

PHU NHUAN JEWELRY JOINT STOCK COMPANY

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



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PHU NHUAN JEWELRY JOINT STOCK COMPANY

CORPORATE INFORMATION

Enterprise Registration Certificate

No. 0300521758 dated 2 January 2004 was initially issued by the Department of Planning and Investment of Ho Chi Minh City and the latest (the 31st) amendment dated 11 January 2021.

Board of Directors

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

Audit Committee

Mr Le Quang Phuc	Head
Mr Nguyen Tuan Hai	Member

Board of Supervision

Mr Nguyen Thanh Du	Head
Mrs Nguyen Ngoc Hue	Member
Mr Le Anh Duc	Member

(From 17 April 2021, the General Meeting of Shareholders terminated the Board of Supervision and dismissed all members of the Board of Supervision. Also, the Company established an Audit Committee under the Board of Directors)

Board of Management

Mr Le Tri Thong	General Director (From 10 August 2020 the Board of Directors assigned Mr. Le Tri Thong to manage and operate the Customer & Retail and Supply sectors)
Mrs Dang Thi Lai	Chief Finance and Operation Officer
Mr Phan Nguyen Hoai Anh	Alternate Marketing Director
Mr Dao Trung Kien	Chief Strategy Officer
Mr Dang Hai Anh	Information Technology Division Director
Mr Nguyen Anh Hung	Human Resource Director
Mr Duong Quang Hai	Chief Accountant

Legal representative

Mr Le Tri Thong	General Director
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Registered office

170E Phan Dang Luu Street, Ward 3, Phu Nhuan District, Ho Chi Minh City, Vietnam

Auditor

PwC (Vietnam) Limited

PHU NHUAN JEWELRY JOINT STOCK COMPANY

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

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

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

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

APPROVAL OF THE INTERIM SEPARATE FINANCIAL STATEMENTS

We hereby approve the accompanying interim separate financial statements as set out on pages 5 to 43 which give a true and fair view of the interim separate financial position of the Company as at 30 June 2021, and of the interim separate results of its operations and its interim separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and applicable regulations on preparation and presentation of interim separate financial statements.

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

On behalf of the Board of Management



Le Tri Thong
General Director

Ho Chi Minh City, SR Vietnam
13 August 2021



REPORT ON REVIEW OF INTERIM SEPARATE FINANCIAL INFORMATION TO THE SHAREHOLDERS OF PHU NHUAN JEWELRY JOINT STOCK COMPANY

We have reviewed the accompanying interim separate financial statements of Phu Nhuan Jewelry Joint Stock Company ("the Company") which were prepared on 30 June 2021 and approved by the Board of Management on 13 August 2021. The interim separate financial statements comprise the interim separate balance sheet as at 30 June 2021, the interim separate income statement and the interim separate cash flow statement for the six-month period then ended and explanatory notes to the interim separate financial statements including significant accounting policies, as set out on pages 5 to 43.

Responsibility of the Board of Management

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

Auditor's Responsibility

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

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim separate financial information does not present fairly, in all material respects, the interim separate financial position of the Company as at 30 June 2020, its interim separate financial performance and interim separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of interim separate financial statements.

Other Matter

The report on the review of interim separate financial information is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English versions, the Vietnamese version shall take precedence.

For and on behalf of PwC (Vietnam) Limited



Tran Thi Thanh Truc
Audit Practising Licence No.
3047-2019-006-1
Authorised signatory

Report reference number: HCM11129
Ho Chi Minh City, 13 August 2021

INTERIM SEPARATE BALANCE SHEET

Code	ASSETS	Note	As at	
			30.6.2021 VND	31.12.2020 VND
100	CURRENT ASSETS		7,303,163,818,153	6,474,649,388,077
110	Cash		173,797,358,075	228,463,983,404
111	Cash	3	173,797,358,075	228,463,983,404
130	Short-term receivables		420,572,000,430	630,326,326,092
131	Short-term trade accounts receivable	4	13,223,628,202	42,741,333,285
132	Short-term prepayments to suppliers	5	400,861,738,258	571,620,933,833
135	Short-term lending	35(a)	-	50,000,000,000
136	Other short-term receivables	6(a)	7,589,345,967	12,463,883,751
137	Provision for doubtful debts – short-term	7	(1,202,878,846)	(46,559,069,745)
139	Shortage of assets awaiting resolution		100,166,849	59,244,968
140	Inventory		6,650,131,999,794	5,545,614,607,458
141	Inventory	8	6,650,131,999,794	5,545,614,607,458
150	Other current assets		58,662,459,854	70,244,471,123
151	Short-term prepaid expenses	9(a)	50,194,851,510	60,983,508,549
152	Value Added Tax to be reclaimed		8,467,608,344	9,260,962,574
200	NON-CURRENT ASSETS		1,430,780,574,567	1,492,980,532,386
210	Long-term receivable		78,954,828,759	73,087,785,912
216	Other long-term receivables	6(b)	78,954,828,759	73,087,785,912
220	Fixed assets		827,585,286,038	816,679,203,148
221	Tangible fixed assets	10(a)	168,991,963,334	179,965,644,686
222	Historical cost		330,346,931,980	328,768,290,663
223	Accumulated depreciation		(161,354,968,646)	(148,802,645,977)
227	Intangible fixed assets	10(b)	658,593,322,704	636,713,558,462
228	Historical cost		697,774,918,988	669,060,757,659
229	Accumulated amortisation		(39,181,596,284)	(32,347,199,197)
240	Long-term asset in progress		30,183,906,350	30,183,906,350
242	Construction in progress	11	30,183,906,350	30,183,906,350
250	Long-term investments		254,981,849,296	310,000,000,000
251	Investments in subsidiaries	12	340,000,000,000	340,000,000,000
253	Investments in other entities		395,271,613,400	395,271,613,400
254	Provision for long-term investments		(480,289,764,104)	(425,271,613,400)
260	Other long-term assets		239,074,704,124	263,029,636,976
261	Long-term prepaid expenses	9(b)	159,431,145,281	174,314,839,953
262	Deferred income tax assets	22	79,643,558,843	88,714,797,023
270	TOTAL ASSETS		8,733,944,392,720	7,967,629,920,463

The notes on pages 9 to 43 are an integral part of these interim separate financial statements.

INTERIM SEPARATE BALANCE SHEET
(continued)

Code	RESOURCES	Note	As at	
			30.6.2021 VND	31.12.2020 VND
300	LIABILITIES		3,123,871,235,742	2,819,891,308,781
310	Current liabilities		3,114,950,142,742	2,810,745,215,781
311	Short-term trade accounts payable	13	348,604,588,480	467,421,998,503
312	Short-term advances from customers	14	78,620,376,184	78,453,544,728
313	Tax and other payables to the State	15	152,309,172,578	205,321,597,778
314	Payables to employees	16	252,558,729,137	244,814,397,938
315	Short-term accrued expenses	17	102,737,709,410	42,163,045,770
319	Other short-term payables	18	59,184,696,190	68,515,458,771
320	Short-term borrowings	19	1,982,128,516,504	1,588,817,635,703
322	Bonus and welfare fund	20	138,806,354,259	115,237,536,590
330	Non-current liabilities		8,921,093,000	9,146,093,000
337	Other long-term payables		301,168,000	526,168,000
342	Provision for long-term liability	21	8,619,925,000	8,619,925,000
400	OWNERS' EQUITY		5,610,073,156,978	5,147,738,611,682
410	Capital and reserves		5,610,073,156,978	5,147,738,611,682
411	Owners' capital	23, 24	2,276,123,620,000	2,276,123,620,000
411a	- Ordinary shares with voting rights		2,276,123,620,000	2,276,123,620,000
412	Share premium	24	991,261,882,458	991,261,882,458
415	Treasury shares	24	(4,908,890,000)	(3,384,090,000)
418	Investment and development fund	24	800,503,556,918	372,779,556,918
421	Undistributed earnings	24	1,547,092,987,602	1,510,957,642,306
421a	- Undistributed post-tax profits of previous years		826,488,391,906	613,766,393,848
421b	- Post-tax profit of the current period/year		720,604,595,696	897,191,248,458
440	TOTAL RESOURCES		8,733,944,392,720	7,967,629,920,463



Nguyen Thanh Dat
Preparer

Duong Quang Hai
Chief Accountant



Le Tri Thong
General Director
13 August 2021

The notes on pages 9 to 43 are an integral part of these interim separate financial statements.

INTERIM SEPARATE INCOME STATEMENT

Code	Note	For the six-month period ended 30 June	
		2021 VND	2020 VND
01	Revenue from sales of goods and rendering of services	13,427,701,579,491	7,586,160,969,952
02	Less deduction	(104,614,502,935)	(69,391,091,717)
10	Net revenue from sales of goods and rendering of services	27 13,323,087,076,556	7,516,769,878,235
11	Cost of goods sold and services rendered	28 (11,276,174,969,500)	(6,075,794,354,726)
20	Gross profit from sales of goods and rendering of services	2,046,912,107,056	1,440,975,523,509
21	Financial income	33,219,449,277	544,740,650
22	Financial expenses	29 (98,149,942,852)	(71,434,216,699)
23	- Including: Interest expense	(39,792,984,735)	(70,412,599,042)
25	Selling expenses	30 (877,533,413,984)	(614,502,016,578)
26	General and administration expenses	31 (212,150,909,302)	(192,807,011,266)
30	Net operating profit	892,297,290,195	562,777,019,616
31	Other income	5,173,731,191	896,662,967
32	Other expenses	(1,452,176,716)	(960,062,986)
40	Net other income/(expenses)	3,721,554,475	(63,400,019)
50	Net accounting profit before tax	896,018,844,670	562,713,619,597
51	Business income tax ("BIT") - current	32 (166,343,010,794)	(112,854,224,685)
52	BIT - deferred	32 (9,071,238,180)	-
60	Net profit after tax	720,604,595,696	449,859,394,912



Nguyen Thanh Dat
Preparer



Duong Quang Hai
Chief Accountant




Lê Tri Thong
General Director
13 August 2021

The notes on pages 9 to 43 are an integral part of these interim separate financial statements.

INTERIM SEPARATE CASH FLOW STATEMENT
(Indirect method)

Code	Note	For the six-month period ended 30 June	
		2021 VND	2020 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01		896,018,844,670	562,713,619,597
	Adjustments for:		
02	Depreciation and amortisation	22,559,559,711	20,881,734,471
03	Provisions	9,661,959,805	-
04	Unrealised foreign exchange gains	(3,477,255,509)	-
05	Profits from investing activities	(28,700,156,917)	(123,001,820)
06	Interest expense	39,792,984,735	70,412,599,042
08	Operating profit before changes in working capital	935,855,936,495	653,884,951,290
09	Decrease in receivables	186,377,501,045	352,724,101,070
10	(Increase)/decrease in inventories	(1,104,517,392,336)	135,543,170,768
11	Decrease in payables	(50,029,506,944)	(577,244,655,475)
12	Decrease/(increase) in prepaid expenses	25,672,351,711	(1,187,154,829)
14	Interest paid	(39,720,100,043)	(70,016,188,899)
15	BIT paid	(201,761,770,617)	(126,076,587,532)
17	Other payments on operating activities	(29,897,182,331)	(9,571,309,237)
20	Net cash (outflows)/inflows from operating activities	(278,020,163,020)	358,056,327,156
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets	(29,587,359,569)	(11,259,171,088)
22	Proceeds from disposals of fixed assets	12,723,082,535	86,321,724
25	Investments in other entities	-	(70,000,000,000)
27	Dividends and interest received	25,758,118,249	45,781,306
30	Net cash inflows/(outflows) from investing activities	8,893,841,215	(81,127,068,058)
CASH FLOWS FROM FINANCING ACTIVITIES			
32	Payments for share repurchases	(1,524,800,000)	(1,283,000,000)
33	Proceeds from borrowings	3,163,528,282,776	3,126,048,850,515
34	Repayments of borrowings	(2,770,217,401,975)	(3,114,725,494,283)
36	Dividends paid	(177,326,384,325)	(221,082,134,413)
40	Net cash inflows/(outflows) from financing activities	214,459,696,476	(211,041,778,181)
50	Net decrease in cash	(54,666,825,329)	65,887,480,917
60	Cash at beginning of period	228,463,983,404	82,586,849,294
70	Cash at end of period	173,797,358,075	148,474,330,211




Nguyen Thanh Dat
Preparer



Duong Quang Hai
Chief Accountant





Le Tri Thong
General Director
13 August 2021

The notes on pages 9 to 43 are an integral part of these interim separate financial statements.

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

1 GENERAL INFORMATION

Phu Nhuan Jewelry Joint Stock Company ("the Company") is a joint stock company established in SR Vietnam in accordance with the Enterprise Registration certificate No. 0300521758 which was initially issued by the Department of Planning and Investment of Ho Chi Minh City on 2 January 2004 and the 31st latest amendment dated 11 January 2021.

On 23 March 2009, the Company's shares were officially listed in the Ho Chi Minh City Stock Exchange ("HOSE") in accordance with the Decision No. 129/UBCK-ĐKNY issued by the General Director of HOSE on 26 December 2008.

The principal activities of the Company are to manufacture and to trade gold, silver, jewelry and gemstones, and to import and export jewelry in gold, silver and gemstones.

The normal business cycle of the Company is 12 months.

As at 30 June 2021, the Company had 3 subsidiaries as presented in Note 12 – Long-term investment. Details are as follows:

	Place of incorporation and operation	30.6.2021		31.12.2020		The principal activities
		% of ownership %	% of voting right %	% of ownership %	% of voting right %	
CAO Fashion Company Limited	Ho Chi Minh City	100	100	100	100	Trading of jewelry products
PNJ Laboratory Company Limited	Ho Chi Minh City	100	100	100	100	Jewelry inspection and consultancy services
PNJ Jewelry Production and Trading Company Limited	Ho Chi Minh City	100	100	100	100	Jewelry manufacturing and trading
Customer Era Company Limited (*)	Ho Chi Minh City	0	0	100	100	Retailing

(*) Pursuant to Decision No. 24/2021/NQ-HĐQT-CTY dated 12 January 2021, Customer Era Company Limited was merged into CAO Fashion Company Limited during the 6-month period ended 30 June 2021.

As at 30 June 2021, the Company had 56 branches (as at 31 December 2020: 56 branches) located in various provinces and cities in Vietnam.

As at 30 June 2021, the Company had 4,618 employees (as at 31 December 2020: 4,609 employees).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of interim separate financial statements

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

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

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

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

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

2.2 Fiscal year

The Company's fiscal year is from 1 January to 31 December. The interim separate financial statements are prepared for the period from 1 January to 30 June.

2.3 Currency

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Exchange rates

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction dates. Foreign exchange differences arising from these transactions are recognised in the interim separate income statement.

Monetary assets and liabilities denominated in foreign currencies at the interim separate balance sheet date are respectively translated at the buying and selling exchange rates at the interim separate balance sheet date of the bank where the Company regularly trades. Foreign currencies deposited in bank at the interim separate balance sheet date are translated at the buying exchange rate of the commercial bank where the Company opens the foreign currency accounts. Foreign exchange differences arising from these translations are recognised in the interim separate income statement.

2.5 Cash

Cash and cash equivalents comprise cash on hand, cash at bank and cash in transit.

2.6 Receivables

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

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

2.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured products, cost includes all direct expenditure and production overheads based on normal levels of operating activity. Net realisable value is the estimated selling price in the normal course of business, less the estimated costs of completion and selling expenses.

The Company applies the perpetual method for inventories.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.8 Investments****(a) Investments in subsidiaries**

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

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

(b) Investment in other entity

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

(c) Provision for investments in subsidiaries, and other entities

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

Changes in the provision balance during the accounting period are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

2.9 Lending

Lending is loan for interest earning granted under agreements among parties but not being traded as securities.

Lending is initially recognised at cost. Subsequently, the Board of Management reviews all outstanding amounts to determine the amount of provision to recognise at the year end. Provision for doubtful lending is made for each lending based on overdue days in payment of principals according to the initial payment commitment (exclusive of the payment rescheduling between parties) or based on the expected loss that may arise. Changes in the provision balance during the accounting period are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.10 Fixed assets***Tangible and intangible fixed assets*

Fixed assets are stated at historical cost less accumulated depreciation/amortisation. Historical cost includes expenditure that is directly attributable to the acquisition of the fixed assets bringing them to suitable condition for their intended use. Expenditure incurred subsequently which has resulted in an increase in the future economic benefits expected to be obtained from the use of fixed assets, can be capitalised as an additional historical cost. Otherwise, such expenditure is charged to the income statement when incurred.

Depreciation/amortisation

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

Buildings and structures	5 - 25 years
Machinery and equipment	3 - 15 years
Motor vehicles	5 - 10 years
Office equipment	3 - 10 years
Software	3 - 5 years

Land use rights with indefinite term are recorded in historical cost and are not amortised.

Disposals

Gains or losses on disposals are determined by comparing net disposal proceeds with the carrying amount of fixed assets and are recognised as income or expense in the interim separate income statement.

Construction in progress

Construction in progress represents the cost of assets in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, which are recorded at cost and are comprised of such necessary costs to newly construct, to repair and maintain, to upgrade, to renew or equip the projects with technologies as construction costs; costs of tools and equipments; construction consulting expenditure; and capitalised borrowing costs for qualifying assets in accordance with the Company's accounting policies. Depreciation of these assets, on the same basis as other fixed assets, commences when they are ready for their intended use.

2.11 Leased assets

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the interim separate income statement on a straight-line basis over the term of the lease.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.12 Prepaid expenses**

Prepaid expenses include short-term and long-term prepayments on the interim separate balance sheet. Prepaid expenses are recorded at historical cost and allocated on a straight-line basis over their estimated useful lives.

2.13 Payables

Classifications of payables are based on their nature as follows:

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

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

2.14 Borrowing costs

Borrowings include borrowings from banks, individual and related party.

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

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

2.15 Accrued expenses

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

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

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

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

2.17 Provision for severance allowances

In accordance with Vietnamese labour laws, employees of the Company who have worked regularly for full 12 months or longer, are entitled to a severance allowance. The working period used for the calculation of severance allowance is the period during which the employee actually works for the Company less the period during which the employee participates in the unemployment insurance scheme in accordance with the labour regulations and the working period for which the employee has received severance allowance from the Company.

The severance allowance is accrued at the end of the reporting period on the basis that each employee is entitled to half of an average monthly salary for each working year. The average monthly salary used for calculating the severance allowance is the employee's contract's average salary for the year prior to the interim separate balance sheet date.

This allowance will be paid as a lump sum when the employees terminate their labour contracts in accordance with current regulations.

2.18 Owners' capital

Contributed capital of the shareholders is recorded according to actual amount contributed and is recorded according to par value of the share.

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

Treasury shares are shares issued by the Company and bought-back by itself, but these are not cancelled and may be re-issued subsequently in accordance with the Law on securities.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.19 Appropriation of net profit**

Profit after BIT could be distribute to shareholders after approval at General Meeting of Shareholders, and after appropriation to other funds in accordance with the Company's charter and Vietnamese regulations.

The Company's dividend is recognised as a liability in the Company's interim separate financial statements in the period in which the dividends are approved by the Company's General Meeting of Shareholders.

The Company's funds are as below:

(a) Investment and development fund

The investment and development fund are appropriated from profit after BIT of the Company and approved by Shareholders at the General Meeting of Shareholders. The fund is set aside for the use in the Group's expansion of its operation or in-depth investments.

(b) Bonus and welfare fund

Bonus and welfare fund is appropriated from the Company's profit after BIT and subject to Shareholders' approval at the General Meeting of Shareholders. This fund is presented as a liability on the interim separate balance sheet. The fund is set aside for the purpose of pecuniary rewarding and encouragement, common benefits and improvement of the employees' benefits.

2.20 Revenue recognition**(a) Revenue from sales of goods**

Revenue from sale of goods is recognised in the interim separate income statement when all five (5) following conditions are satisfied:

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

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods.

Revenue is recognised in accordance with the "substance over form" principle and allocated to each sales obligation. In case where the Company gives promotional goods to customers associated with their purchases, the Company allocates the total considerations received between goods sold and promotional goods. The cost of promotional goods is recognised as cost of sales in the interim separate income statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.20 Revenue recognition (continued)****(b) Revenue from rendering of services**

Revenue from rendering of services is recognised in the separate income statement when the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Revenue from rendering of services is only recognised when all four (4) following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company;
- The percentage of completion of the transaction at the interim separate balance sheet date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

(c) Interest income

Interest income is recognised on an earned basis.

(d) Dividend income

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

2.21 Sales deduction

Sales deduction includes sales returns. Sales deduction incurred in the same period of the related revenue from sales of products, goods and rendering of services are recorded as deduction of revenue of that period.

Sales deduction for sale of products, goods or rendering of services which are sold in the period but are incurred after the interim separate balance sheet date but before the issuance of the financial statements are recorded as deduction of revenue of the period.

2.22 Cost of goods sold, and services rendered

Cost of goods sold, and services rendered are cost of finished goods, merchandises, materials sold or services rendered during the year, and recorded on the basis of matching with revenue and on a prudent basis.

2.23 Financial expenses

Finance expenses are expenses incurred in the year for financial activities including expenses or losses relating to financial investment activities, expenses of borrowing, and losses from foreign exchange differences.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.24 Selling expenses**

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

2.25 General and administration expenses

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

2.26 Current and deferred income tax

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

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

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

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

2.27 Related parties

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.28 Accounting estimates**

The preparation of interim separate financial statements in conformity with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and legal regulations relating to financial reporting requires the Board of Management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial period. Although these estimates are based on the Board of Management's best knowledge of current events and actions; actual results may differ from those estimates.

The areas involving significant estimates and assumptions in interim separate financial statements are as follows:

- Estimated useful life of fixed assets (Note 2.10);
- Provision for long-term investment (Note 12); and
- Recognition of deferred tax assets (Note 22).

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

3 CASH

	30.6.2021 VND	31.12.2020 VND
Cash on hand	71,949,163,624	111,148,587,697
Cash at bank	96,692,641,085	94,288,301,206
Cash in transit	5,155,553,366	23,027,094,501
	<u>173,797,358,075</u>	<u>228,463,983,404</u>

4 SHORT-TERM TRADE ACCOUNT RECEIVABLE

	30.6.2021 VND	31.12.2020 VND
Aeon Vietnam Co., Ltd. - Hai Phong Branch	3,216,606,839	1,388,702,288
Hung Vuong Parkson	1,678,706,615	2,820,641,540
Aeon Vietnam Co., Ltd. - Binh Duong Branch	764,011,289	5,965,409,829
Aeon Vietnam Co., Ltd.	379,590,608	4,699,946,682
Aeon Vietnam Co., Ltd. - Binh Tan Branch	-	4,658,692,785
Others	7,184,712,851	23,207,940,161
	<u>13,223,628,202</u>	<u>42,741,333,285</u>

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4 SHORT-TERM TRADE ACCOUNT RECEIVABLE (continued)

As at 30 June 2021 and 31 December 2020, there was no balance of short-term trade accounts receivable that was past due or not past due but doubtful.

5 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	30.6.2021 VND	31.12.2020 VND
Third parties		
PT Kinara Gilang Semesta	11,387,398,116	-
A.J Jewelry International Ltd.,	8,660,937,921	-
Gia Khang Construction Real Estate Corporation	749,423,193	3,035,860,000
Others	39,189,450,089	12,626,111,136
Related parties (Note 35(b))	340,874,528,939	555,958,962,697
	<u>400,861,738,258</u>	<u>571,620,933,833</u>

6 OTHER RECEIVABLES

(a) Short-term

	30.6.2021 VND	31.12.2020 VND
Advance to employees	1,376,988,750	4,362,005,293
Others	6,212,357,217	5,709,249,495
Related parties (Note 35(b))	-	2,392,628,963
	<u>7,589,345,967</u>	<u>12,463,883,751</u>

As at 30 June 2021 and 31 December 2020, there was no balance of other short-term receivables that was past due or not past due but doubtful.

(b) Long-term

	30.6.2021 VND	31.12.2020 VND
Rent deposits	<u>78,954,828,759</u>	<u>73,087,785,912</u>

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8 INVENTORIES

	30.6.2021 VND	31.12.2020 VND
Raw materials	396,402,682,102	90,138,560,521
Tools and supplies	28,210,214,905	21,981,313,101
Work in progress	1,289,642,835	960,609,840
Merchandise	6,224,229,459,952	5,432,534,123,996
	<u>6,650,131,999,794</u>	<u>5,545,614,607,458</u>

As at 30 June 2021, the total inventories of VND2,142,916,000,000 (as at 31 December 2020: VND2,176,916,000,000) were pledged as collateral for short-term borrowings from commercial banks (Note 19).

9 PREPAID EXPENSES

(a) Short-term

	30.6.2021 VND	31.12.2020 VND
Operating lease	27,288,738,087	28,137,004,357
IT expenses	10,002,221,620	12,490,883,142
Tools and supplies	6,052,201,901	9,088,558,141
Repairs and maintainance	2,029,695,045	4,733,609,694
Others	4,821,994,857	6,533,453,215
	<u>50,194,851,510</u>	<u>60,983,508,549</u>

(b) Long-term

	30.6.2021 VND	31.12.2020 VND
Offices and stores renovation	74,543,423,807	80,669,317,259
Tools and supplies	71,075,468,945	77,339,118,407
Stores rental	11,578,990,906	13,759,093,930
Others	2,233,261,623	2,547,310,357
	<u>159,431,145,281</u>	<u>174,314,839,953</u>

9 PREPAID EXPENSES (continued)

Movements in prepaid expenses during the period/year were as follows:

	For the six-month period ended 30.6.2021 VND	For the year ended 31.12.2020 VND
Beginning of period/year	235,298,348,502	192,121,976,421
Increase	136,537,574,666	515,976,864,916
Allocation	(162,209,926,377)	(472,800,492,835)
End of period/year	<u>209,625,996,791</u>	<u>235,298,348,502</u>

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10	FIXED ASSETS	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
(a)	Tangible fixed assets					
	Historical cost					
	As at 1 January 2021	157,111,229,899	47,625,634,220	30,170,753,351	93,860,673,193	328,768,290,663
	New purchases	402,000,000	2,017,928,969	3,268,463,800	1,171,616,800	6,860,009,569
	Disposals	(2,242,990,000)	(67,272,727)	(1,853,331,999)	(1,117,773,526)	(5,281,368,252)
	As at 30 June 2021	155,270,239,899	49,576,290,462	31,585,885,152	93,914,516,467	330,346,931,980
	Accumulated depreciation					
	As at 1 January 2021	51,407,370,173	29,958,870,004	17,340,530,412	50,095,875,388	148,802,645,977
	Charge for the period	4,122,168,426	3,758,196,881	1,817,231,654	6,027,565,663	15,725,162,624
	Disposals	(134,461,703)	(67,272,727)	(1,853,331,999)	(1,117,773,526)	(3,172,839,955)
	As at 30 June 2021	55,395,076,896	33,649,794,158	17,304,430,067	55,005,667,525	161,354,968,646
	Net book value					
	As at 1 January 2021	105,703,859,726	17,666,764,216	12,830,222,939	43,764,797,805	179,965,644,686
	As at 30 June 2021	99,875,163,003	15,926,496,304	14,281,455,085	38,908,848,942	168,991,963,334

As at 30 June 2021, tangible fixed assets of the Company with the carrying amount of VND10,148,320,262 (as at 31 December 2020: VND10,555,033,631) were pledged as collateral assets for short-term borrowings from commercial banks granted to the Company (Note 19).

As at 30 June 2021, historical cost of fully depreciated fixed assets but still in use was VND38,319,014,460 (as at 31 December 2020: VND34,879,810,146).

10 FIXED ASSETS (continued)

(b) Intangible fixed assets

	Land use rights VND	Software VND	Total VND
Historical cost			
As at 1 January 2021	542,729,276,942	126,331,480,717	669,060,757,659
New purchases	22,727,350,000	-	22,727,350,000
Transfer from subsidiary (*)	-	13,659,326,899	13,659,326,899
Sale in the period	(7,672,515,570)	-	(7,672,515,570)
As at 30 June 2021	557,784,111,372	139,990,807,616	697,774,918,988
Accumulated amortisation			
As at 1 January 2021	-	32,347,199,197	32,347,199,197
Charge for the period	-	6,834,397,087	6,834,397,087
As at 30 June 2021	-	39,181,596,284	39,181,596,284
Net book value			
As at 1 January 2021	542,729,276,942	93,984,281,520	636,713,558,462
As at 30 June 2021	557,784,111,372	100,809,211,332	658,593,322,704

(*) This intangible asset was an e-commerce website which was transferred from Customer Era Company Limited to the Company at its net book value of VND13,659,326,899 to net-off payables between both parties before Customer Era Company Limited was merged into CAO Fashion Company Limited in accordance with Decision No. 24/2021/NQ-HĐQT-CTY dated 12 January 2021.

As at 30 June 2021, historical costs of land use rights of the Company amounting to VND49,837,617,572 (as at 31 December 2020: VND49,837,617,572) were pledged as collaterals for short-term borrowings from banks (Note 19).

As at 30 June 2021, historical cost of fully amortised software but still in use was VND6,982,250,583 (as at 31 December 2020: VND6,982,250,583).

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11 CONSTRUCTION IN PROGRESS

	30.6.2021 VND	31.12.2020 VND
Land use right in Di An - Binh Duong	26,137,767,250	26,137,767,250
Human resource management software	1,990,919,100	1,990,919,100
Others	2,055,220,000	2,055,220,000
	<u>30,183,906,350</u>	<u>30,183,906,350</u>

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

	For the six-month period ended 30.6.2021 VND	For the year ended 31.12.2020 VND
Beginning of period/year	30,183,906,350	28,192,987,250
Addition	-	1,990,919,100
End of period/year	<u>30,183,906,350</u>	<u>30,183,906,350</u>

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12 LONG-TERM INVESTMENTS

	30.6.2021		31.12.2020	
	Cost VND	Provision VND	Cost VND	Provision VND
(i) Investment in subsidiaries				
CAO Fashion Company Limited (*)	130,000,000,000	(85,018,150,704)	100,000,000,000	-
PNJ Laboratory Company Limited	10,000,000,000	-	10,000,000,000	-
Customer Era Company Limited (*)	-	-	30,000,000,000	(30,000,000,000)
PNJ Jewelry Production and Trading Company Limited	200,000,000,000	-	200,000,000,000	-
(ii) Investment in other entity				
Dong A Commercial Joint Stock Bank (**)	395,271,613,400	(395,271,613,400)	395,271,613,400	(395,271,613,400)
	<u>735,271,613,400</u>	<u>(480,289,764,104)</u>	<u>735,271,613,400</u>	<u>(425,271,613,400)</u>

As at 30 June 2021 and 31 December 2020, the Company has not determined the fair value of these investments to disclose on the interim separate financial statements because the shares of these companies have not been listed in the stock exchange.

(*) As at 31 December 2020, the Company made a provision for long-term financial investment in Customer Era Company Limited. During the 6-month period ended 30 June 2021, Customer Era Company Limited was merged into CAO Fashion Company Limited pursuant to Decision No. 24/2021/NQ-HDQT-CTY dated 12 January 2021. Accordingly, the Company reversed this provision for financial investment in Customer Era Company Limited and made a provision for the investment in CAO Fashion Company Limited corresponding to the investment lost as at 30 June 2021.

(**) As at 30 June 2021 and 31 December 2020, Dong A Joint Stock Commercial Bank was still under special control of the State Bank of Vietnam and its shares have not been eligible transferable. Therefore, the Board of Management decided to make full provision for diminution in value of this investment as at the interim separate balance sheet date.

13 SHORT-TERM TRADE ACCOUNTS PAYABLE

	30.6.2021 VND	31.12.2020 VND
Third parties		
Finesse Impex Limited	201,484,872,897	185,106,975,192
Forte Jewellery (HK) Co., Ltd	103,850,239,647	126,662,589,601
Quang Vinh Nguyen Co., Ltd	912,591,777	912,591,777
Others	36,253,624,639	127,520,793,623
Related parties (Note 35(b))	6,103,259,520	27,219,048,310
	<u>348,604,588,480</u>	<u>467,421,998,503</u>

As at 30 June 2021 and 31 December 2020, there was no balance of short-term trade accounts payable that was past due.

14 SHORT-TERM ADVANCES FROM CUSTOMERS

	30.6.2021 VND	31.12.2020 VND
Third parties	<u>78,620,376,184</u>	<u>78,453,544,728</u>

15 TAXES AND OTHER PAYABLES TO THE STATE

	30.6.2021 VND	31.12.2020 VND
Value added tax ("VAT")	28,655,603,083	44,703,754,789
BIT	113,568,143,688	148,986,903,511
Personal income tax ("PIT")	5,515,795,274	7,061,308,945
Others	4,569,630,533	4,569,630,533
	<u>152,309,172,578</u>	<u>205,321,597,778</u>

Movements in taxes and other payables to the State during the period are as follows:

	As at 1.1.2021 VND	Payable during the period VND	Paid during the period VND	As at 30.6.2021 VND
VAT	44,703,754,789	229,606,269,043	(245,654,420,749)	28,655,603,083
BIT	148,986,903,511	166,343,010,794	(201,761,770,617)	113,568,143,688
PIT	7,061,308,945	54,094,209,795	(55,639,723,466)	5,515,795,274
Others	4,569,630,533	725,913,838	(725,913,838)	4,569,630,533
	<u>205,321,597,778</u>	<u>450,769,403,470</u>	<u>(503,781,828,670)</u>	<u>152,309,172,578</u>

16 PAYABLES TO EMPLOYEES

The balances represent accruals for the 13th month salary and performance bonus payable to employees.

17 SHORT-TERM ACCRUED EXPENSES

	30.6.2021	31.12.2020
	VND	VND
Avertising and marketing	92,809,783,440	36,537,750,567
Interest expense	3,217,580,839	3,144,696,147
Others	6,710,345,131	2,480,599,056
	<u>102,737,709,410</u>	<u>42,163,045,770</u>

18 OTHER SHORT-TERM PAYABLES

	30.6.2021	31.12.2020
	VND	VND
Allowance for the Board of Management and Board of Directors	13,681,255,422	21,039,066,145
Dividend payable (Note 25)	15,734,559,767	11,167,693,692
PIT paid on behalf of Shareholders	4,531,133,392	4,531,133,392
Union trade	4,149,468,588	4,070,292,446
Others	21,088,279,021	27,707,273,096
	<u>59,184,696,190</u>	<u>68,515,458,771</u>

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19 SHORT-TERM BORROWINGS

	As at 1.1.2021 VND	Increase VND	Decrease VND	As at 30.6.2021 VND
Bank loans (*)				
Vietnam Joint Stock Commercial Bank for Industry and Trade	283,008,242,292	658,740,160,427	(623,257,200,952)	318,491,201,767
Joint Stock Company Bank for Foreign trade of Vietnam	59,052,972,000	715,664,739,196	(244,487,211,100)	530,230,500,096
Joint Stock Commercial Bank for Investment and Development of Vietnam	315,230,965,374	759,092,097,756	(654,323,063,130)	420,000,000,000
Petrolimex Group Commercial Joint Stock Bank	-	135,000,000,000	(19,000,000,000)	116,000,000,000
Southeast Asia Joint Stock Commercial Bank	224,685,828,580	300,800,000,000	(324,485,828,580)	201,000,000,000
Military Commercial Joint Stock Bank	47,338,228,281	30,000,000,000	(77,338,228,281)	-
Shinhan Bank Vietnam Limited	65,000,000,000	56,000,000,000	(65,000,000,000)	56,000,000,000
CTBC Bank Company Limited - Ho Chi Minh Branch	72,337,384,646	73,994,126,361	(94,451,748,818)	51,879,762,189
China Construction Bank Corporation - Ho Chi Minh Branch	44,800,000,000	-	(44,800,000,000)	-
HSBC Bank (Vietnam) Ltd.	117,663,179,070	158,771,914,200	(170,587,150,470)	105,847,942,800
Vietnam Bank for Agriculture and Rural Development	3,700,000,000	-	-	3,700,000,000
Vietnam International Commercial Joint Stock Bank	144,405,989,760	-	(144,405,989,760)	-
Ho Chi Minh City Development Joint Stock Commercial Bank	68,348,957,900	78,692,432,640	(147,041,390,540)	-
Individual loans (**)	120,245,887,800	196,772,812,196	(146,039,590,344)	170,979,109,652
Borrowings from related parties (Note 35(b))	23,000,000,000	-	(15,000,000,000)	8,000,000,000
	<u>1,588,817,635,703</u>	<u>3,163,528,282,776</u>	<u>(2,770,217,401,975)</u>	<u>1,982,128,516,504</u>

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19 SHORT-TERM BORROWINGS (continued)

(*) Details of short-term bank loans are as follows:

Bank	As at 30.6.2021 VND	Maturity date	Interest (% per annum)	Collateral
Vietnam Joint Stock Commercial Bank for Industry and Trade	318,491,201,767	From 25 September 2021 to 25 December 2021	4.3% - 4.5%	Inventories
Joint Stock Company Bank for Foreign trade of Vietnam	530,230,500,096	From 1 August 2021 to 15 December 2021	4.6%	Land use right, buildilngs and inventories
Joint Stock Commercial Bank for Investment and Development of Vietnam	420,000,000,000	From 7 September 2021 to 22 November 2021	4.8% - 5.05%	Inventories
Petrolimex Group Commercial Joint Stock Bank	116,000,000,000	From 11 August 2021 to 25 August 2021	5.2%	Unsecured
Southeast Asia Joint Stock Commercial Bank	201,000,000,000	From 14 July 2021 to 30 September 2021	5% - 5.2%	Land use right, buildilngs and inventories
Shinhan Bank Vietnam Limited	56,000,000,000	From 5 September 2021 to 16 September 2021	4.6%	Unsecured
CTBC Bank Company Limited - Ho Chi Minh Branch	51,879,762,189	From 27 July 2021 to 17 December 2021	4.5%	Inventories
HSBC Bank (Vietnam) Ltd.	105,847,942,800	To 09 October 2021	4.6%	Land use right, buildilngs and inventories
Vietnam Bank for Agriculture and Rural Development	3,700,000,000	To 22 November 2021	9.5%	Land use right and buildilngs
	<u>1,803,149,406,852</u>			

(**) Individual loans represent unsecured loans from the Company's employees with original maturity of 12 months and bear interest at the interest rate ranging from 3% - 7.6% per annum.

The land use rights at No. 52A-52B Nguyen Van Troi Street, Phu Nhuan District, Ho Chi Minh City; No. 195A Phan Dang Luu Street, Phu Nhuan District, Ho Chi Minh City; No. 577 Nguyen Kiem Street, Phu Nhuan District, Ho Chi Minh City and No. 174 Le Thanh Ton Street, District 1, Ho Chi Minh City with total carrying amount of VND63,592,666,838 were held by East Asia Commercial Joint Stock Bank as collaterals for borrowings from that bank at the interim separate balance sheet date.

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20 BONUS AND WELFARE FUND

	For the six-month period ended 30.6.2021 VND	For the year ended 31.12.2020 VND
Beginning of period/year	115,237,536,590	90,034,358,729
Appropriation from undistributed earnings (Note 24)	53,466,000,000	59,696,000,000
Utilisation during the period/year	(29,897,182,331)	(34,492,822,139)
End of period/year	<u>138,806,354,259</u>	<u>115,237,536,590</u>

21 PROVISION FOR LONG-TERM LIABILITY

The balances represent provision for severance allowance to employees determined according to the method presented in Note 2.17.

22 DEFERRED INCOME TAX ASSETS

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

	30.6.2021 VND	31.12.2020 VND
Deferred tax assets:		
Deferred tax assets to be recovered after more than 12 months	79,054,322,680	79,740,521,880
Deferred tax assets to be recovered within 12 months	589,236,163	8,974,275,143
	<u>79,643,558,843</u>	<u>88,714,797,023</u>

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

	For the six-month period ended 30.6.2021 VND	For the year ended 31.12.2020 VND
Beginning of period/year	88,714,797,023	87,131,464,659
Interim separate income statement credit	(9,071,238,180)	1,583,332,364
End of period/year	<u>79,643,558,843</u>	<u>88,714,797,023</u>

22 DEFERRED INCOME TAX ASSETS (continued)

Details of deferred tax assets:

	30.6.2021 VND	31.12.2020 VND
Deductible temporary differences	79,643,558,843	88,714,797,023

The deferred income tax assets are mainly derived from accruals, provision for long-term investment and provision for severance allowances.

The Company applied tax rate of 20% for determining deferred tax assets.

Deferred income tax assets are recognized to the extent that taxable income will be available in the future to offset any temporary differences that have arisen.

23 OWNERS' CAPITAL**(a) Number of ordinary shares**

	30.6.2021	31.12.2020
Number of shares registered	227,612,362	227,612,362
Number of shares issued	227,612,362	227,612,362
Number of shares repurchased	(245,799)	(169,559)
Number of existing shares in circulation	227,366,563	227,442,803

(b) Details of owners' shareholding

	30.6.2021		31.12.2020	
	Ordinary shares	%	Ordinary shares	%
Mrs Cao Thi Ngoc Dung	113,840,180,000	5.01	205,840,180,000	9.04
Mrs Truong Ngoc Phuong (*)	227,402,730,000	9.99	208,209,430,000	9.15
VinaCapital Fund Management Joint Stock Company (**)	152,631,130,000	6.71	156,537,510,000	6.88
Ms Tran Phuong Ngoc Ha	92,000,000,000	4.05	-	0.00
Other Shareholders	1,690,249,580,000	74.35	1,705,536,500,000	74.99
Treasury shares	(2,457,990,000)	(0.11)	(1,695,590,000)	(0.06)
Number of shares	2,273,665,630,000	100	2,274,428,030,000	100

23 OWNERS' CAPITAL (continued)**(b) Details of owners' shareholding (continued)**

(*) As at 30 June 2021 and 31 December 2020, Mrs. Truong Ngoc Phuong was the Representative of a group of foreign investors.

(**) As at 30 June 2021 and 31 December 2020, VinaCapital Fund Management Joint Stock Company was the representative for a group of investors.

(c) Movement of share capital

	Number of shares	Ordinary shares VND
As at 1 January 2020	225,188,176	2,251,881,760,000
New shares issued	2,318,777	23,187,770,000
Treasury share	(64,150)	(641,500,000)
	<hr/>	<hr/>
As at 31 December 2020	227,442,803	2,274,428,030,000
Treasury share	(76,240)	(762,400,000)
	<hr/>	<hr/>
As at 30 June 2021	<u>227,366,563</u>	<u>2,273,665,630,000</u>

Par value per share: VND10,000 per shares.

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24 MOVEMENT OF OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Treasury shares VND	Investment and development fund VND	Undistributed earnings VND	Total VND
As at 1 January 2020	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
issuance of ordinary shares under Employee Stock Ownership Plan to Employees	23,187,770,000	23,187,770,000	-	-	-	46,375,540,000
Net profit for the year	-	-	-	-	1,032,265,664,058	1,032,265,664,058
Dividends appropriation	-	-	-	-	(360,262,591,600)	(360,262,591,600)
Repurchase share	-	-	(1,283,000,000)	-	-	(1,283,000,000)
Appropriation to investment and development fund	-	-	-	59,696,000,000	(59,696,000,000)	-
Appropriation to bonus and welfare fund (Note 20)	-	-	-	-	(59,696,000,000)	(59,696,000,000)
Appropriation to allowance for the Board of Directors and the Board of Management	-	-	-	-	(29,848,000,000)	(29,848,000,000)
As at 31 December 2020	2,276,123,620,000	991,261,882,458	(3,384,090,000)	372,779,556,918	1,510,957,642,306	5,147,738,611,682
Net profit for the period	-	-	-	-	720,604,595,696	720,604,595,696
Dividends appropriation (Note 25) (*)	-	-	-	-	(181,893,250,400)	(181,893,250,400)
Repurchase share	-	-	(1,524,600,000)	-	-	(1,524,600,000)
Appropriation to bonus and welfare fund (Note 20) (**)	-	-	-	-	(53,466,000,000)	(53,466,000,000)
Appropriation to investment and development fund (**)	-	-	-	427,724,000,000	(427,724,000,000)	-
Appropriation to allowance for the Board of Directors and the Board of Management (**)	-	-	-	-	(21,386,000,000)	(21,386,000,000)
As at 30 June 2021	2,276,123,620,000	991,261,882,458	(4,908,690,000)	800,503,556,918	1,547,092,987,602	5,610,073,156,978

24 MOVEMENTS IN OWNERS' EQUITY (continued)

(*) In the period, the Company has advanced the 2020 dividends of VND181,893,250,400 to its shareholders in accordance with the Resolution No. 113/2021//NQ-HDQT-CTY dated 24 February 2021 of the Board of Directors.

(**) According to Resolution of the Shareholders General Meeting No. 217/2021/NQ-DHDCD-CTY dated 17 April 2021, the Shareholders have approved the appropriation of net profit for the year ended 31 December 2020 as follows:

- Dividends payable in cash: VND453,387,000,000;
- Investment and development fund: VND427,724,000,000;
- Bonus and welfare fund: VND53,466,000,000; and
- Allowance for the Board of Directors and Board of Management: VND21,386,000,000.

25 DIVIDENDS

	For the six-month period ended 30.6.2021 VND	For the year ended 31.12.2020 VND
Beginning of period/year	11,167,693,692	6,004,841,375
Dividends payable (Note 24)	181,893,250,400	360,262,591,600
Dividends paid in cash	(177,326,384,325)	(355,099,739,283)
End of period/year	<u>15,734,559,767</u>	<u>11,167,693,692</u>

26 OFF BALANCE SHEET ITEMS

(a) Included in cash were balances held in foreign currencies of:

	30.6.2021	31.12.2020
United States Dollar – USD	66,402	58,266
Pound sterling - GBP	1,625	1,625
Hong Kong Dollar – HKD	970	-
Euro – EUR	470	480
Australia Dollar – AUD	419	434
Singapore Dollar – SGD	174	-
	<u> </u>	<u> </u>

(b) The future minimum lease payments under non-cancellable operating leases were VND1,371,994,190,482 and VND1,207,159,917,311 for the six-months period ended 30 June 2021 and for the year ended 31 December 2020, respectively (Note 36).

27 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	<u>For the six-month period ended 30 June</u>	
	2021	2020
	VND	VND
Revenue		
Revenue from sales of jewelry	13,369,460,565,768	7,558,716,987,104
Revenue from sales of accessories	43,897,183,637	20,650,939,771
Revenue from sales of rendering of services	14,343,830,086	6,793,043,077
	<u>13,427,701,579,491</u>	<u>7,586,160,969,952</u>
Sales deduction		
Sales returns	(104,614,502,935)	(69,391,091,717)
Net revenue		
Net revenue from sales of jewelry	13,264,846,062,833	7,489,325,895,387
Net revenue from sales of accessories	43,897,183,637	20,650,939,771
Net revenue from sales of rendering of services	14,343,830,086	6,793,043,077
	<u>13,323,087,076,556</u>	<u>7,516,769,878,235</u>

28 COST OF SALES AND SERVICES RENDERED

	<u>For the six-month period ended 30 June</u>	
	2021	2020
	VND	VND
Cost of jewelry sold and service rendered	11,247,838,868,409	6,058,072,268,880
Cost of accessories sold	28,336,101,091	17,722,085,846
	<u>11,276,174,969,500</u>	<u>6,075,794,354,726</u>

29 FINANCIAL EXPENSES

	For the six-month period ended 30 June	
	2021 VND	2020 VND
Interest expense	39,792,984,735	70,412,599,042
Realised foreign exchange losses	821,207,041	63,331,916
Provision for diminution in value of investment	55,018,150,704	-
Others	2,517,600,372	958,285,741
	<u>98,149,942,852</u>	<u>71,434,216,699</u>

30 SELLING EXPENSES

	For the six-month period ended 30 June	
	2021 VND	2020 VND
Staff costs	449,658,708,533	291,482,237,652
Rental	142,713,488,247	118,900,993,499
Advertising and marketing	109,838,826,204	54,986,883,110
Tools and supplies	50,844,759,643	52,615,988,561
Depreciation and amortisation	8,117,850,724	6,481,501,132
Outside services	62,270,961,705	49,738,171,582
Others	54,088,818,928	40,296,241,042
	<u>877,533,413,984</u>	<u>614,502,016,578</u>

31 GENERAL AND ADMINISTRATION EXPENSES

	For the six-month period ended 30 June	
	2021 VND	2020 VND
Staff costs	182,501,164,022	135,148,672,803
Tools and supplies	8,973,144,782	5,758,012,978
Depreciation and amortisation	14,441,708,987	14,424,284,217
Fee charges	963,734,602	575,311,526
Outside services	27,235,873,543	24,972,597,366
Reversal of provision for doubtful debt	(45,356,190,899)	-
Others	23,391,474,265	11,928,132,376
	<u>212,150,909,302</u>	<u>192,807,011,266</u>

32 BIT

The BIT on the Company's accounting profit before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

	<u>For the six-month period ended 30 June</u>	
	2021 VND	2020 VND
Net accounting profit before tax	896,018,844,670	562,713,619,597
Tax calculated at a rate of 20%	179,203,768,934	112,542,723,919
Effect of:		
Income not subject to tax	(5,000,000,000)	-
Expenses not deductible for tax purposes	620,743,273	311,500,766
Under-provision in previous years	589,736,767	-
BIT charge (*)	175,414,248,974	112,854,224,685
Charged/(credited) to interim separate income statement:		
BIT – current	166,343,010,794	112,854,224,685
BIT – deferred (Note 22)	9,071,238,180	-
	175,414,248,974	112,854,224,685

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

33 COSTS OF OPERATION BY FACTOR

Costs of operation by factor represent all costs incurred during the period of the Company, excluding cost of merchandises for trading activities. The details are as follows:

	<u>For the six-month period ended 30 June</u>	
	2021 VND	2020 VND
Staff costs	634,058,497,299	427,807,099,412
Tools and supplies	59,817,904,425	58,374,001,539
Depreciation and amortisation	22,559,559,711	20,881,734,471
Outside services	344,662,807,699	231,368,216,861
Reversal of provision for doubtful debt	(45,356,190,899)	-
Others	78,444,027,795	72,292,954,795
	1,094,186,606,030	810,724,007,078

34 ADDITIONAL INFORMATION ON NON-CASH TRANSACTION OF THE CASH FLOW STATEMENT

	<u>For the six-month period ended 30 June</u>	
	2021	2020
	VND	VND
Receipt from short-term lending (*)	50,000,000,000	-

(*) For the 6-month period ended 30 June 2021, Customer Era Company Limited was merged into CAO Fashion Company Limited pursuant to Decision No 24/2021/NQ-HĐQT-CTY dated 12 January 2021. Accordingly, the Company's lending to Customer Era Company Limited amounting to VND50 billion was transferred to CAO Fashion Company Limited as a prepayment to supplier in the interim separate financial statements as at 30 June 2021.

35 RELATED PARTY DISCLOSURES

The Company has balances and/or transactions with the following related parties:

Name	Relationship
PNJ Jewelry Production and Trading Company Limited	Subsidiary
CAO Fashion Company Limited	Subsidiary
PNJ Laboratory Company Limited	Subsidiary
Customer Era Company Limited (*)	Subsidiary

(*) Pursuant to Decision No. 24/2021/NQ-HĐQT-CTY dated 12 January 2021, Customer Era Company Limited was merged into CAO Fashion Company Limited during the 6-month period ended 30 June 2021.

(a) Related party transactions

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

	<u>For the six-month period ended 30 June</u>	
	2021	2020
	VND	VND
<i>i) Sales of goods and rendering of services</i>		
PNJ Jewelry Production and Trading Company Limited	3,726,741,236,861	1,328,192,156,699
CAO Fashion Company Limited	9,766,135,089	1,102,402,643
Customer Era Company Limited	-	600,000,000
	<u>3,736,507,371,950</u>	<u>1,329,894,559,342</u>

35 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	<u>For the six-month period ended 30 June</u>	
	2021	2020
	VND	VND
ii) Purchases of goods and services		
PNJ Jewelry Production and Trading Company Limited	4,049,769,274,863	1,953,065,638,923
CAO Fashion Company Limited	42,270,147,786	3,035,772,364
PNJ Laboratory Company Limited	4,833,566,755	1,753,265,000
Customer Era Company Limited	-	5,657,842,481
	<u>4,096,872,989,404</u>	<u>1,963,512,518,768</u>
iii) Interest expense		
PNJ Laboratory Company Limited	<u>468,520,549</u>	<u>533,457,533</u>
iv) Investment in subsidiary		
CAO Fashion Company Limited	<u>-</u>	<u>70,000,000,000</u>
v) Compensation of key management		
Gross salaries and other benefits	<u>20,932,517,726</u>	<u>21,012,576,438</u>
vi) Dividend income		
PNJ Laboratory Company Limited	<u>25,000,000,000</u>	<u>-</u>
vii) Provision for diminution in value of investments (Note 29)		
CAO Fashion Company Limited	<u>55,018,150,704</u>	<u>-</u>

35 RELATED PARTY DISCLOSURES (continued)

(b) Period/year end balances with related parties

	30.6.2021 VND	31.12.2020 VND
i) Short-term prepayments to suppliers (Note 5)		
PNJ Jewelry Production and Trading Company Limited	261,576,652,683	514,736,557,354
CAO Fashion Company Limited	79,297,876,256	-
Customer Era Company Limited	-	41,222,405,343
	<u>340,874,528,939</u>	<u>555,958,962,697</u>
ii) Short-term lending		
Customer Era Company Limited	-	50,000,000,000
	<u>-</u>	<u>50,000,000,000</u>
iii) Other short-term receivable (Note 6(a))		
Customer Era Company Limited	-	2,392,628,963
	<u>-</u>	<u>2,392,628,963</u>
iv) Short-term trade accounts payable (Note 13)		
PNJ Laboratory Company Limited	6,103,259,520	5,680,214,924
CAO Fashion Company Limited	-	21,538,833,386
	<u>6,103,259,520</u>	<u>27,219,048,310</u>
v) Other short-term payables		
PNJ Laboratory Company Limited	-	545,841,096
	<u>-</u>	<u>545,841,096</u>
vi) Short-term borrowings (Note 19)		
PNJ Laboratory Company Limited	8,000,000,000	23,000,000,000
	<u>8,000,000,000</u>	<u>23,000,000,000</u>

36 COMMITMENTS UNDER OPERATING LEASES

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

	30.6.2021 VND	31.12.2020 VND
Within one year	230,812,400,346	202,083,737,360
Between one and five years	741,345,584,160	653,768,103,852
Over five years	399,836,205,976	351,308,076,099
Total minimum payments	1,371,994,190,482	1,207,159,917,311

37 COMPARATIVE FIGURES

Comparative figures have been reclassified to conform with the current period's presentation.

The interim separate financial statements were approved by the Board of Management on 13 August 2021.



Nguyen Thanh Dat
Preparer



Duong Quang Hai
Chief Accountant



Le Tri Thong
General Director