

Phu Nhuan Jewelry Joint Stock Company

Consolidated Interim Financial Statements Q3.2019 30 September 2019

TABLE OF CONTENTS

	<i>Pages</i>
General Information	1
Consolidated Interim Balance Sheet	2 - 3
Consolidated Interim Income Statement	4
Consolidated Interim Cash Flows Statement	5
Notes to the Consolidated Interim Financial Statements	6 - 24



Phu Nhuan Jewelry Joint Stock Company

GENERAL INFORMATION

COMPANY

Phu Nhuan Jewelry Joint Stock Company (the "Company") was incorporated in Vietnam, under the Business Registration Certificate No. 0300521758 issued by the Department of Planning and Investment of Ho Chi Minh City on 2 January 2004, and amended Business Registration Certificates.

The Company has been listed on the Ho Chi Minh Stock Exchange ("HOSE") with PNJ code since 23 March 2019 pursuant to Decision No.129/DKNY issued by the General Director of HOSE on 26 December 2008.

The Company's principal activities are to trade gold, silver, jewelry and gemstones, and to import and export jewelry in gold, silver and gemstones, testing services.

The Company's head office is located at 170E Phan Dang Luu Street, Ward 3, Phu Nhuan District, Ho Chi Minh City, Vietnam.

BOARD OF DIRECTORS

Members of the Board of Directors of the Company during the period and as of the date of this report are as follow:

Ms. Cao Thi Ngoc Dung	Chairwoman	
Mr. Le Tri Thong	Vice Chairman	
Mrs. Pham Thi My Hanh	Member	
Mrs. Pham Vu Thanh Giang	Member	
Mrs. Huynh Thi Xuan Lien	Member	
Mr. Le Huu Hanh	Member	
Mr. Le Quang Phuc	Member	
Mr. Robert Alan Willett	Member	
Mrs. Dang Thi Lai	Member	Appointed on 20 April 2019

BOARD OF SUPERVISORS

Members of the Board of Supervisors of the Company during the period and as of the date of this report are as follow:

Mr. Nguyen Thanh Du	Head of Board of Supervisors
Ms. Nguyen Ngoc Hue	Member
Mr. Le Anh Duc	Member

BOARD OF MANAGEMENT

Members of the Board of Management of the Company during the period and as of the date of this report are as follow:

Mr. Le Tri Thong	General Director
Mrs. Dang Thi Lai	Chief of Finance – Operation Officer
Ms. Tran Thi Thu Ha	Director of Retail Division
Mr. Phan Nguyen Hoai Anh	Acting Director of Marketing Division
Mr. Nguyen Hoang Chau	Director of Supply Division
Mr. Dao Trung Kien	Chief Strategy Officer
Mr. Nguyen Ngoc Tran	Director of Information Technology Division
Mr. Nguyen Anh Hung	Director of Human Resources
Mr. Duong Quang Hai	Chief Accountant

LEGAL REPRESENTATIVE

The legal representative of the Group during the period and at the date of this report is Mr. Le Tri Thong.

CONSOLIDATED INTERIM BALANCE SHEET
30 September 2019

	ITEMS	Code	Notes	30/09/2019	31/12/2018
A	CURRENT ASSETS	100		6,396,512,783,624	5,405,256,600,641
I	Cash and cash equivalents	110		96,330,641,186	206,721,179,629
1	Cash	111		96,330,641,186	206,721,179,629
III	Current accounts receivable	130		329,967,505,655	155,196,257,825
1	Trade receivables	131		200,155,139,928	57,664,060,443
2	Advances to suppliers	132		115,276,318,562	57,981,679,202
3	Other receivables	136		12,944,421,138	39,159,008,338
4	Shortage of assets pending resolution	139		1,591,626,027	391,509,842
IV	Inventories	140		5,892,523,509,005	4,968,145,942,990
1	Inventories	141		5,892,523,509,005	4,968,145,942,990
V	Other current assets	150		77,691,127,778	75,193,220,197
1	Short-term prepaid expenses	151		62,420,873,210	68,191,416,708
2	Value added tax deductibles	152		4,580,359,669	625,511,019
3	Tax and other receivables from the State	153		10,689,894,899	6,376,292,470
B	NON-CURRENT ASSETS	200		1,229,039,043,471	1,032,638,955,963
I	Non-current receivables	210		66,585,290,259	57,498,444,869
1	Other non-current receivables	216		66,585,290,259	57,498,444,869
II	Fixed assets	220		899,585,263,279	719,287,274,744
1	Tangible fixed assets	221		259,767,826,448	225,960,569,846
	- Cost	222		518,052,423,501	454,178,423,940
	- Accumulated depreciation (*)	223		(258,284,597,053)	(228,217,854,094)
2	Intangible fixed assets	227		639,817,436,831	493,326,704,898
	- Cost	228		655,212,837,322	499,937,407,873
	- Accumulated depreciation (*)	229		(15,395,400,491)	(6,610,702,975)
IV	Non-current assets in progress	240		28,502,988,240	70,822,681,154
1	Construction in progress	242		28,502,988,240	70,822,681,154
V	Long-term investments	250		-	-
1	Other long-term investments	253		395,271,613,400	395,271,613,400
2	Provision for long-term investment	254		(395,271,613,400)	(395,271,613,400)
VI	Other long-term assets	260		234,365,501,693	185,030,555,196
1	Long-term prepaid expenses	261		149,013,676,855	99,678,730,358
2	Deferred tax assets	262		85,351,824,838	85,351,824,838
	TOTAL ASSETS	270		7,625,551,827,095	6,437,895,556,604

CONSOLIDATED INTERIM BALANCE SHEET
30 September 2019

C	LIABILITIES	300	3,505,252,235,260	2,692,822,128,700
I	Current liabilities	310	3,493,714,449,260	2,677,317,785,700
1	Trade payables	311	451,958,758,322	342,676,925,196
2	Advances from customers	312	76,729,280,441	82,798,544,221
3	Statutory obligations	313	158,867,495,026	153,579,308,096
4	Payables to employees	314	210,998,887,668	228,337,052,181
5	Accrued expenses	315	142,100,382,129	10,833,940,595
6	Other payables	319	91,504,452,598	237,629,562,960
7	Short-term loans	320	2,266,464,058,852	1,558,482,498,026
8	Bonus and welfare fund	322	95,091,134,224	62,979,954,425
II	Non-current liabilities	330	11,537,786,000	15,504,343,000
1	Other long-term liabilities	337	476,006,000	628,026,000
2	Long-term loans	338	7,400,000,000	7,800,000,000
3	Provision for long-term payables	342	3,661,780,000	7,076,317,000
D	EQUITY	400	4,120,299,591,835	3,745,073,427,904
I	Owner's equity	410	4,120,299,591,835	3,745,073,427,904
1	Owner's contributed capital	411	2,226,679,600,000	1,670,029,820,000
2	Share premium	412	925,397,862,458	925,397,862,458
3	Treasury shares	415	(2,101,090,000)	(7,090,000)
4	Investment and development fund	418	313,083,556,918	265,087,556,918
5	Retained earnings	421	657,239,662,459	884,565,278,528
	Retained earnings accumulated to prior year end	421a	29,482,225,528	98,780,546,381
	Retained earnings of the current period	421b	627,757,436,931	785,784,732,147
	TOTAL RESOURCES	440	7,625,551,827,095	6,437,895,556,604



Nguyen Thanh Dat
Preparer



Duong Quang Hai
Chief Accountant



Le Tri Thong
General Director

17 October 2019

Phu Nhuan Jewelry Joint Stock Company

CONSOLIDATED INTERIM INCOME STATEMENT
For Quarter 3 period ended on 30 September 2019

Form B02-DN/HN

Unit: VNĐ

ITEMS	Code	Note	Q3.2019	Q3.2018	ACCUMULATED 2019	ACCUMULATED 2018
Gross revenue from sale of goods and services rendered	01		3,966,255,895,350	3,178,369,955,454	11,770,204,645,693	10,583,134,207,107
Deductions	02		32,237,245,468	27,520,745,080	90,865,826,078	75,392,119,948
Net revenue from sale of goods and services rendered	10		3,934,018,649,882	3,150,849,210,374	11,679,338,819,615	10,507,742,087,159
Costs of goods sold and services rendered	11		3,180,963,642,552	2,550,829,399,062	9,241,196,434,872	8,554,797,690,374
Gross profit from sale of goods and services rendered	20		753,055,007,330	600,019,811,312	2,438,142,384,743	1,952,944,396,785
Financial incomes	21		241,691,350	145,838,562	1,304,457,002	6,328,764,952
Financial expenses	22		31,055,088,259	17,407,413,734	77,636,807,400	45,124,772,533
<i>_In which: interest expense</i>	23		28,990,878,493	15,315,285,497	74,365,419,266	40,094,255,909
Selling expenses	25		340,804,458,651	268,067,364,057	994,932,790,477	818,576,310,569
General and administrative expenses	26		113,728,530,457	93,015,229,413	345,505,106,009	227,317,458,858
Operating profit	30		267,708,621,313	221,675,642,670	1,021,372,137,859	868,254,619,777
Other income	31		704,916,122	393,502,391	3,289,998,900	2,714,408,487
Other expense	32		385,648,795	929,846,746	3,329,220,516	1,540,689,111
Other profit	40		319,267,327	(536,344,355)	(39,221,616)	1,173,719,376
Accounting profit before tax	50		268,027,888,640	221,139,298,315	1,021,332,916,243	869,428,339,153
Current corporate income tax	51		60,034,530,457	43,451,417,366	215,441,678,512	175,043,930,665
Net profit after corporate income tax	60		207,993,358,183	177,687,880,949	805,891,237,731	694,384,408,488
Earning per share	70	934		1,096,217,58-C.T.C.	3,619	4,283



[Signature]

Duong Quang Hai
Chief Accountant

[Signature]
Le Thi Thong
General Director

Nguyen Thanh Dat
Preparer

17 October 2019

CONSOLIDATED INTERIM CASH FLOW STATEMENT
For 9 - month period ended on 30 September 2019

STT	ITEMS	Code	CURRENT YEAR	PREVIOUS YEAR
I	Cash flows from operating activities			
1	Profit before tax	01	1,021,332,916,243	869,428,339,153
2	Adjustment for			
	- Depreciation and amortization	02	39,176,626,978	31,334,669,074
	- Provisions	03	-	-
	- Foreign exchange gain/loss	04	379,305,830	963,264,840
	- Profit (loss) from investing activities	05	(2,653,318,163)	(10,326,228,786)
	- Interest expense	06	74,365,419,266	40,658,343,583
	- Other adjustments	07	-	-
3	Operating profit before changes in working capital	08	1,132,600,950,154	932,058,387,864
	- Increase/Decrease in receivables	09	(96,334,075,216)	(74,807,930,223)
	- Increase/Decrease in inventories	10	(924,377,566,015)	(722,218,747,049)
	- Increase/Decrease in payables	11	(88,623,129,690)	66,685,844,557
	- Increase/Decrease in prepaid expenses	12	(40,725,511,834)	(37,279,808,690)
	- Interest paid	14	(74,759,202,954)	(35,042,129,317)
	- Corporate income tax paid	15	(215,130,074,983)	(175,715,491,078)
	- Other payments from operating activities	17	(1,162,878,905)	(14,498,460,162)
	Net cash flows (used in) from operating activities	20	(308,511,489,443)	(60,818,334,098)
II	Cash flows from investing activities			
1	Acquisition and construction of fixed assets	21	(167,193,112,452)	(306,330,950,978)
2	Proceeds from sale, disposals of fixed assets	22	342,822,026	1,078,175,048
3	Cash recovered from lending, selling debt instrument	24	-	160,000,000,000
4	Interest earned and dividends received	27	349,599,200	2,048,684,182
	Net cash flows (used in) from investing activities	30	(166,500,691,226)	(143,204,091,748)
III	Cash flows from financing activities			
1	Proceeds from borrowings	33	3,892,046,846,038	3,033,069,524,110
2	Repayments of borrowings	34	(3,184,465,285,212)	(2,622,019,766,584)
3	Dividend paid	36	(342,580,612,770)	(264,697,524,630)
	Net cash flows (used in) from financing activities	40	365,000,948,056	146,352,232,896
	Net decrease in cash and cash equivalents	50	(110,011,232,613)	(57,670,192,950)
	Cash and cash equivalents at beginning of period	60	206,721,179,629	175,208,552,187
	The effects of changes in foreign exchange	61	(379,305,830)	48,942,894
	Cash and cash equivalents at ending of period	70	96,330,641,186	117,587,302,131

Nguyen Thanh Dat
Preparer

Duong Quang Hai
Chief Accountant



Le Tri Thong
General Director

17 October 2019

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For Quarter 3 ended on 30 September 2019

I. CORPORATE INFORMATION

Phu Nhuan Jewelry Joint Stock Company (the "Company") was incorporated in Vietnam, under the Business Registration Certificate No. 0300521758 issued by the Department of Planning and Investment of Ho Chi Minh City on 2 January 2004, and adjusted Business Registration Certificate.

The Company has been listed on the Ho Chi Minh Stock Exchange since 23 March 2019 pursuant to Decision No.129/DKNY issued by the General Director of HOSE on 26 December 2008.

The Company's principal activities are to trade gold, silver, jewelry and gemstones, and to import and export jewelry in gold, silver and gemstones; testing services.

The Company's head office is located at 170E Phan Dang Luu Street, Ward 3, Phu Nhuan District, Ho Chi Minh City, Vietnam. In addition, the Company also has 359 stores in different provinces and cities in Vietnam.

The number of employees as of 30 September 2019 was 6,539 (as at 31 December 2018: 6,018).

Corporate structure: The Company has 4 subsidiaries, as follows:

1. CAO Fine Jewelry Company Limited (CAO) owned 100% by PNJ, the Business Registration Certificate No.0309279212 issued by the Department of Planning and Investment of Ho Chi Minh City on 14 August 2009. CFC's head office is located at 170E, Phan Dang Luu Street, Ward 3, Phu Nhuan District, Ho Chi Minh City, Vietnam

2. PNJ Laboratory Company Limited (PNJL) owned 100% by PNJ, the Business Registration Certificate No.0310521330 issued by the Department of Planning and Investment of Ho Chi Minh City on 16 December 2010. PLC's head office is located at 168A, Phan Dang Luu Street, Phu Nhuan District, Ho Chi Minh City, Vietnam.

3. PNJ Production and Trading Jewelry Company Limited (PNJP) owned 100% by PNJ, the Business Registration Certificate No.0315018466 issued by the Department of Planning and Investment of Ho Chi Minh City on 28 April 2018. PNJP's head office is located at No.23 Street 14, Ward 5, Go Vap District, HCMC.

4. Customer Era Company Limited (CECL) owned 100% by PNJ, the Business Registration Certificate No.0315018547 issued by the Department of Planning and Investment of Ho Chi Minh City on 28 April 2018. CECL's head office is located at 170E, Phan Dang Luu Street, Ward 3, Phu Nhuan District, Ho Chi Minh City, Vietnam.

II. BASIS OF PREPARATION

2.1 Applied accounting standards and system

The consolidated financial statements of the Company and its subsidiaries ("the Group") are prepared in accordance with Vietnamese Enterprise Accounting System and Vietnamese Accounting Standards (VAS):

- ▶ Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- ▶ Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- ▶ Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- ▶ Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For Quarter 3 ended on 30 September 2019

- ▶ Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

2.2 Applied accounting documentation system

The Company's applied accounting documentation system is the General Journal system.

2.3 Fiscal year

The Group's fiscal year applicable for the preparation of its consolidated financial statements starts on 1 January and ends on 31 December.

2.2 Accounting currency

The consolidated financial statements are prepared in VND which is also the Group's accounting currency.

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the period of Q3.2019 ended 30 September 2019.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continued to be consolidated until the date that such control ceases.

The financial statements of the Company and its subsidiaries used for consolidation are prepared for the same fiscal year and use consistent accounting policies.

All intra-company balances, income and expenses and unrealized gains or losses resulting from intra-company transactions are eliminated in full.

Minority interests represent the portion of profit or loss and net assets of subsidiaries not held by the Group and are presented separately in the consolidated income statement and within the equity portion of the shareholders of the parent company on the consolidated balance sheet.

III. SIGNIFICANT ACCOUNTING POLICIES

3.1 Changes in accounting policies and notes.

In addition to continue to apply Vietnam Accounting Standard No. 10 - Effects of changes in foreign exchange rates ("VAS 10") as in the previous year. The Group implemented Circular No. 179/2012 / TT-BTC regulations on recognition, assessment, treatment differences in the exchange rate set by the Ministry of Finance now issued October 24, 2012 ("Circular 179").

According to Circular 179, at the end of the year, the assets and liabilities denominated in foreign currencies are converted into VND at the bid rate of the commercial banks where the Group opened the account

3.2 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at banks, cash in transit, short-term, highly liquid investments with an original maturity of less than three months that are readily convertible into known amounts of cash and that are not subject to an insignificant risk of change in value.

3.3 Receivables

Receivables are presented in the consolidated financial statements at the carrying amounts due from customers and other debtors, after provision for doubtful debts.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For Quarter 3 ended on 30 September 2019

The provision for doubtful debts represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered at the end of fiscal year. Increases and decreases to the provision balance are recorded as general and administrative expense in reporting period.

3.4 Inventories

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net reliable value.

Net reliable value represents the estimated selling price of inventories in the ordinary course of business less the estimated costs to complete and the selling costs.

The perpetual method is used to record inventories, which are valued as follows:

Merchandises, consumables, and raw materials	- cost of purchase on a weighted average basis.
Finished goods and work-in process	- cost of direct materials and labor plus attributable manufacturing overheads based on the normal operating capacity on a weighted average basis.

Provision for obsolete inventories

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of merchandise goods, raw materials, finished goods, and other inventories owned by the Group, based on appropriate evidence of impairment available at the end of fiscal year.

3.5 Fixed assets

Tangible and intangible fixed assets are stated at cost less accumulated depreciation or amortization.

The cost of a fixed asset comprises its purchase price and any directly attributable costs of bringing the fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the consolidated income statement as incurred.

When fixed assets are sold or retired, their cost and accumulated depreciation or amortization are removed from the consolidated balance sheet and any gain or loss resulting from their disposal is included in the consolidated income statement.

Land use rights

Land use right is recorded as an intangible fixed asset on the consolidated balance sheet when the Company obtained the land use right certificates. The costs of land use right comprise all directly attributable costs of bringing the land lot to the condition available for intended use.

The Group does not amortize the value of land use rights.

3.6 Depreciation and amortization

Depreciation of tangible fixed assets and amortization of intangible fixed assets are calculated on a straight-line method over the estimated useful life of each asset as follows:

Buildings and structures	3 - 25 years
Machinery and equipment	3 - 15 years

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For Quarter 3 ended on 30 September 2019

Motor vehicles	4 - 10 years
Office equipment	3 - 8 years
Computer software	3 years

The useful lives of the fixed assets and depreciation and amortization rates are reviewed periodically to ensure that the method and the period of the depreciation and amortisation are consistent with the expected pattern of economic benefits that will be derived from the use of fixed assets.

3.7 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowings of the Group and are recorded as expense during the period in which they are incurred.

3.8 Prepayment expenses

Prepaid expenses are reported as short-term or long-term prepaid expenses on the consolidated balance sheet and are amortized over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

The following types of expenses are recorded as long-term prepaid expense and are amortized to the consolidated income statement.

- ▶ Prepaid rental includes land and shop rental prepaid for many years under operating lease contracts and are amortized over the lease term;
- ▶ Tools and consumables with large value issued in use and can be used for more than one year; and
- ▶ Others are amortized to the consolidated income statement over 2 to 3 years.

3.9 Investments in associates

The Group's investment in its associates is accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence that is neither subsidiaries nor joint ventures. The Group generally deems they have significant influence if they have over 20% of the voting rights.

Under the equity method, the investment is carried in the consolidated balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associates. Goodwill arising on acquisition of the associate is included in the carrying amount of the investment and is amortized over a 10-year year. The consolidated income statement reflects the share of the post-acquisition results of operation of the associate.

The share of post-acquisition profit (loss) of the associates is presented on face of the consolidated income statement and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates reduce the carrying amount of the investment.

The financial statements of the associates are prepared for the same reporting period and use the same accounting policies as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

3.10 Investments in securities and other investments

Investments in securities and other investments are stated at their acquisition costs. Provision is made for any diminution in value of the investments at the balance sheet date in accordance with the guidance under the Circular No. 228/2009/TT-BTC issued by the Ministry of Finance on 7 December 2009.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For Quarter 3 ended on 30 September 2019

3.11 Payables and accruals

Payables and accrued expenses are recognized for future amounts paid in respect of goods and services received regardless of whether the Group has received the supplier's invoice.

3.12 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event it is probable that an outflow resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation.

3.13 Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss upon purchase, sale, issue or cancellation of the Group's own equity instruments.

3.14 Appropriation of net profits

Net profit after tax is available for appropriation to shareholders after approval in the shareholders' meeting, and after making appropriation to reserve funds in accordance with the Group's Charter and Vietnam's regulatory requirements.

The Group maintains the following reserve funds which are appropriated from the Group's net profit after tax as proposed by the Board of Directors and subject to approval by shareholders at the annual general meeting.

▶ Investment and development funds

This fund is set aside for use in the Group's expansion of its operation or in-depth investments.

▶ Bonus and welfare funds

This fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' benefits, and presented as a liability on the consolidated balance sheet.

3.15 Earnings per share

Basic earnings per share amounts are calculated by dividing net profit after tax for the year attributable to ordinary shareholders of the Group (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Group (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

3.16 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon the delivery of the goods.

Services rendered

Revenue is recognized when the service has been rendered.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For Quarter 3 ended on 30 September 2019

Interest

Revenue is recognized as the interest accrues (taking into account the profits that the asset brings) unless collectability is in doubt.

Dividends

Income is recognized when the Group's entitlement as an investor to receive the dividend is established.

3.18 Taxation

Other taxes are applied in accordance with applicable tax laws in Vietnam.

Current income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the tax rates and tax laws that are enacted as at the balance sheet date.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for interim financial reporting purposes.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For Quarter 3 ended on 30 September 2019

IV. EVENTS AND SIGNIFICANT TRANSACTIONS

1. CASH AND CASH EQUIVALENTS

	30/09/2019	31/12/2018
Cash on hand	49,012,589,118	96,206,858,391
Cash at banks	38,212,077,124	102,660,788,350
Cash in transit	9,105,974,944	7,853,532,888
TOTAL	96,330,641,186	206,721,179,629

2. FINANCIAL INVESTMENT

Long-term investments	-	-
_Dong A Bank JSC (EAB)	395,271,613,400	395,271,613,400
_Provision for long-term investments (EAB) (*)	(395,271,613,400)	(395,271,613,400)
TOTAL	-	-

(*) As at 30 September 2019, Dong A Joint Stock Commercial Bank was still under special control by State Bank of Vietnam and shares are not transferable.

The "Group" holds 38,496,250 EAB shares corresponding EAB ownership ratio (ratio of voting rights) is 7.69%

3. SHORT-TERM TRADE RECEIVABLES

	30/09/2019	31/12/2018
FH Trautz GmBh	7,984,558,247	5,954,125,254
DC&D Company	5,442,569,658	3,820,943,012
AEON Tan Phu	2,175,997,540	-
AEON Binh Tan	1,763,003,641	-
AEON Binh Duong	2,202,220,616	2,235,409,000
Diamond Le Duan	282,251,470	2,646,242,511
Crescent Mall Q7	1,083,653,677	3,856,285,842
AEON Tan Phu	2,175,997,540	2,179,563,041
Sense Can Tho	670,607,505	-
Sense Ca Mau	286,811,275	-
Pinaco JSC	-	11,728,226,112
Others	176,087,468,759	25,243,265,671
TOTAL	200,155,139,928	57,664,060,443

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For Quarter 3 ended on 30 September 2019

According to the cooperation agreement, the Shopping Mall will collect the proceeds from the sale of goods and repay to PNJ periodically

4. OTHER RECEIVABLES

	30/09/2019	31/12/2018
a. Current		
_Advance to employees	7,672,558,287	29,038,158,837
_Others	5,271,862,851	10,120,849,501
TOTAL	12,944,421,138	39,159,008,338
a. Non-current		
_Deposit for long-term renting stores	66,585,290,259	57,498,444,869
TOTAL	66,585,290,259	57,498,444,869

5. INVENTORIES

	30/09/2019	31/12/2018
Goods in transit	-	174,543,310,840
Raw materials	373,077,026,768	87,899,638,302
Tools and supplies	48,066,141,723	44,576,286,366
Work in Process	185,421,398,878	1,011,126,019,888
Finished goods	3,312,794,777,593	397,322,929,019
Merchandise goods	1,973,164,164,043	3,165,377,043,067
Goods on consignment	-	87,300,715,508
TOTAL	5,892,523,509,005	4,968,145,942,990

Inventories valued at VND 1,906,916,000,000 were used as collateral for short-term loans at commercial banks (Note number 9).

6. REPAYMENTS

CURRENT

	30/09/2019	31/12/2018
Tools and supplies	11,412,783,999	36,385,614,710
Stores rental	24,520,472,164	17,859,143,517
Uniform expense	7,422,307,126	6,453,705,433
Office and store renovation expenses	4,043,390,386	3,273,294,102
Others	15,021,919,535	4,219,658,946
TOTAL	62,420,873,210	68,191,416,708

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For Quarter 3 ended on 30 September 2019**NON – CURRENT**

	30/09/2019	31/12/2018
Tools and supplies	66,796,163,171	55,351,914,816
Stores rental	6,235,037,446	2,772,280,000
Office and store renovation expenses	68,998,243,712	38,119,567,939
Others	6,984,232,526	3,434,967,603
TOTAL	<u>149,013,676,855</u>	<u>99,678,730,358</u>

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for Quarter 3 ended on 30 September 2019

FIXED ASSETS :

TANGIBLE FIXED ASSETS

ITEMS	Buildings and structures	Machinery and equipment	Motor vehicles	Office equipment	Total
Cost:					
31/12/2018	138,832,225,224	222,217,340,475	29,574,730,396	63,554,127,845	454,178,423,940
Additions	9,504,055,967	18,899,749,691	4,367,010,900	36,373,055,660	69,143,872,218
Disposal	-	(4,377,137,271)	-	(892,735,386)	(5,269,872,657)
30/09/2019	148,336,281,191	236,739,952,895	33,941,741,296	99,034,448,119	518,052,423,501
In which,					
Assets are fully depreciated	1,571,799,136	94,446,848,813	1,852,235,826	12,627,439,903	110,498,323,678
Accumulated depreciation:					
31/12/2018	(37,446,777,758)	(140,666,697,668)	(10,529,670,803)	(39,574,707,865)	(228,217,854,094)
Depreciation for the year	(4,825,246,110)	(20,542,700,491)	(2,932,572,249)	(6,554,101,764)	(34,854,620,614)
Disposal	-	4,264,288,596	-	523,589,059	4,787,877,655
30/09/2019	(42,272,023,868)	(156,945,109,563)	(13,462,243,052)	(45,605,220,570)	(258,284,597,053)
Net carrying amount					
31/12/2018	101,385,447,466	81,550,642,807	19,045,059,593	23,979,419,980	225,960,569,846
30/09/2019	106,064,257,323	79,794,843,332	20,479,498,244	53,429,227,549	259,767,826,448

Buildings and machineries are used as collaterals to obtain loans from commercial banks (Note number 9).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For Quarter 3 ended on 30 September 2019

7.2 INTANGIBLE FIXED ASSETS

ITEMS	<i>Indefinite land and use rights</i>	<i>Computer software</i>	<i>Total</i>
Cost:			
31/12/2018	459,177,157,290	40,760,250,583	499,937,407,873
Additions	83,510,429,449	71,765,000,000	155,275,429,449
Disposal	-	-	-
30/09/2019	542,687,586,739	112,525,250,583	655,212,837,322
In which,			
Assets are fully depreciated		252,034,613	252,034,613
Accumulated amortization:			
31/12/2018		(6,610,702,975)	(6,610,702,975)
Depreciation for the year	-	(8,784,697,516)	(8,784,697,516)
30/09/2019	-	(15,395,400,491)	(15,395,400,491)
Net carrying amount			
31/12/2018	459,177,157,290	34,149,547,608	493,326,704,898
30/09/2019	542,687,586,739	97,129,850,092	639,817,436,831

8. CONSTRUCTION IN PROCESS

	30/09/2019	31/12/2018
Shop House Vincom -Thanh Hoa	-	9,468,078,966
ERP Project	-	56,023,422,424
Land use rights at Di An - Binh Duong	26,137,767,250	-
577 Nguyen Kiem	2,055,220,000	2,055,220,000
Others	310,000,990	3,275,959,764
TOTAL	28,502,988,240	70,822,681,154

9. LOANS AND FINANCIAL LEASING**a.Current**

Loans from comercial bank	2,137,618,054,970	1,435,473,895,742
Loans from individuals	125,146,003,882	119,308,602,284
Current portion of long-term liabilities	3,700,000,000	3,700,000,000
TOTAL	2,266,464,058,852	1,558,482,498,026

b.Non-current

Loans from comercial bank	7,400,000,000	7,400,000,000
Loans from individuals	-	400,000,000
TOTAL	7,400,000,000	7,800,000,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For Quarter 3 ended on 30 September 2019

Details of short-term loans:

BANK	AMOUNT	MATURITY	INTEREST RATE	COLLATERAL
SHORT-TERM LOANS IN VND	2,137,618,054,970			
CTBC Bank Co.,Ltd - HCMC Branch	92,039,213,311	From 26/10/2019 to 17/03/2020	6.3%	Inventories
Vietnam Joint Stock Commercial Bank for Industry and Trade	706,862,821,969	From 23/11/2019 to 20/02/2020	7.0%	Inventories
Shinhan Bank Vietnam Limited	84,930,000,000	From 23/10/2019 to 04/01/2020	6.4%	Unsecured
JSC Bank for Foreign Trade of Vietnam	567,337,863,033	From 25/11/2019 to 27/03/2020	6.6%	House: 46 Ngo Quyen street, 359 Phan Chu Trinh street, 461 Phan Chu Trinh-Tam Ky city
Bank for Investment and Development of Vietnam JSC - Hoc Mon Branch	198,000,000,000	From 26/10/2019 to 06/03/2020	6.7%	Inventories
Military Commercial Joint Stock Bank	97,918,456,657	From 06/10/2019 to 30/12/2019	6.3%	Unsecured
Southeast Asia Commercial Joint Stock Bank	196,600,000,000	From 08/10/2019 to 12/12/2019	6.5%	House at: 123 Hung Vuong, Da Nang and inventories
Petrolimex Commercial Joint Stock Bank	193,929,700,000	From 14/11/2019 to 10/12/2019	7.0%	Unsecured
INDIVIDUAL LOANS	125,146,003,882		7.6%	Unsecured
CURRENT PORTION OF LONG-TERM LIABILITIES	3,700,000,000			
SHORT-TERM LOANS IN VND	2,266,464,058,852			

Details of long-term loans

BANK	AMOUNT	MATURITY DATE	INTEREST RATE	COLLATERAL
LONG-TERM LOANS IN VND	11,100,000,000			
Vietnam bank for Agriculture and Rural Development - Branch 4	11,100,000,000	22/01/2021	9.5%	House at PG1-05 Vincom Can Tho
<i>In which: Current portion of long-term liabilities</i>	3,700,000,000			
Vietnam bank for Agriculture and Rural Development - Branch 4	3,700,000,000			
TOTAL LONG-TERM LOANS	7,400,000,000			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For Quarter 3 ended on 30 September 2019

10. SHORT – TERM TRADE PAYABLES

	30/09/2019	31/12/2018
Forte Jewellery (HK)	65,114,560,714	43,363,695,805
Hung Kim Loan Ltd.Co	2,471,296,500	-
Quang Vinh Nguyen Company	4,130,771,777	4,441,946,777
Shrenuj Fareast Company	-	123,175,663,382
NTO TECHNOLOGIES	5,186,074,971	-
METALOR TECHNOLOGIES	3,961,645,350	-
Dong A Bank	2,633,976,167	-
Thanh Thuy Co.,Ltd	1,819,283,500	-
Kobayashi Vina Co.,Ltd	3,992,333,745	-
FINEESE IMPEX LTD	188,634,065,929	-
WATCH ME LTD	3,432,848,272	-
TOP TEN LTD	2,311,315,488	-
Others	168,270,585,909	171,695,619,232
TOTAL	451,958,758,322	342,676,925,196

11. TAXES AND OTHER RECEIVABLES FROM PAYABLES TO THE STATE BUDGET**Q3/2019**

	Opening period	Receivable/Payable in the period	Received/Paid in the period	Closing period
a.Receivables				
Valued added tax from import	2,127,933,643	64,775,090,826	57,801,364,396	9,101,660,073
Deductible value added tax	3,502,561,606	2,988,865,488	1,911,067,425	4,580,359,669
Import - Export tax	1,880,043,119	1,196,798,324	1,489,606,617	1,587,234,826
Others	1,000,000	1,000,000	1,000,000	1,000,000
TOTAL	7,511,538,368	68,961,754,638	61,203,038,438	15,270,254,568
b.Payable				
Valued added tax	32,565,191,855	98,658,068,781	86,333,536,931	44,889,723,705
Corporate income tax	90,182,989,761	60,034,530,457	45,832,716,509	104,384,803,709
Personal income tax	3,842,156,032	15,590,287,474	15,576,178,307	3,856,265,199
Others	5,690,238,897	4,052,775,124	4,006,311,608	5,736,702,413
TOTAL	132,280,576,545	178,335,661,836	151,748,743,355	158,867,495,026

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For Quarter 3 ended on 30 September 2019

9 MONTHS OF 2019

	Opening period	Receivable/Payable in the period	Received/Paid in the period	Closing period
a.Receivables				
Valued added tax from import	6,192,638,101	100,691,544,209	97,782,522,237	9,101,660,073
Deductible value added tax	625,511,019	8,481,045,960	4,526,197,310	4,580,359,669
Import - Export tax	183,654,369	5,215,249,976	3,811,669,519	1,587,234,826
Others	-	2,000,000	1,000,000	1,000,000
TOTAL	7,001,803,489	114,389,840,145	106,121,389,066	15,270,254,568
b.Payable				
Valued added tax	39,830,007,759	281,495,499,976	276,435,784,030	44,889,723,705
Corporate income tax	104,295,533,760	215,449,122,512	215,359,852,563	104,384,803,709
Personal income tax	4,212,081,499	58,292,711,187	58,648,527,487	3,856,265,199
Others	5,241,685,078	7,871,955,531	7,376,938,196	5,736,702,413
TOTAL	153,579,308,096	563,109,289,206	557,821,102,276	158,867,495,026

12. OTHER PAYABLES

	30/09/2019	31/12/2018
a.Current		
_Trade Union fees	21,264,659,830	14,296,566,119
_Bonus of the Board of Management and the Board of Directors	16,007,175,752	9,792,723,602
_Payable to Board of Directors and Board of Management Fund	6,796,169,568	119,439,568
_Payable to Board of Management Fund	1,031,408,517	1,105,901,517
_Payable to Trade Union Fund	4,155,564,972	3,742,056,787
_PIT payable on behalf of shareholders	4,531,133,392	4,531,133,392
_Dividend payable	7,299,653,375	4,744,192,345
_Tuan Ngan Jewelry Private Company	6,907,570,933	2,162,198,919
_ Saigon Precious Metal JSC	6,542,550,150	6,344,026,859
_Sakura Co.,Ltd	2,477,560,286	-
_Others	14,491,005,823	190,791,323,852
TOTAL	91,504,452,598	237,629,562,960
b.Non-current		
_Deposit for store rental	476,006,000	628,026,000
TOTAL	476,006,000	628,026,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
for Quarter 3 ended on 30 September 2019

OWNER'S EQUITY

	Share capital	Share premium	Treasury shares	Investment and development fund	Undistributed earnings	Total
Opening balance of the previous period	1,081,020,340,000	876,761,282,458	(7,090,000)	220,087,556,918	850,740,825,086	3,028,602,914,462
Capital increase	589,009,480,000	48,636,580,000	-	-	(540,372,900,000)	97,273,160,000
Profit for the year	-	-	-	-	959,923,347,147	959,923,347,147
Dividend declared	-	-	-	-	(270,239,940,000)	(270,239,940,000)
Profit appropriation	-	-	-	45,000,000,000	(115,486,053,705)	(70,486,053,705)
Investment and development fund	-	-	-	45,000,000,000	(45,000,000,000)	-
Transfer to bonus and welfare fund	-	-	-	-	(36,664,053,705)	(36,664,053,705)
Board of Directors fund	-	-	-	-	(33,822,000,000)	(33,822,000,000)
Closing balance of the previous period	1,670,029,820,000	925,397,862,458	(7,090,000)	265,087,556,918	884,565,278,528	3,745,073,427,904
Capital increase (*)	556,649,780,000	-	-	-	(556,649,780,000)	-
Net profit for the period	-	-	-	-	805,891,237,731	805,891,237,731
Dividend declared (**)	-	-	-	-	(345,136,073,800)	(345,136,073,800)
Treasury shares (***)	-	-	(2,094,000,000)	-	-	(2,094,000,000)
Profit appropriation	-	-	-	47,996,000,000	(131,431,000,000)	(83,435,000,000)
Investment and development fund	-	-	-	47,996,000,000	(47,996,000,000)	-
Transfer to bonus and welfare fund	-	-	-	-	(47,996,000,000)	(47,996,000,000)
Board of Directors and Board of Management fund	-	-	-	-	(35,439,000,000)	(35,439,000,000)
Closing balance of the period	2,226,679,600,000	925,397,862,458	(2,101,090,000)	313,083,556,918	657,239,662,459	4,120,299,591,835

(*) Increase charter capital from owner equity under Resolution No. 353/2019 / QD-HDQT-CTY dated 19/06/2019

(**) On January 14, 2019, PNJ paid 2th cash dividend for 2018 (8%/share)

(**) On June 4, 2019, PNJ paid 3rd cash dividend for 2018 (2%/share)

(**) On August 8, 2019, PNJ paid 1st cash dividend for 2019 (8%/share)

(***) On September 10, 2019, PNJ repurchased stocks of employees who left the company (20,000/share)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For Quarter 3 ended on 30 September 2019

14. REVENUE**14.1 Revenue from goods sold and services rendered**

	Q3.2019	Q3.2018
Gross revenue, in which	3,966,255,895,350	3,178,369,955,454
<i>Sale of gold, silver and jewelry</i>	3,954,532,622,580	3,163,651,555,611
<i>Sale of other goods</i>	76,654,000	4,832,772,436
<i>Rendering services</i>	11,646,618,770	9,885,627,407
Goods returned	32,237,245,468	27,520,745,080
Net revenue, in which	3,934,018,649,882	3,150,849,210,374
<i>Sale of gold, silver and jewelry</i>	3,922,295,377,112	3,136,130,810,531
<i>Sale of other goods</i>	76,654,000	4,832,772,436
<i>Rendering services</i>	11,646,618,770	9,885,627,407

14.2 Financial income

	Q3.2019	Q3.2018
Interest income	40,121,651	133,588,898
Foreign exchange gain	201,569,699	12,249,664
Total	241,691,350	145,838,562

15 COST OF GOODS SOLD AND SERVICES RENDERED

	Q3.2019	Q3.2018
Cost of jewelry	3,178,435,930,281	2,545,461,969,028
Cost of watches, accessories	68,988,600	3,248,842,103
Cost of rendering services	2,458,723,671	2,118,587,931
Total	3,180,963,642,552	2,550,829,399,062

16. FINANCIAL EXPENSES

	Q3.2019	Q3.2018
Financial expense	28,991,037,852	15,315,285,497
Other financial expense	212,263,695	111,078,827
Foreign exchange loss	1,851,786,712	1,981,049,410
Total	31,055,088,259	17,407,413,734

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For Quarter 3 ended on 30 September 2019

17. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	Q3.2019	Q3.2018
Staff cost	236,263,107,015	202,717,000,622
Materials, packaging	9,440,944,736	6,403,579,479
Tools and supplies	20,463,449,488	24,129,824,766
Depreciation	8,608,610,685	5,395,788,250
Outside services	81,510,457,915	60,995,103,515
Others	98,246,419,269	61,441,296,838
	<u>454,532,989,108</u>	<u>361,082,593,470</u>

18. CORPORATE INCOME TAX

The Group has the obligation to pay corporate income tax ("CIT") at the rate of 20% of taxable profits.

The tax returns filed by Company are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the consolidated interim financial statements could change at a later date upon final determination by the tax authorities

Current CIT

	Q3.2019	Q3.2018
Profit before tax	268,027,888,640	221,139,298,315
Taxable profit	300,172,652,284	217,257,086,830
Corporate income tax rate	20%	20%
Current CIT	<u>60,034,530,457</u>	<u>43,451,417,366</u>

19. OPERATING LEASE COMMITMENTS

The Group leases outlets under operating lease arrangements, Future rental amounts due under such operating leases after 30 September 2019 were as follows:

	Q3.2019	Q3.2018
Within next year	210,256,494,480	130,158,470,321
From 2 to 5 years	602,748,230,121	260,326,870,537
Over 5 year	378,445,933,529	118,209,312,430
Total	<u>1,191,450,658,130</u>	<u>508,694,653,288</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For Quarter 3 ended on 30 September 2019

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Management Board reviews and agrees policies for managing each of these risks which are summarized below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to market risk for changes in interest rate relates primarily to the Group's loans with floating interest rates.

The Group manages its interest rate risk by keeping close watch on relevant market situation, in order to contemplate and adapt its leverage level as well as financing strategies to the prevailing situation.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities.

Risks due to changes in exchange rates of the Group is insignificant.

Equity price risk

The Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainty about future values of the investment securities. The Group manages equity price risk by placing a limit on equity investments. The Group's Board of Directors reviews and approves all equity investment decisions.

Commodity price risk

The Group exposes to commodity price risk in relation to purchase of certain commodities. The Group manages its commodity prices risk by keeping close watch on relevant information and situation of commodity market in order to properly manage timing of purchases, production plans and inventories level. The Group does not employ any derivative financial instruments to hedge its commodity price risk.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks, foreign exchange operations and other financial instruments.

Trade receivables

Customer credit risk is managed by the Group based on its established policy, procedures and control. The Group's exposure to credit risk in relation with receivables is mainly influenced by the individual characteristics of each customer. The Group mostly has cash sale which are not exposure to the credit risk.

Outstanding customer receivables are regularly monitored. In terms of account receivables of oversea customers, the Group is guaranteed by a third bank. For large clients, the Group considers the decline in credit quality of each customer at reporting date.

Bank deposits

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For Quarter 3 ended on 30 September 2019

The Group's bank balances are mainly maintained with well-known banks in Vietnam. Credit risk from balances with banks is managed in accordance with the Group's policy. The Group evaluates the concentration of credit risk in respect to bank deposit as low.

Liquidity risk

The liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligation due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of maturities of financial assets and liabilities.

The Group monitors its liquidity risk by maintaining a level of cash, cash equivalents and bank loans deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Collateral

The Group has pledged its fixed assets, inventories in order to fulfil the collateral requirements for loans obtained from commercial banks.

The Group did not hold any collateral at 31 December 2018 and 30 September 2019.

21. FACTORS IMPACT ON BUSINESS PERFORMANCE IN Q3.2019

Profit before tax in Q3.2019 was VND 268 billion, fulfilled 18% of 2019 budget, increased by 21% compared to the same period of 2018.

Net revenue reached VND 3,934 billion, up 25% compared to the same period of 2018 which was driven by:

- ERP system have gradually come into stable operation after 6 months of implementation.
- Jewellery demand has seen a recovery since August

Total operating cost was VND 454.4 billion, up 26% compared to the same period due to the development strategy of the retail jewelry and watch system.

Total interest paid was VND 28.9 billion, increased by VND 13.6 billion, equivalent to 89% compared to the same period due to the increase in working capital to support manufacturing.

PNJ's consolidated business performance in the first 9 months 2019:

Net revenue: VND 11,679 billion, up 11% compared to the previous year, fulfilled 64% of the year plan.


Profit before tax: VND 1,021.3 billion, up 17% compared to the previous year, fulfilled 69% of the year plan.



Nguyen Thanh Dat
Preparer
17 October 2019



Duong Quang Hai
Chief Accountant

Le Tri Thong
General Director