26.4%
3	Profit before tax	-8,841	-4,789	4,052	-45.8%
4	Profit after tax	-8,853	-4,799	4,055	-45.8%

VNA's production and business activities in 2023 still faced many difficulties because the international market has not yet fully recovered, some key markets were affected by demand decline (Northeast Asia market) and by the Russia-Ukraine conflict (Russian market), the domestic market from the second quarter also began to be negatively affected by the macroeconomic situation. The parent company's total revenue and other income in 2023 reached 69,849 billion VND, equal to 139.1% compared to 2022. However, compared to before the epidemic, output and revenue have not yet recovered to pre-epidemic levels, revenue in 2023 reached about 93.5% compared to 2019 (4,845 billion VND lower). In the revenue structure, revenue from sales and service reached 68,443 billion VND, an increase of 39.9% compared to 2022 and accounting for 98% of total revenue. Financial activity revenue was 1,118 billion VND, an increase of 7.1% compared to 2022 (absolute increase of 74 billion VND). Other income is 288 billion VND, an increase of 16.1% compared to 2022 (absolute increase of 40 billion VND).

In 2023, important input factors still remained at a high and unfavorable level, especially fuel prices, interest rates and exchange rates. The average fuel price in 2023 was 105.38 USD/barrel, 28.66 USD/barrel higher than 2019 (equivalent to an increase of 37.4%), fuel costs in 2023 increased due to price factors and exchange rates by about 6,100 billion VND compared to 2019. The

difference between expenditure and exchange rate in 2023 increased compared to 2019 to 548 billion VND. Interest expenses and financial expenses in 2023 were about more than 400 billion VND higher than in 2019, mainly due to increased interest rates and increased short-term debt, deferral of supplier debt (although long-term loan balance has decreased sharply due to loan repayment activities).

From 2023, VNA has stopped implementing the policy of extending depreciation and distributing repair and maintenance costs applied in 2020, 2021, 2022. The accumulated difference between depreciation using the straight-line method and the depreciation method applied in the years 2020 - 2022 was continued to be amortized on a straight-line basis over the estimated remaining useful life of the fixed asset. For allocated repair and maintenance costs, the accumulated difference between the straight-line allocation method and the allocation method applied in the years 2020 - 2022 was allocated to business results in the period but not exceeding 3 years. Therefore, the depreciation and repair and maintenance costs that were postponed in the previous period have been included in 2023 expenses at 2,976 billion VND (in which depreciation costs are 1,450 billion VND, allocated repair and maintenance costs are 1,526 billion VND).

The parent company's 2023 production and business results have a pre-tax loss - 4,789 billion VND (reduced loss compared to 2022 of 4,052 billion VND).

Equity and assets of the parent company

Unit: billion VND

Metric			Increase or decrease compared to 2022		
	2022	2023	Value	%	
1. Short-term assets	5,572	6,650	1,078	19.3%	
2. Long-term assets	48,598	43,282	-5,316	-10.9%	
Total assets	54,170	49,932	-4,237	-7.8%	
1. Liability	57,749	58,310	561	1.0%	
- Short-term debt	38,557	45,296	6,739	17.5%	
- Long-term debt	19,192	13,014	-6,178	-32.2%	
2. Owner's Equity	-3,579	-8,378	-4,799	134.1%	
Total Capital	54,170	49,932	-4,237	-7.8%	

Total assets as of December 31, 2023 were 49,932 billion VND, down 4,237 billion VND compared to the same period in (7.8%) 2022. Long-term assets at the end of the period were 43,282 billion VND, down 5,316 billion VND compared to the same period in (10.9%) 2022. Of which, the fixed assets item decreased by 6,070 billion VND compared to the same period in 2022, mainly due to depreciation (5,555 billion VND) and the sale and lease back of 01 A321 Neo backup engine (down 531 billion VND); The increase in fixed assets was mainly small value equipment and management tools. In 2023, VNA completed the sale and lease back of 01 A321 Neo spare engine and completed auction procedures for 03 old A321CEO aircraft (procedures for selling and handing over assets will be completed in 2024). The long-term financial investment decreased by 150 billion VND mainly due to the reduction in the number of entrusted investments in Cambodia Angkor Air after VNA completed phase 1 divestment. Other long-term assets increased by 882 billion VND mainly due to an increase in long-term prepaid expenses for repair and maintenance activities.

Short-term assets at the end of the period were 6,650 billion VND, an increase of 1,078 billion VND compared to the same period last year in 2022 (19.3%). Items that increased sharply were: Short-term receivables from customers increased by 1,242 billion VND due to the recovery of production and business activities, other short-term assets increased by 598 billion VND due to an increase in deductible VAT items and prepaid expenses for aircraft rental due to production and business activities gradually returning to normal.

The main decrease in short-term assets was that total cash reserves decreased by 785 billion VND compared to the same period last year. The asset structure at the end of the year fluctuated in the direction of increasing the proportion of short-term assets compared to the same period in 2022 (up from 10.3% to 13.3%), decreasing the proportion of long-term assets (down from 89.7% down to 86.7%). Short-term and quick payment capacity increased slightly compared to the same period in 2022.

The size of the parent company's equity as of December 31, 2023 was -8,378 billion VND, a decrease of 4,799 billion VND compared to the same period in 2022 due to losses incurred in 2023. Liabilities as of December 31, 2023 were 58,310 billion VND, an increase of 1.0% (absolute increase of 561 billion VND) compared to the same period in 2022. In the structure of liabilities at the end of 2023, long-term liabilities accounted for 22.3%, short-term liabilities accounted for 77.7%.

Short-term liabilities as of December 31, 2023 were 45,296 billion VND, an increase of 17.5% over the same period in 2022 (absolute increase of 6,739 billion VND). The items increased mainly due to a sharp increase in advance ticket sales, increase in payables to suppliers and short-term payable expenses due to the recovery of production and

__ 130 __



business scale, increase in short-term loans and loans due next year. Total outstanding short-term loans and refinancing loans as of December 31, 2023 was 8,641 billion VND, an increase of 2,362 billion VND compared to the same period in 2022 due to increased short-term loans. Of which the refinancing loan balance was 3,986 billion VND, the refinancing loan term was extended annually to a maximum of 3 years.

Long-term liabilities as of December 31, 2023 were 13,014 billion VND, down 32.3% (absolute decrease of 6,178 billion VND) compared to 2022 mainly due to reduction in debt, long-term financial leases and reduction in long-term payables to suppliers due to switching to short-term with some long-term payables remaining for less than one year.

Total outstanding debt under the parent company's long-term loan and financial lease contracts (including long-term debt and short-term debt - corresponding to amounts due within 1 year) as oDecember 31, 2023 was 14,785 billion VND, down ,644 billion VND

compared to the same period in 2022, mainly due to loan repayment activities during the year.

Liabilities payable to suppliers that were postponing payment until December 31, 2023 were 8,859 billion VND, down 1,579 billion VND compared to the same period in 2022 because during the year VNA has balanced and paid part of the debts according to commitments with partner.

Capital resources targets in 2023 were negatively affected due to the decrease in parent company equity. The capital structure of Vietnam Airlines - the parent company continued to fluctuate in the direction of reducing equity capital (decreasing from -6.6% at the end of 2022 to -16.8% at the end of 2023) and increasing the proportion of external capital (liabilities increased from 106.6% to 116.8% of total capital). In the liability structure, the proportion of short-term debt increased (from 66.8% to 77.7%), the proportion of long-term debt decreased (from 33.2% to 22.3% of total liabilities).

Consolidated revenue and profit

Unit: billion VND

	Metric			Increase or decrease compared to 2022	
NO		2022	2023	Value	%
	Total revenue ana otner income	71,701	93,176	21,475	30.0%
1	Net revenue	70,410	91,540	21,130	30.0%
	Financial revenue	980	926	-54	-5.5%
	Other income	311	710	400	128.6%
2	Loss/Profit in subsidiaries and affiliates	74	88	14	19.0%
3	Total revenue and income (including profit	71,775	93,265	21,489	29.9%
	and loss in joint venture companies)				
4	Profit before tax	-10,945	-5,363	5,583	-51.0%
5	Profit after tax	-11,223	-5,632	5,591	-49.8%

Total consolidated revenue and income (including profit and loss in joint ventures and affiliated companies) of VNA in 2023 was 93,265 billion VND, an increase of 29.9% compared to 2022. Of which, net revenue from sales and service provision in 2023 was 91,540 billion VND, an increase of 30.0% compared to 2022 and accounting for about 98.2% of total revenue. Financial activity revenue was 5.5% lower than in 2022 (absolute decrease of 54 billion VND). Other income in 2023 increased by 128.6% compared to 2022 (absolute

increase of 400 billion VND) mainly due to unusual income arising from the aircraft lessor writing off debt for Pacific Airlines, in addition, other income also increased compared to the previous year.

The consolidated loss before tax in 2023 was -5,363 billion VND coming from the loss of the parent company and Pacific Airlines, while the majority of other member companies had positive and profitable business results; Compared to 2022, the consolidated pre-tax loss decreased by 5,583 billion VND

Consolidated equity and assets

			Difference 2023/2022		
Metric	2022	2023	Value	%	
1. Short-term assets	12,330	14,884	2,554	20.7%	
2. Long-term assets	48,306	42,833	-5,474	-11.3%	
Total assets	60,636	57,717	-2,919	-4.8%	
1. Liability	71,692	74,743	3,051	4.3%	
- Short-term debt	51,800	61,171	9,371	18.1%	
- Long-term debt	19,892	13,572	-6,320	-31.8%	
2. Owner's Equity	-11,056	-17,026	-5,970	54.0%	
Total Capital	60,636	57,717	-2,919	-4.8%	

Total consolidated assets as of December 31, 2023 were 57.717 billion VND, down 2.919 billion VND compared to (4.8%) 2022. Short-term assets at the end of the year were 14,884 billion VND, an increase of 2,554 billion VND (20.7%), the main increase was short-term receivables from customers (increased by 1,224 billion VND) due to the recovery of production and business activities; Inventory and other short-term assets also increased (555 billion VND and 690 billion VND). Cash reserves and short-term financial investments (term deposits) increased slightly compared to the end of 2022. Long-term assets at the end of the year were 42,833 billion VND, down 5,474 billion VND (11.3%) compared to 2022. Of which, the fixed assets item decreased by 6.313 billion VND due to depreciation (5.986 billion VND), due to the selling and leasing back spare engines at the parent company (down 531 billion VND); The increase in fixed assets was mainly due to investment in additional machinery, equipment, vehicles, production tools, and software at the parent company and a number of subsidiaries. Other long-term assets increased by 863 billion VND, mainly in long-term prepaid expenses related to aircraft repair, maintenance, spare parts, and rotating tools. The asset structure fluctuated in the direction of increasing the proportion of short-term assets (increased from 20.3% to 25.8%), decreasing the proportion of long-term assets (decreasing from 79.7% to 74.2%). The scale of consolidated equity as of December 2023, 31 was -17,026 billion VND, down 5,970 billion VND compared to the end of 2022 due to losses incurred during the year. Consolidated liabilities as of December 2023,31 increased by 4.3% (absolute increase of 3,051 billion VND) compared to the same period in 2022. Of which long-term liabilities accounted for about 18.2%, short-term liabilities accounting for about 81.8%. Short-term liabilities as of December 31, 2023 were 61,171 billion VND, an

increase of 18.1% (absolute increase of 9,371 billion VND)

mainly due to an increase in previous purchases from customers, accounts payable to suppliers, short-term expenses due to the recovery of production and business scale and an increase in short-term loans due within one year. Long-term liabilities as of December 31, 2023 were 13,572 billion VND, down 31.8% (absolute decrease of 6,320 billion VND) compared to the same period in 2022. mainly due to reduction in outstanding loans and long-term financial leases (decreased by 5,061 billion VND) and reduced long-term payables to suppliers (down by 1,677 billion VND) due to switching to short-term debt. Total outstanding short-term loans and refinancing as of December 31, 2023 was 12,056 billion VND, an increase of 2.918 billion VND compared to the beginning of the year. Total outstanding debt under long-term loan and financial lease contracts of the entire VNA (including long-term debt and short-term debt - corresponding to amounts due within 1 year) as of December 31, 2023 was 15,312 billion VND, down 3,818 billion VND compared to the same period in 2022 mainly due to loan repayment activities.

Debts payable to suppliers that were postponing payments until December 31, 2023 were 13,743 billion VND, down 1,653 billion VND compared to the end of 2022 mainly due to the debt repayment activities of the parent company, in addition, Pacific Airlines had its debt forgiven by its supplier in 2023.

Capital resources targets in 2023 were negatively affected due to consolidated equity decreasing to a large negative level. VNA's capital structure continued to fluctuate in the direction of reducing equity capital (decreasing from -18.2% at the end of 2022 to -29.5% at the end of 2023) and increasing the proportion of external capital (liabilities increased from 118.2% to 129.5% of total capital). In the liability structure, the proportion of short-term debt increased (from 72.3% to 81.8%), the proportion of long-term debt decreased (from 27.7% to 18.2% of total liabilities).

5. Innovations in organizational structure and management policy

In 2023, VNA continues to implement organizational restructuring, arrangement, and optimization of production and business processes. The review and reorganization of work processes, reassignment of labor, reduction of intermediary levels, and shortening of decision-making time have been implemented synchronously, bringing positive, clear results, promoting dynamism, creativity, daring to

think and daring to do; Responding faster and more flexibly to market changes and fluctuations; Screening and eliminating redundant and less meaningful processes and tasks; Concentrating resources on key work; Improving individual work efficiency and the overall competitiveness of the organization.

6. Future development plan

Safety Culture shifts towards the Generative (level 5) from 2025.

Full Service Carrier will reach the Top 3 in terms of scale in Southeast Asia.

Vietnam Airlines will reach the Top 10 most popular airlines in Asia.

Strengthen 4-Star Service and approach 5-Star Airline.

Implementing technological transformation towards a Digital Airline.

Become the Top Vietnam Best Employers.

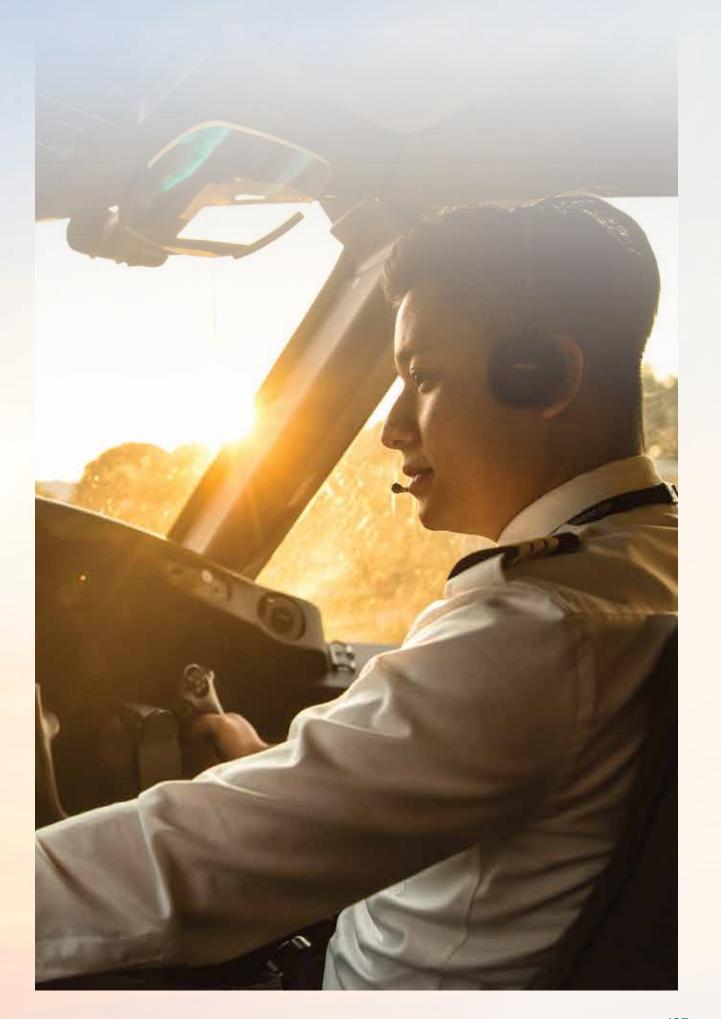
Maintaining good financial liquidity bolsters the ability to operate continuously; Strengthening financial capacity for resilience; Meeting capital resources which are vital to the primary functions of business.



CHAPTER

SUSTAINABILITY REPORT

1. Declaration on sustainable development	138
2. Sustainable development policy	139
3. Sustainable development plan	139
4. Sustainable development report 2023	140



Vietnam Amine

1. Declaration on sustainable development

VNA is dedicated to maintaining growth and development while upholding commitment to sustainable practices, environmental protection, community contribution, and the well-being of employees and society as a whole. We firmly believe that by adhering to these values, we can pave the way for a brighter future for generations to come.

In line with this principle, we pledge to implement environmental protection measures across all our activities. VNA actively employs advanced technologies to minimize carbon emissions and pollution. We strive to adopt fuel-saving practices and diligently manage our resource consumption. As proud members of IATA and the SkyTeam Alliance, we are committed to fulfilling the industry's global pledge for net zero emissions by 2050 (Net Zero 2050). To this end, we participate in the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), a program aimed at compensating for CO2 emissions and reducing our environmental impact.

Furthermore, VNA recognizes its integral role within the community, both locally and globally. Engaging in community-driven initiatives is a vital aspect of our journey toward growth. We actively undertake social activities, support community development projects, and strive to contribute to social progress.

We are dedicated to treating the community with fairness and respect, ensuring that our influence yields positive outcomes and benefits everyone involved.

We actively engage in social activities, support community development projects, and strive to contribute to social progress. Our dedication to treating the community with fairness and respect ensures that our influence yields positive outcomes and benefits everyone involved.

Valuing our employees as a crucial asset, VNA is committed to providing a sustainable, equitable, and safe working environment. The Corporation invests in the training and development of its human resources, creating favorable conditions for personal and professional growth. We pledge to uphold and protect the rights of our employees, ensuring fair wages and reasonable welfare policies.

VNA firmly believes that sustainable development is not merely a goal but a shared responsibility for individuals, society, and the future of our planet. We are committed to taking proactive measures and making a positive impact, contributing to the creation of a better world where the environment, community, society, and employees are respected and nurtured.



2. Sustainable development policy

At VNA, our sustainable development policy revolves around achieving a harmonious balance between environmental, social, and economic factors. We believe in taking action and making positive impacts not only within the aviation industry but also in the broader community and society. By implementing this policy, we aim to accomplish our sustainable development goals and contribute to the creation of a better, 'greener' world. Our key policies include:

- Always prioritizing safety, social responsibility, and environmental protection.
- Embracing technological innovation to ensure sustainable development. We are committed to rapidly and effectively implementing digital transformation initiatives with emphasis on the development of e-commerce and customer support technologies. Additionally, we continue to invest in the innovation and advancement of our aircraft fleet, including Boeing B787, Airbus A350, and A321

NEO. We actively engage in research and development of sustainable aviation fuel (SAF) and seek opportunities to reduce CO2 emissions through credit purchases in the near future.

- Implementing solutions and policies that foster operational scale expansion and enhance business efficiency while fulfilling our roles and responsibilities towards society and the community. We strive to preserve and protect the natural environment.
- Cultivating an inclusive, diverse, and equitable working environment for our employees. We actively participate in IATA's "25 by 2025" program, aiming to strengthen the representation of women at management levels.
- Respecting and protecting biodiversity throughout our operations by carefully selecting partners and suppliers who share our commitment to sustainability. We prioritize the use of products and services derived from sustainable resources while minimizing the consumption of non-renewable resources.

3. Sustainable development plan

Throughout the process of establishment and development, VNA has always aimed for sustainable development. Sustainable development activities have been carried out in a variety of fields, environmental protection, fuel saving, supporting disadvantaged people in society, improving the quality of life of the community. The action plan for sustainable development focuses on the following key tasks:

- Utilize and deploy a new generation of fuel-efficient aircraft to reduce CO2 emissions. Research and optimize flight routes, schedules, and load factors to minimize fuel consumption (including take-off, landing, and flight routes). Upgrade the information technology system to monitor fuel consumption and CO2 emissions, while ensuring third-party verification for reporting to the Civil Aviation Authority of Vietnam.
- Advocate for state agencies to adopt sustainable aviation fuel (SAF) usage in Vietnam and participate in the global market for purchasing CO2 emission reduction credits. Join initiatives such as CORSIA and the CO2 credit market in

Vietnam once they are deployed by government agencies. Install energy-efficient LED lighting to replace fluorescent lighting systems, and explore the use of renewable energy systems within office buildings.

- Deploy the use of electronic documents to limit paper documents. Research and implement the "Zero Waste VNA" program such as using wooden and stainless steel eating utensils instead of plastic utensils; cutting down on the use of nylon bags, etc.
- Review regulations and enhance training programs to improve employee welfare, job skills, and working conditions. Emphasize the empowerment of female employees within the organization. Raise awareness and promote gender equality. Maintain public benefit activities and support the community such as voluntary blood donation, tree planting, food donation, etc.

138

- A.-.



4. Sustainable development report 2023

In 2023, VNA achieved positive results in sustainable development in medical, environment, education and society.

Medical

Effectively deploy exceptional CSR activities by leveraging resources from LotuSmile members to bring more value to the community and society. Donate up to 6,71 million miles (equivalent to 4,1 billion VND) to achieve humanitarian goals, including:

- Surgery for 180 cases of complex jaw, skull, face, and eye diseases.
- Providing surgery for 1,100 smiles.
- Screening for heart defects for 35,000 children.







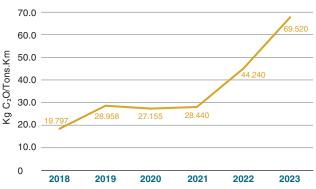
- Energy (JET A1) saved in 2023 was 22,000 tons, exceeding 46.7% of the plan (15,000 tons) and equal to 2.06% of the year's consumption. This achievement translates to a cost saving of 438.3 billion VND.
- The amount of CO2 reduced through optimal aircraft operations and fuel use reached 69,520 tons.

Fuel consumption/Fuel economy

Environment



The amount of CO2 has been reduced by optimal exploitation operations



- Participating in the program 'The Sustainable Flight Challenge' of the SkyTeam alliance with two flights between Hanoi and Frankfurt, VNA helps raise awareness about environmental protection and the conservation of natural resources. VNA encourages passengers to join hands by bringing personal water bottles, blankets or warm clothes, toothpaste, and toothbrushes to replace items provided on flights, thereby contributing to the reduction of single-use waste. Additionally, VNA provides passengers with recycled bags made from life jackets on the plane.
- For the first time, VNA implemented a solution to recall and reissue dry goods and disposable utensils to ensure quality after a flight. This initiative is estimated to help 'rescue' more than 12 million meals and utensils each year. This solution not only aids in environmental protection but also brings economic efficiency to VNA. Moreover, a portion of the recalled products is donated by VNA to the food rescue organization VietHarvest to assist those in need in society. As a result of this initiative, VNA was honored with the title of 'Airline Contributing the Strongest Sustainable Development Solution,' the 'Boldest Move,' in the 'Sustainable Flight Challenge' competition by Skyteam.
- Switching to the use of environmentally friendly materials has allowed VNA to reduce the number of plastic bags used each year for items on airplanes by 62.8 million.
- Deploying the PressReader electronic newspaper reading application has led to a reduction in the consumption of 35,000 magazines and 64,000 paper newspapers, resulting in a saving of 2.3 million tons of fuel per year.
- In conjunction with the National Launching Ceremony and in response to the Month of Action for the Environment in 2023, VNA planted 3,000 new green ironwood trees at Ngan Pho River Protection Forest in Ha Tinh province. For its tireless efforts towards sustainable development, VNA was honored by the Ministry of Natural Resources and Environment.

__141__

Education

- VNA organized the inauguration and donation of the Book Library project to Doan Ket Primary & Secondary School, located in Doan Ket commune, Trang Dinh district, Lang Son province, on the occasion of the opening of the new school year. The implementation of the project demonstrates efforts to bring practical and long-term value in fostering a reading culture and improving the quality of teaching and learning in highland areas.
- Previously, VNA work with its counterparts in the Northern region to donate books and school supplies to children. The project received a positive response from all agencies and units within VNA. After two days, the Organizing Committee received hundreds of books, notebooks, school supplies, and cash donations to award scholarships to children facing extremely difficult circumstances or serious illnesses, enabling them to excel in their studies.





Society

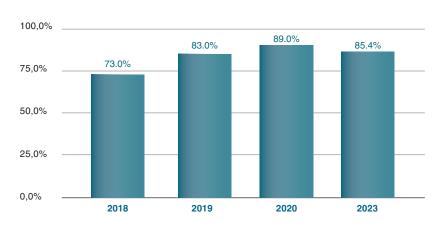
Social Security

- VNA signed a cooperation agreement with VietHarvest a social enterprise founded in 2020 that collects quality surplus food and redistributes it to underserved communities in Vietnam to provide. Items consist of unused dry foods, such as cereals and snacks. Donated meals undergo separate recall, inspection, classification, and storage procedures to ensure quality when transferred to VietHarvest. The campaign donated over 2 tons of surplus food after flights (from June to November 2023), helping about 800 people in need.
- VNA successfully organized Dream Trip for hundreds of orphans and disadvantaged children. "Dream Trip" is a campaign jointly organized by SpaceSpeakers and VNA to fulfill the dream trips for children facing difficulties in Vietnam, spreading positive messages of love.
- VNA organized round-trip volunteer flights for workers with hometowns in northern Vietnam but working in the southern region to return home during the Lunar New.
- VNA organized the 2nd "Run for Love" charity race, with all revenue from ticket sales used to donate to charities.

Employees

- As of December 31, 2023, the number of employees in VNA was 5,229 people, with an average employment rate of 5,160. Insurance contributions were carried out in accordance with regulations and laws (employees pay 10.5% of their salary, while the employer pays 21.5% of their salary).
- 100% of employees have signed a collective labor agreement to protect employee rights and ensure transparency in the employer's responsibilities.
- Employees are engaged and satisfied with the working environment.

Level of employee satisfaction and engagement



Note: Conducting surveys and reporting results in the fourth quarter of every year. There will be no survey in 2021 - 2022 due to the impact of the COVID-19 pandemic

- There were no worker strikes.
- The percentage of employees whose performance efficiency periodically evaluated was 100%, thereby promptly detecting inadequacies in management, operations, and business, and providing appropriate and timely solutions to improve productivity and work quality.
- 100% of management-level employees (Board of Directors, Board of Management, and Supervisory Board) are over 50 years old, with a male ratio of 92.9% and a female ratio of 7.1%.
- Benefits provided to full-time employees that are not available to temporary or part-time employees (simple workers who are hired as outside services) include:
 - Ticket ID, AD
 - Health insurance
 - myIDTravel
 - Pension insurance

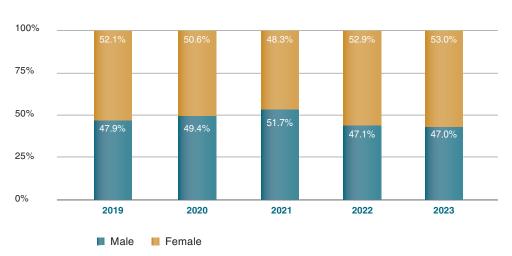
__142__



Gender equality initiatives

- Over the years, from the VNA to member companies, all have thoroughly implemented the Party's guidelines and the Government's policies on female cadre work.
- Female staff are vital to VNA's production and business activities. Constituting 53% of the total number of available employees, they participate in most areas of our production and business activities. They predominantly hold direct and front-line positions such as flight attendants, ticket sales, and passenger service staff at airport terminals

Gender ratio of employees



Note: Conducting surveys and reporting results in the fourth quarter of every year. There will be no survey in 2021 - 2022 due to the impact of COVID-19



- Female leaders at the department level and equivalent or higher positions amount to 126 out of 450, accounting for 28% of the total number of leaders.
- The organizational structure of the Board for the Advancement of Women in VNA was completed to promote gender equality and protect the rights of women and children.
- Organizing activities in various forms such as training, coaching or competitions to raise awareness of the role of women and disseminate the Party's policies and the State's laws on gender equality.
- Organizing a contest on "Learning about Gender Equality Law" to raise awareness among employees of the importance of implementing the Law on Gender Equality in all areas of society and family life.
- Organizing two "Orange Sky" flights in response to the National Month of Action on Gender Equality an initiative of the United Nations Agency for Gender Equality and the Empowerment of Women (UN Women), aimed at preventing and responding to gender-based violence, and supporting the 16 Days of Activism campaign to end gender-based violence.





__144__

CHAPTER

CORPORATE GOVERNANCE

1. Corporate governance structure	148
2. Information and activities of the Board of Directors	149
3. Activities of committees under the Board of Directors	151
4. Report of the Supervisory Board	152
5. Internal transactions, remuneration and benefits	154
6. Activities of the Chief Administrator & Corporate Secretary	155
7. Investor relations	155



1. Corporate governance structure

VNA's corporate governance complies with the Enterprise Law 2020, Securities Law 2019, Decree No. 155/2020/ND-CP issued by the Government on December 31, 2020, Circular No. 116/2020/TT-BTC issued by the Ministry of Finance on December 31, 2020, and other relevant legal regulations, as well as VNA's Charter, internal regulations and rules, guided by the following principles:

- Establishing a reasonable and effective management structure;
- Ensuring the operational efficiency of the Board of Directors and the Supervisory Board, while enhancing the responsibility of the Board of Directors to VNA and its shareholders;
- Safeguarding shareholders' rights and ensuring equal treatment among them;
- Recognizing the roles of investors, stock markets, and intermediary organizations in supporting corporate governance activities;
- Respecting and protecting the legitimate rights and interests of stakeholders in corporate governance;
- Ensuring timely, complete, accurate, and transparent disclosure of company operations, thereby providing shareholders with fair access to information.

GENERAL MEETING
OF SHAREHOLDERS
The highest dec sen making body of

Vietnam Airtines wner* shareholders exercise their voting rights in Annual or Extraordinary General Meet "gs **BOARD OF** and collections of shareholders **SUPERVISORS** written opinions. A Body e.ected ay the GMS Kt on DWilf of sharehoocrs. thus carrying out independent object ve. truthful supervision and assessment of Vetnam Airi ncs' business and management activates ano financial position. **BOAROOF DIRECTORS** The BOS s responsive under The governing body of Vctnam Artmes with the absolute right to act the GMS for Its assigned tasks. Airlines' rghts and Obligations that go beyond the authority of the CAIS.

INVESTMENT STRATEGY COMMITTEE

A body that provides the 803 advice and consultaton on developing appraising, monitoring investment and development strategies plans and protects of Vietnam Artinos.

CHIEF EXECUTIVE OFFICER

The legal representative of Vietnam Airlines. resoonsib.e for managing dally operations of Vietnam Airlines.

EXECUTIVE MANAGEMENT

A body that provides the BOO advice and consultation on developing appraising mon ton ng investment and development strateges, plans and projects of Vietnam Airlines.

HUMAN RESOURCE AND REMUNERATION COMMITTEE

A body that provides the BOO advice and consultation on organzaton. staffing, remuneration and related policies within the authority of the BOO

CHIEF ADMINISTRATOR AND CORPORATE SECRETARY

An officer who assists the 900 and Chairman of the BOO in fulfilling obligations provded by the taw and V ctnam A runes' Charter.

2. Information and activities of the Board of Directors

2.1 Information and activities of the Board of Directors and meetings of the Board of Directors

NO.	Name	Position	Date of commence in the Board	Number of meetings attended	Rate of attendance
1	Dang Ngoc Hoa	Chairman of the Board	10/08/2020	14/14	100%
2	Le Hong Ha	Member of the Board cum President & CEO	10/08/2020	14/14	100%
3	Ta Manh Hung	Member of the Board	01/10/2016	13/14	93%
4	Le Truong Giang	Member of the Board	01/01/2021	13/14	93%
5	Dinh Viet Tung	Member of the Board	14/12/2021	13/14	93%
6	Truong Van Phuoc	Independent Member of the Board	14/12/2021	14/14	100%
7	Hiroyuki Kometani	Member of the Board	28/06/2022	13/14	93%

In 2023, the Board of Directors issued 186 resolutions and 132 decisions to fulfill corporate governance functions and provide directives to the Board of Management for executing business tasks assigned by the General Meeting of Shareholders. These resolutions and decisions were issued in accordance with regulations, meeting the management and administrative requirements to sustain production and business activities amidst the complex developments of the COVID-19 pandemic.

2.2 Activities of members of the Board of Directors

Fulfilling the responsibilities and duties of independent members of the Board of Directors, including offering advice on the Board's decisions.

Providing advice to the Board of Directors on issuing resolutions and decisions concerning various aspects of VNA's operations within the authority delegated to the Board

Providing expertise and counsel on financial policies, macroeconomics and forecast information relevant to monetary and financial markets, as well as state policies.



2.3 Training on corporate governance

In order to strengthen the corporation, members of the Board of Directors, the Board of Management, and other management staff are encouraged to participate in training programs on corporate governance. In 2023, VNA organized seminars and training courses for leaders and management officials at the department and division levels, as well as experts in various fields:

- Organizing training courses for teachers using IATA's Competency-Based Training and Assessment (CBTA) method;
- Organizing training courses on Uplifting Service (Phase 2);
- Organizing training courses on migrating the Passenger Service System (PSS);
- Training on internal auditors, chief auditors, and bidding operations;
- Organizing classes on human factors, safety culture, and cybersecurity awareness;
- Organizing classes on IOSA for domestic and foreign ground handling companies;
- Organizing advanced management classes for mid-level and potential officials:
- Organizing classes on digital culture, digital transformation, data analysis, and technology for digitizing documents;
- Organizing workshops at Fullbright University and sending personnel to training classes on information technology held by Microsoft Vietnam and Trainocate;
- Organizing strategic workshops;
- Organizing workshops on planning flight networks, flight schedules, and aircraft fleet;
- Organizing a conference to review safety culture implementation in 2022 and launch a safety culture campaign in 2023;
- Organizing seminars on corporate culture.



3. Activities of committees under the Board of Directors

In 2023, committees under the Board of Directors and the Internal Audit Committee played an active role in advising and supporting the Board of Directors on the following matters:

The Investment Strategy Committee took the role of consulting and advising the Board of Directors on the following:

1. VNA Restructuring Project the end of 2025

VNA's development strategy for the 2021 - 2023 period, with a vision to 2035.

Production, business, and investment plan for developing VNA until the end of 2025.

Capital divestment at VNA-invested companies.

2. VNA's investment plan and investment orientation of VNA-invested enterprises

In 2023, VNA focused on the following investment areas:

Aviation service complex project at Long Thanh International Airport to meet the essential infrastructure needs for VNA Group's operations. Studying investment plans for narrow-body aircraft projects and A321 CEO aircraft reconfiguration projects to renew the aircraft fleet and meet the operating demands as the market fully recovers, aligning with VNA's fleet restructuring orientation.

Transforming the passenger service system to implement the digital transformation strategy for the 2022 - 2025 period. Accordingly, VNA aims to become a digital airline by 2025 and upgrade its services towards achieving 5-star airline status by 2025.

Implementing urgent investment projects directly serving production and business.

Improving the operational efficiency of VNA-invested companies.

The Human Resources and Salary Committee provided advice to the Board of Directors on policies regarding resource utilization, training, and salaries in 2023. This included strengthening organizational structures and restructuring labor force to meet the production and business requirements of the Corporation (ASOC, VASCO, CNVN, and agencies advising and assisting in aviation security).

They also provided input on industry clothing norms, policies for representative officers abroad,

and suggestions to agencies regarding the promulgation of Decree 64 amending and supplementing Decree 87 on salaries for Vietnamese pilots. Additionally, they offered recommendations on amending and supplementing regulations on the management and use of salary and remuneration funds, as well as regulations on the management and use of the Bonus and Welfare Fund.

In 2023, the Internal Audit Department implemented internal audit topics according to the approved 2023 internal audit plan by the Board of Directors. Completed internal audits included inspecting procurement packages purchased by the Procurement Board according to the 2019 Procurement Regulations; examining the status of negotiations on reducing and postponing costs to respond to the COVID-19 pandemic; examining the implementation of the provisions of the Bidding Law in investment and procurement of goods and services at VNA; examining the management process of VNA's beverage and equipment warehouse; and inspecting the flight assignment process for pilots and flight attendants.

The Internal Audit Committee also completed regulations and processes on supervision and internal audit. This included developing and promulgating internal audit processes for application at VNA and finalizing VNA's financial supervision regulations. Furthermore, the committee performed other tasks at the request of the Board of Directors and the Supervisory Board, such as reviewing reports submitted to the Board of Directors, reviewing settlements of completed investment projects, and evaluating the activities of Supervisory Board members monthly/quarterly basis. They also supported the Supervisory Board in appraising financial statements, reviewing financial supervision reports, monitoring the implementation of recommendations from State agencies, and overseeing the implementation of the independent audit contracts in 2022. Additionally, they completed the selection of a company to audit the VNA's financial statements in 2023 and 2024.



4. Report of the Supervisory Board

Personnel in the Supervisory Board (BOS) from January 1, 2023 to December 16, 2023

NO	Member	Title	Starting date
1	Mrs. Nguyen Thi Thien Kim	Head of Board	Responsible from May 10, 2019
2	Mr. Mai Huu Tho	Member of Board	Concurrent from April 15, 2015; Responsible from January 1, 2021; Concurrent from July 1, 2023
3	Mrs. Nguyen Thi Hong Loan	Member of Board	Concurrent from December 14, 2021

From December 16, 2023 to December 31, 2023

NO	Member	Title	Starting date
1	Mrs. Duong Thi Viet Tham	Head of Board	Responsible from December 16, 2023
2	Ms. Le Truc Quynh	Member of Board	Responsible from December 16, 2023
3	Mrs. Nguyen Thi Hong Loan	Member of Board	Concurrent from December 14, 2021

4.1 Supervisory Board's activities in 2023

In 2023, the Supervisory Board held 09 meetings to unify the following tasks:

- Appraise separate and consolidated financial statements, report on VNA's business performance, report on the performance of the Board of Directors and the General Director; submit the self-assessment report on the performance of the Board of Controllers and its members; report on transactions between VNA with members of the Board of Directors, the General Director and their related persons and related entities. Submit reports at the annual General Meeting of Shareholders (GMS).
- Supervise implementation and compliance company's charter, the establishment, publishing, implementation of internal regulations and resolutions of the Board of Directors, announcements and decisions of the General Director; implementation of authorized entities' commands and conclusions, recommendation of the inspectors, the Supervisory Board, the auditors toward VNA.
- Regularly supervise the financial situation. Audit VNA's financial supervision report.
- Supervise outward investment into subsidiary companies and associate companies, restructuring activities, transferring activities of invested capital.
- Supervise the disclosure of regular operational information and extraordinary information by laws.

- Implement supervision of the following critical tasks:
- Financial management and cash flow management, going concern basis and resource management;
- Implementation of resolutions of the Congress, Government, Prime Minister, Deputy Prime Minister,
 CMSC, authorized departments to resolve impacts of Covid-19;
- Supervision of outward investment: PA, K6 via the special financial supervision team.
- Deploy selected supervisory subjects as planned.
- Implement other activities in accordance with obligations and responsibilities.

4.2 The report on the performance of the Board of Directors, the General Director, other members of the Board of Management

Supervision of the Board of Directors

In 2023, the Board of Directors held 14 meetings to instruct business operations; besides successfully instructing the 2023 annual GMS. The Board of Directors organized these meetings by the Enterprise Laws, related regulatory documents and the company's internal regulations. The Supervisory Board participated and discussed in these meetings.

The Board of Directors issued 186 Resolutions and 132 Decisions to implement their obligations and responsibilities and to mandate the Board of Directors in accordance with the company's decentralization and delegation regulations.

The Board of Directors supervises the performance of the General Director, and the Board of Management via recurring meetings and extraordinary meetings and supervises the performance of departments, subsidiaries via reports of the Internal control department and supervisors at subsidiary companies and associate companies.

Supervision of the General Director and other members of the Board of Management

On December 31st, 2023 the Board of Management of VNA had 09 members, in which: (1) President & CEO is a member of the Board of Directors; (2) 08 Executive Vice President are responsible for assigned tasks. On December 27th, 2023, The Board of Directors issued Resolution No. 1795/NQ-HĐQT/VNA that approved Mr. Trinh Ngoc Thanh to resign Executive Vice President, starting from January 1st, 2024.

The Board of Management constructs recurring meetings to update business performance and resolve operational issues. Besides, the Board submits monthly performance reports and quarterly reports about the implementation of the Board of Directors' resolutions.

Achievements in 2023

The Board of Directors, the General Directors and The Board of Management instructed administrative solutions that resulted to business performance surpassing the target approved by GMS.

In 2023, VNA implemented cost-saving strategies by optimizing the expenses of departments and entities; and implemented efficient cash flow management to maintain the going concern basis. Even though the operation of VNA exposes to certain risks, The Board of Directors, the General Director, The Board of Management instructed VNA to negotiate with creditors, lengthen debt payments, restructure fixed assets and manage cash flow with short-term credit; thus VNA maintains its operation.

4.3 The report of cooperation between the Supervisory Board and The Board of Directors, the General Directors, shareholders

The Board of Directors, the General Director, and VNA provided information and documents that support the Supervisory Board's supervision.

The cooperation between the Supervisory Board, the Board of Directors, and the General Director was implemented by laws, the company's charter, and internal regulations. The supervisory Board did not receive lawsuits or complaints regarding shareholders throughout the year.

__152__



5. Internal transactions, remuneration and benefits

5.1 Salary, bonus, remuneration, other benefits, and expenses for each member of the Board of Directors and the Supervisory Board, CEO, Chief Accountant and managers

The salaries of members of the Board of Directors, the Supervisory Board, and the Board of Management in 2023 continued to be implemented in accordance with the Government's Decree 87/2021/ND-CP.

5.2 Share transactions of internal persons

NO.	INDIVIDUAL/	OWNER BEFORE TRA		OWNERSHIP AFTER TRANSACTION REASONOF	
	ORGANIZATION	Number of shares	Stake (%)	Number of shares	Stake (%)
1	Dang Ngoc Hoa	21,595	0.000975	21,595	0.000975
2	Le Hong Ha	19,531	0.000882	19,531	0.000882
3	Ta Manh Hung	20,604	0.000930	20,604	0.000930
4	Le Truong Giang	19,030	0.000859	19,030	0.000859
5	Le Duc Canh	9,397	0.0004244	9,397	0.0004244
6	Trinh Hong Quang	19,711	0.0009	19,711	0.0009
7	Trinh Hong Minh	3,210	0.00014	3,321	0.00014
8	Nguyen Chien Thang	14,340	0.0006476	14,340	0.0006476
9	To Ngoc Giang	7,951	0.000359	7,951	0.000359
10	Nguyen Xuan Tu	11,135	0.0005	11,135	0.0005
11	Dinh Van Tuan	17,425	0.0008	17,425	0.0008
12	Nguyen The Bao	27,068	0.0012	27,068	0.0012
13	Dang Anh Tuan	19,711	0.0009	19,711	0.0009
14	Nguyen Dieu Thuy	2,500	0.00011	2,500	0.00011
15	Hoang Ngoc Chi	1,920	0.00009	1,920	0.00009
16	Tran Thanh Hien	19,707	0.000890	19,707	0.000890
17	Tran Thi Huong	11,039	0.0005	11,039	0.0005
18	Duong Thi Viet Tham	13,346	0.0006	13,346	0.0006
19	Nguyen Manh Tuan	17,595	0.00079	17,595	0.00079
20	Nguyen Thi Thu Huong	6,000	0.00027	6,000	0.00027
21	Duong Thi Hong	3,795	0.00017	3,795	0.00017
22	Ho Xuan Dung	4,700	0.00021	4,700	0.00021
23	Kim Thi Thu Huyen	1,306	0.00006	1,306	0.00006

5.3 Contracts or Transactions with Internal Individuals: This section provides information about contracts or transactions that were signed or carried out with VNA and its subsidiaries, as well as companies where VNA staff hold positions as members of their Board of Directors, Supervisory Board, CEO, managers, and individuals related to the staff

Transactions with related parties are detailed in Section 35. Major transactions with related parties are noted in the audit report of the 2023 financial statements (attached).

6. Activities of Chief Administrator & Corporate Secretary

In 2023, the person in charge of administration - Secretary of Vietnam Airlines has completed the assigned responsibilities as follows:

- Advising the Board of Directors in organizing BOD meetings and General Meeting of Shareholders; issuing Resolutions/Decisions of the Board of Directors and General Meeting of Shareholders on all fields of operation of Vietnam Airlines to ensure compliance with the law and the Charter of Vietnam Airlines.
- Acting as a communicator between the Board of Directors and the Board of Management.
- Taking charge of shareholder relations of Vietnam Airlines; organizing the conduct of related work between Vietnam Airlines and shareholders.
- Disclosing authorized information to the stock market.

7. Investor Relations

VNA is committed to establishing open and transparent communication channels with shareholders and organizing safe and efficient business activities to ensure shareholders' benefits while serving the sustainable development of VNA and meeting the country's developmental demands.

Investor Relations Activities

Vietnam Airlines followed strict regulations on information disclosure, thus delivering transparent and timely updates for shareholders and investors.

Vietnam Airlines focused on ensuring the interests of shareholders, regularly updating and posting the company's activities widely on communication channels to facilitate timely information access for shareholders and investors. At the General Meeting of Shareholders, the Board of Directors also directly responded to shareholders' concerns about "Vietnam Airlines" operations.

__154__



CHAPTER

RISK MANAGEMENT

1. Risks in the business environment	158
2. Legal risks	159
3. Competition risks	159
4. Specific risks of the aviation industry	160
5. Risks of information security	160
6. Other risks	161

156

1. Risks in the business environment

- In 2024, the world economic and political situation is expected to continue to be difficult. Military conflicts in Europe and the Middle East have caused the disruption of some supply chains, greatly affecting global production and economic activities. Fuel prices continue to remain high at about 104 USD/barrel. In addition, the US maintains a high interest rate policy, affecting foreign currency exchange rates and causing input costs to increase.
- Regarding travel demand, most organizations forecast that global passenger volume will fully recover compared to 2019. However, the Asia-Pacific region is expected to need more time to recover. In particular, the Northeast Asia region may be unable to fully recover in 2024 due to the economic situation, inflation and currency devaluation.
- For the Vietnamese market, compared to 2023, it is expected that the market will show positive signs both domestically and internationally. However, macroeconomic factors affecting the aviation market still pose many unpredictable risks:
- For the domestic market, the macroeconomic situation still poses potential risks. Besides, the overload of airport infrastructure continues to be serious.
- For the international market to/from Vietnam, the market is not expected to reach pre-pandemic

- levels due to concerns about economic recession. military conflicts and the devaluation of major currencies (Japan, South Korea and Europe), that may have negative impacts on customers' purchasing power and foreign tourism demand. The Chinese market (the second largest tourist market) has recovered very slowly even though the Chinese Government relaxed immigration policies from the beginning of 2023.
- Fuel price risks in 2024 are considered unpredictable due to many uncertain factors in macroeconomics, energy markets, and geopolitics, while aviation fuel costs account for a significant proportion of VNA's cost structure.
- The risk of the USD/VND exchange rate and the exchange rate between other currencies and the USD will greatly impact the revenue and operating costs of VNA. Most major expenses such as fuel, repair, and maintenance are paid in USD, while VNA's revenue is in different currencies. Therefore, the USD/VND exchange rate and exchange rate fluctuations around the world will affect VNA's business performance.
- The last problem, but the biggest difficulty in 2024, is the issue with Pratt & Whitney engines on A320/321 NEO aircraft, causing a shortage of aircraft resources, directly affecting the plan to restore and expand the flight network after the pandemic.



2. Legal risks

- VNA ensures compliance with all relevant laws pertaining to its business operations. The company has not incurred any significant penalties imposed by domestic or foreign competent authorities.
- Regarding disputes and legal proceedings linked to VNA's operations and business activities, to the best of the company's knowledge and belief at the time of issuing this Annual Report, there are no ongoing disputes or lawsuits that could substantially impact the company's business operations and financial position.

Legal risk management measures

- Strengthen the legal department's capacity and professional expertise. Conduct regular reviews to ensure compliance of VNA's operations and business activities with the laws of Vietnam, host countries, and international treaties that Vietnam is a signatory.
- Foster close coordination with State agencies and authorities in host countries.
- Continuously update legal documentation related to VNA's operations and business activities. Seek domestic and international legal consultancy to assist in adhering to the laws of Vietnam, host countries, and international treaties.
- Promote legal awareness among all units. departments, and employees.

3. Competition risks

In 2023, the global aviation market showed positive developments, with variations across different market areas. It is forecasted that in 2024, this trend will continue, with the international market experiencing further recovery and an increase in operations by foreign airlines. These airlines are likely to focus on regions with strong growth and recovery, such as Australia, India, and Southeast Asia, resulting in intensified competition.

For the domestic market, despite a robust recovery in Q1/2023, with a growth rate of up to

18% compared to 2019, the domestic economy faced numerous challenges, leading to a decline in travel demand throughout the year. This decline was particularly evident during the summer peak and gradually extended to the off-peak months, prompting airlines to adjust their capacity to align with market demand. In 2024, competition on domestic routes is expected to remain intense due to limited slots at domestic airports, with price competition likely to persist due to weak purchasing power resulting in excess supply capacity.



4. Specific risks of the aviation industry

Safety risks

- In 2023, the Safety Committee directed and strategically oriented the implementation of safety risk management for Safety Action Groups (SAGs), focusing on specific and appropriate safety issues, as well as supervising VNA's safety risk management.
- SAGs implemented safety risk management in accordance with the directives and orientations provided by the Safety Committee. They synthesized and reviewed the effectiveness of safety risk management implementation by various agencies and units, while also enhancing the level of safety risk tolerance in their respective areas of responsibility.
- Leaders of agencies and units ensured the effective implementation of safety risk management within their domains and provided periodic safety reports to the safety teams.

Moreover, agencies and units established internal processes to adhere to VNA's safety policies and goals, while also maintaining records related to safety risk management.

Risks for Lotusmile program

- Assessing risks is essential every time new programs and policies are deployed. It involves checking and evaluating data to quickly detect any newly arising risks, and adjusting policies promptly. Close coordination with partners is crucial to deploying solutions that prevent risks when they are discovered, ensuring timely payments.
- Performing account verification in advance is necessary before recognizing Million Miller members or awarding the periodic Bingo program of the Lotusmile program. This ensures the validity of accounts before recognition or awarding.

5. Risks of Information Security

These risks pertain to the utilization and management of IT within enterprises.

VNA continues to construct and enhance its IT infrastructure and data platform. It deploys suitable technical infrastructure and adopts advanced techniques alongside a well-trained workforce in efficient management processes to mitigate operational risks.

Aiming to cultivate a "risk-savvy" cultural environment within the organization, where each individual possesses a proper understanding of risks and can openly discuss them without fear. This initiative includes organizing educational classes and examinations on security, network, and IT risks.



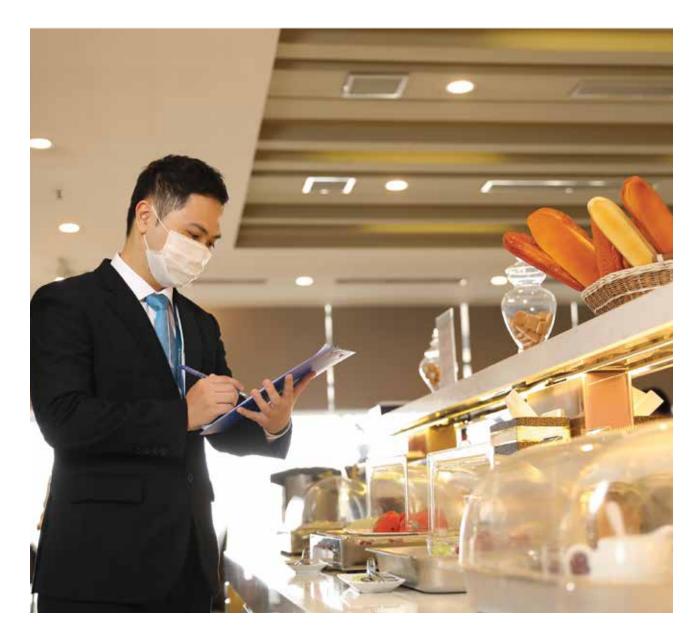
6. Other risks

The audit did not detect any weaknesses in VNA's internal audit system. Audit procedures failed to detect material misstatements.

The auditor gave an unwarranted opinion about the audited entity.

Risk Management Measures

- Ensure that internal auditors adhere to regulations, possess adequate qualifications and competencies to meet requirements, and uphold professional ethics.
- Ensure the independence and objectivity of auditors and the internal audit team.
- Develop and implement an internal audit process that aligns with current regulations. This process should include planning based on risk assessment and quality control to ensure the quality of audits.
- VNA should select a qualified and reputable audit company to audit its financial statements.
- Close supervision should be maintained over the execution of audit contracts, with agencies and units requested to confirm the labor hours of each level of auditors and provide feedback on their performance to ensure audit quality. Annual review and evaluation of audit results should precede the implementation of the following year's contract.





CHAPTER

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

162

Vietnam Airlines Joint Stock Company About Vietnam Airlines

Enterprise Registration Certificate No.

0100107518

June 30, 2010

President & CEO

EVP

Limited

Enterprise Registration Certificate has been adjusted many times, and the most recent adjustment is Enterprise Registration Certificate No. 0100107518 dated January 12, 2022. The Enterprise Registration Certificate is issued by Hanoi Department of Planning and Investment.

Board of Directors	Mr Dang Ngoc Hoa	Chairman
_ 0000 10 00 00000 0	Mr Ta Manh Hung	Member
	Mr Le Hong Ha	Member
	Mr Le Truong Giang	Member
	Mr Hiroyuki Kometani	Member
	Mr Dinh Viet Tung	Member
	Mr Truong Van Phuoc	Member

Board of Management Mr Le Hong Ha

Mr Trinh Hong Quang

Mr Trinh Ngoc Thanh EVP(Dec 31, 2023) Mr Dang Anh Tuan EVP (Jul 1, 2023) Mr Nguyen Hong Linh EVP(Jun 1, 2023)

Mr Nguyen Chien Thang **EVP** Mr To Ngoc Giang **EVP** Mr Dinh Van Tuan **EVP** Mr Le Duc Canh **EVP** Mr Nguyen The Bao **EVP**

Mr Tran Thanh Hien Chief Accountant

Registered Office No. 200 Nguyen Son, Bo De Ward,

Long Bien District, Ha Noi

Viet Nam

Audit Firm KPMG Company

Viet Nam

Vietnam Airlines Joint Stock Company About Vietnam Airlines

The Board of Management's Responsibility

The Board of Management of Vietnam Airlines is responsible for preparing the consolidated financial statements that accurately reflect the financial health of Vietnam Airlines as of December 31, 2023. The company's business performance and cash flow for the financial year are in compliant with Vietnam Accounting Standards, accounting regime for enterprises and applicable laws and regulation relating to financial reporting. To prepare the financial statements, the Board of Management is required to:

- Select suitable accounting policies and then apply them in a consistent manner;
- Make a reasonable analysis and estimation;
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the consolidated financial statements;
- Prepare the consolidated financial statements on the basis that the company's business is still active unless considered inactive otherwise;
- Implement a framework for effective internal control to reduce the risk of accounting fraud and unreliable financial reporting.

The Board of Management of Vietnam must ensure that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the consolidated financial positions of Vietnam Airlines and the consolidated financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and law and regulation relating to financial reporting. The Board of Management is also responsible for safeguarding the assets of Vietnam Airlines and hence taking preventive actions against fraudulent activities.

The Board of Management confirms that Vietnam Airlines has complied with the above requirements in preparing the consolidated financial statements.

The pandemic made a tremendous impact on the global aviation industry including Vietnam Airlines and its entities. We have taken many proactive approaches relating operations and business activities to mitigate the effects. We also hope the government as well as our partners, suppliers and lessors will continue to provide a lifeline of support and therefore enabling the airline to maintain smooth operations. We are optimistic that Vietnam Airlines will overcome this challenging time to lead the recovery and development stage in the future.

For and on behalf of the Board of Management.

President & CEO

Ha Noi, March 29, 2024

INDEPENDENT AUDITORS' REPORT

Attention: Sharholders Vietnam Airlines Joint Stock Company

We have audited the accompanying consolidated financial statements of Vietnam Airlines Joint Stock Company (referred to as "Vietnam Airlines"), which comprise the consolidated balance sheet as at December 31, 2023, the consolidated statement of income, and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, approved by the Board of Executive Officers for release on March 29, 2024, as set out from pages 6 to 69.

The Board of Executive Officers' Responsibility for the Consolidated Financial **Statements**

The Board of Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting and for such internal control as The Board of Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Auditors' Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Vietnam Airlines as at December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting.

Emphasis of Matters

- a) Note 2(c) of this consolidated financial statements describes that as of December 31, 2023, short-term liabilities of VNA and its subsidiaries exceeded current assets by an amount of 46,287 billion VND, overdue payables of VNA and its subsidiaries are 13,743 billion VND and negative equity (-) 17,026 billion VND. In the year ended on the same date, VNA and its subsidiaries had a loss after corporate income tax of 5,632 billion VND. The ability of VNA and its subsidiaries to continue operating will depend mainly on the ability to recover production and business activities after COVID-19 and the extension of loan payments from commercial banks, credit institutions and amounts payable to suppliers and lessors, as well as the possibility of success of the restructuring project currently being considered and approved by competent authorities. These conditions, together with other matters as set forth in Note 2, indicate the existence of material uncertainties that may cast significant doubts about Vietnam Airlines' ability to continue as a going concern.
- b) As presented in Note 3 of the Notes to the consolidated financial statements, Vietnam Airlines calculated and recognised depreciation expenses and allocation of repair and maintenance expenses for aircraft and engines for the years ended December 31, 2020, 2021, and 2022 in accordance with the separate guidance approved by the relevant authorities. From January 1, 2023, the accumulated difference between depreciation and amortization expenses according to the straight-line method and the separately approved method mentioned above will continue to be allocated by VNA according to the guidance of the Ministry of Finance as presented in Note 3.

__ 167 __ __ 166 __



Others

VNA's consolidated financial statements for the year ended December 31, 2022 were audited by another auditing firm and this audit firm has issued an unqualified opinion with emphasis on material uncertainties that may lead to doubts about the ability of VNA and its subsidiaries to continue as a going concern and about the calculation method and recognised depreciation expenses and allocation of repair and maintenance expenses for aircraft and engines for the years ended December 31, 2020, 2021, and 2022 in accordance with the separate guidance approved by the relevant authorities for those financial statements in the audit report dated December 7, 2023.

KPMG Limited Company

Viet Nam

Audit report No.: 23-02-00231-24-2

RÁCH NHIỆM HỮU HẠN **KPMG**

Phan My Linh Audit Practising Registration Certificate No.:

3064-2024-007-1

Deputy General Director Ha Noi, on March 20, 2024

Doan Thanh Toan Audit Practising Registration Certificate No.: 3073-2024-007-1

Vietnam Airlines Joint Stock Company Consolidated balance sheet as of December 31, 2023

Form B 01 - DN/HN (Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

	Codes	Notes	31/12/2023 VND	1/1/2023 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		14,884,282,536,124	12,329,950,221,266
Cash and cash equivalents	110	6	2,551,042,006,378	2,490,276,442,806
Cash	111		1,964,242,006,378	2,344,476,442,806
Cash equivalents	112		586,800,000,000	145,800,000,000
Short-term financial investments	120		920,438,534,909	896,630,691,696
Held-to-maturity investments	123	7(a)	920,438,534,909	896,630,691,696
Short-term receivables	130		6,121,737,465,734	4,897,522,587,507
Short-term trade receivables	131	8	4,474,693,862,337	3,983,027,337,240
Short-term advances to suppliers	132	9	220,120,316,380	238,017,088,297
Other short-term receivables	136	10(a)	1,758,027,426,614	884,118,225,378
Provision for short-term doubtful debts	137	11	(331,104,139,597)	(207,640,063,408)
Inventories	140	12	3,430,699,464,456	2,875,284,260,009
Inventories Provisions for	141		3,659,335,181,051	3,077,116,544,217
devaluation of inventories	149		(228,635,716,595)	(201,832,284,208)
Other short-term assets	150		1,860,365,064,647	1,170,236,239,248
Short-term prepayments	151	18(a)	605,280,039,079	416,870,156,281
Value added tax deductibles Taxes and other	152		1,247,838,608,693	744,580,776,918
receivables from the State budget	153	20	7,246,416,875	8,785,306,049
State State				



Vietnam Airlines Joint Stock Company Consolidated balance sheet as of December 31, 2023 (con't)

Form B 01 – DN/HN

(Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

	Codes	Notes	31/12/2023 VND	1/1/2023 VND
Current assets (200 = 210 + 220 + 240 + 250 + 260)	200		42,832,648,184,069	48,306,237,440,542
Long-term receivables	210		1,632,231,467,885	1,606,719,470,813
Long-term trade receivables	211	8	2,015,745,888	2,094,595,888
Other long-term receivables	216	10(b)	1,632,369,722,189	1,606,719,470,813
Provision for long- term doubtful debts	219	11	(2,154,000,192)	(2,094,595,888)
Fixed assets	220		34,358,558,415,730	40,672,004,481,125
Tangible fixed assets	221	13	13,706,433,076,192	16,032,875,218,066
Cost	222		43,453,041,747,996	40,410,251,333,312
Accumulated depreciation	223		(29,746,608,671,804)	(24,377,376,115,246)
Financial lease assets	224	14	20,503,753,861,143	24,464,670,980,070
Cost	225		39,060,643,420,829	42,585,171,948,360
Accumulated depreciation	226		(18,556,889,559,686)	(18,120,500,968,290)
Tangible fixed assets	227	15	148,371,478,395	174,458,282,989
Cost	228		826,771,700,583	805,958,491,646
Accumulated depreciation	229		(678,400,222,188)	(631,500,208,657)
Long-term assets in progress	240		132,650,060,151	94,019,231,444
Construction in progress	242	16	132,650,060,151	94,019,231,444
Long-term financial investments	250		132,650,060,151	1,751,061,180,082
Investments in	252	17	1,298,599,332,395	1,182,959,007,769
associates Equity investments in other entities Provision for	253	7(b)	463,902,170,049	648,952,172,313
impairment of long-term financial investments	254	7(b)	(90,000,000,000)	(90,000,000,000)
Held-to-maturity investments	255	7(a)	-	9,150,000,000
Other long-term assets	260		5,036,706,737,859	4,182,433,077,078
Long-term	261	18(b)	4,844,972,224,674	3,981,549,152,743
prepayments Deferred tax assets	262		1,274,128,504	1,028,969,581
Long-term reserved spare parts	263		190,460,384,681	199,854,954,754
TOTAL ASSETS (270 = 100 + 200)	270		57,716,930,720,193	60,636,187,661,808

Vietnam Airlines Joint Stock Company Consolidated balance sheet as of December 31, 2023 (con't)

Form B 01 – DN/HN

(Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

	Codes	Notes	31/12/2023 VND	1/1/2023 VND
RESOURCES LIABILITIES (300 = 310 + 330)	300		74,742,856,598,931	71,691,812,417,662
Current liabilities Short-term trade payables	310 311	19(a)	61,171,298,216,881 30,797,349,212,237	51,800,108,824,797 28,174,812,908,030
Short-term advances from customers Taxes and amounts	312		211,266,356,339	171,336,958,809
payable to the State budget	313	20	321,376,695,991	310,043,110,493
Payables to employees	314		1,214,047,937,665	989,855,504,487
Short-term accured expenses	315	21(a)	7,869,932,904,480	5,367,307,615,549
Short-term unearned revenue	318	22	1,215,909,234,339	730,319,902,881
Other current payables Short-term loans and	319	23(a)	1,300,450,902,586	1,890,693,945,604
obligations under finance leases	320	24(a)	17,561,780,915,106	13,400,052,716,447
Short-term provisions	321		8,684,511,123	9,084,834,063
Bonus and welfare funds	322	25	670,499,547,015	756,601,328,434
Long-term liabilities Long-term trade payables	330 331	19(b)	13,571,558,382,050 763,215,038,360	19,891,703,592,865 2,440,049,287,211
Long-term accured expenses	333	21(b)	1,528,272,034,954	1,142,457,551,629
Long-term unearned revenue	336		1,379,102,100	2,239,264,127
Other long-term payables Long-term loans and	337	23(b)	1,315,649,049,543	1,278,025,865,817
obligations under finance leases	338	24(b)	9,806,279,127,540	14,868,103,213,122
Deferred tax liabilites	341		156,764,029,553	160,828,410,959

_ 170 _ _ 171 _



Vietnam Airlines Joint Stock Company Consolidated balance sheet as of December 31, 2023 (con't) Form B 01 – DN/HN

(Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

	Codes	Notes	31/12/2023 VND	1/1/2023 VND
EQUITY (400 = 410)	400		(17,025,925,878,738)	(11,055,624,755,854)
Owners' equity Owners'	410	26	(17,025,925,878,738)	(11,055,624,755,854)
contributed capital - Ordinary	411	27	22,143,941,740,000	22,143,941,740,000
shares	411			
carrying voting rights	a		22,143,941,740,000	22,143,941,740,000
Share premium	412		1,220,498,156,541	1,220,498,156,541
Other owners' capital Assets	414		241,355,237,827	241,355,237,827
revaluation reserve	416		(1,153,004,222,954)	(1,153,004,222,954)
Foreign exchange reserve	417		154,285,019,292	122,441,972,786
Investment and development fund	418		933,114,412,332	932,083,454,332
Other reserves	420		2,024,298,861	2,024,298,861
Accumulated (losses) - (Losses)	421		(41,057,410,026,425)	(35,072,236,866,340)
accumulated to the prior year end	421a		(35,134,005,719,826)	(22,022,657,943,690)
- (Losses) of the current year Non-	421b		(5,923,404,306,599)	(13,049,578,922,650)
controlling interests	429	28	489,269,505,788	507,271,473,093
TOTAL				
RESOURCES (440 = 300 + 400)	440		57,716,930,720,193	60,636,187,661,808

March 29, 2024

Preparer

Ho Xuan Tam Finance and Accounting Department Approver

Tran Thanh Hien Chief Accountant

Le Hong Ha President & CEO

Vietnam Airlines Joint Stock Company Consolidated income statement as of December 31, 2023 (con't) Form B 02 - DN/HN

(Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

	Codes	Notes	2023 VND	2022 VND
Gross revenue from goods sold and services rendered	01	30	92,231,210,227,412	70,792,824,615,294
Deductions	02	30	691,345,042,213	382,603,297,695
Net revenue from goods sold and services rendered (10 = 01 - 02)	10	30	91,539,865,185,199	70,410,221,317,599
Cost of sales	11		87,654,421,187,647	73,286,232,320,827
Gross profit/(loss) (20 = 10 - 11)	20		3,885,443,997,552	(2,876,011,003,228)
Financial income	21	31	926,348,652,367	980,367,899,207
Financial expenses	22	32	4,404,977,636,713	4,432,415,448,356
In which: Interest expense	23		1,554,935,763,903	1,164,558,952,418
Share of profit/(loss) in associates	24		88,210,560,520	74,112,410,620
Selling expenses General and	25	33	4,376,668,981,713	3,195,005,684,899
administration expenses	26	34	2,096,092,630,937	1,769,308,764,254
Operating losses $(30 = 20 + (21 - 22) + 24 - (25 + 26)$	30		(5,977,736,038,924)	(11,218,260,590,910)
Other income Other expenses	31 32	35 36	710,169,511,600 95,042,794,407	310,657,078,140 37,880,809,329
Profit from other activities (40 = 31 - 32)	40		615,126,717,193	272,776,268,811
Accounting losses before tax (50 = 30 + 40)	50		(5,362,609,321,731)	(10,945,484,322,099)
Current corporate income tax expense	51	38	273,448,689,289	302,034,384,439
Deferred corporate tax (income)/expense	52	38	(4,309,540,329)	(24,503,543,354)
Net losses after corporate income tax (60 = 50 - 51 - 52) (move to next page)	60		(5,631,748,470,691)	(11,223,015,163,184)

_ 172 _

Vietnam Airlines Joint Stock Company Consolidated income statement as of December 31, 2023 (con't)

Form B 02 – DN/HN

(Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

	Codes	Notes	2023 VND
Net losses after corporate income tax (60 = 50 - 51 - 52) (continued from previous page)	60		(5,631,748,470,691)
Allocated to: Vietnam Airlines's shareholders Non-controlling interests	61 62		(5,930,301,562,765) 298,553,092,074
Losses per share Basic (losses) per share	70	39	(2,678)

March 29, 2024

Preparer

Ho Xuan Tam
Finance and Accounting Department

Approver

Tran Thanh Hien Chief Accountant

President & CEO

Vietnam Airlines Joint Stock Company Consolidated cash flow statement as of December 31, 2023 (Indirect method)

Form B 03 – DN/HN

(Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

	Codes	Notes	2023 VND
CASH FLOWS FROM			
OPERATING ACTIVITIES			
Losses before tax	01		(5,362,609,321,731)
Adjustments for	0.2		5.006.050.114.500
Depreciation	02 03		5,986,079,114,730
Provisions Foreign exchange loss/(gain)	03		149,926,589,940
arising from translating foreign currency items	04		514,351,528,068
Loss/(gain) from investing	0.5		(467, 624, 462, 424)
activities	05		(467,634,463,424)
Interest expense	06		1,554,935,763,903
Operating gains/(losses)	08		2,375,049,211,486
Changes in receivables	09		(1,729,033,423,779)
Changes in inventories	10		(572,824,066,761)
Changes in payaables			, , , , ,
(excluding accrued loan interest	11		3,901,121,166,075
and corporate income tax	11		3,701,121,100,073
payable)			
Changes in prepaid expenses	12		(1,002,615,415,057)
			2,971,697,471,964
Interest paid	14		(1,568,129,924,439)
Corporate income tax paid	15		(231,390,906,825)
Other cash outflows	17		(168,487,031,146)
Net cash generated by/(used in) operating activities	20		1,003,689,609,554
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition and construction of			
fixed assets and other long-term	21		(317,900,923,776)
assets Proceeds from sale, disposal of			
fixed assets and other long-term	22		641,993,313,127
assets	22		011,993,313,127
Cash outflow for lending,			
buying debt instruments of	23		(1,260,818,548,290)
other entities			
Cash recovered from lending,	2.4		1.046.160.505.055
selling debt instruments of	24		1,246,160,705,077
other entities Equity investments in other			
entities	252		-
Cash recovered from			
investments in other entities	26		191,972,142,445
Interest earned, dividends and	27		165 697 622 201
profits received	21		165,687,633,381
Net cash generated by/(used in)			
investing activities	30		667,094,321,964

The accompanying notes are an integral part of these consolidated financial statements

__174__

Vietnam Airlines Joint Stock Company Consolidated income statement as of December 31, 2023 (con't)

Form B 02 - DN/HN

(Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

	Codes	Notes	2023 VND	2022 VND
CASH FLOWS FROM FIN	ANCING A	CTIVITIES		
Proceeds from borrowings	33		38,150,404,534,128	33,708,103,421,762
Repayments of borrowings	34		(36,529,783,059,443)	(37,749,501,571,474)
Repayment of obligations under finance leases	35		(2,928,257,233,074)	(3,153,677,032,338)
Dividends and profits paid	36		(305,517,256,815)	(408,886,714,378)
Net cash (used in)/generated by financing activities	40		(1,613,153,015,204)	(7,603,961,896,428)
Net increases in cash (50 = 20 + 30 + 40) Cash and cash	50		57,630,916,314	745,568,416,748
equivalents at the beginning of the year	60		2,490,276,442,806	1,713,826,600,918
Effects of changes in foreign exchanges rates	61		3,134,647,258	30,881,425,140
Cash and cash equivalents at the end of the year $(70 = 50 + 60 + 61)$	70	6	2,551,042,006,378	2,490,276,442,806

March 29, 2024

Preparer

Ho Xuan Tam Finance and Accounting Department

Tran Thanh Hien Chief Accountant President & CEO

Vietnam Airlines Joint Stock Company Consolidated cash flow statement as of 31 December 2023 (Indirect method)

Form B 03 – DN/HN

_ 177 _

(Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

	Codes	Notes	2023 VND	2022 VND
CACH ELOWC EDOM			VIVE	VIID
CASH FLOWS FROM OPERATING ACTIVITIES				
Losses before tax	01		(5,362,609,321,731)	(10,945,484,322,099)
Adjustments for			(-)	(-) -) -) - , - , - ,
Depreciation	02		5,986,079,114,730	3,536,492,399,102
Provisions	03		149,926,589,940	(58,850,642,688)
Foreign exchange loss/(gain) arising from translating foreign	04		514.351.528.068	821.108.129.598
currency items	04		314.331.328.008	021.100.129.390
Loss/(gain) from investing	0.5		(467,624,462,424)	(271 254 264 761)
activities	05		(467.634.463.424)	(371.254.364.761)
Interest expense	06		1,554,935,763,903	1,164,558,952,418
Operating gains/(losses)	08		2,375,049,211,486	8,541,038,411,892
Changes in receivables	09		(1,729,033,423,779)	(2,017,256,662,411)
Changes in inventories	10		(572,824,066,761)	(595,723,729,702)
Changes in payaables				
(excluding accrued loan interest	11		3,901,121,166,075	15,710,008,308,018
and corporate income tax payable)				
Changes in prepaid expenses	12		(1,002,615,415,057)	1,297,440,344,417
8 ff			(-,,,,	2,227,310,211,127
			2,971,697,471,964	(11,218,260,590,910)
Interest paid	14		(1,568,129,924,439)	(1,057,619,694,360)
Corporate income tax paid	15		(231,390,906,825)	(273,644,233,637)
Other cash outflows	17		(168.487.031.146)	(315,955,331,568)
Net cash generated by/(used in) operating activities	20		1.003.689.609.554	6,893,819,152,327
CASH FLOWS FROM				
INVESTING ACTIVITIES Acquisition and construction of				
fixed assets and other long-term	21		(317,900,923,776)	(952,400,998,090)
assets			()))	(,,,,,,,,,
Proceeds from sale, disposal of				
fixed assets and other long-term	22		641.993.313.127	89.268.374.529
assets Cash outflow for lending,				
buying debt instruments of	23		(1,260,818,548,290)	(1,744,506,439,635)
other entities			() , , ,	().
Cash recovered from lending,				
selling debt instruments of	24		1.246.160.705.077	3,075,171,101,612
other entities Equity investments in other				
entities	252		-	(8,100,000,000)
Cash recovered from	26		101 072 142 445	774 520 000 000
investments in other entities	26		191.972.142.445	774,520,000,000
Interest earned, dividends and profits received	27		165.687.633.381	221.759.122.433
Net cash generated by/(used in) investing activities	30		667.094.321.964	1,455,711,160,849

The accompanying notes are an integral part of these consolidated financial statements

__176__

Form B 09 - DN/HN (Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

- Provision of components, spare parts, materials for aircraft, technical equipment and others in the aviation industry;
- Provision of technical services, materials and spare parts for local and international airlines; Provision of forwarding services, investment and exploitation of technical infrastructure at airports; passenger and cargo terminals, technical infrastructure and synchronous services in respect of air transport line.
- Export, import of aircraft, engines, spare parts, aviation equipment (rent, lease, hire purchase, purchase and sale) and other goods as per the State
- Manufacturing, export, import of tools, instruments and equipment serving for air transport line
- Manufacturing, processing, export and import of food to serve on plane;
- Export and import of oil, gas and aviation grease (including fuels, lubricants and special liquids) and other kinds of fuels at airport; Supply of oil, gas and aviation grease (including fuels, lubricants and special liquids) and other kinds of fuels at airports;
- Gasoline retail agents;
- Provision of agent services to air carriers, aircraft engine, equipment and spare parts manufacturers, domestic and foreign travel and transportation
- Printing (except as prohibited by the State);
- Construction and construction consultancy service (excluding construction design);
- Supply labour (excluding brokerage, referral, employment and labour supply for enterprises which have functions for labour export and supply, management of labour working abroad); export, import of labour;
- Science and technology;
- Trade in real estate:
- Trade in e-commerce service; and
- Training: foreign languages, information technology, operations and aviation technicians; and
- Finance, banking; finance leasing (only when permitted by the State's competent authorities).

For business lines that require certain conditions by the law, Vietnam Airlines and its subsidiaries operate only when meeting such conditions.

(c) Normal production and business cycle

Vietnam Airlines' normal production and business cycle is carried out for a time period of 12 months or less.

(d) Vietnam Airlines's structure

Vietnam Airlines operates under the holding company and subsidiary model. The corporate structure of Vietnam Airlines consists of dependent entities (including local and overseas branches), subsidiaries and associates.

Vietnam Airlines Joint Stock Company Notes to the consolidated financial statements as of December 31, 2023 (con't)

Form B 09 – DN/HN

(Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

As of December 31, 2023, VNA has 27 dependent entities, 17 subsidiaries and 8 affiliated companies (January 1, 2023: 26 dependent entities, 17 subsidiaries and 8 affiliated companies)

Dependent entities of Vietnam Airlines include:

- Heritage Magazine
- Flight Crew 919
- Cabin Crew
- Branch of Vietnam Airlines JSC. Airport Services and Operation Center
- Branch of Vietnam Airlines JSC. Flight Training Center
- Branch of Vietnam Airlines JSC. LotuSmiles
- Branch of Vietnam Airlines JSC. Vietnam Air Service Company (VASCO)
- Branch of Vietnam Airlines JSC. Vietnam Regional Branch
- Branch of Vietnam Airlines JSC. in Thailand
- Branch of Vietnam Airlines JSC. in Singapore
- Branch of Vietnam Airlines JSC. in Malaysia
- Branch of Vietnam Airlines JSC. in Laos
- Branch of Vietnam Airlines JSC. in Cambodia
- Branch of Vietnam Airlines JSC. in Japan
- Branch of Vietnam Airlines JSC. in Republic of Korea
- Branch of Vietnam Airlines JSC. in Hong Kong
- Branch of Vietnam Airlines JSC. in Taiwan
- Branch of Vietnam Airlines JSC. in Russia
- Branch of Vietnam Airlines JSC. in Australia
- Branch of Vietnam Airlines JSC. in Germany
- Branch of Vietnam Airlines JSC. in France and Western Europe
- Branch of Vietnam Airlines JSC. in China
- Branch of Vietnam Airlines JSC. in The United States
- Branch of Vietnam Airlines JSC. in The United Kingdom
- Branch of Vietnam Airlines JSC. in Myanmar
- Branch of Vietnam Airlines JSC. in Indonesia
- Branch of Vietnam Airlines JSC. in India (established in 2023)

180

		Proportion
	1/1/2023	December
rlines's subsidiaries and associates as at December 31, 2023 are as follows:	31/12/2023	Proportion

			31/12/2023			1/1/2023		
Subsidiaries	Address	Number of shares	Proportion of ownership	Proportion of ownership interest	Number of shares	Proportion of ownership	Proportion of voting power heid	Principal activities
Pacific Airlines Joint Stock Aviation Company	Vietnam	31,648,701	98.94%	98.94%	31,648,701	98.94%	98.94%	Aviation transportation business
Vietnam Airlines Engineering One Member Company Limited	Vietnam		100.00%	100.00%		100.00%	100.00%	Repair and maintenance of aircraft
Vietnam Air Petrol One Member Company Limited	Vietnam		100.00%	100.00%		100.00%	100.00%	Jet fuel business
Noi Bai Cargo Terminal Services Joint Stock Company	Vietnam	17,027,005	60.62%	65.07%	17,027,005	60.62%	%20.59	Providing cargo services for flights
Noi Bai Catering Services Joint Stock Company	Vietnam	11,106,622	61.87%	61.87%	11,106,622	61.87%	61.87%	Providing catering for flights
Vietnam Airlines Caterers Limited	Vietnam		100.00%	100.00%		100.00%	100.00%	Providing catering for flights
Viet Flight Training Joint Stock Company	Vietnam	3,400,000	51.52%	51.52%	3,400,000	51.52%	51.52%	Pilot training
Aviation Information and Telecommunication Joint Stock Company	Vietnam	3,060,000	52.73%	52.73%	3,060,000	52.73%	52.73%	Providing information and telecommunication services
Tan Son Nhat Cargo Services Joint Stock	Vietnam	5,154,930	55.00%	55.00%	5,154,930	\$5.00%	55.00%	Cargo services for flights
Tan Son Nhat Cargo Services and Forwarding Company Limited	Vietnam		51.00%	51.00%		51.00%	51.00%	Transportation, cargo forwarding, warehousing
Noi Bai Airport Services Joint Stock Company	Vietnam	4,241,160	51.00%	51.00%	4,241,160	51.00%	51.00%	Aviaion transportation services
VINAKO Forwarding Company Limited	Vietnam		65.05%	65.05%		65.05%	65.05%	Forwarding cargo, ground transportation, warehousing
Aviation Labor Supply and Import-Export Joint Stock Company	Vietnam	510,000	51.00%	51.00%	510,000	51.00%	51.00%	Import-Export of labour
Sabre Vietnam Joint Stock Company	Vietnam	268,800	51.69%	51.69%	268,800	51.69%	51.69%	Automatic booking
Vietnam Airport Ground Services One Member Company Limited	Vietnam		100.00%	100.00%		100.00%	100.00%	Ground services
Vietnam Singapore Technologies Engineering Aerospace Company Limited	Vietnam		51.00%	51.00%		51.00%	51.00%	Repair and maintenance of aircraft
Nasco Logistics Joint Company Limited	Vietnam	6,222,000	25.05%	51.00%	6,222,000	25.05%	51.00%	Transportation, cargo forwarding services

Associates	Address	Number of shares	31/12/2023 Proportion of ownership	Proportion of ownership interest	Number of shares	1/1/2023 Proportion of ownership	Proportion of voting power held	Principal activities
Vietnam Aircraft Leasing Joint Stock Company	Vietnam	42,835,200	32.48%	32.48%	42,835,200	32.48%	32,48%	Aircraft Icasing
General Aviation Import-Export Joint Stock Company	Vietnam	1,285,200	41,31%	41.31%	1,285,200	41.31%	41.31%	Trustee services for export and import
Danang Airport Services Joint Stock Company	Vietnam	1,541,265	36.11%	36.11%	1,541,265	36.11%	36.11%	Aviation services
Aviation high-Grade Plastic Joint Stock Company	Vietnam	1,335,400	30,41%	30.41%	1,335,400	30.41%	30,41%	Manufacturing plastic products
Tan Son Nhat Petrol Commercial Joint Stock Company	Vietnam	11,968,642	30.47%	30.47%	11,968,642	30.47%	30.47%	Refueling services
Noi Bai Aviation Fuel Service Joint Stock Company	Vietnam	3,000,000	30.00%	30.00%	3,000,000	30,00%	30.00%	Refueling services
Aviation Ground Services Company Limited	Victnam		25.00%	25.00%		25.00%	25.00%	Ground services
Vietnam Sky Services Investment Joint Stock Company	Vietnam	378,000	8.16%	36,00%	378,000	8.16%	36.00%	Road passenger transport services

Form B 09 - DN/HN

(Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

2. Basis of preparation financial statements

(a) Compliance statement

The consolidated financial statements of Vietnam Airlines Joint Stock Company have been prepared in accordance with the regulations of the consolidated finnacial reporting regime applicable to Vietnam Airlines Joint Stock Company issued under Decision No. 1913/QD-TCTHK-TCKT dated December 18, 2015 of Vietnam Airlines ("Decision 1913").

Decision 1913 is developed based on Decision No. 2581/TCTHK-TCKT dated December 30, 2011 of Vietnam Airlines approved by the Ministry of Finance in its Official Letter No. 17011/BTC-CDKT dated December 14, 2011. Accordingly, the consolidated financial reporting regime applicable to Vietnam Airlines contains some differences from Vietnamses Accounting Standard ("VAS") No.7 "Accounting for Investments in associates" and VAS No. 25 "Consolidated financial statements and accounting for investment in subsidiaries" issued in conjunction with Decision No. 234/2003/QD-BTC dated December 30, 2003 and related implementation guidance in Circular No. 161/2007/TT-BTC dated December 31, 2007 and Circular No. 202/2014/TT-BTC dated December 22, 2014 by the Ministry of Finance. Details are as follows:

Intra-group balances and transactions between Vietnam Airlines and its subsidiaries or among subsidiaries including receivables and payables, loans and borrowings, revenue and expenses are eliminated using the lower amounts in case of differences upon reconciliation and verification between Vietnam Airlines and its subsidiaries or among subsidiaries. In case of Vietnam Airlines providing transportation services to subsidiaries, the subsidiaries' figures related to such transactions will be used for elimination; and

For intra-group purchases and sales of investments, it is assumed that the previous year's inventory balances have been sold in the current year.

The consolidated financial statements, except the consolidated cash flow statement, are prepared on an accrual basis according to the historical cost. The consolidated cash flow statement is prepared using the indirect method.

(c) Going concern

The consolidated financial statements are prepared on a going concern basis. As of December 31, 2023, short-term debt of VNA and its subsidiaries exceeded short-term assets with an amount of 46,287 billion VND (January 1, 2023: 39,470 billion VND), overdue payables of VNA and its subsidiaries were 13,743 billion VND (January 1, 2023: 15,396 billion VND) and negative equity (-)17,026 billion VND (January 1, 2023: negative (-) 11,056 billion VND). In the year ending on the same date, VNA and its subsidiaries had a loss after corporate income tax of 5,632 billion VND (2022: loss of 11,223 billion VND). Vietnam Airlines Joint Stock Company Notes to the consolidated financial statements as of December 31, 2023

Form B 09 - DN/HN

(Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

The Board of Directors and the Board of Executive Officers have regularly assessed the impact and have implemented measures to deal with the financial difficulties so that Vietnam Airlines can maintain its ability to continue as a going concern. The measures that have been implementing include the followings:

(i) Operation management

With positive developments in the aviation industry, VNA transported about 17.62 million domestic passengers and 6.62 million international passengers in the year ending December 31, 2023, equivalent to 91.82% and 73.79% compared to the number of passengers in 2019 (2022: 18.57 million domestic passengers and 2.53 million international passengers).

VNA has adjusted its fleet plan, flight schedule, and flight routes to suit market demand, peak periods, and post-Covid-19 travel needs to optimize operating costs and fleet, maintaining domestic transport market share. VNA also focused on managing and developing services and customers on routes with high revenue and profits to improve asset utilization efficiency and cash flow from business activities.

In 2023, most international routes have been re-operated by VNA.

In addition, Vietnam Airlines continues to maintain and promote cargo transportations to effectively utilize aircraft crew capacity, improve production and business efficiency and operating cash flow.

Regarding operating costs, Vietnam Airlines continues to implement cost optimization policies, improve fleet utilization efficiency and deploy negotiation solutions to reduce prices and save costs. In addition, VNA continuously considers optimizing ground services, in-flight services as well as engine and aircraft repair and maintenance to improve service quality and ensure economic efficiency.

VNA and its subsidiaries are negotiating with commercial banks to have additional credit limits for production and business activities. Until December 31, 2023, the total credit limit that VNA and its subsidiaries have signed with commercial banks was 25.4 trillion VND (January 1, 2023: 20 trillion VND). In addition, VNA also has refinancing capital of 4 trillion VND from Southeast Asia Commercial Joint Stock Bank, Vietnam Maritime Commercial Joint Stock Bank and Saigon - Hanoi Commercial Joint Stock Bank according to Circular No. 04/2021/TT-NHNN April 5, 2021.

During the year, banks agreed to continue granting credit limits for short-term loans that VNA and its subsidiaries paid on time and met the conditions and regulations of the State Bank. VNA believes that it will continue to maintain current credit limits in the following year as well as ensure payment of due loan principals.

For long-term loans and financial lease debt, VNA has also successfully negotiated with a number of creditors to restructure the payment schedule for longterm loans and due financial lease debt

VNA and its subsidiaries have been continuing to negotiate price reductions and delay payment schedules with partners, in which many partners have agreed to reduce prices (aircraft rental costs, maintenance costs, etc.) or delay or postpone payment schedules (aircraft rental costs, flight management, flight services,

__ 182 __ __ 183 __

Form B 09 - DN/HN

(Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

VNA has also been negotiating with a number of aircraft maintenance service providers to offset the unused overhaul funds paid to suppliers with amounts payable and replace the security measure with L/C, thereby reducing the amount of cash payment that needs to be mobilized when due

On the one hand, VNA and its subsidiaries are actively seeking financial sources to pay overdue debts with suppliers in the amount of 13,743 billion VND as of December 31, 2023 (Note 19). In addition, VNA and its subsidiaries are also continuing to negotiate and call for support from partners in reducing and postponing payment deadlines for overdue debts. VNA evaluates and believes that its partners have been and are still actively supporting VNA and its subsidiaries over the past years and in the coming time.

(iii) Project on restructuring Vietnam Airlines

Vietnam Airlines has completed its restructuring project for the period of 2021-2025 (the "Project") and reported to the Annual General Meeting of Shareholders in 2022 and is submitting it to the competent authorities for approval. Under the project, Vietnam Airlines will synchronously implement three (3) solutions to overcome the current financial situation including:

- · Improving air transport business results, in which, synchronously implementing solutions to enhance adaptation, quick recovery and efficient use of its
- Implementing asset restructuring and divesting from subsidiaries and associates to increase income and cash flow; and
- Preparing necessary conditions to implement the plan to issue shares to increase equity upon approval of the competent authority.

The Board of Executive Officers has carefully assessed the business and cash flow plans, and the ability to balance cash flows to pay off due debts and financial obligations as well as the loans and capital support from the Government and the ability to implement the Project. The Board of Executive Officers believes that it is appropriate to have the accompanying consolidated financial statements prepared on a going concern basis.

The ability of VNA and its subsidiaries to continue operating will depend mainly on the ability to recover production and business activities after COVID-19 and the extension of payment of loans from commercial banks, credit institutions and payables to suppliers and leases, as well as a number of other solutions in the restructuring project. These plans contain material uncertainties that may cast doubt on the ability of VNA and its subsidiaries to continue as a going

(d) Financial year

The financial year of VNA and its subsidiaries begins on January 1 and ends December 31.

(e) Accounting currency

The accounting currency of VNA and its subsidiaries is Vietnam Dong ("VND"), which is also the currency used for financial reporting purposes.

Vietnam Airlines Joint Stock Company Notes to the consolidated financial statements as of December 31, 2023 (con't)

Form B 09 - DN/HN (Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

(b) Foreign currency

(i) Transactions in foreign currency

Transactions in currencies other than VND during the year are converted to VND at an exchange rate approximating the actual exchange rate at the transaction

Assets and liabilities denominated in currencies other than VND are converted to VND at the average exchange rate of commercial banks where VNA or its subsidiaries regularly have transactions or exchange rates that approximate the actual exchange rate of commercial banks at the end of the annual accounting period.

All exchange rate differences are recognized in the consolidated income statement. Gains from exchange rate differences due to reassessment of balances of monetary items denominated in foreign currencies at the end of the annual accounting period cannot be used to distribute dividends to shareholders.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising during the acquisition, are converted into VND at the exchange rate at the end of the annual accounting period. Income and expenses of foreign operations are converted into VND at the exchange rate at the

Exchange rate differences arising from the conversion of overseas activities are recorded in the item "Exchange rate differences" under equity on the consolidated balance sheet.

(c) Cash and cash equivalents

Cash includes cash, demand deposits and cash in transit. Cash equivalents are short-term, highly liquid investments, are readily convertible into known amounts of money, are subject to an insignificant risk of changes in value and are used for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(d) Financial investments

(i) Held-to-maturity investments

Held-to-maturity investments are investments that the Board of Executive Officers of VNA or its subsidiaries intends and has the ability to hold to maturity Held-to-maturity investments include term bank deposits. These investments are recorded at cost less allowance for uncollectible accounts

(ii) Equity investments in other entities

Equity investments in other entities are initially recognized at cost which includes purchase price and directly attributable acquisition costs. After initial recognition, these investments are determined at cost less provision for devaluation.

__184__ _185_

Form B 09 - DN/HN

(Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

(a) Basis of consolidation

Subsidiaries are entities under the control of VNA. The financial statements of the subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases

(ii) Non-controlling shareholder interests

Non-controlling shareholder interests are determined according to the non-controlling shareholder's proportion of the net assets of the acquired entity at the date of acquisition

VNA's divestment or capital increase in a subsidiary that does not result in a loss of control is accounted for similarly to equity transactions. The difference between the change in VNA's ownership share in the net assets of the subsidiary and the revenue or expenditure from divestment or capital increase in the subsidiary is recorded in undistributed after-tax profits under equity.

(iii) Affiliated company

Affiliated companies are companies in which VNA has significant influence, but does not control the financial and operating policies of the Company. Affiliated companies are accounted for using the equity method (collectively referred to as investees accounted for by the equity method). The consolidated financial statements include VNA's share in the income and expenses of the investment entities are accounted for using the equity method, after adjusting according to VNA's accounting policies, from the date of commencement until the date of termination of significant influence over these units. When the loss of the investee that VNA shall share exceeds VNA's interest in the investee accounted for using the equity method, the carrying amount of the investment will be are recorded down to zero and stop recording future losses except for losses to the extent that VVNA is obligated to pay or has paid on behalf of the investment recipient. Affiliated companies are companies in which VNA has significant influence, but does not control the financial and operating policies of the Company. Affiliated companies are accounted for using the equity method (collectively referred to as investees accounted for by the equity method). The consolidated financial statements include VNA's share in the income and expenses of the investment entities are accounted for using the equity method, after adjusting according to VNA's accounting policies, from the date of commencement until the date of termination of significant influence over these units. When the loss of the investee that VNA shall share exceeds VNA's interest in the investee accounted for using the equity method, the carrying amount of the investment will be are recorded down to zero and stop recording future losses except for losses to the extent that VNA is obligated to pay or has paid on behalf of the investment recipient.

(iv) Transactions are eliminated upon consolidation

Internal balances within VNA and its subsidiaries and unrealized income and expenses from internal transactions are eliminated when preparing consolidated financial statements. Unrealized profits and losses arising from transactions with investees are accounted for using the equity method and are deducted from the investment within the scope of VNA's interests in the investment recipient.

As presented in Note 2(a), VNA eliminates according to the principle of the smaller number for the balance of receivables and payables, loans and borrowings, revenue and expense operations between VNA and its subsidiaries and between subsidiaries in case of data collation and confirmation between VNA and its subsidiaries or between subsidiaries unequal. Particularly in cases where a transaction arises where VNA provides transportation services to a subsidiary, when adjusting, it will be based on the subsidiary's reported data. In addition, internally traded inventory is assumed to be the previous year's inventory that has been used up this year.

Vietnam Airlines Joint Stock Company Notes to the consolidated financial statements as of December 31, 2023

> Form B 09 - DN/HN (Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

(b) Foreign currency

(i) Transactions in foreign currency

Transactions in currencies other than VND during the year are converted to VND at an exchange rate approximating the actual exchange rate at the transaction

Assets and liabilities denominated in currencies other than VND are converted to VND at the average exchange rate of commercial banks where VNA or its subsidiaries regularly have transactions or exchange rates that approximate the actual exchange rate of commercial banks at the end of the annual accounting period.

All exchange rate differences are recognized in the consolidated income statement. Gains from exchange rate differences due to reassessment of balances of monetary items denominated in foreign currencies at the end of the annual accounting period cannot be used to distribute dividends to shareholders.

(ii) Foreign operation

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising during the acquisition, are converted into VND at the exchange rate at the end of the annual accounting period. Income and expenses of foreign operations are converted into VND at the exchange rate at the

Exchange rate differences arising from the conversion of overseas activities are recorded in the item "Exchange rate differences" under equity on the consolidated balance sheet.

(c) Cash and cash equivalents

Cash includes cash, demand deposits and cash in transit. Cash equivalents are short-term, highly liquid investments, are readily convertible into known amounts of money, are subject to an insignificant risk of changes in value and are used for the purpose of meeting short-term cash commitments rather tha for investment or other purposes.

(d) Financial investments

(i) Held-to-maturity investments

Held-to-maturity investments are investments that the Board of Management of VNA or its subsidiaries intends and has the ability to hold to maturity. Held-to-maturity investments include term bank deposits. These investments are recorded at cost less allowance for uncollectible accounts

Equity investments in other entities are initially recognized at cost which includes purchase price and directly attributable acquisition costs. After initial recognition, these investments are determined at cost less provision for devaluation

__ 186 __

Form B 09 - DN/HN

(Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

Provision for devaluation is established when the investee incurs losses resulting in VNA or its subsidiary potentially losing capital, unless there is evidence that the value of the investment is not impaired. Provision for devaluation is reversed when the investee subsequently generates a profit to offset previously provisioned losses. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been assumed if no allowance had been recognised.

Receivables represent the amounts recoverable from customers or other debtors and are stated at book value less provision for doubtful debts.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise all applicable costs that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

The cost of spare parts and supplies received is calculated based on prices stated in suppliers' commercial invoices and all related expenses (such as import dutym commission fees, transportation costs).

Unit price of air craft spare parts and supplies for consumption is calculated using the specific identification method.

The following principles are applied in allocating the costs of spare parts and supplies issued for consumption:

- For spare parts and supplies which are consumable, issued for one-time consumption and unrepairable, the issued cost is the total value of such items and charged to the consolidated income statement during the year.
- For rotational spare parts and supplies issued for consumption of which unit price ranges from 1,500 USD to 50,000 USD, the cost is recognised as a long-term prepayment in the consolidated balance sheet and allocated to the consolidated income statement on a straight-line basis over 3 years from the issuance for consumption.
- For rotaional spare parts and supplies issued for consumption of which unit price is more than 50,000 USD, the cost is recognised as a long-term prepayment in the consolidated balance sheet and allocated to the consolidated income statement on a straight-line basis over 5 years from the first issuance for consumption.

Vietnam Airlines applies the perpetual method of accounting for inventories.

The assessment of necessary provision for inventory devaluation follows the prevailing accounting regulations, which allow provisions to be made for obsolete, damaged, or sub-standard inventories and for those which have costs higher than net realisable values as at the consolidated balance sheet date.

Vietnam Airlines Joint Stock Company Notes to the consolidated financial statements as of December 31, 2023

> Form B 09 - DN/HN (Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

(g) Tangible fixed assets

(i) Historical cost

Tangible fixed assets are stated at cost less accumulated depreciation. The costs of purchased tangible fixed assets comprise their purchase prices, import taxes, non-refundable sales taxes and any directly attributable costs of bringing the assets to their working conditions and locations for their intended use. In cases of tangible fixed assets being aircraft, credits granted under aircraft purchase contracts are recognised in accordance with the following principles:

- Credit granted in form of services under aircraft purchase contracts is not recognised separately from cost of the aircraft but treated as a deduction from costs of sales upon actual receipt;
- Credit granted in form of spare parts or equipment which Vietnam Airlines is not likely to receive under aircraft purchase contracts is not recognised separately from cost of the aircraft but treated as a deduction from cost of sales upon actual receipt;
 Credit granted in form of equipment which Vietnam Airlines is likely to receive with a detailed listed for handover under aircraft purchase contracts is
- recognised separately from cost of the aircraft.

Expenditure incurred after tangible fixed assets have been put into operation, such as repair, maintenance and overhaul costs, is charged to the consolidated income statement in the year in which the cost is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost to tangible fixed assets.

Tangible fixed assets are depreciated using the straight-line method over the following estimated useful lives:

	Aircraft	16-20 years
•	Aircraft engines	10 years
•	Barramgs and stractures	5-50 years
•	Machinery and equipment	3-20 years
•	Office equipment	3-10 years
•	Motor vehicles	3-10 years
•	Others	4-7 years

As presented in Note 3, Vietnam Airlines recorded depreciation of aircraft and engines for the years 2020, 2021 and 2022 in accordance with the separate guidance approved by the relevant authorities. From January 1, 2023, the accumulated difference between depreciation under the straight-line method and the depreciation method is presented in Note 3 until January 1, 2023 continued to be amortized using the straight-line method throughout the estimated remaining useful life of tangible fixed assets, according to guidance from the Ministry of Finance.

__188__

Form B 09 - DN/HN

(Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

(h) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substaintially all the risks and rewards of ownership to Vietnam Airlines and its subsidiaries. Assets held under finance leases are recognised as assets of Vietnam Airlines at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments, calculated at the beginning of the lease, minus accumulated depreciation.

Assets held under finance leases are depreciated using straight line method over their expected useful lives on the same basis as tangible fixed assets. The estimated useful life of tangible fixed assets under a finance lease is consistent with the tangible fixed assets stated in the accounting policy 4(g).

As presented in Note 3, Vietnam Airlines recorded depreciation of aircraft and engines for the years 2020, 2021 and 2022 in accordance with the separate guidance approved by the relevant authorities. From January 1, 2023, the accumulated difference between depreciation under the straight-line method and the depreciation method is presented in Note 3 until January 1, 2023 continued to be amortized using the straight-line method throughout the estimated remaining useful life of tangible fixed assets, according to guidance from the Ministry of Finance.

(i) Intangible assets

(i) Land use rights

The initial cost of legally transferred land use rights includes the purchase price and costs directly related to acquiring land use rights. VNA and its subsidiaries

(ii) Computer software

Computer software includes passenger/cargo revenue management software, cargo management software, and accounting software. The purchase price of new computer software that is not an integral part of the related hardware is capitalized and accounted for as an intangible fixed asset. Computer software is amortized using the straight-line method over two to eight years.

(i) Construction in progress

Construction in progress reflects construction and machinery costs that have not been completed or installed. Construction in progress will be converted to fixed assets at the provisional price (if there is no approved final settlement) when the assets are handed over and put into use

According to the State's regulations on investment and construction management, the settled costs of completed construction projects are subject to approval by appropriate level of competent authorities. Therefore, the final costs of these completed construction projects may vary depending on competent authorities. approval of settlement.

Vietnam Airlines Joint Stock Company Notes to the consolidated financial statements as of December 31, 2023

> Form B 09 - DN/HN (Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

(k) Long-term prepaid expenses

(i) Overhaul expenses for aircraft engines and fuselages

Overhaul expenses for aircraft engines and fuselages are allocated to the consolidated income statement from the month following when the overhaul was completed. For leased aircraft engines, the expenses awaiting allocation exclude the amount of overhaul reserves paid to the lessor. The amount payable of the overhaul reserve to the lessor under the lesse contract is recognised in the consolidated income statment when the reserve is paid. Vietnam Airlines allocates the overhaul expenses as follows: repair and maintenance expense of fuselage, main engines, auxiliary power unit and aircraft landing gears incurred at 300,000 USD or more will be allocated over the period of 3 years. Major maintenance expenses are fully recognised into the consolidated income statement if incurred at less than 300,000 USD.

As presented in Note 3, Vietnam Airlines recorded depreciation of aircraft and engines for the years 2020, 2021 and 2022 in accordance with the separate guidance approved by the relevant authorities. During the year ended December 31, 2023, the accumulated difference in costs between allocation according to the straight-line method and according to the method is presented in Note 3 continued to be allocated to the operating results for the period with a total period from the time of initial allocation not exceeding 3 years.

In addition to the above overhaul expenses for aircraft engines and fuselages, the overhaul cost of aircraft engines specified in the engine maintenance contract on an hourly basis is recognised in the consolidated income statment based on flight hours.

(ii) Export credit guarantee fees

Export credit guarantee fees for financing contracts for aircraft purchasing under financial lease terms and other expenses relating to financing contracts are allocated to operating expenses over the financing duration

(iii) Tools and supplies

Tools and supplies include:

- Assets held by VNA and its subsidiaries for use in the normal course of business operations, with the historical cost of each asset being less than 30 million VND and therefore not eligible for recognition as assets fixed according to current regulations. The cost of tools and supplies is amortized over
- Rotational spare parts are evenly allocated in each year (Note 4(f)).

(l) Accounts payable and other payables

Accounts payable and other payables are stated at cost

(m) Provisions

A provision is recognized if, as a result of a past event, VNA or its subsidiaries have a present legal or constructive obligation that can be reliably estimated, and it is probable that an outflow of future economic benefits will be required to pay the debt payable due to that obligation. Provisions are determined by discounting expected future cash flows at a pre-tax rate that reflects the current market assessment of the time value of money and the specific risks of that

__ 190 __

Form B 09 - DN/HN

(Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

End of lease obligation

Under the terms of aircraft operating lease contracts between Vietnam Airlines or its subsidiaries and lessors, Vietnam Airlines or its subsidiaries has an obligation to return the aircraft to the same working conditions as at delivery (except for normal wear and tear) upon returning the aircraft to lessors at the end of the lease period. In accordance with Official Letter No. 11876/BTC-CDKT dated August 25, 2016 of the Ministry of Finance, Vietnam Airlines can recognise costs for operating lease aircraft return when incurred or make provision for aircraft return obligation over the lease period, Vietnam Airlines currently recognises costs for operating lease aircraft return when incurred and no provision is made for this obligation in the financial statements.

(n) Unearned revenue from frequent flyer programs

VNA implements the Golden Lotus program for regular customers and the Customer Loyalty program, whereby customers will accumulate bonus points when purchasing goods or using services from VNA or some specific partners of VNA. The portion of revenue derived from the remaining usable reward points for which customers are expected to redeem shall be determined at fair value and recognised as unearned revenue. Unearned revenue is recognised as income in the year when customers redeem the points or upon expiry of the points.

(o) Equity

Ordinary shares

Ordinary shares are recorded at the issuance price less any costs directly related to the issuance of shares, less any tax effects. Those costs are recorded as a decrease in share premium.

(p) Taxation

Corporate income tax calculated on the consolidated profit or loss of the reporting year includes current income tax and deferred income tax. Corporate income tax is recognized in the consolidated income statement except where there are income taxes related to items recognized in an equity account, then these income taxes are also recorded in the corresponding account belonging to equity.

Current income tax is the expected tax payable on taxable income for the year, using tax rates in effect at the end of the annual accounting period, and tax adjustments payable relating to prior years.

Deferred income tax is calculated on temporary differences between the book value for financial reporting and the tax value of assets and liabilities in the balance sheet. The amount of deferred tax is recognized based on the expected manner in which the carrying amounts of assets and liabilities are recovered or settled using tax rates effective or substantially in effect at the end of the annual accounting period.

Deferred tax assets are recognized only to the extent that it is probable that there will be sufficient future taxable profits to enable the tax assets to be utilized.

Vietnam Airlines Joint Stock Company Notes to the consolidated financial statements as of December 31, 2023 (con't)

Form B 09 – DN/HN (Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

(q) Revenue and other income recognition

(i) Aviation transportation revenue

Sales of transportation documents (which comprise air tickets and vouchers) are presented as trade accounts payable on the consolidated balance sheet, which is recognised as revenue in the consolidated income statement when the actual carriage service is performed.

Revenue from aircraft charter and charter flights is recognised in the consolidated income statement upon completion of services. No revenue is recognised if the recovery of the payables due cannot be measured reliably.

(ii) Auxiliary services for transportation

Revenue from auxiliary services rendered, which are completed within a short time, is recognised in the consolidated income statement upon completion of services. No revenue is recognised if the recovery of the payable cannot be measured reliably.

(iii) Revenue from the sale of goods

Revenue from the sale of goods is recognized in the consolidated income statement when the significant risks and rewards of ownership of the product or goods are transferred to the buyer. Revenue is not recognized if there are material uncertainties regarding the collection of receivables or the return of goods sold. Revenue from the sale of goods is recognized as net amount after deducting the discount amount on the sales invoice.

(iv) Rental reven

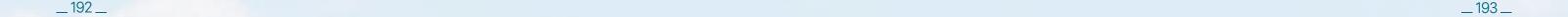
Rental property revenue is recognized in the consolidated income statement on a straight-line basis based on the term of the lease agreement

(v) Interest income

Interest income is recognized on a time proportion basis based on the principal balance and the applicable interest rate.

(vi) Dividend income

Dividend income is recognized when the right to receive dividends is established. Stock dividends are recognized as financial income. Dividends and profits distributed in connection with the period before purchasing the investment or before the equitization period are recognized as a decrease in the book value of the investment.



Vietnam Airlines Annual Report 2023 🌉

Vietnam Airlines Joint Stock Company Notes to the consolidated financial statements as of December 31, 2023

Form B 09 - DN/HN

(Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

(s) Borrowing costs

Borrowing costs are recognized as an expense in the year in which they are incurred, except where borrowing costs relate to borrowings for the purpose of acquiring assets that qualify for capitalization of borrowing costs, then the borrowing costs will be capitalized and recorded in the historical cost of these

(t) Earnings per share

VNA presents basic earnings per share (EPS) for its ordinary shares. Basic earnings per share are calculated by taking the profit or loss attributable to common shareholders of VNA (after deducting the amount allocated to the bonus and welfare fund for the accounting period) divided by the weighted average of ordinary shares outstanding during the year.

During the year, VNA did not have dilutive potential ordinary shares, therefore no diluted earnings per share were presented.

A segment is a separately identifiable component of VNA and its subsidiaries that is engaged in providing products or related services (business segment), or providing products or services within a particular economic environment (geographical segment), each of which is subject to risks and returns that are different from those of other segments. The Board of Executive Officer of VNA believes that VNA and its subsidiaries operate mainly in a single business field:

The geographical segment of VNA and its subsidiaries are determined based on the country in which revenue is generated. For the year ending December 31, 2023, VNA's Board of Executive Officer identified Vietnam as the only country generating revenue over 10% of total revenue, and therefore is a reportable segment. Related assets, costs and liabilities are not allocated due to the specific characteristics of the aviation industry of VNA and its subsidiaries, most of which are registered and managed in Vietnam but operate on all routes around the world. Accordingly, VNA does not present department reports by geographical area.

(v) Related Parties

Parties are considered related parties of VNA and its subsidiaries if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or where VNA and the other party are subject to common control or common significant influence. Related parties can be companies or individuals, including close family members of individuals considered to be related. Vietnam Airlines Joint Stock Company Notes to the consolidated financial statements as of December 31, 2023

Form B 09 - DN/HN

(Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

5. Changes in accounting estimates

When preparing annual financial statements and interim financial reports, the Board of Executive Officer makes a number of accounting estimates. Actual results may differ from these accounting estimates

6. Cash and cash equivalents

	31/12/2023	1/1/2023
	VND	VND
Cash on hand	10,194,150,961	14,120,364,696
Bank demand deposits	1,863,228,591,781	2,254,439,154,339
Cash in transit	90,819,263,636	75,916,923,771
Cash equivalents	586,800,000,000	145,800,000,000
	2,551,042,006,378	2,490,276,442,806

As at December 31, 2023, VNA and its subsidiaries have demand deposits in banks with restricted use of 110 billion VND (January 1, 2023: 879 billion

__194__ __195__

(a) Helden

920,458,534,909 32

Provision VND

	31/12/2023		1/1/2023	
	Cost	Provision VND	Cost	
Cambodia Angkor Air	248,141,431,740		248,141,431,740	
Cam Ranh International Aviation Services Joint Stock Company	185,050,002,264		185,050,002,264	
Aviation Logistics Corporation	90,000,000,000	(900'0000'000)	000'000'000'06	
Southern Aviation Construction Port Joint Stock Company	65,049,600,000		65,049,600,000	
Saigon Postel Corporation	52,000,000,000		52,000,000,000	
Thang Long Investment and Services Joint Stock Company	6,161,138,309		6,161,138,309	
Phoong Nam Investment Tourism and Shipping One Member Limited Commany	2,550,000,000		2,550,000,000	
	463,902,170,049	(90,000,000,000)	648 952 172 313	

As of December 31, 2023, VNA mortgaged a number of shares that VNA is holding at subsiditerm leans (Note 24 (a)).

The fair value of investments as of December 31, 2023 has not been disclosed in the consolidated financial statements because:

For investments in entities listed on the stock market, the number of share transactions of these entities during the year is of investments; and

For the remaining investments that do not have listed prices on the market, current regulations do not have specific guida these financial investments may differ from the carrying value.

Form B 09 – DN/HN (Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

8. Trade receivables

(a) Trade receivables from customers

	31/12/2023	1/1/2023
	VND	VND
Agents selling passenger transportation products	1,952,145,989,033	1,573,306,766,020
Other airlines	1,283,309,215,432	1,139,812,805,151
Cargo transportation fees	297,874,336,285	194,339,427,919
Others	943,380,067,475	1,077,662,934,038
_	4,476,709,608,25	3,985,121,933,128
b) Trade receivables from customers classified by payment term		
	31/12/2023	1/1/2023
	VND	VND
Short-term	4,474,693,862,337	3,983,027,337,240
Long-term	2,015,745,888	2,094,595,888
<u> </u>	4,476,709,608,25	3,985,121,933,128
c) Trade receivables from customers are related parties		
	31/12/2023	1/1/2023
	VND	VND
Aviation Ground Services Company Limited	4,850,421,719	2,692,207,745
General Aviation Import-Export Joint Stock Company	122,408,331	117,464,465
Danang Airport Services Joint Stock Company	98,295,964	853,593,843
Tan Son Nhat Petrol Commercial Joint Stock Company	-	162,130,749
Vietnam Sky Services Investment Joint Stock Company	-	24,025,843
	5,071,126,014	3,849,422,645

Trade receivables from related parties are unsecured, interest-free and repayable as agreed

Vietnam Airlines Joint Stock Company Notes to the consolidated financial statements as of December 31, 2023

Form B 09 – DN/HN (Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

9. Short-term advances to suppliers

	31/12/2023 VND	1/1/2023 VND
Prepayment for acquiring construction in progress	93,350,632,911	88,839,524,307
Prepayment for aircraft repair	9,592,533,931	13,601,759,983
Others	117,177,149,538	135,575,804,007
	220,120,316,380	238,017,088,297

10. Other receivables

(a) Short-term receivables

	31/12/2023 VND	1/1/2023 VND
Deposits for leasing aircraft and aircraft engines in short-term	185,605,090,791	274,954,808,291
Prepayments for overhaul costs to be offset against overhaul reserve (i)	1,087,847,023,048	311,116,882,764
Sublease receivables	31,496,723,577	115,608,161,834
Receivables from business cooperation contracts	1,211,178,344	-
Receivables from insurance compensation	244,426,439,455	338,132,635
Other receivables	207,440,971,399	182,100,239,854
	1,758,027,426,614	884,118,225,378

(i) Prepayment for overhaul costs to be offset against overhaul reserve represents the actual repair expense that Vietnam Airlines and its subsidiaries expect to recover from aircraft lessors. When the settlment of repair expense is made, the unclaimed balance form the lessors will be recorded as expenses during the year by Vietnam Airlines and its subsidiaries.

__ 198 __ _199_

Vietnam Airlines Annual Report 2023 🌉

Vietnam Airlines Joint Stock Company Notes to the consolidated financial statements as of December 31, 2023

Form B 09 – DN/HN (Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

(b) Long-term receivables

	31/12/2023 VND	1/1/2023 VND
Deposits for leasing aircraft and aircraft engines in long-term (ii)	1,418,242,292,011	1,418,775,727,537
Other long-term collaterals, deposits	208,946,640,562	174,799,483,594
Other long-term receivables	5,180,789,616	13,144,259,682
	1,632,369,722,189	1,606,719,470,813

(ii) This amount represents deposits made by Vietnam Airlines and its subsidiaries for leasing aircraft and aircraft engines which will be refunded at the end of the lease term.

(c) Other receivables from related parties

	31/12/2023 VND	1/1/2023 VND
Vietnam Aircraft Leasing Joint Stock Company	402,363,651,223	391,285,107,973

		31/12/2023	72023			1/1/2023	023	
	Overdue	Cost	Provision	Recoverable	Overdue	Cost	Provision	Recoverable
		AND	VND	VND		VND	VND	VND
Outstanding debt								
Cambodia Angkor Air	From 1 month to	263,052,480,000	(141,091,344,000)	121,961,136,000	From 1 month to	206,405,741,753	(88,234,149,407)	118,171,592,346
Indochina Airlines	and a same				cont o haro			
Joint Stock	Over 3 years	37,967,202,851	(37,967,202,851)		Over 3 years	38,537,918,851	(38,537,918,851)	
Company								
Smartlynx			,		Over 3 vesre	15 136 170 040	(13 826 332 041)	1 3/10 937 000
Airlines					Over 3 years	000,001,001,01	(110,000,000,011)	444,50,405,1
Air Fast Ticket	Orene 2 summer	\$ 470 413 506	(502 512 505)		Outer 2 manuary	\$ 023 647 540	(5 073 647 540)	
Group	Over 3 years	000,014,044,0	(000,014,04,0)		Over 5 years	3,063,041,349	(2,00,000,000,000)	
Others	1-20 years	201,675,986,675	(148,770,179,432)	52,905,807,243	1-20 years	70,589,255,069	(64,112,611,448)	6,476,643,621
		508,125,083,032	(333,258,139,789)	174,866,943,243		335,692,733,262	(209,734,659,296)	125,958,073,966
In which:								
Provision for doubtfi	Provision for doubtful debts - short-term		(331,104,139,597)				(207,640,063,408)	

16,032,875,218,066 13,706,433,076,192

106,393,587,853

202,729,637,675

642,529,539,440 546,350,906,006

805,104,991,096

1,471,420,990,727

12,804,696,471,275

24,377,376,115,246 2,980,729,422,722 2,522,416,845,159 (74,349,754,850) (59,550,032,862) (13,923,611) 29,746,608,671,804

Form B 09 - DN/HN (Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

31/12/2023 Cost
ND
96,492,034,37
1,181,552,803,972
73,189,787,053
93,127,872,419
889,936,203
2,180,761,051,738
32,915,903,381
405,791,91
and one and day of

mainly Jet A1 gasoline at Vietnam Air Petrol One Member Company Limited, a subsidiary of VNA ory as at December 31, 2023, there are 268,333 million VND of raw materials (1/1/2023: 235,815 mil

Form B 09 – DN/HN to Circular No. 202/2014/TT-BTC 2, 2014 of the Ministry of Finance)

40,410,251,333,312 131,221,404,257

3,525,767,222,713

(590,740,757,968) 43,453,041,747,996

					(Ass date	(Issued according to Circula dated December 22, 2014 of t
Tangible fixed assets	Aircraft	Building	Machinery and	;		;
	aireraft engines VND	structures	equipment VND	Motor vehicles VND	Office equipment	Others
Cost Opening balance Charge for the year Transfer from	29,786,510,650,115	2,979,343,178,598 44,030,000	4,198,789,059,769 96.211.252.179	2,021,159,305,778 24.677.305.736	1,086,075,810,176 10,282,417,251	338,373,328,876 6,399,091
construction in progress	846,444,087	1,800,715,375	20,203,390,150	605,130,369	12,749,969,738	14,686,650,813
Transfer from finance lease assets	3,525,767,222,713		•	•	•	
Liquidation Reclassifications		(762,113,701) (811,631,348)	(11,180,887,763) 760,597,863	(40,265,444,782)	(12,882,974,290) 51,033,485	(9,258,334,314)
Sale and Lease back Closing balance	32,722,383,558,947	2,979,614,178,924	4,304,783,412,198	2,006,176,297,101	1,096,276,256,360	343,808,044,466
Accumulated						
Opening balance Depreciation	2,440,683,787,994	1,507,922,187,871	3,393,684,068,673 211,091,179,608	1,378,629,766,338	883,346,172,501 82,225,192,517	231,979,741,023
Transfer from finance lease assets	2,522,416,845,159					
Liquidation Reclassifications		(1,091,606,226)	(11,180,887,763) (961,957,066)	(40,265,444,782)	(12,882,974,290) 2,053,563,279	(9,258,334,314) 8
Sale and Lease back Other addjustments	(59,550,032,862)		(13,923,611)			
Closing balance	21,885,364,779,131	1,617,107,055,405	3,592,618,479,841	1,459,825,391,095	954,741,954,007	236,951,012,325

Form B 09 - DN/HN

(Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

In tangible fixed assets as of December 31, 2023, there are assets with a historical cost of 11,047,710 million VND that have been fully depreciated but are still in use (January 1, 2023: 5,465,091 million VND).

As at December 31, 2023, tangible fixed assets with a remaining value of 8,585,756 million VND (January 1, 2023: 12,940,579 million VND) are mortgaged at the bank to secure loans from VNA and its subsidiaries (Note 24).

For fiscal years 2020, 2021 and 2022, VNA depreciates aircraft and aircraft engines according to separate accounting instructions presented in Note 3. The accumulated difference between the straight-line depreciation method and the depreciation method described in Note 3 through January 1, 2023 is continued to be amortized on a straight-line basis over the estimated remaining useful life of the tangible fixed asset.

If VNA applies the straight-line depreciation policy in 2020, 2021 and 2022, the accumulated depreciation of tangible fixed assets on the Consolidated Balance Sheet as of December 31, 2023 will increase by 1,669 billion VND (January 1, 2023: increase of 2,161 billion VND); The cost of goods sold and loss after corporate income tax items on the Consolidated Income Statement for the year ended December 31, 2023 will decrease by an amount of 925 billion VND (2022: an increase of 486 billion VND).

14. Financial lease assets

	Aircraft, aircraft engines	Machinery and equipment	Total
	VND	VND	VND
Cost			
Opening balance	42,581,459,504,360	3,712,444,000	42,585,171,948,360
Transfer to tangible fixed assets	(3,525,767,222,713)	<u>-</u>	(3,525,767,222,713)
Transfer from construction in progress	1,238,695,182	-	1,238,695,182
Closing balance	39,056,930,976,829	3,712,444,000	39,060,643,420,829
Accumulated depreciation			
Opening balance	18,118,273,501,898	2,227,466,392	18,120,500,968,290
Depreciation	2,958,062,947,751	742,488,804	2,958,805,436,555
Transfer from finance lease assets	(2,522,416,845,159)	-	(2,522,416,845,159)
Closing balance	18,553,919,604,490	2,969,955,196	18,556,889,559,686
Net book value			
Opening balance	24,463,186,002,462	1,484,977,608	24,464,670,980,070
Closing balance	20,503,011,372,339	742,488,804	20,503,753,861,143

Vietnam Airlines Joint Stock Company Notes to the consolidated financial statements as of December 31, 2023 (con't)

Form B 09 - DN/HN

(Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

As at December 31, 2023, Vietnam Airlines was leasing 21 aircraft including A321 and B787. At the end of each lease period, Vietnam Airlines has the option to purchase these aircraft under the lease contract's terms and conditions

For fiscal years 2020, 2021 and 2022, VNA depreciates aircraft and aircraft engines according to separate accounting instructions presented in Note 3. The accumulated difference between the straight-line depreciation method and the depreciation method described in Note 3 through January 1, 2023 is continued to be amortized on a straight-line basis over the estimated remaining useful life of the tangible fixed asset.

If VNA applies the straight-line depreciation policy in 2020, 2021 and 2022, the accumulated depreciation of financial lease assets on the Consolidated Balance Sheet as of December 31, 2023 will increase by 2,987 billion VND (January 1, 2023: increase of 3,945 billion VND); The cost of goods sold and loss after corporate income tax items on the Consolidated Income Statement for the year ended December 31, 2023 will decrease by an amount of 526 billion VND (2022: an increase of 800 billion VND).

15. Intangible assets

	Land use rights VND	Computer software VND	Others VND	Total VND
Cont	VND	VND	VIND	VND
Cost	72 246 777 206	707 927 492 070	25 995 221 290	905 059 401 (46
Opening balance	73,246,777,206	706,826,483,060	25,885,231,380	805,958,491,646
Charge for the year	599,400,000	14,722,729,177	-	15,322,129,177
Transfer from	<u>_</u>	6,121,017,593	_	6,121,017,593
construction in progress		0,121,017,373		0,121,017,373
Transfer to construction		(428,087,833)		(428,087,833)
in progress	-	(428,087,833)	-	(428,087,833)
Liquidation	-	(201,850,000)	-	(201,850,000)
Closing balance	73,846,177,206	727,040,291,997	25,885,231,380	826,771,700,583
Accumulated				
depreciation				
Opening balance	4,267,820,893	626,547,156,384	685,231,380	631,500,208,657
Depreciation	113,859,656	46,988,003,875	· -	47,101,863,531
Liquidation	-	(201,850,000)	-	(201,850,000)
Closing balance	4,381,680,549	673,333,310,259	685,231,380	678,400,222,188
Net book value				_
Opening balance	68,978,956,313	80,279,326,676	25,200,000,000	174,458,282,989
Closing balance	69,464,496,657	53,706,981,738	25,200,000,000	148,371,478,395

In intangible assets as of December 31, 2023, there are assets with a historical cost of 545,646 million VND that have been fully depreciated but are still in use (January 1, 2023: 452,385 million VND).

204 _205_

Form B 09 – DN/HN (Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

16. Construction in progress

	2023	2022
	VND	VND
0 ' 11	04 010 221 444	146,060,070,603
Opening balance	94,019,231,444	146,060,878,602
Charge for the year	160,240,330,517	109,754,126,889
Capitalized interest	4,267,472,385	-
Transfer from intangible assets	428,087,833	-
Transfer to tangible fixed assets	(50,892,300,532)	(109,651,505,290)
Transfer to financial lease assets	(1,238,695,182)	-
Transfer to intangible assets	(6,121,017,593)	(26,160,643,050)
Transfer to short-term prepaid expenses	(96,211,820)	-
Transfer to long-term prepaid expenses	(49,121,327,852)	(25,344,586,818)
Finalization of fixed asset repairs	(18,835,509,049)	(639,038,889)
Closing balance	132,650,060,151	94,019,231,444

Major projects under construction are as follows:

	31/12/2023 VND	1/1/2023 VND
MRO software under installation	86,141,813,552	46,938,487,200
Funding for relocation and ground clearance for the cooperation area in phase 2, area of 1,045 ha	17,837,109,000	17,837,109,000
Petroleum warehouse for Phu Bai airport	11,495,867,327	5,427,022,945
Others	17,175,270,272	23,816,612,299
Closing balance	132 650 060 151	94 019 231 444

Form B 09 – DN/HN (Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

965,081,628,476 143,387,213,027 9,997,353,750 35,643,324,977 750,194,327 14,745,293,212 1/1/2023 Value 439,335,275,853 119,686,420,000 86,652,841,772 30,000,000,000 22,812,300,000 17,000,000,000 14,266,335,863 1,070,125,339,375 147,950,025,874 11,024,432,707 39,961,863,164 15,455,358,860 728,312,415 22,812,300,000 17,000,000,000 14,266,335,863

Vietnam Airlines Joint Stock Company Notes to the consolidated financial statem

Form B 09 – DN/HN (Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

The movements of equity investments in associated under equity method are as follows:

	2023	2022
	VND	VND
Opening balance Supplement capital at associate Share of profit/(loss) in associates incurred	1,182,959,007,769 - 88,210,560,520	1,072,364,092,650 8,100,000,000 74,112,410,620
during the year Foreign exchange differences arising from the transaction of foreign operations	31,843,046,506	40,695,562,877
Other movements	(4,413,282,400)	(12,313,058,378)
Closing balance	1,298,599,332,395	1,182,959,007,769

18. Prepaid expenses

(a) Short-term prepaid expenses

	31/12/2023 VND	1/1/2023 VND
Expenses for leasing aircraft, aircraft engines and other assets	519,780,557,186	295,002,564,585
Commission on sales of shipping documents (*)	16,714,433,506	41,170,672,123
Short-term prepaid expenses	68,785,048,387	80,696,919,573
	605,280,039,079	416,870,156,281

^(*)This is the commission on shipping documents sold but not yet performed. This prepayment will be accounted for when the service is performed or when the shipping documents have expired.

rong-term propose expenses	Overhaul expenses for aircraft engines and fusciones	Export credit guarantee fees	Spare parts, thele and supplies	Others	Total
	AND	dNA	ONA	VND	AND
Opening balance	2,714,344,404,476	670,556,991,140	378,486,214,355	218,161,542,572	3,981,549,152,743
Charge for the year	3,350,437,780,722		437,730,046,440	100,349,802,981	3,888,517,630,143
Transfer from construction in		*	116,732,156	49,004,595,696	49,121,327,852
Sale and Lease back Allocation during the year	(2379 503.876.646)	. 0217.895.987.8913	(98,824,367,014)	(137,483,760,765)	(98,824,307,014)
Closing balance	3,685,278,308,552	471,767,022,865	457,894,712,773	230,032,180,484	4,844,972,224,674



Form **B** 09 – **DN/H**

(Issued according to Circular No. 202/2014/TT-BT dated December 22, 2014 of the Ministry of Finance

19. Trade payables

(a) Current

	Historical cost and del	bt capacity
	31/12/2023	1/1/2023
	VND	VND
Trade payables to suppliers Payables from sales of passenger,	18,251,179,961,779	17,596,438,023,663
baggage, MCO transportation document (i)	10,518,729,323,348	8,859,621,600,528
Payables relating to tax included in air ticket prices (ii)	1,685,118,016,356	1,387,029,973,014
Interlines payable	333,087,597,109	305,289,826,420
Payables from sales of cargo transportation documents	9,234,313,645	26,433,484,405
	30,797,349,212,237	28,174,812,908,030

⁽i) Payables on sales of passenger, baggage, MCO transportation documents represent the value of service purchased by customers but not yet used at the end of the year.

(b) Non-current

	Historical cost and de	ebt capacity
	31/12/2023 VND	1/1/2023 VND
Long-term aircraft payable	763,215,038,360	2,440,049,287,211

Vietnam Airlines Joint Stock Company Notes to the consolidated financial statements as of December 31, 2023 (con't)

Form B 09 - DN/HN

(Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

(c) Other payables to related parties

	Historical cost and deb	ot capacity
	31/12/2023	1/1/2023
	VND	VND
Vietnam Aircraft Leasing Joint Stock Company	1,252,858,581,370	621,098,536,346
Aviation Labor Supply and Import-Export Joint Stock Company	42,398,669,111	36,383,509,877
Tan Son Nhat Petrol Commercial Joint Stock Company	20,666,653,090	20,711,588,350
Danang Airport Services Joint Stock Company	6,371,022,881	-
Vietnam Sky Services Investment Joint Stock Company	502,713,241	
	1,322,797,639,693	678,193,634,573

Trade payables to related parties are not guaranteed, do not bear interest and must be paid according to agreement.

As of December 31, 2023, the outstanding overdue liabilities of VNA and its subsidiaries are 13,743 billion VND (January 1, 2023: 15,396 billion VND). In addition, VNA and its subsidiaries have also agreed to offset part of the payable amount with the overhaul fund to the lessor.

The ability of VNA and its subsidiaries to repay debt will depend on the financial support of the Government of Vietnam and the extension of loan payments from commercial banks, credit institutions and payables to suppliers and leases (Notes 2(c)).

__ 210 __ _ 211 _



⁽ii) Payables relating to tax included in air ticket prices represent the tax amount that Vietnam Airlines and its subsidiarie have to pay to the tax authorities or the airport administration agencies, including taxes that would be incurred when tickets are sold to customers or the transport service is performed.

Form B 09 – DN/HN (Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

as of December 31, 2023 (con't) Vietnam Airlines Joint Stock Company Notes to the consolidated financial stater

53,590,466,000 8,427,280,200 2,952,762,079 321,376,695,991 126,014,675,847 77,848,859,221 52,542,652,644 31/12/2023 4,797,642,886 177,158,240 239,099,703 18,000 140,318,236 44,799,179 1,845,380,631 (231,390,906,825) (535,271,666,924) (810,018,502,650) (161,356,590,108) (3,344,222,146,620) (1,507,262,742,047) (8,976,826,751) (82,472,115,146) VND 792,856,516,650 161,320,198,590 1,479,845,095,723 8,932,027,572 276,826,720,321 543,431,295,937 3,357,094,621,292 83,457,208,251 70,752,434,000 105,126,187,309 8,463,671,718 310,043,110,493 80,612,994,888 payables to the State Budget 1/1/2023 5,502,441,833 177,158,240 1,224,192,808 8,785,306,049 Receivable VND

or dated April 28, 2011 issued by the Tax Department of Ho Chi Minh City, Pacific Airlines Joint Stock Aviation Company ("PA") – a subsidiary of Vietnam Air amount of 303 billion VND to the State Treasury for the period from January 1, 2004 to June 30, 2009, in which tax and penalty are 186 billion VND and 117 bill to February 2013, PA had paid a part of the above mentioned tax liability with an amount of 63.5 billion VND, which is tax payable incurred for the period ingapore) Ptc., Ltd, invested in PA (since July 31, 2007). According to Tax Inspection has an obligation to pay an a VND, respectively. From Av Qantas Asia Investment Con

According to Official Letter No. 3106/TCT-QLN dated August 29, 2012 issued by the General Department of Taxation, PA was permitted to defer the payment of tax penalty until receiving any further guidance. On February 4, 2013, the Ministry of Finance sent the Tax Department of Ho Chi Minh City Official Letter No. 1894/BTC-TCT requesting the Tax Department of Ho Chi Minh City to delay the collection of PA's tax liabilities of 127.8 billion VND incurred prior to July 31, 2007 until further guidance.

As at December 31, 2022, the re

Vietnam Airlines Joint Stock Company Notes to the consolidated financial statements as of December 31, 2023

Form B 09 - DN/HN (Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

262,415,231,928

Accrued expenses (a) Accrued expenses - Current

	31/12/2023	1/1/2023
	VND	VND
Aircraft lease and repair expenses	5,317,658,402,615	3,188,822,099,883
Default interest expenses	1,236,669,848,521	670,876,141,771
Interest expenses	182,265,443,419	191,192,131,570
Flight services expenses	60,683,665,917	146,877,345,541
Aircraft fuel expenses	5,257,928,637	5,037,794,072
Others	1,067,397,615,371	1,164,502,102,712
	7,869,932,904,480	5,367,307,615,549
(b) Accrued expenses – Non-current		
	31/12/2023 VND	1/1/2023 VND
Aircraft rental and repair costs	1,528,272,034,954	1,142,457,551,629
(c) Accrued expenses payable to related parties		
	31/12/2023 VND	1/1/2023 VND

Accrued expenses payabe to related parties are not guaranteed, do not bear interest and must be paid according to agreement. 22. Short-term unearned revenue

Vietnam Aircraft Leasing Joint Stock Company

	31/12/2023 VND	1/1/2023 VND
Customer loyalty programme	122,969,588,114	262,415,231,928
Others	43,919,602,126	31,017,592,087
	1,215,909,234,339	730,319,902,881

122,969,588,114

__ 212 __

Form B 09 – DN/HN (Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

22. Other payables

(a) Short-term

	31/12/2023	1/1/2023
	VND	VND
Deposits received for overhaul reserve	555,998,940,000	1,286,922,000,000
Short-term deposits received	245,640,377,899	165,014,361,790
Dividends payable	3,517,236,439	14,360,322,312
Others	495,294,348,248	424,397,261,502
	1,300,450,902,586	1,890,693,945,604

(b) Long-term

	31/12/2023 VND	1/1/2023 VND
Deposits received for overhaul reserve and aircraft leasing	845,310,484,786	816,316,336,339
Receipt in advance of credit granted under Material Solutions Agreement	306,861,245,824	306,861,245,824
Long-term deposits received	163,477,318,933	154,848,283,654
	1,315,649,049,543	1,278,025,865,817

(c) Other payable to related parties

31/12/2023 VND	1/1/2023 VND
8,270,008,790	6,119,528,007
1,572,621,523	3,328,473,614
9,842,630,313	9,448,001,621
	8,270,008,790 1,572,621,523

Form B 09 – DN/HN (Issued according to Circular No. 202/2014/17-BTC dated December 22, 2014 of the Ministry of Finance)		1/1/2023 VND	6,329,502,888,095	19,130,106,850,963	4,262,003,637,841	14,868,103,213,122
31, 2023 (con't)		31/12/2023 VND	\$,158,987,901,512 10,153,308,661,977	15,312,296,563,489	5,506,017,435,949	9,806,279,127,540
Vietnam Airlines Joint Stock Company Notes to the consolidated financial statements as of December 31, 2023 (con't)	(b) Long-term loans and obligations under finance leases		Long-term loans (i) Long-term obligations under finance leases (ii)		Amount due for settlement within 12 months	Amount due for settlement after 12 months

_ 214 _

	Currency	Annual interest rate	31/12/2023	1/1/2023
			VND	NAD
Southeast Asia Commercial Joint Stock Bank (SeABank)	NND	2.3%-5.3%	2,379,818,949,408	1,999,999,996,629
Joint Stock Commercial Bank for Foreign Trade of Vietnam	NAD	1%-6.8%	2,108,167,828,120	1,888,073,345,733
Vietnam Maritime Commercial Joint Stock Bank	NND	2.5%-5.5%	1,915,205,037,975	1,272,433,063,230
Vietnam Thuong Tin Commercial Joint Stock Bank	AND	5.5%-6%	1,196,055,177,565	500,000,000,000
Saigon - Hanoi Commercial Joint Stock Bank (SHB)	VND	2.5%	999,999,999,874	999,999,999,874
An Binh Commercial Joint Stock Bank	VND	5.3%-6.5%	580,697,407,886	100,000,000,000
Vietnam Maritime Commercial Joint Stock Bank	OSD	3%-3.5%	474,371,512,442	142,350,201,291
Joint Stock Commercial Bank for Investment and Development of Victuan	OSD	3.5%-4.5%	430,099,226,065	223,410,396,742
Military Commercial Joint Stock Bank	AND	3.2%-3.8%	346,131,885,603	99,615,873,815
Vietnam Prosperity Joint Stock Commercial Bank (VIBBank)	VND	3.3%-4%	293,273,129,421	
Vietnam Joint Stock Commercial Bank for Industry and Trade	OSD	3.6%	292,648,344,714	242,815,933,613
Vietnam Joint Stock Commercial Bank for Industry and Trade	VND	3.1%-8%	291,483,242,052	198,558,242,604
Joint Stock Commercial Bank for Foreign Trade of Vietnam	OSD	3.5%	286,925,274,005	578,892,509,486
Kestrel Aviation Ireland No.1 Limited	OSD	4.5%	222,155,696,709	216,280,566,394
Joint Stock Commercial Bank for Investment and Development of Vietnam	ONV	3.2%-9.3%	193,276,873,318	254,253,487,840
HSBC Bank (Vietnam) Ltd.	OND	8%8	45,453,894,000	
Military Commercial Joint Stock Bank	OSD	4.7%		421,365,461,355
			12,055,763,479,157	9,138,049,078,606

In addition to refinancing loans, the loan balance with Joint Stock Co. 13). The remaining short-term loans have no collateral.

1/1/2023 VND

Amount due for settlement within 12 mo Amount due for settlement after 12 mont

_ 216 _

nber 31, 2023 (con't)

		1
		i
		,
		,
		,
		•
		2
ı		
•		
:		
		1
•		1
¢		

	Currency	Maturity year	31/12/2023 VND
Joint Stock Commercial Bank for Foreign Trade of Vietnam (*)	OSD	2024-2028	2,677,052,028,752
Joint Stock Commercial Bank for Investment and Development of Vietnam	USD	2024-2028	782,649,686,463
Vietnam Export Import Commercial Joint Stock Bank	OSD	2028	582,690,816,000
Vietnam Joint Stock Commercial Bank for Industry and Trade	VND	2024-2028	323,698,083,538
Joint Stock Commercial Bank for Foreign Trade of Vietnam (*)	VND	2024-2029	246,105,089,025
Vietnam – Russia Joint Venture Bank Indovina Bank Ltd	USD	2028	198,742,596,480 167,023,296,000
Joint Stock Commercial Bank for Investment and Development of Vietnam	VND	2024-2028	48,895,735,926
Military Commercial Joint Stock Bank	VND	2024-2027	43,666,719,190
Tien Phong Commercial Joint Stock Bank	VND	2024-2028	28,670,580,553
Vietnam International Commercial Joint Stock Bank	VND	2025-2026	25,760,111,484
Military Commercial Joint Stock Bank	VND	2025-2027	24,122,343,709
Southeast Asia Commercial Joint Stock Bank (SeABank)	VND	2026	7,706,968,000
Vietnam International Commercial Joint Stock Bank	OSD	2024	2,203,846,392
Vietnam Technological and Commercial Joint Stock Bank	VND	2023	
Vietnam Prosperity Joint Stock Commercial Bank	VND	2023	
Amount due for settlement within 12 months Amount due for settlement after 12 months			5,158,987,901,512 1,542,128,291,036 3,616,859,610,476

3,235,524,085,567 1,015,807,883,611 660,714,240,000 380,242,030,386 331,570,661,057 231,751,082,200 194,763,624,000 69,495,735,927 71,636,636,870 52,785,077,726 36,125,059,864 34,310,310,043

Vietnam Airlines Joint Stock Company Notes to the consolidated financial statements as of 31 December 2023

Form B 09 - DN/HN

(Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

(*) Including the syndicated loan from 03 domestic banks in which the Joint Stock Commercial Bank for Foreign Trade of Vietnam is the lead bank.

As at 31 December 2023, vertain long-term loans are secured with assets formed from the loans amounting to VND 3,408 billion (1/1/2023: VND 4,208 billion) (Note 13) while the remaining are unsecured.

(ii) Long-term obligation under finance lease

	31/12/2023 VND	1/1/2023 VND
ING Group	5,349,096,969,898	6,964,097,015,790
Citibank	2,269,233,410,015	3,076,989,947,125
MUFG Bank	1,060,500,000,000	1,237,425,000,000
HSBC Bank	814,236,813,266	791,731,089,626
JP Morgan Chase Bank	660,241,468,798	730,360,910,327
	10.153.308.661.977	12,800,603,962,868

As at 31 December 2023, certain long-term obligations under finance leases are guaranteed by the Ministry of Finance amounting to VND 9,093 billion (1/1/2023: VND 11,563 billion) while the remaing are secured by finance lease assets.

As at 31 December 2023, finance leases denominated in USD have outstanding balances of USD 418,865,869 (1/1/2023: USD 543,088,840).

The future minimum payments under the above non-cancelliable finance leases under the following terms:

December 31, 2023

	Total payment	Interest	Principal
	VND	VND	VND
In the first year	4,516,374,594,081	552,485,449,168	3,963,889,144,913
In the second year	3,126,245,989,111	327,239,327,750	2,799,066,661,361
From the third to fifth year inclusive	3,643,007,689,397	252,594,833,694	3,390,412,855,703
_	11,285,628,272,589	1,132,319,610,612	10,153,308,661,977

Form B 09 – DN/HN (Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

January 1, 2023

	Total payment VND	Interest VND	Principal VND
In the first year In the second year	3,577,435,636,036 4,321,934,333,344	649,500,205,801 467,608,128,473	2,927,935,430,235 3,854,326,204,871
From the third to fifth year inclusive	6,294,372,734,646	482,267,918,665	5,812,104,815,981
After 5 years	215,371,469,893	9,133,958,112	206,237,511,781
	14,409,114,173,919	1,608,510,211,051	12,800,603,962,868

25. Bonus and welfare funds

The bonus and welfare funds are appropriated from retained earnings as approved by shareholders at the General Meeting of Shareholders. These funds are used to pay bonus and welfare to employees in accordance with Vietnam Airlines's bonus and welfare policies. Movements of bonus and welfare funds during the year were as follows:

	2023 VND	2022 VND
Opening balance	756,601,328,434	1,025,547,811,023
Appropriation in the year	82,942,857,805	47,008,848,979
Utilisation in the year	(168,487,031,146)	(315,397,723,490)
Depreciation of fixed assets from PLKT fund	(557,608,078)	(357,608,078)
Closing balance	670,499,547,015	756,601,328,434



22,340,941,746,000 TIMESTA! X24030

Form B 69 – DN/HN (Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

1/1/2023 VND

55.20 31.14 5.62 8.04 100 Number of shares Vietnam Airlines Joint Stock Company Notes to the consolidated financial state

Form B 09 - DN/HN

(Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

28. Non-controlling interests

	2023	2022
	VND	VND
Opening balance	507,271,473,093	(982,201,984,996)
Net profit/(losses) for the year	298,553,092,074	75,140,026,165
Appropriation to Bonus and Welfare fund	(7,688,071,592)	(7,396,729,935)
Dividends	(308,687,526,178)	(346,074,297,132)
Effect of receiving the		
supplemental capitals at subsidiary	-	1,749,214,381,934
Other movements	(179,461,609)	18,590,077,057
Closing balance	489,269,505,788	507,271,473,093

29. Off-balance sheet items

(a) Operating lease commitments

The future minimum lease payments under the following terms:

	2023 VND	2022 VND
Within one year In the second to fifth year inclusive After five years	11,600,141,258,137 43,941,766,714,467 40,544,017,808,912	10,644,508,071,450 42,009,042,981,005 35,349,830,322,540
	96,085,925,781,516	88,003,381,374,995

Operating lease aircraft as at 31 December 2023 include:

- Aircraft A320 10 units under dry lease;
- Aircraft A321 10 units under dry lease;
- Aircraft A321 NEO 20 units under dry lease;
- Aircraft A350 14 units under dry lease;
- Aircraft B787-9 4 units under dry lease; and
- Aircraft B787-10 4 units under dry lease;

Operating lease engines of which lease payments depend on cycles and flight hours as at December 31, 2023

- Long-term lease aircraft engines 10 units including one A321 aircraft engine, four A321 NEO aircraft engines, three A350 aircraft engines, 2 B787 aircraft engines; and
- Short-term lease aircraft engines 33 units including 20 A321 aircraft engines, three A321 NEO aircraft engines, two A350 aircraft engines, one ATR72 aircraft engine, four B787 aircraft engines and three A320 aircraft engines.

Vietnam Airlines Joint Stock Company Notes to the consolidated financial statements as of December 31, 2023

Form B 09 - DN/HN (Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

(b) Foreign currencies

		31/12/2	2023	1/1/	2023
	Unit	Original currency	Equivalent to VND	Original currency	Equivalent to VND
US Dollar	USD	13,221,084	319,655,295,582	47,767,963	1,118,009,174,015
Thai Baht	THB	20,841,010	14,796,889,910	8,377,951	5,458,737,754
Chinese Yuan	CNY	7,509,167	25,596,067,472	5,919,303	19,729,036,899
Singapore Dollar	SGD	481,987	18,906,949,716	590,197	10,196,243,372
Australian Dollar	AUD	1,140,354	18,906,949,716	1,087,278	17,121,366,666
Euro	EUR	3,219,247	86,919,561,947	4,591,666	113,473,841,858
Hong Kong Dollar	HKD	2,753,276	8,543,411,905	1,982,493	5,903,864,154
South Korean Won	KRW	2,200,734,801	41,505,844,547	2,016,887,580	36,182,963,185
Japanese Yen	JPY	376,971,902	65,200,930,678	175,097,797	30,825,967,162
Macao Patacas	MOP	2,520	7,517,160	2,520	7,411,765
Taiwan Dollar	TWD	5,688,535	4,488,254,115	3,894,204	2,695,996,371
British Pound	GBP	402,715	12,459,192,957	874,085	24,440,290,685
Canadian Dollar	CAD	14,714	269,538,013	145,413	2,488,307,256
Russian Ruble	RUB	119,553,365	32,279,408,420	9,470,091	2,727,386,208
Laos Kip	LAK	68,384,000	68,384,000	33,533,000	34,874,320
Malaysian Ringgit	MYR	742,293	3,924,504,413	596,347	2,990,930,670
Indonesian Rupiah	IDR	2,736,888,780	4,324,284,272	3,445,021,776	5,236,433,100
Myanmar Kyat	MMK	150,444	1,805,328	-	-
Swiss Franc	CHF	10	281,415	-	-
		_	647,548,574,677		1,397,522,825,440

(c) Bad debts written-off

	31/12/2023 VND	1/1/2022 VND
Bad debts written-off	95,699,689,119	94,970,667,121

(d) Contingent liabilities

As at December 31, 2023, Vietnam Airlines and its subsidiaries have overdue payables to the lessors and vendors of aircraft and aircraft engines and maintenance service providers. Vietnam Airlines has negotiated and obtained agreements to extend the payment period for some overdue amounts and its continues to discuss the matter with remaining vendors and lessors. Vietnam Airlines has prudently evaluated its contingent liability/loss and affirms that there is no additional material obligation/expense related to vendors/lessors or third parties, arising from overdue payables which may impact the consolidated financial statement for the year ended December 31, 2023.

224 _225_

Form B 09 – DN/HN (Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

30. Revenue

Total revenue represents the gross value of goods sold and services rendered exclusive of value added tax. Net revenue comprised:

	2023 VND	2022 VND
Total revenue		
 Revenue from transportation of passengers, baggage 	65,444,120,557,354	42,560,587,011,748
 Revenue from transportation of cargo and postal items 	4,939,729,223,455	7,738,698,880,456
 Revenue from aircraft charter and charter flights 	1,084,153,475,172	773,493,626,260
Other revenue from aviation transportation	776,743,289,825	493,706,745,498
Aviation transportation	72,244,746,545,806	51,566,486,263,962
Auxilliary service for transportation	3,066,820,277,786	3,037,240,542,937
Sale of goods	15,055,239,756,871	14,787,459,056,226
Others	1,864,403,646,949	1,401,638,752,169
_	92,231,210,227,412	70,792,824,615,294
Revenue deductions Sale discounts	(691,345,042,213)	(382,603,297,695)
Net revenue	91,539,865,185,199	70,410,221,317,599

31. Financial income

	2023 VND	2022 VND
Bank and loan interest	71,837,074,170	106,237,186,461
Dividends and profits received	94,886,217,750	101,674,370,919
Foreign exchange gain	698,932,894,946	763,050,612,569
Other financial income	60,692,465,501	9,405,729,258
	926,348,652,367	980,367,899,207

Vietnam Airlines Joint Stock Company Notes to the consolidated financial statements as of December 31, 2023

Form B 09 – DN/HN (Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

32. Financial expenses

	2023 VND	2022 VND
Interest expense	1,554,935,763,903	1,164,558,952,418
Foreign exchange loss Expenses related to long-term loan contracts, finance lease	1,600,807,552,568	2,265,105,881,302
contracts	237,941,458,077	242,969,964,421
(Reversal)/Addition of provision for impairment of long-term financial investments	-	(188,005,414)
Other financial expense	1,011,292,862,165	759,968,655,629
	4,404,977,636,713	4,432,415,448,356
33. Selling expenses		
	2023 VND	2022 VND
Labor	588,811,734,655	482,734,341,750
Commission expenses	276,150,024,686	160,888,407,800
Ticket booking and seat reservation	1,555,391,392,723	1,261,765,194,905
Other selling expenses	1,956,315,829,649	1,289,617,740,444
	4,376,668,981,713	3,195,005,684,899
34. Administration expenses		
	2023 VND	2022 VND
Labor	728,911,502,891	648,984,650,680
Tax expenses	160,531,554,889	97,012,926,237
Other administration expenses	1,206,649,573,157	1,023,311,187,337
	2,096,092,630,937	1,769,308,764,254

Form B 09 – DN/HN (Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

35. Other income

	2023 VND	2022 VND
Sales, disposal of fixed assets	1,876,647,149	89,230,396,761
Penaltive received	52,335,925,933	14,090,329,875
Income from sale of the rights to purchase and lease back aircraft engine	-	50,563,315,812
Income from sale and lease back aircraft equipment	185,710,954,683	-
Canceled debt	326,292,263,582	-
Others	143,953,720,253	156,773,035,692
	710,169,511,600	310,657,078,140

36. Other expenses

	VND	VND
Losses from liquidation of fixed assets, construction in progress, investment real estate	48,470,720	-
Compensation for breach of contract	77,242,951,847	-
Penalties for late payment and taxes	1,887,398,460	17,765,486,709
Other expenses	15,863,973,380	20,115,322,620
	95,042,794,407	37,880,809,329

	95,042,794,407	37,880,809,329
37. Production cost by nature		
	2023 VND	2022 VND
	VIAD	VIID
Raw materials	26,042,294,140,081	24,416,486,032,684
Labour	7,935,963,198,272	5,881,332,901,509
Depreciation and amortisation	5,986,064,143,591	3,536,492,399,102
Out-sourced services	37,943,413,255,251	29,974,983,698,185
In which		
- Overhaul of aircraft engines	5,989,469,891,287	4,751,074,987,574
- Regular repair of aircraft engines	3,123,563,663,585	3,537,14,688,011
- Aircraft leasing	12,253,707,591,602	11,364,238,022,637
- Other out-souced services	16,576,672,108,777	10,322,545,999,963
Other expenses	1,164,228,117,322	873,927,335,288
•		

Vietnam Airlines Joint Stock Company Notes to the consolidated financial statements as of December 31, 2023

Form B 09 – DN/HN (Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

35. Income Tax

	2023 VND	2022 VND
Accounting loss before tax	(5,362,609,321,731)	(10.945,484,322,099)
Adjustments for taxable income		
Unrealized exchange rate difference from the previous year	108,705,140,008	24,626,538,043
Non-deductible expenses	2,036,340,612,936	2,582,117,156,877
Nontaxable income	(94,886,217,750)	(101,674,370,919)
Unrealized exchange rate difference this year	(170,386,785,128)	(139,042,814,769)
Income from cooperation contracts	(46,839,911,697)	(61,845,665,031)
Income from investments in affiliated companies	(88,210,560,520)	(74,112,410,620)
Effects of consolidated accounting entries	18,662,657,601	128,192,428,171
Tax losses during the year	(89,339,713,267)	(42,976,104,980)
Income taxes	(3,688,564,099,548)	(8,630,199,565,327)
Unutilized tax loss during the year	5,001,366,607,840	10,074,935,053,729
Income taxes	1,312,802,508,292	1,444,735,488,402
Tax rates	20%	20%
Corporate income tax	262,560,501,658	288,947,097,680
Movements in deferred tax assets and deferred tax liabilities during the year	(4,309,540,329)	(24,503,543,354)
Cooperation contract tax costs	9,367,982,340	12,369,133,007
Lack of provisions from previous years	1,520,205,291	718,153,752

(b) Applicable tax rates

According to the Income Tax Law, VNA and its subsidiaries are obliged to pay the State income tax equal to 20% of taxable profits.

39. Basic (losses) per share

The calculation of basic loss per share for the year ending December 31, 2023 is based on the loss attributable to common shareholders of VNA after deducting the amount expected to be allocated to the bonus and welfare fund for accounting period and average number of common shares, details as follows:

228 _229_

Vietnam Airlines Annual Report 2023 🌉

Vietnam Airlines Joint Stock Company Notes to the consolidated financial statements as of December 31, 2023

Form B 09 – DN/HN (Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

	2023 VND	2022 VND
Accounting (losses) after corporate income tax (VND) Appropriation to Bonus and welfare funds	(5,930,301,562,765)	(11,298,155,189,349)
(Losses) after corporate income tax attributable to ordinary shareholders (VND)	(5,930,301,562,765)	(11,298,155,189,349)
Average ordinary shares in circulation for the year	2,214,394,174	2,214,394,174
Basic (losses) per share	(2,678)	(5,102)

40. Related party transactions and balances

In addition to balances with related parties presented in other notes to the consolidated financial statements, during the year VNA and its subsidiaries had entered into the following significant transactions with its related parties:

	Transaction value	
	2023 VND	2022 VND
Capital contributed to associate		
Aviation High-Grade Plastic Joint Stock Company		8,100,000,000
Dividens and profits received		
Vietnam Aircraft Leasing Joint Stock Company	47,263,271,000	94,643,987,000
Tan Son Nhat Petrol Commercial Joint Stock Company	40,496,605,750	-
Noi Bai Aviation Fuel Service Joint Stock Company	1,500,000,000	-
General Aviation Import-Export Joint Stock Company	771,120,000	1,156,680,000
Aviation High-Grade Plastic Joint Stock Company	-	1,288,392,119
Sale of goods and services		
Vietnam Airport Ground Services One Member Company	2,303,787,488	236.817.960
Limited	2,303,787,488	230,817,900
General Aviation Import-Export Joint Stock Company	2,167,366,083	1,405,729,642
Danang Airport Services Joint Stock Company	241,017,982	1,136,085,699
Tan Son Nhat Petrol Commercial Joint Stock Company	176,852,520	147,391,590
Purchases of goods and services		
Vietnam Aircraft Leasing Joint Stock Company	2,182,318,520,859	2,148,093,580,010
Tan Son Nhat Petrol Commercial Joint Stock Company	240,945,887,433	158,399,130,788
General Aviation Import-Export Joint Stock Company	165,715,575,923	150,065,147,172
Danang Airport Services Joint Stock Company	58,444,251,942	37,806,075,350
Vietnam Airport Ground Services One Member Company Limited	46,714,143,580	36,683,602,453
Vietnam Sky Services Investment Joint Stock Company	1,274,887,124	-

Vietnam Airlines Joint Stock Company Notes to the consolidated financial statements as of December 31, 2023

Form B 09 – DN/HN (Issued according to Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance)

	Transaction value	
	2023	2022
	VND	VND
Fuel loss payable		
Tan Son Nhat Petrol Commercial Joint Stock Company	15,726,254,817	10,494,535,095
Noi Bai Aviation Fuel Service Joint Stock Company	3,001,379,289	4,080,077,025

Remuneration paid to Vietnam Airlines' Board of Directors, Board of Excutive Officers and Board of Supervisors during the year was as follows:

		2023 VND	2022 VND
Mr Dang Ngoc Hoa	Chairman of Board of Directors	1,189,435,650	1,189,435,650
Mr Ta Manh Hung	Member of Board of Directors	951,548,653	951,548,653
Mr Le Hong Ha	Member of Board of Directors Chief of Excutive Officer	1,183,518,225	1,183,518,225
Mr Le Truong Giang	Member of Board of Directors	951,548,653	951,548,653
Mr Hiroyuki Kometani	Member of Board of Directors (appointed on June 28, 2022)	189,046,603	95,955,473
Mr Tomoji Ishii	Member of Board of Directors (dismissed on June 28, 2022)	-	93,091,130
Mr Dinh Viet Tung	Member of Board of Directors	189,046,603	189,046,603
Mr Truong Van Phuoc	Member of Board of Directors	189,046,603	189,046,603
Mr Trinh Hong Quang	EVP	951,548,653	951,548,653
Mr Trinh Ngoc Thanh	EVP (until December 31, 2023)	951,548,653	951,548,653
Mr Nguyen Chien Than	EVP	951,548,653	951,548,653
Mr Le Duc Canh	EVP	951,548,653	634,365,768
Mr Nguyen The Bao	EVP	951,548,653	634,365,768
Mr Dang Anh Tuan	EVP	475,774,326	-
Mr Dinh Van Tuan	EVP	434,238,472	-
Mr Tran Thanh Hien	Chief Accountant	951,548,653	951,548,653
Ms Nguyen Thi Thien Kim	Head of Board of Supervisors (until December 31, 2023)	913,788,785	951,548,653
Ms Duong Thi Viet Tam	Head of Board of Supervisors (from January 1, 2024)	37,759,867	-
Ms Nguyen Thi Hong Loan	Member of Board of Supervisors	118,154,127	118,154,127
Mr Mai Huu Tho	Member of Board of Supervisors (until December 31, 2023)	351,747,321	594,717,825
Ms Le Truc Quynh	Member of Board of Supervisors (from January 1, 2024)	23,599,914	-

230 _231_

41. Comparative figures

Comparative information as at January 1, 2023 is carried over from data presented in the consolidated financial statements of VNA and its subsidiaries as at and for the year ended December 31, 2022.

March 29, 2024

Preparer

Ho Xuan Tam Finance and Accounting Department Tran Thanh Hien Chief Accountant

Le Hong Ha
President & CEO





Five Star Global Airlines



Vietnam Airlines is proud to be the first Vietnamese airline to receive the Airline Passenger Experience Association's "Five Star Global Airlines" Award, a testament to our ongoing efforts to improve our services and give customers the best possible flying experiences.

vietnamairlines.com

#CherishEveryMile