

Separate Interim Financial Statements

For the three month period ended 30 September 2020

PHU NHUAN JEWELRY JOINT STOCK COMPANY
(Incorporated in the Socialist Republic of Vietnam)

SEPARATE INTERIM FINANCIAL STATEMENTS
For the three month period ended 30 September 2020



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1. GENERAL INFORMATION

The 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 the 30th amended on 31 December 2019.

The Company has been listed on the Ho Chi Minh City Stock Exchange ("HOSE") with PNJ code from 23 March 2009 pursuant to Decision No.129/DKNY issued by the General Director of HOSE on 26 December 2008.

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

THE BOARDS OF MANAGEMENT, SUPERVISORS AND DIRECTORS

The members of the Boards of Management and Directors and Supervisors of the Company who held office during the period and to the date of this report are as follows:

Board of Management

Ms. Cao Thi Ngoc Dung	Chairwoman
Mr. Le Tri Thong	Vice Chairman
Mr. Le Huu Hanh	Member
Mr. Le Quang Phuc	Member
Mr. Nguyen Tuan Hai	Member
Ms. Dang Thi Lai	Member
Ms. Huynh Thi Xuan Lien	Member
Ms. Tieu Yen Trinh	Member
Ms. Tran Phuong Ngoc Thao	Member

Board of Supervisors

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

Board of Executives

Mr. Le Tri Thong	General Director
Ms. Dang Thi Lai	Chief Operating Officer cum Director of Finance-Operation
Ms. Tran Thi Thu Ha	Director of Retail Division (Resigned on 10 August 2020)
Mr. Nguyen Hoang Chau	Director of Supply Chain Division (Resigned on 10 August 2020)
Mr. Phan Nguyen Hoai Anh	Acting Director of Marketing Division
Mr. Dao Trung Kien	Chief Strategy Officer
Mr. Nguyen Ngoc Tran	Chief Information Officer (Resigned since 20 August 2020)
Mr. Dang Hai Anh	Chief Information Officer (Appointed since 20 August 2020)
Mr. Nguyen Anh Hung	Director of Human Resources
Mr. Duong Quang Hai	Chief Accountant

* Since 10 August 2020, the Board of Director assigned Mr. Le Tri Thong to manage and operate:
- Customer and Retail Division
- Supply Chain Division

LEGAL REPRESENTATIVE

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

BALANCE SHEET
As at 30 September 2020

Unit: VND

	ASSETS	Code	Notes	30/09/2020	31/12/2019
A	CURRENT ASSETS	100		6,225,542,692,852	6,682,090,576,699
I	Cash and cash equivalents	110		163,998,301,423	82,586,849,294
1	Cash	111		163,998,301,423	82,586,849,294
III	Current accounts receivable	130		451,241,300,872	932,945,866,003
1	Trade receivables	131		30,820,585,785	96,534,570,471
2	Advances to suppliers	132		345,898,016,127	731,834,000,148
5	Short term lending	135		50,000,000,000	100,000,000,000
6	Other receivables	136		24,111,957,605	4,093,499,097
8	Shortage of assets pending resolution	139		410,741,355	483,796,287
IV	Inventories	140		5,540,466,667,022	5,600,042,475,851
1	Inventories	141		5,540,466,667,022	5,600,042,475,851
V	Other current assets	150		69,836,423,535	66,515,385,551
1	Short-term prepaid expenses	151		62,645,473,307	66,450,661,055
2	Value-added tax deductible	152		7,190,950,228	-
3	Tax and other receivables from the State	153		-	64,724,496
B	NON-CURRENT ASSETS	200		1,358,293,598,697	1,278,105,627,829
I	Non-current account receivables	210		71,880,611,026	67,305,344,776
6	Other non-current receivables	216		71,880,611,026	67,305,344,776
II	Fixed assets	220		814,262,281,214	829,804,515,778
1	Tangible fixed assets	221		177,036,169,703	182,749,211,876
	- Cost	222		319,316,731,263	303,405,749,655
	- Accumulated depreciation (*)	223		(142,280,561,560)	(120,656,537,779)
3	Intangible fixed assets	227		637,226,111,511	647,055,303,902
	- Cost	228		666,299,045,857	666,299,045,857
	- Accumulated amortization (*)	229		(29,072,934,346)	(19,243,741,955)
IV	Non-current assets in progress	240		28,235,117,250	28,192,987,250
2	Construction in progress	242		28,235,117,250	28,192,987,250
V	Long-term investments	250		210,000,000,000	140,000,000,000
1	Investments in subsidiaries	251		240,000,000,000	170,000,000,000
3	Other long-term investments	253		395,271,613,400	395,271,613,400
4	Provision for long-term investments	254		(425,271,613,400)	(425,271,613,400)
VI	Other long-term assets	260		233,915,589,207	212,802,780,025
1	Long-term prepaid expenses	261		146,784,124,548	125,671,315,366
2	Deferred tax assets	262		87,131,464,659	87,131,464,659
	TOTAL ASSETS (270=100+200)	270		7,583,836,291,549	7,960,196,204,528

BALANCE SHEET (Continued)

As at 30 September 2020

Unit: VND

RESOURCES	Code	Notes	30/09/2020	31/12/2019
C LIABILITIES	300		2,715,385,746,190	3,440,009,205,304
I Current liabilities	310		2,707,728,582,190	3,432,402,203,304
1 Trade payables	311	(13)	130,351,665,082	619,571,810,553
2 Advances from customers	312		76,194,581,802	58,403,718,325
3 Statutory obligations	313	(7)	188,847,415,829	165,567,273,128
4 Payables to employees	314		146,059,272,667	175,648,804,619
5 Accrued expenses	315	(8)	21,345,830,200	40,171,657,351
9 Other payables	319	(14)	68,825,644,499	48,233,642,368
10 Short-term loans	320	(12)	1,942,704,524,286	2,234,770,938,231
12 Bonus and welfare fund	322		133,399,647,845	90,034,358,729
II Non-current liabilities	330		7,657,164,000	7,607,002,000
7 Other long-term liabilities	337	(13)	526,168,000	476,006,000
8 Long-term loans	338	(11)	3,700,000,000	3,700,000,000
12 Long-term provisions	342		3,430,996,000	3,430,996,000
D EQUITY	400		4,868,450,545,359	4,520,186,999,224
I Owner's equity	410	(15)	4,868,450,545,359	4,520,186,999,224
1 Owner's contributed capital	411		2,252,935,850,000	2,252,935,850,000
2 Share premium	412		968,074,112,458	968,074,112,458
5 Treasury shares (*)	415		(3,384,090,000)	(2,101,090,000)
8 Investment and development fund	418		372,779,556,918	313,083,556,918
11 Retained earnings	421		1,278,045,115,983	988,194,569,848
- Retained profits brought forward	421a		613,766,393,848	8,315,394,986
- Retained profits for the current period	421b		664,278,722,135	979,879,174,862
TOTAL RESOURCES (440=300+400)	440		7,583,836,291,549	7,960,196,204,528



Nguyen Thanh Dat
Preparer
20 October 2020



Duong Quang Hai
Chief Accountant



Le Tri Thong
General Director

INCOME STATEMENT

For the three-month period ended 30 September 2020

Unit: VND

NO	ITEMS	Code	Notes	Q3/2020	Q3/2019	YTD 2020	YTD 2019
1	Gross revenue from sale of goods and services rendered	01	15	4,014,090,956,008	3,194,371,440,410	11,600,251,925,960	9,824,978,283,436
2	Deductions	02		39,173,972,856	29,287,075,884	108,565,064,573	86,725,861,452
3	Net revenue from sale of goods and services rendered	10		3,974,916,983,152	3,165,084,364,526	11,491,686,861,387	9,738,252,421,984
4	Cost of goods sold and services rendered	11	16	3,265,319,050,131	2,473,255,443,083	9,341,113,404,857	7,466,101,676,819
5	Gross profit from sale of goods and services rendered	20		709,597,933,021	691,828,921,443	2,150,573,456,530	2,272,150,745,165
6	Finance income	21		567,651,289	2,539,090,225	1,102,391,939	3,577,076,359
7	Finance expenses	22	17	36,812,310,748	30,974,261,945	108,246,527,447	96,667,892,970
	- In which: Interest expense	23		35,623,723,125	29,947,054,909	106,036,322,167	74,701,062,567
8	Selling expenses	25	18	299,404,341,614	303,705,105,909	913,906,358,192	895,302,427,698
9	General and administrative expenses	26	18	101,359,918,212	95,816,697,477	294,166,929,478	294,180,990,369
10	Operating profit	30		272,579,013,736	263,871,946,337	835,356,033,352	988,576,510,487
11	Other income	31		1,673,072,888	316,793,814	2,569,735,855	3,175,414,058
12	Other expenses	32		5,967,621,966	158,427,252	6,927,684,952	3,428,435,703
13	Other profit	40		(4,294,549,078)	158,366,562	(4,357,949,097)	(253,021,645)
14	Accounting profit before tax	50		268,284,464,658	264,030,312,899	830,998,084,255	988,323,488,842
15	Current corporate income tax expense	51	19	53,865,137,435	53,172,701,388	166,719,362,120	199,048,586,884
17	Net profit after corporate income tax	60		214,419,327,223	210,857,611,511	664,278,722,135	789,274,901,958



Nguyen Thanh Dat
Preparer

20 October 2020



Duong Quang Hai
Chief Accountant




Le Tri Thong
General Director


CASH FLOW STATEMENT

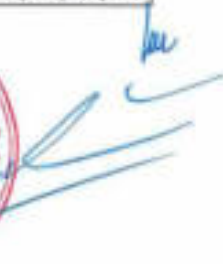
For the three- month period ended 30 September 2020

Unit: VND

NO.	ITEMS	CODE	CURRENT YEAR	PREVIOUS YEAR
I	CASH FLOWS FROM OPERATING ACTIVITIES			
1	Profit before tax	01	830,998,084,255	988,323,488,842
2	Adjustment for			
	- Depreciation and amortization	02	31,590,576,007	19,678,013,902
	- Provisions (reversal of provisions)	03	-	20,000,000,000
	- (Gain)/loss from investing activities	05	(1,102,391,939)	(2,652,281,016)
	- Interest expense	06	106,038,322,167	74,701,062,567
3	Operating profit before changes in working capital	08	967,522,590,490	1,100,050,284,295
	- (Increase)/Decrease in receivables	09	420,003,073,149	(868,076,523,467)
	- Increase in inventories	10	59,575,808,829	3,783,491,977
	- Increase in payables	11	(547,286,036,562)	52,206,204,832
	- Increase in prepaid expenses	12	(17,307,621,434)	(10,102,068,275)
	- Interest paid	14	(106,613,743,686)	(74,628,954,391)
	- Corporate income tax paid	15	(140,976,949,208)	(202,518,684,959)
	- Other cash outflows from operating activities	17	(10,173,828,799)	(1,162,878,905)
	Net cash flows (used in) from operating activities	20	624,763,192,779	(449,128,893)
II	CASH FLOWS FROM INVESTING ACTIVITIES			
1	Acquisition and construction of fixed assets	21	(16,080,633,696)	(151,531,725,336)
2	Proceeds from sale, disposals of fixed assets	22	91,820,264	1,035,913,312
3	Payments for granting loans	23	-	(78,000,000,000)
4	Receipt from collection loans from other entities	24	50,000,000,000	3,700,000,000
5	Payment for investment in other entities	25	(70,000,000,000)	(10,000,000,000)
7	Interest earned and dividends received	27	1,102,391,939	2,652,281,016
	Net cash flows from (used in) investing activities	30	(34,886,421,495)	(232,143,531,008)
III	CASH FLOWS FROM FINANCING ACTIVITIES			
2	Repayment of owners	32	(1,283,000,000)	-
3	Drawdown of borrowings	33	4,468,561,424,473	3,684,046,762,784
4	Repayment of borrowings	34	(4,780,627,838,418)	(3,184,465,285,212)
6	Dividends paid	36	(215,115,905,210)	(342,580,612,770)
	Net cash flows used in financing activities	40	(508,465,319,155)	157,000,864,802
	Net decrease in cash and cash equivalents	50	81,411,452,129	(75,591,795,099)
	Cash and cash equivalents at beginning of period	60	82,586,849,294	150,227,254,450
	Cash and cash equivalents at end of period	70	163,998,301,423	74,635,459,351


 Nguyen Thanh Dat
 Preparer
 20 October 2020


 Duong Quang Hai
 Chief Accountant


 Le Tri Thong
 General Director



I. CORPORATE INFORMATION

Operating industry and principal activities

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

Normal production and business cycle

The Company's normal production and business cycle is carried out for a time period of 12 months or less.

The Company's structure

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

The number of employees as at 30 September 2020 was 4,557 (as at 31 December 2019: 4,784).

As at 30 September 2020, the Company's subsidiaries were:

- CAO Fashion Company Limited (CAF) – Subsidiary
- PNJ Laboratory Company Limited (PNJL) – Subsidiary
- Customer Era Company Limited (CECL)– Subsidiary
- PNJ Jewelry Production and Trading Company Limited (PNJP)– Subsidiary

As at 30 September 2020, the Company has also fifty-six (56) branches and three hundred twenty eight (328) retail shops located in various provinces and cities in Vietnam, in which, the big branches were:

- Branch of Phu Nhuan Jewelry Joint Stock Company- Ha Noi Branch
- Branch of Phu Nhuan Jewelry Joint Stock Company- Da Nang Branch
- Branch of Phu Nhuan Jewelry Joint Stock Company- Can Tho Branch
- Branch of Phu Nhuan Jewelry Joint Stock Company- Tay Nguyen Branch
- Branch of Phu Nhuan Jewelry Joint Stock Company- Bien Hoa Branch

II. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

The accompanying separate financial statements, expressed in Vietnam Dong (VND), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

The accompanying separate financial statements are presented to reflect the balance sheet as at 30 September 2020, the income statement and separate cash flow statements for the period then ended. Therefore, the Company does not consolidate the investments in subsidiaries in the separate financial statements. The Company's investments are recognized under the accounting policies presented on Note 5 below.

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

Financial year

The Company's financial year begins on 01 January and ends on 31 December.

III. ADOPTION OF NEW ACCOUNTING GUIDANCE

On 21 March 2016, the Ministry of Finance issued Circular No. 53/2016/TT-BTC ("Circular 53") amending and supplementing certain articles of Circular No.200/2014/TT-BTC dated 22 December

2014 of the Ministry of Finance guiding the accounting regime for enterprises. Circular 53 is effective for the financial years beginning on or after 01 January 2016. The Board of Directors has adopted Circular 53 in the preparation and presentation of the Company's financial statements for the period ended 30 September 2020.

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Estimates

The preparation of separate financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the separate financial statements and the reported amounts of revenues and expenses during the financial year. Although these accounting estimates are based on the management's best knowledge, actual results may differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial investments

Held-to-maturity investments

Held-to-maturity investments comprise investments that the Company has the positive intent or ability to hold to maturity, including term deposits.

Held-to-maturity investments are recognised at acquisition date and initially stated at cost and any directly attributable costs. Interests in held-to-maturity investments after acquisition is recognised in the income statement based on accrual basis. Other interests received before acquisition date are deducted from the cost of the investments.

Held-to-maturity investments are carried at cost less provision for impairment.

Provisions for impairment of held-to-maturity investments are made in accordance with prevailing accounting regulations

Investments in subsidiaries, joint ventures, associates

Investment in subsidiaries

A subsidiary is an entity over which the Company has control. Control is achieved where the Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

Investments in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

Interests in subsidiaries, joint ventures and associates are initially recognised at cost. The Company's share of the net profit of the investee after acquisition is recognised in the income statement. Other distributions received other than such profit share are deducted from the cost of the investments as recoverable amounts.

Investments in subsidiaries, joint ventures and associates are carried in the balance sheet at cost less provision for impairment of such investments (if any).

Equity investments in other entities

Equity investments in other entities represent the Company's investments in ordinary shares of the entities over which the Company has no control, joint control, or significant influence.

Equity investments in other entities are carried at cost less provision for impairment.

Provisions for impairment of investments

Provisions for impairment of investments in subsidiaries, joint ventures and associates are made in accordance with Circular No. 228/2009/TT-BTC dated 7 December 2009 issued by the Ministry of Finance on "Guiding the appropriation and use of provisions for devaluation of inventories, loss of financial investments, bad debts and warranty for products, goods and construction works at enterprises", Circular No. 89/2013/TT-BTC dated 28 June 2013 by the Ministry of Finance amending and supplementing Circular No. 228/2009/TT-BTC and prevailing accounting regulations.

Receivables

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

Provision for doubtful debts is made for receivables that are overdue for six months or more, or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to repay the debt.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working condition and location for their intended use.

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

	Current year <u>(Years)</u>
Buildings and structures	03 - 25
Machinery and equipment	03 - 15
Motor vehicles	04 - 10
Office equipment	03 - 08

Gain or loss resulting from sales and disposals of tangible fixed assets is the difference between profit from sales or disposals of assets and their residual values and is recognised in the income statement.

Leasing

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Rentals payable under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease.

Intangible assets and amortization

Intangible assets represent computer software that is stated at cost less accumulated amortisation and is amortized on the straight-line basis in 3 years.

Land use rights are recorded as an intangible asset on the balance sheet when the Company received the certificate of land use rights. Historical cost of land use rights includes all costs directly related to transfer of assets into ready for use status and are not amortized because land use rights have long usage time.

Construction in progress

Properties in the course of construction for selling, are carried at cost. Cost includes land use rights and construction cost for trade centers and stores in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

Prepayments

Prepayments are expenses which have reported as short-term or long-term prepayments in the balance sheet and are amortized over the period for which the amount 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 prepayments:

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

Borrowing costs

Interest expense includes interest and other costs incurred related to the loans of the Company and is recorded to the expenses incurred during the year.

Revenue recognition

Revenue from the sale of goods is recognised when all five (5) following conditions are satisfied:

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

Revenue of a transaction involving the rendering of services is recognised when the outcome of such transactions can be measured reliably. Where a transaction involving the rendering of services is attributable to several periods, revenue is recognised in each period by reference to the percentage of completion of the transaction at the balance sheet date of that period. The outcome of a transaction can be measured reliably when all four (4) following conditions are satisfied:

- (a) the amount of revenue can be measured reliably;
- (b) it is probable that the economic benefits associated with the transaction will flow to the Company;
- (c) the percentage of completion of the transaction at the balance sheet date can be measured reliably; and
- (d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate.

Dividend income from investments is recognised when the Company's right to receive payment has been established.

Severance allowance payable

The severance allowance for employees is accrued at the end of each reporting period for all employees having worked at the Company for full 12 months and above. Working time serving as the basis for calculating severance allowance shall be the total actual working time subtracting the time when the employees have made unemployment insurance contributions as prescribed by law, and the working time when severance allowance has been paid to the employees. The allowance made for each year of service equals to a half of an average monthly salary under the Vietnamese Labour Code, Social Insurance Code and relevant guiding documents. The average monthly salary used for calculation of severance allowance shall be adjusted to be the average of the 6 consecutive months nearest to the date of the financial statements at the end of each reporting period. The increase or decrease in the accrued amount shall be recorded in the income statement.

Foreign currencies

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the balance sheet date are retranslated at the exchange rates on the same date. Exchange differences arising from the translation of these accounts are recognised in the income statement.

Payable provisions

Payable provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the Board of Directors' best estimate of the expenditure required to settle the obligation as at the balance sheet date.

Taxation

Other taxes are paid in accordance with the prevailing 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. The tax rates and tax laws used to compute the amount are those 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.

V. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. CASH AND CASH EQUIVALENTS

		VND
	30/09/2020	31/12/2019
Cash on hand	105,828,000,603	51,564,859,289
Cash at banks	49,139,385,199	16,380,464,624
Cash in transit	9,030,915,621	14,641,525,381
TOTAL	163,998,301,423	82,586,849,294

2. FINANCIAL INVESTMENTS

	VND	
	30/09/2020	31/12/2019
b. Non - current		
The Company's subsidiaries	210,000,000,000	140,000,000,000
_CAO Fashion Company Limited	100,000,000,000	30,000,000,000
_PNJ Laboratory Company Limited	10,000,000,000	10,000,000,000
_Customer Era Company Limited (*)	30,000,000,000	30,000,000,000
_Provision for investment CECL	(30,000,000,000)	(30,000,000,000)
_PNJ Jewelry Production And Trading Co.,Ltd	100,000,000,000	100,000,000,000
Other long term investments	-	-
_Dong A Joint Stock (EAB)	395,271,613,400	395,271,613,400
_Provision for long-term investments (EAB) (**)	(395,271,613,400)	(395,271,613,400)
Total	210,000,000,000	140,000,000,000

CAO Fashion Company Limited ("CAF"), a one-member limited liability company, was established under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 0309279212 issued by the Department of Planning and Investment of Ho Chi Minh City on 14 August 2009. CAF's registered head office is located at 170E Phan Dang Luu Street, Phu Nhuan District, Ho Chi Minh City, Vietnam. CAF's principal activities are to produce and trade fashion products, silver and gold jewelry, and arts and crafts products, and to import and export art and craft products.

PNJ Laboratory Company Limited ("PNJL"), a one-member limited liability company, was established under the Law on Enterprise of Vietnam pursuant to 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 registered head office is located at 168A Phan Dang Luu Street, Phu Nhuan District, Ho Chi Minh City, Vietnam. PNJL's principal activities are to provide jewelry inspection and consultancy services of diamond, gemstone, semi gemstone, etc.,

PNJ Jewelry Production And Trading Company Limited ("PNJP"), a one-member limited liability company, was established under the Law on Enterprise of Vietnam pursuant to 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 registered head office is located at 23 Street 14, Ward 5, Go Vap District, Ho Chi Minh City, Vietnam.

Customer Era Company Limited (CECL), a one-member limited liability company, was established under the Law on Enterprise of Vietnam pursuant to 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 registered head office is located at 170E Phan Dang Luu Street, Phu Nhuan District, Ho Chi Minh City, Vietnam.

(**) As at 30 September 2020, Dong A Joint Stock Commercial Bank was still under special control by State Bank of Vietnam and shares are not transferable.

Significant transactions with related parties during the period were as follows:

	<i>Purchase of goods in Current period</i>	<i>Sale of goods in Current period</i>
1. CAO Fashion Company Limited		
_ Sale of goods		773,239,000
_ Purchase of goods	22,147,826,338	
2. PNJ Laboratory Company Limited		
_ Services rendered	1,282,159,561	
_ Interest payable	640,092,203	
3. PNJ Jewelry Production And Trading Company Limited		
_ Sale of goods		694,852,571,523
_ Rent services		1,281,818,181
_ Purchase of goods	841,822,095,595	
4. CECL		
_ Purchase of goods	58,944,985,255	
_ Rent services		100,000,000

The outstanding balances due from and due to related parties as at 30 September 2020 as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Nature of transaction</i>	<i>Receivable (Payable)</i>
1. RECEIVABLES			340,026,471,459
Receivables			287,722,752,496
<i>PNJ Jewelry Production And Trading Co., Ltd</i>	<i>Subsidiary</i>	<i>Advance</i>	243,920,371,115
<i>Customer Era Company Limited</i>	<i>Subsidiary</i>	<i>Advance</i>	43,802,381,381
Others receivable			52,303,718,963
<i>Customer Era Company Limited</i>	<i>Subsidiary</i>	<i>Interest receivable</i>	2,303,718,963
<i>Customer Era Company Limited</i>	<i>Subsidiary</i>	<i>Lending</i>	50,000,000,000
2. PAYABLES			(37,112,225,265)
Trade payable			(13,604,696,498)
<i>PNJ Laboratory Company Limited</i>	<i>Subsidiary</i>	<i>Lab services</i>	(4,277,415,324)
<i>CAO Fashion Company Limited</i>	<i>Subsidiary</i>	<i>Payable</i>	(9,327,281,174)
Others payable			(23,507,528,767)
<i>PNJ Laboratory Company Limited</i>	<i>Subsidiary</i>	<i>Borrowing</i>	(23,000,000,000)
<i>PNJ Laboratory Company Limited</i>	<i>Subsidiary</i>	<i>Interest payable</i>	(507,528,767)

3. SHORT-TERM TRADE RECEIVABLES

	VND	
	30/09/2020	31/12/2019
Nguoi Ban Vang	900,900,000	-
CAO Fashion Company Limited		61,373,320,983
Customer Era Company Limited	-	3,639,325,046
AEON Tan Phu	2,407,396,558	3,365,675,996
AEON Binh Tan	2,907,494,836	3,024,215,639
AEON Binh Duong	3,029,212,778	3,965,324,714
AEON Long Bien	220,141,520	228,491,800
AEON Ha Noi	1,289,029,833	1,592,902,110
AEON Ha Dong	1,314,006,340	817,004,030
Sense Can Tho	724,013,260	1,507,484,910
Sense City Ben Tre	700,617,915	769,540,851
Sense City Ca Mau	879,650,970	690,186,622
Parkson Hung Vuong	1,798,896,773	1,596,853,465
Nowzone	631,563,271	1,351,641,724
Diamond Le Duan	203,942,420	587,433,754
Crescent Mall Q7	1,134,067,056	1,368,947,140
Center Nha Trang	98,174,137	658,184,212
Others	12,581,478,118	9,998,037,475
TOTAL	30,820,585,785	96,534,570,471

According to contact with Center mall partner, Center mall has to collect on behalf and repay to PNJ periodically.

4. OTHER RECEIVABLES

	VND	
	30/09/2020	31/12/2019
a. Current		
_Advances to employees	11,640,354,290	1,014,075,124
_Due from CECL	2,303,718,963	2,303,718,963
_Others	10,167,884,352	775,705,010
Total	24,111,957,605	4,093,499,097
b. Non- Current		
Long term deposit for renting stores	71,880,611,026	67,305,344,776
Total	71,880,611,026	67,305,344,776

5. INVENTORIES

	VND	
	30/09/2020	31/12/2019
Raw materials	244,562,018,925	67,475,247,675
Tools and supplies	23,549,112,026	27,472,070,110
Work in process	529,490,685	351,747,040
Finished goods	3,662,475,785,525	3,924,719,952,996
Merchandise goods	1,609,350,259,861	1,580,023,458,030
TOTAL	5,540,466,667,022	5,600,042,475,851

As at 30 September 2020, inventories of VND 1,676,916,000,000 were used as collaterals for short-term loans obtained from commercial banks (Note 11).

6. PREPAYMENTS

	VND	
	30/09/2020	31/12/2019
Current		
Tools and supplies	9,057,231,955	15,336,888,746
Stores rental	29,415,907,853	27,631,460,897
Uniform expenses	6,522,461,622	7,374,039,483
Office and store renovation expenses	3,498,693,323	4,317,791,562
Others	14,151,178,554	11,790,480,367
TOTAL	62,645,473,307	66,450,661,055
Non current		
Tools and supplies	65,738,210,869	64,216,833,032
Stores rental	14,724,671,554	9,616,517,091
Office and store renovation expenses	61,864,687,433	47,858,740,524
Others	4,456,554,692	3,979,224,719
TOTAL	146,784,124,548	125,671,315,366

7. TAXES AND OTHER RECEIVABLES/ PAYABLES TO THE STATE BUDGET

Q3/ 2020

	VND			
	Opening balance	Receivable/Payable during the year	Received/Paid during the year	Closing balance
a. Receivables				
Value added tax from import	-	10,651,367,189	10,651,367,189	-
Value added tax	441,775,965	8,093,794,672	1,344,820,609	7,190,950,228
Import- Export tax	-	656,699,586	656,699,586	-
Others	-			-
Total	441,775,965	19,401,861,647	12,652,687,384	7,190,950,228
b. Payables				
Value added tax	34,444,246,683	79,962,815,745	72,482,007,756	41,924,854,672
Corporate income tax	101,423,256,913	53,865,137,435	14,900,361,676	140,388,034,672
Personal income tax	7,158,402,723	7,533,676,020	12,728,537,698	1,963,641,045
Others	4,568,630,533	67,438,194	85,383,287	4,570,685,440
Total	147,594,538,852	141,449,167,394	100,196,290,417	188,847,415,829

9 months/2020

	VND			
	Opening balance	Receivable/Payable during the year	Received/Paid during the year	Closing balance
a. Receivables				
Value added tax from import		58,785,758,126	58,785,758,126	-
Value added tax		8,559,010,745	1,368,060,517	7,190,950,228
Import- Export tax	-	4,800,114,886	4,800,114,886	-
Others	64,724,496	-	64,724,496	-
Total	64,724,496	72,144,883,757	65,018,658,025	7,190,950,228
b. Payables				
Value added tax	42,216,317,119	240,987,145,761	241,278,808,208	41,924,854,672
Corporate income tax	114,645,621,760	166,719,362,120	140,976,949,208	140,388,034,672
Personal income tax	4,135,703,716	45,775,171,526	47,947,034,197	1,963,841,045
Others	4,569,630,533	983,447,369	982,392,462	4,570,685,440
Total	165,567,273,128	454,465,126,776	431,184,984,075	188,847,415,829

8. ACCRUED EXPENSES

	VND	
	30/09/2020	31/12/2019
Interest expense	3,462,514,091	4,039,935,610
Advertisement expense	16,703,632,547	33,745,133,406
Others	1,179,683,562	2,386,588,335
Total	<u>21,345,830,200</u>	<u>40,171,657,351</u>

9. TANGIBLE FIXED ASSETS

VND

	Buildings and structures	Machinery and equipment	Motor vehicles	Office equipment	Total
I. COST					
31/12/2019	148,336,281,191	40,810,468,790	30,170,753,351	84,088,246,323	303,405,749,655
Additions	189,095,620	6,027,101,835	-	9,841,245,198	16,057,442,653
Disposal	-	52,159,045	-	94,302,000	146,461,045
30/09/2020	148,525,376,811	46,785,411,580	30,170,753,351	93,835,189,521	319,316,731,263
In which					
Fully depreciated	1,571,799,136	16,767,368,470	3,915,081,189	10,990,177,477	33,244,426,272
II. ACCUMULATED DEPRECIATION:					
31/12/2019	44,008,607,930	24,697,572,324	13,688,666,018	38,261,691,507	120,656,537,779
Additions	5,226,344,430	4,766,080,015	2,789,077,233	8,999,881,938	21,761,383,616
Disposal	-	43,057,835	-	94,302,000	137,359,835
30/09/2020	49,234,952,360	29,420,594,504	16,457,743,251	47,167,271,445	142,280,561,560
III. NET CARRYING AMOUNT					
31/12/2019	104,327,673,261	16,112,896,466	16,482,087,333	45,826,554,816	182,749,211,876
30/09/2020	99,290,424,451	17,364,817,076	13,713,010,100	46,667,918,076	177,036,169,703

Buildings and machineries pledged to obtain loans from commercial banks (Note 11).

10. INTANGIBLE FIXED ASSETS

VND

	INDEFINITE LAND USE RIGHTS	BRAND	COMPUTER SOFTWARE	TOTAL
I. COST				
31/12/2019	542,687,586,739	96,000,000	123,515,459,118	666,299,045,857
Additions	-	-	-	-
Disposal	-	-	-	-
30/09/2020	542,687,586,739	96,000,000	123,515,459,118	666,299,045,857
In which				
Fully amortization		96,000,000	6,982,250,583	7,078,250,583
II. ACCUMULATED AMORTIZATION:				
31/12/2019	-	96,000,000	19,147,741,955	19,243,741,955
Additions	-	-	9,829,192,391	9,829,192,391
30/09/2020	-	96,000,000	28,976,934,346	29,072,934,346
III. NET CARRYING AMOUNT				
31/12/2019	542,687,586,739	-	104,367,717,163	647,055,303,902
30/09/2020	542,687,586,739	-	94,538,524,772	637,226,111,511

11. CONSTRUCTION IN PROCESS

	30/09/2020	31/12/2019
Land use right in Binh Duong	26,179,897,250	26,137,767,250
Tower 577 Nguyen Kiem	2,055,220,000	2,055,220,000
TOTAL	28,235,117,250	28,192,987,250

12. SHORT-TERM LOANS

	VND	
	30/09/2020	31/12/2019
a. Short term		
Loans from commercial banks	1,789,724,944,704	2,078,952,847,801
Loans from individuals	149,279,579,582	152,118,090,430
Current portion of long term liabilities	3,700,000,000	3,700,000,000
Total	1,942,704,524,286	2,234,770,938,231
b. Long term		
Loans from commercial banks	3,700,000,000	3,700,000,000
Total	3,700,000,000	3,700,000,000

Details of loan in this period

BANK	31/12/2019	Drawdown	Repayment	30/09/2020
COMMERCIAL BANK	2,088,101,948,689	1,390,620,600,400	1,681,597,604,385	1,797,124,944,704
CTBC Bank Company Limited – HCM Branch	93,197,206,695	62,429,165,947	93,197,206,695	62,429,165,947
Vietnam Joint Stock Commercial Bank for Industry and Trade - Branch 1	467,065,833,334	140,004,190,740	170,620,348,907	436,449,675,167
Shinhan Bank Vietnam Limited – HCM Branch	78,600,000,000	31,500,000,000	35,100,000,000	75,000,000,000
Joint Stock Company Bank for Foreign trade of Vietnam	295,604,672,148	75,987,529,394	133,898,990,391	237,693,211,151
Bank for Investment and Development of Vietnam Jsc- Hoc Mon Branch	299,500,000,000	300,000,000,000	299,500,000,000	300,000,000,000
Military Commercial Joint Stock Bank	88,018,065,712	-	68,468,065,712	19,550,000,000
SeA Bank	250,000,000,000	224,900,000,000	250,000,000,000	224,900,000,000
Petrolimex Group Commercial Joint Stock Bank	233,500,000,000	403,471,300,247	428,500,000,000	208,471,300,247
HSBC	195,716,170,800	-	140,000,000,000	55,716,170,800
CHINA CONSTRUCTION BANK	79,500,000,000	-	-	79,500,000,000
China Construction Bank Corporation	-	62,312,992,680	62,312,992,680	-
International Bank	-	90,015,421,392	-	90,015,421,392
Vietnam bank for Agriculture and Rural Development - Branch 4	7,400,000,000	-	-	7,400,000,000
Other individuals	161,692,345,774	14,204,966,238	26,617,732,430	149,279,579,582
TOTAL	2,249,794,294,463	1,404,825,566,638	1,708,215,336,815	1,946,404,524,286

Details of loans with floating rates obtained from commercial banks to finance its working capital requirements are as follows:

VND

BANK	30/09/2020	MATURITY DATE	INTEREST RATE	COLLATERAL
Short term loans in VND	1,789,724,944,704			
CTBC Bank Company Limited – HCM Branch	62,429,165,947	From 20 January to 16 March 2021	5.7%	Inventories
Vietnam Joint Stock Commercial Bank for Industry and Trade - Branch 1	438,449,675,167	From 04 November to 22 March 2021	6.6%	Inventories
Shinhan Bank Vietnam Limited – HCM Branch	75,000,000,000	From 08 December to 13 January 2021	6.0%	Unsecured
Joint Stock Company Bank for Foreign trade of Vietnam	237,693,211,151	From 09 October to 01 March 2021	6.3%	House at 46 Ngo Quyen, 359 Phan Chu Trinh, 461 Phan Chu Trinh - Tam Ky
Bank for Investment and Development of Vietnam Jsc- Hoc Mon Branch	300,000,000,000	From 07 January to 13 March 2021	6.4%	Inventories
Military Commercial Joint Stock Bank	19,550,000,000	29-Oct-20	6.0%	Unsecured
SeA Bank	224,900,000,000	From 04 November to 30 December 2020	6.5%	Unsecured
Petrolimex Group Commercial Joint Stock Bank	208,471,300,247	From 12 November to 29 December 2020	7.0%	Unsecured
HSBC	55,716,170,800	10-Oct-20	5.0%	House at 123 Hung Vuong, Da Nang and inventories
China Construction Bank Corporation	79,500,000,000	From 08 December to 19 December 2020	5.5%	Unsecured
International Bank	90,015,421,392	From 05 January to 01 March 2021	6.3%	Unsecured
Other individuals	149,279,579,582			
Current portion of long term liabilities	3,700,000,000			
Total short term loans	1,942,704,524,286			

Details of long term loan in this period

BANK	30/09/2020	MATURITY DATE	INTEREST RATE	COLLATERAL
Long term loans	7,400,000,000			
Vietnam bank for Agriculture and Rural Development - Branch 4	7,400,000,000	22 January 2021	9.5%	No.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			
Long term loans	3,700,000,000			

13. SHORT-TERM TRADE PAYABLES

	30/09/2020	VND 31/12/2019
PNJL	4,277,415,324	2,105,605,324
CAF	9,327,281,174	-
FINEESE IMPEX LTD	27,265,107,024	264,376,245,789
Forte Jewellery (HK)	5,434,034,441	154,975,866,651
KS STONE CO.,LTD	3,618,206,989	-
Lotus Diamonds Limited	1,803,836,409	-
CHAMPION PEARL CO.,LTD	607,948,851	1,840,815,251
TIANJIN MINGHANG BEAUTY	1,272,501,737	-
Hung Kim Loan	1,027,183,500	5,443,890,500
Quang Vinh Nguyen Import - Export Ltd	912,591,777	12,140,499,777
Thanh Thuy Ltd Co.	638,880,500	6,096,921,500
Nhat Vy	2,337,651,000	-
Hoang Duc Minh	3,413,995,114	-
Kien Vang	2,734,948,992	-
Khong Gian Vang	1,298,956,389	70,861,943
Nguyen Thi Hoang Giang	1,200,500,000	-
_Dong A Joint Stock (EAB)	-	2,633,976,167
CMC Ltd Co,	-	4,073,596,286
WPP Media., Ltd	-	1,339,959,035
B.M.C	-	1,279,129,500
YUTO Binh Duong., Ltd Co.,	-	1,190,232,628
Huynh Thi My Hien	-	1,143,542,559
PMAX	-	924,886,448
Kobayashi Vina Ltd Co,	-	895,937,245
Vincom Shophouse Quang Ninh	832,771,856	832,771,856
Others	62,347,853,985	158,207,072,094
Total	130,351,665,062	619,571,810,553

14. OTHER PAYABLES

	30/09/2020	VND 31/12/2019
a. Current		
_PNJL	507,528,767	545,841,096
_ Bonus of Board of Management and	12,915,715,752	20,528,793,837
_ Dividends payable	10,101,192,962	6,004,841,375
_ Deduction under salary	12,468,478,770	2,370,835,425
_ Others	32,842,728,248	18,783,330,635
TOTAL	68,825,644,499	48,233,642,368
b. Non current		
_ Long term deposit	526,168,000	476,006,000
TOTAL	526,168,000	476,006,000

15. OWNERS' EQUITY

VND

	Share capital	Share premium	Treasury shares	Investment and development fund	Undistributed earnings	Total
Prior period's opening balance	1,670,029,820,000	925,397,862,458	(7,090,000)	265,067,556,918	863,398,447,966	3,723,906,597,362
Capital increase	582,906,030,000	42,676,250,000	-	-	(556,649,780,000)	68,932,500,000
Profit for the year	-	-	-	-	1,158,012,975,662	1,158,012,975,662
Dividends 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)
<i>Investment and development fund appropriation</i>	-	-	-	47,996,000,000	(47,996,000,000)	-
<i>Transfer to bonus and welfare funds</i>	-	-	-	-	(47,996,000,000)	(47,996,000,000)
<i>Board of Management fund</i>	-	-	-	-	(35,439,000,000)	(35,439,000,000)
Current period's opening balance	2,252,935,850,000	968,074,112,458	(2,101,090,000)	313,083,556,918	988,194,569,848	4,520,186,999,224
Profit for the year	-	-	-	-	664,278,722,135	664,278,722,135
Dividends declared	-	-	-	-	(225,188,176,000)	(225,188,176,000)
Treasury shares (***)	-	-	(1,283,000,000)	-	-	(1,283,000,000)
Profit appropriation	-	-	-	59,696,000,000	(149,240,000,000)	(89,544,000,000)
<i>Investment and development fund appropriation</i>	-	-	-	59,696,000,000	(59,696,000,000)	(59,696,000,000)
<i>Transfer to bonus and welfare funds</i>	-	-	-	-	(29,848,000,000)	(29,848,000,000)
<i>Board of Management fund</i>	-	-	-	-	-	-
Current period's closing balance	2,252,935,850,000	968,074,112,458	(3,384,090,000)	372,779,556,918	1,278,045,115,983	4,868,450,545,359

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

(**) On 16 April 2020, PNUJ paid 2nd cash dividend for 2019 (10%/share)

16. REVENUE FROM GOOD SOLD AND SERVICES RENDERED

	Q3.2020	VND Q3.2019
Gross revenue, of which	4,014,090,956,008	3,194,371,440,410
_Sale of gold, silver and jewelry	4,000,530,642,397	3,191,043,232,197
_Others	8,720,773,555	-
_Rendering services	4,839,540,056	3,328,208,213
_Goods returned	(39,173,972,856)	(29,287,075,884)
Net revenue, of which	3,974,916,983,152	3,165,084,364,526
_Sale of gold, silver and jewelry	3,961,364,270,996	3,161,756,156,313
_Others	8,713,172,100	-
_Rendering services	4,839,540,056	3,328,208,213

17. FINANCIAL INCOME

	Q3.2020	VND Q3.2019
Interest income (*)	20,539,279	2,337,520,526
Foreign exchange gain	537,112,010	201,569,699
TOTAL	557,651,289	2,539,090,225

18. COST OF GOODS SOLD AND SERVICES RENDERED

	Q3.2020	VND Q3.2019
Cost of gold, silver and jewelry	3,258,293,537,153	2,473,255,443,083
Others	7,025,512,978	-
TOTAL	3,265,319,050,131	2,473,255,443,083

19. FINANCIAL EXPENSES

	Q3.2020	VND Q3.2019
Interest expense	35,623,723,125	29,947,054,909
Others	1,188,587,623	1,027,207,036
Total	36,812,310,748	30,974,261,945

20. PRODUCTION COST BY NATURE

	Q3.2020	VND Q3.2019
Labor costs	209,785,870,425	202,210,215,338
Raw materials	5,753,860,843	8,472,267,501
Tools and supplies	18,435,508,696	19,397,040,702
Depreciation and amortization	10,679,865,474	8,788,854,198
Expenses for external services	87,424,442,860	70,407,504,546
Other expenses	68,684,711,528	90,245,921,101
TOTAL	400,764,259,826	399,521,803,386

21. CORPORATE INCOME TAX

The Company 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 separate interim financial statements could change at a later date upon final determination by the tax authorities.

Current CIT

The current tax payable is based on taxable profit for the period. The taxable profit of the Company for the period differs from the profit as reported in the separate interim income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are not taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted at balance sheet date.

A reconciliation between the profit before tax and taxable profit is presented below:

	Q3.2020	VND Q3.2019
Profit before tax	268,284,464,658	264,030,312,899
<i>Adjustments:</i>		
<i>_Non - deductible expenses</i>	1,041,222,515	1,833,194,040
Estimated current taxable profit	269,325,687,173	265,863,506,939
Corporate income tax rate	20%	20%
Estimated current CIT	53,865,137,435	53,172,701,388

22. OFF BALANCE SHEET ITEM

- a. Leasing: The Company leases outlets under operating lease arrangements. Future rental amounts due under such operating leases after 30 September 2020 were as follows:

	30/09/2020	VND 30/09/2019
Within 1 year	192,674,489,411	194,008,269,686
From 1 to 5 years	639,034,625,855	546,000,134,689
Over 5 years	371,040,607,976	344,782,053,529
TOTAL	1,202,749,723,242	1,084,790,457,904

- b. Foreign currencies

	30/09/2020	VND 31/12/2019
USD	58,169	59,095
GBP	1,625	1,625
AUD	430	443
EUR	478	1,716
Gold taels (mace)	10,470	7,580

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise loans, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company has trade and other receivables, cash, cash equivalents, short-term deposits that arise directly from its operations. The Company does not hold or issue any derivative financial instruments.

The Company is exposed to market risk, credit risk and liquidity risk.

Management 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 and available-for-sale investments.

The sensitivity analyses in the following sections relate to the position as at 30 September 2020 and 30 September 2019.

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 Company's exposure to market risk for changes in interest rate relates primarily to the Company's loans with floating interest rates.

The Company 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 Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities.

The Company does not employ any derivative financial instruments to hedge its foreign currency exposure.

Equity price risk

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

At 30 September 2020, PNJ recorded 100% provision for Dong A Bank's investment with amount of VND 395,271,613,400.

Commodity price risk

The Company exposes to commodity price risk in relation to purchase of certain commodities. The Company 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 Company 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 Company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks.

Trade receivables

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

Outstanding customer receivables are regularly monitored. The requirement for impairment is analyzed at each reporting date on an individual basis for major clients. In view of the aforementioned and the fact that the Company's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

Bank deposits

The Company's bank balances are mainly maintained with well-known banks in Vietnam. Credit risk from balances with banks is managed in accordance with the Company's policy. The Company's maximum exposure to credit risk for the components of the separate balance sheet at each reporting dates are the carrying amounts as illustrated in Note 1. The Company evaluates the concentration of credit risk in respect to bank deposit as low.

Liquidity risk

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

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

Collateral

The Company has pledged its fixed assets, inventories in order to fulfil the collateral requirements for loans obtained from commercial banks (Notes 10).

The Company did not hold any collateral at 30 September 2020 and 31 December 2019.

24. FACTORS EFFECT TO FINANCIAL INCOME IN THE PERIOD

Net revenue achieved VND 3,975 billion up 25.6% to the same period. PNJ has considerably accelerated and recovered after the pandemic has been controlled, in which:

- Retail sale in Q3.2020 went up by 10.7% to the same period.
- 24K gold sales increased by 19.1% to the same period

Profit before tax reached VND 268 bn, increased 1.6% yoy.

- Gross profit achieved 709.6 bn, went down by 2.6% yoy
- Operating expenses were same to previous period. The cost optimization efficiency has used effectively.
- Interest expense of VND 36.8 billion up to 18.8% to the same period due to working capital demand.

In the first 9 months, Net revenue's PNJ achieved 11,492 billion and profit before tax's PNJ achieved 831 billion, respectively fulfilled 85% of 2020 budget's revenue and 83% of 2020 budget's profit before tax.



Nguyen Thanh Dat
Preparer
20 October 2020



Duong Quang Hai
Chief Accountant



Le Tri Thong
General Director

