

# Phu Nhuan Jewelry Joint Stock Company

GENERAL INFORMATION

## **Phu Nhuan Jewelry Joint Stock Company**

**Separate Financial Statements Q1.2022**

31 March 2022

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# Phu Nhuan Jewelry Joint Stock Company

## GENERAL INFORMATION COMPANY

Phu Nhuan Jewelry Joint Stock Company (the "Company") was incorporated in Vietnam, under the Business Registration Certificate No. 0300521758 issued by the Department of Planning and Investment of Ho Chi Minh City on 2 January 2004, and 31th amended registration on 11 January 2021.

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

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

## BOARD OF DIRECTORS

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

Ms	Cao Thi Ngoc Dung	Chairwoman	
Mr	Le Tri Thong	Vice Chairman	
Mr	Le Huu Hanh	Member	Resigned on 16 April 2022
Mr	Nguyen Tuan Hai	Independent member	
Ms	Dang Thi Lai	Member	
Ms	Huynh Thi Xuan Lien	Member	
Mr	Le Quang Phuc	Independent member	
Ms	Tran Phuong Ngoc Thao	Member	
Ms	Tieu Yen Trinh	Independent member	
Mr	Dao Trung Kien	Member	Elected on 16 April 2022

## AUDIT COMMITTEE

Mr Le Quang Phuc	Chairmain
Mr Nguyen Tuan Hai	Member
Mr Nguyen Anh Tuan	Head of internal audit

## BOARD OF MANAGERMENTS

Members of board of management during the period and as of the date of this report are as follows:

Mr.	Le Tri Thong	General Director
Mrs.	Dang Thi Lai	Chief of Finance – Operation Officer
Mr.	Nguyen Anh Hung	Director of Human Resources
Mr.	Dao Trung Kien	Chief Strategy Officer
Mr.	Dang Hai Anh	Chieft Information Officer
Mr.	Phan Nguyen Hoai Anh	Acting Director of Marketing Division
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 31 March 2022

Unit: VND

	ASSETS	Code	31/03/2022	31/12/2021
<b>A</b>	<b>CURRENT ASSETS</b>	<b>100</b>	<b>9,689,368,262,367</b>	<b>8,602,996,182,573</b>
<b>I</b>	<b>Cash and cash equivalents</b>	<b>110</b>	<b>2,282,798,622,926</b>	<b>305,277,938,978</b>
1	Cash	111	2,282,798,622,926	305,277,938,978
<b>III</b>	<b>Current accounts receivable</b>	<b>130</b>	<b>848,407,725,022</b>	<b>390,023,093,373</b>
1	Trade receivables	131	35,108,770,676	40,694,434,402
2	Advances to suppliers	132	791,767,309,833	330,458,116,382
6	Other receivables	136	23,045,997,251	20,525,567,151
7	Provision for doubtful debts	137	(2,004,798,077)	(2,004,798,077)
8	Shortage of assets pending resolution	139	490,445,339	349,773,515
<b>IV</b>	<b>Inventories</b>	<b>140</b>	<b>6,504,086,841,004</b>	<b>7,845,352,587,725</b>
1	Inventories	141	6,504,086,841,004	7,845,352,587,725
<b>V</b>	<b>Other current assets</b>	<b>150</b>	<b>54,075,073,415</b>	<b>62,342,562,497</b>
1	Short-term prepaid expenses	151	48,131,961,365	54,543,083,974
2	Value-added tax deductible	152	5,943,112,050	7,799,478,523
<b>B</b>	<b>NON-CURRENT ASSETS</b>	<b>200</b>	<b>1,449,344,059,623</b>	<b>1,451,077,899,581</b>
<b>I</b>	<b>Non-current account receivables</b>	<b>210</b>	<b>81,904,903,359</b>	<b>80,350,406,759</b>
6	Other non-current receivables	216	81,904,903,359	80,350,406,759
<b>II</b>	<b>Fixed assets</b>	<b>220</b>	<b>811,251,922,814</b>	<b>820,594,930,272</b>
1	Tangible fixed assets	221	164,162,300,707	169,746,626,449
	- Cost	222	346,861,433,740	344,892,108,002
	- Accumulated depreciation (*)	223	(182,699,133,033)	(175,145,481,553)
3	Intangible fixed assets	227	647,089,622,107	650,848,303,823
	- Cost	228	697,774,918,988	697,774,918,988
	- Accumulated amortization (*)	229	(50,685,296,881)	(46,926,615,165)
<b>IV</b>	<b>Non-current assets in progress</b>	<b>240</b>	<b>30,183,906,350</b>	<b>30,183,906,350</b>
2	Construction in progress	242	30,183,906,350	30,183,906,350
<b>V</b>	<b>Long-term investments</b>	<b>250</b>	<b>246,119,593,225</b>	<b>246,119,593,225</b>
1	Investments in subsidiaries	251	340,000,000,000	340,000,000,000
3	Other long-term investments	253	395,271,613,400	395,271,613,400
4	Provision for long-term investments	254	(489,152,020,175)	(489,152,020,175)
<b>VI</b>	<b>Other long-term assets</b>	<b>260</b>	<b>279,883,733,875</b>	<b>273,829,062,975</b>
1	Long-term prepaid expenses	261	181,845,900,091	175,791,229,191
2	Deferred tax assets	262	98,037,833,784	98,037,833,784
	<b>TOTAL ASSETS (270=100+200)</b>	<b>270</b>	<b>11,138,712,321,990</b>	<b>10,054,074,082,154</b>

BALANCE SHEET  
As at 31 March 2022

	RESOURCES	Code	31/03/2022	31/12/2021
<b>C</b>	<b>LIABILITIES</b>	<b>300</b>	<b>3,169,412,452,568</b>	<b>4,109,229,101,091</b>
<b>I</b>	<b>Current liabilities</b>	<b>310</b>	<b>3,160,282,052,568</b>	<b>4,100,098,701,091</b>
1	Trade payables	311	427,044,825,616	638,903,772,994
2	Advances from customers	312	153,882,528,022	106,563,466,096
3	Statutory obligations	313	239,296,278,710	261,052,351,661
4	Payables to employees	314	278,835,461,471	339,225,759,891
5	Accrued expenses	315	78,380,497,155	56,176,517,030
9	Other payables	319	55,739,911,909	47,206,698,660
10	Short-term loans	320	1,779,282,720,989	2,495,307,120,466
11	Dự phòng phải trả ngắn hạn	321	30,129,306,488	30,129,306,488
12	Bonus and welfare fund	322	117,690,522,208	125,533,707,805
<b>II</b>	<b>Non-current liabilities</b>	<b>330</b>	<b>9,130,400,000</b>	<b>9,130,400,000</b>
7	Other long-term liabilities	337	518,668,000	518,668,000
12	Long-term provisions	342	8,611,732,000	8,611,732,000
<b>D</b>	<b>EQUITY</b>	<b>400</b>	<b>7,969,299,869,422</b>	<b>5,944,844,981,063</b>
<b>I</b>	<b>Owner's equity</b>	<b>410</b>	<b>7,969,299,869,422</b>	<b>5,944,844,981,063</b>
1	Owner's contributed capital	411	2,426,123,620,000	2,276,123,620,000
2	Share premium	412	2,252,208,432,458	991,261,882,458
5	Treasury shares (*)	415	(4,908,890,000)	(4,908,890,000)
8	Investment and development fund	418	800,503,556,918	800,503,556,918
11	Retained earnings	421	2,495,373,150,046	1,881,864,811,687
	- Retained profits brought forward	421a	1,745,444,873,887	826,488,391,906
	- Retained profits for the current period	421b	749,928,276,159	1,055,376,419,781
	<b>TOTAL RESOURCES (440=300+400)</b>	<b>440</b>	<b>11,138,712,321,990</b>	<b>10,054,074,082,154</b>



Nguyen Thanh Dat  
Preparer

20 April 2022



Duong Quang Hai  
Chief Accountant



Le Tri Thong  
General Director

**INCOME STATEMENT**  
For Quarter 1 period ended on 31 March 2022

NO	ITEMS	Code	Notes	Q1/2022	Q1/2021	YTD 2022	YTD 2021
1	Gross revenue from sale of goods and services rendered	01	15	10,994,799,610,385	8,238,182,296,232	10,994,799,610,385	8,238,182,296,232
2	Deductions	02		85,423,607,725	50,758,486,250	85,423,607,725	50,758,486,250
3	Net revenue from sale of goods and services rendered	10		10,909,376,002,660	8,187,423,809,982	10,909,376,002,660	8,187,423,809,982
4	Cost of goods sold and services rendered	11	16	9,194,332,085,978	6,905,453,113,501	9,194,332,085,978	6,905,453,113,501
5	<b>Gross profit from sale of goods and services rendered</b>	<b>20</b>		<b>1,715,043,916,682</b>	<b>1,281,970,696,481</b>	<b>1,715,043,916,682</b>	<b>1,281,970,696,481</b>
6	Finance income	21		4,435,423,949	28,812,689,291	4,435,423,949	28,812,689,291
7	Finance expenses	22	17	31,261,478,451	21,970,176,742	31,261,478,451	21,970,176,742
	- In which: Interest expense	23		29,033,323,457	20,155,692,436	29,033,323,457	20,155,692,436
8	Selling expenses	25	18	618,906,672,608	477,133,317,463	618,906,672,608	477,133,317,463
9	General and administrative expenses	26	18	130,211,615,312	143,626,230,988	130,211,615,312	143,626,230,988
10	<b>Operating profit</b>	<b>30</b>		<b>939,099,574,260</b>	<b>668,053,660,579</b>	<b>939,099,574,260</b>	<b>668,053,660,579</b>
11	Other income	31		545,720,791	1,349,633,191	545,720,791	1,349,633,191
12	Other expenses	32		1,853,442,243	544,307,759	1,853,442,243	544,307,759
13	Other profit	40		(1,307,721,452)	805,325,432	(1,307,721,452)	805,325,432
14	<b>Accounting profit before tax</b>	<b>50</b>		<b>937,791,852,808</b>	<b>668,858,986,011</b>	<b>937,791,852,808</b>	<b>668,858,986,011</b>
15	Current corporate income tax expense	51	19	187,863,576,649	129,045,455,611	187,863,576,649	129,045,455,611
16	Deferred tax expenses	52		-	-	-	-
17	<b>Net profit after corporate income tax</b>	<b>60</b>		<b>749,928,276,159</b>	<b>539,813,530,400</b>	<b>749,928,276,159</b>	<b>539,813,530,400</b>



Nguyen Thanh Dat  
Preparer  
20 April 2022

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 31 March 2022 was 4,784 (as at 31 December 2020: 4,646).

As at 31 March 2022, the Company's subsidiaries were:

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

As at 31 March 2022, the Company has also fifty-six (56) branches and three hundred thirty-two (332) 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 the end of reporting period, 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 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 separate financial statements in conformity with current regulations.

### 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.

#### **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 08 August 2018 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".

#### **Receivables**

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

Provisions for doubtful debts are set up under the provisions of Circular No. 48/2019 / TT-BTC dated August 8, 2019 of the Ministry of Finance

#### **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:

	<u>Current year</u> (Years)
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 end of reporting period.

##### *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.

**1. CASH AND CASH EQUIVALENTS**

	<b>31/03/2022</b>	<b>VND 31/03/2021</b>
Cash on hand	323,551,294,947	103,572,773,991
Cash at banks	1,893,218,527,076	168,863,036,696
Cash in transit	66,028,800,903	32,842,128,291
<b>TOTAL</b>	<b>2,282,798,622,926</b>	<b>305,277,938,978</b>

**2. FINANCIAL INVESTMENTS**

	<b>31/03/2022</b>	<b>VND 31/03/2021</b>
<b>b. Non - current</b>		
<b>The Company's subsidiaries</b>	<b>246,119,593,225</b>	<b>246,119,593,225</b>
_CAO Fashion Company Limited	130,000,000,000	100,000,000,000
_PNJ Laboratory Company Limited	10,000,000,000	10,000,000,000
_Customer Era Company Limited (*)	-	30,000,000,000
_Provision for investment CECL	(93,880,406,775)	(93,880,406,775)
_PNJ Jewelry Production And Trading Co.,Ltd	200,000,000,000	200,000,000,000
<b>Other long term investments</b>	<b>-</b>	<b>-</b>
_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)
<b>Total</b>	<b>246,119,593,225</b>	<b>246,119,593,225</b>

CAO Fine Jewelry Company Limited (CAO) owned 100% by PNJ, the Business Registration Certificate No.0309279212 issued by the Department of Planning and Investment of Ho Chi Minh City on 14 August 2009. CFC's head office is located at 170E, Phan Dang Luu Street, Ward 3, Phu Nhuan District, Ho Chi Minh City, Vietnam. CAF's principal activities are to produce and trade fashion products, silver and gold jewelry, and arts and crafts 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.

(\*\*) As at 31 March 2022, 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>Nội dung</i>	<i>Purchase of goods in Current period</i>	<i>Sale of goods in Current period</i>
<b>1. CAO Fashion Company Limited</b>		
_ Sale of goods		28,015,537,826
_ Service		546,540,217
_ Purchase of goods	17,814,751,923	
<b>2. PNJ Laboratory Company Limited</b>		
_ Services rendered	2,484,611,637	
_ Interest payable	55,150,685	
_ Others		272,727,273
<b>3. PNJ Jewelry Production And Trading Company Limited</b>		
_ Sale of goods		2,034,683,827,310
_ Rent services		1,281,818,181
_ Purchase of goods	2,013,315,987,930	
_ Commission service	2,232,392,413	

The outstanding balances due from and due to related parties as at 31 March 2022 as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Nature of transaction</i>	<i>Receivable (Payable)</i>
<b>1. RECEIVABLES</b>			<b>754,032,925,538</b>
<b>Advance</b>			<b>754,032,925,538</b>
PNJP	<i>Subsidiary</i>	<i>Advance</i>	652,543,883,747
CAO	<i>Subsidiary</i>	<i>Advance</i>	101,489,041,791
<b>2. PAYABLES</b>			<b>(20,210,658,870)</b>
<b>Trade payable</b>			<b>(11,910,658,870)</b>
PNJL	<i>Subsidiary</i>	<i>Lab services</i>	(11,910,658,870)
<b>Others payable</b>			<b>(8,300,000,000)</b>
PNJL	<i>Subsidiary</i>	<i>Borrowing</i>	(8,000,000,000)
PNJL	<i>Subsidiary</i>	<i>Lease Deposit</i>	(300,000,000)

3. SHORT-TERM TRADE RECEIVABLES

	31/03/2022	VND 31/03/2021
Crescent Mall Q7	-	3,447,151,617
Diamond Le Duan	237,732,943	582,308,250
Parkson Hung Vuong	625,678,941	1,344,174,918
Sense Ben Tre	648,081,338	940,430,491
TTTM Nowzone	818,148,484	1,522,618,604
Sense Can Tho	888,597,314	856,343,455
Parkson Le Thanh Ton	939,825,030	708,762,091
Sense Ca Mau	1,156,703,263	717,790,254
Gia hang Tiet kiem	1,838,349,721	361,646,980
Aeonmall Ha Dong	1,980,553,460	2,490,070,910
Aeon Ha Noi	2,277,471,796	1,940,687,598
Aeon Hai Phong	2,713,566,387	1,106,023,203
Aeon Binh Duong	4,533,644,239	7,417,481,647
Aeon Tan Phu	5,182,259,126	6,055,942,557
AEON Binh Tan	5,832,358,950	7,047,219,391
Others	5,435,799,684	4,155,782,436
<b>TOTAL</b>	<b>35,108,770,676</b>	<b>40,694,434,402</b>

According to the cooperation agreement between the two parties, the Malls will collect the money and repay PNJ periodically.

4. OTHER RECEIVABLES

	31/03/2022	VND 31/03/2021
<b>a. Current</b>		
_Advances to employees	13,383,750,738	836,881,536
Hoang Gia Ngoc	4,009,596,154	4,009,596,154
_Others	5,652,650,359	15,679,089,461
<b>Total</b>	<b>23,045,997,251</b>	<b>20,525,567,151</b>
<b>b. Non- Current</b>		
Long term deposit for renting stores	81,904,903,359	80,350,406,759
<b>Total</b>	<b>81,904,903,359</b>	<b>80,350,406,759</b>

5. INVENTORIES

	<b>31/03/2022</b>	<b>VND 31/03/2021</b>
Raw materials	273,193,719,398	338,161,002,157
Tools and supplies	30,131,932,226	28,160,441,406
Work in process	1,087,925,472	186,865,821
Finished goods	4,199,657,747,494	4,969,889,215,870
Merchandise goods	2,000,015,516,414	2,508,955,062,471
<b>TOTAL</b>	<b>6,504,086,841,004</b>	<b>7,845,352,587,725</b>

Inventories of VND 2.503.916.000.000 were used as collaterals for short-term loans obtained from commercial banks (Note 11).

6. REPAYMENTS

CURRENT

	<b>31/03/2022</b>	<b>VND 31/03/2021</b>
<b>Current</b>		
Cabinets	1,946,477,674	2,024,191,806
Tools and supplies	3,851,287,635	4,743,744,742
Stores rental	21,734,645,245	25,131,143,445
Repair and maintainance expenses	2,783,150,102	2,588,656,468
IT expenses	15,383,857,063	15,347,742,167
Others	2,432,543,646	4,707,605,346
<b>TOTAL</b>	<b>48,131,961,365</b>	<b>54,543,083,974</b>

NON – CURRENT

	<b>31/03/2022</b>	<b>VND 31/03/2021</b>
Cabinets	49,545,269,981	46,819,345,036
Tools and supplies	36,247,499,096	37,336,147,027
Stores rental	7,754,385,190	8,930,291,938
Repair and maintainance expenses	86,464,814,401	80,879,194,596
Others	1,833,931,423	1,826,250,594
<b>TOTAL</b>	<b>181,845,900,091</b>	<b>175,791,229,191</b>

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

Q1/2022

				VND
	Opening balance	Receivable/Payable during the year	Received/Paid during the year	Closing balance
<b>a. Receivables</b>				
Value added tax from import		66,728,817,801	66,728,817,801	-
Value added tax	7,799,478,523	1,447,560,251	3,303,926,724	5,943,112,050
Import- Export tax	-	6,130,738,036	6,130,738,036	-
<b>Total</b>	<b>7,799,478,523</b>	<b>74,307,116,088</b>	<b>76,163,482,561</b>	<b>5,943,112,050</b>
<b>b. Payables</b>				
Value added tax	59,430,680,133	198,709,665,250	215,693,822,974	42,446,522,409
Corporate income tax	184,591,961,711	187,863,576,649	187,321,373,205	185,134,165,155
Personal income tax	11,893,356,841	48,865,034,540	53,981,816,819	6,776,574,562
Others	5,136,352,976	900,252,926	1,097,589,318	4,939,016,584
<b>Total</b>	<b>261,052,351,661</b>	<b>436,338,529,365</b>	<b>458,094,602,316</b>	<b>239,296,278,710</b>

Accumulated/2022

				VND
	Opening balance	Receivable/Payable during the year	Received/Paid during the year	Closing balance
<b>a. Receivables</b>				
Value added tax from import		66,728,817,801	66,728,817,801	-
Value added tax	7,799,478,523	1,447,560,251	3,303,926,724	5,943,112,050
Import- Export tax	-	6,130,738,036	6,130,738,036	-
<b>Total</b>	<b>7,799,478,523</b>	<b>74,307,116,088</b>	<b>76,163,482,561</b>	<b>5,943,112,050</b>
<b>b. Payables</b>				
Value added tax	59,430,680,133	198,709,665,250	215,693,822,974	42,446,522,409
Corporate income tax	184,591,961,711	187,863,576,649	187,321,373,205	185,134,165,155
Personal income tax	11,893,356,841	48,865,034,540	53,981,816,819	6,776,574,562
Others	5,136,352,976	900,252,926	1,097,589,318	4,939,016,584
<b>Total</b>	<b>261,052,351,661</b>	<b>436,338,529,365</b>	<b>458,094,602,316</b>	<b>239,296,278,710</b>

15/03/2022

8. ACCRUED EXPENSES

	VND	
	31/03/2022	31/03/2021
Interest expenses	2,020,150,372	2,426,405,825
Advertising and marketing expense	64,317,200,426	46,175,908,456
Others	12,043,146,357	7,574,202,749
<b>Total</b>	<b>78,380,497,155</b>	<b>56,176,517,030</b>



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Cont.)  
As of date and for 1 ended on 31 March 2022

**9. FIXED ASSETS**

**TANGIBLE FIXED ASSETS**

	Buildings and structures	Machinery and equipment	Motor vehicles	Office equipment	Total
<b>I. COST</b>					
31/12/2021	155,412,647,890	54,332,739,154	40,084,095,152	95,062,625,806	<b>344,892,108,002</b>
Additions	219,292,733	1,665,629,700		595,656,233	<b>2,480,578,666</b>
Disposal		384,835,758		126,417,170	<b>511,252,928</b>
31/03/2022	155,631,940,623	55,613,533,096	40,084,095,152	95,531,864,869	<b>346,861,433,740</b>
In which					
Fully depreciated	1,913,503,462	17,823,891,193	2,061,749,190	36,115,587,060	<b>57,914,730,905</b>
<b>II. ACCUMULATED DEPRECIATION:</b>					
31/12/2021	59,517,026,694	35,834,118,969	19,431,931,410	60,362,404,480	<b>175,145,481,553</b>
Additions	2,102,608,545	2,010,726,734	1,213,354,072	2,679,792,923	<b>8,006,482,274</b>
Disposal		372,622,461		80,208,333	<b>452,830,794</b>
31/03/2022	61,619,635,239	37,472,223,242	20,645,285,482	62,961,989,070	<b>182,699,133,033</b>
<b>III. NET CARRYING AMOUNT</b>					
31/12/2021	95,895,621,196	18,498,620,185	20,652,163,742	34,700,221,326	<b>169,746,626,449</b>
31/03/2022	94,012,305,384	18,141,309,854	19,438,809,670	32,569,875,799	<b>164,162,300,707</b>

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

## NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Cont.)

As of date and for 1 ended on 31 March 2022

## INTANGIBLE FIXED ASSETS

	INDEFINITE LAND USE RIGHTS	COMPUTER SOFTWARE	TOTAL
<b>I. COST</b>			
31/12/2021	557,784,111,372	139,990,807,616	<b>697,774,918,988</b>
Additions	-	-	-
Disposal	-	-	-
31/03/2022	557,784,111,372	139,990,807,616	<b>697,774,918,988</b>
In which			
Fully amortization		6,982,250,583	6,982,250,583
<b>II. ACCUMULATED DEPRECIATION:</b>			
31/12/2021	-	46,926,615,165	<b>46,926,615,165</b>
Additions	-	3,758,681,716	3,758,681,716
Disposal	-	-	-
31/03/2022	-	50,685,296,881	<b>50,685,296,881</b>
<b>III. NET CARRYING AMOUNT</b>			
31/12/2021	557,784,111,372	93,064,192,451	<b>650,848,303,823</b>
31/03/2022	557,784,111,372	89,305,510,735	<b>647,089,622,107</b>

## 10. CONSTRUCTION IN PROCESS

	VND	
	31/03/2022	31/03/2021
HR software	1,990,919,100	1,990,919,100
Land use right in Binh Duong	26,137,767,250	26,137,767,250
Tower 577 Nguyen Kiem	2,055,220,000	2,055,220,000
<b>TOTAL</b>	<b>30,183,906,350</b>	<b>30,183,906,350</b>

## 11. SHORT-TERM LOANS

	VND	
	31/03/2022	31/03/2021
<b>a. Short term</b>		
Loans from commercial banks	1,687,230,248,356	2,409,923,248,626
Loans from individuals	92,052,472,633	85,383,871,840
<b>Total</b>	<b>1,779,282,720,989</b>	<b>2,495,307,120,466</b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Cont.)  
As of date and for 1 ended on 31 March 2022

Details of loan in this period:

BANK	31/12/2021	Drawdown	Repayment	31/03/2022
<b>COMMERCIAL BANK</b>	<b>2,409,923,248,626</b>	<b>2,028,664,650,607</b>	<b>2,751,357,650,877</b>	<b>1,687,230,248,356</b>
CTBC Bank Company Limited – HCM Branch	86,686,381,740	49,430,270,491	98,686,381,740	37,430,270,491
Vietnam Joint Stock Commercial Bank for Industry and Trade	677,782,720,126	20,903,477,400	515,238,255,237	183,447,942,289
Joint Stock Company Bank for Foreign trade of Vietnam	599,746,224,400	241,749,356,180	599,746,224,400	241,749,356,180
Bank for Investment and Development of Vietnam Jsc- Hoc Mon Branch	398,800,000,000	339,555,474,443	502,800,000,000	235,555,474,443
Military Commercial Joint Stock Bank	-	8,650,759,812	-	8,650,759,812
Sea Bank	269,959,271,800	268,000,000,000	369,959,271,800	168,000,000,000
Petrolimex Group Commercial Joint Stock Bank	282,932,584,960	41,598,960,000	324,531,544,960	-
HSBC	-	200,000,000,000	-	200,000,000,000
China Construction Bank Corporation	91,800,000,000	-	91,800,000,000	-
Vietnam International Commercial Joint Stock Bank	-	131,073,789,740	46,379,907,140	84,693,882,600
Bank for Investment and Development of Vietnam Jsc- Hoc Mon Branch	-	209,029,190,900	150,000,000,000	59,029,190,900
Wooribank	-	155,518,424,500	50,000,000,000	105,518,424,500
KEA Hanabank	2,216,065,600	80,000,000,000	2,216,065,600	80,000,000,000
Techcombank	-	283,154,947,141	-	283,154,947,141
<b>Other individuals</b>	<b>85,383,871,840</b>	<b>200,842,123,650</b>	<b>194,173,522,857</b>	<b>92,052,472,633</b>
<b>TOTAL</b>	<b>2,495,307,120,466</b>	<b>2,229,506,774,257</b>	<b>2,945,531,173,734</b>	<b>1,779,282,720,989</b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Cont.)  
As of date and for 1 ended on 31 March 2022

Details of loan in this period:

BANK	AMOUNT	MATURITY DATE	INTEREST RATE	COLLATERAL
<b>Short term loans in VND</b>	<b>1,687,230,248,356</b>			
CTBC Bank Company Limited – HCM Branch	37,430,270,491	From 18/08 to 18/09/2022	4.5%	Inventories
Vietnam Joint Stock Commercial Bank for Industry and Trade - Branch 1	183,447,942,289	From 22/05 to 10/07/2022	4.2%	Inventories
Joint Stock Company Bank for Foreign trade of Vietnam	241,749,356,180	From 17/08/ to 31/08/2022	4.6%	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	235,555,474,443	From 17/06 to 22/08/2022	5.1%	Inventories
SeA Bank	168,000,000,000	From 22 to 28/05/2022	5.2%	House at 123 Hung Vuong, Da Nang and inventories
HSBC	200,000,000,000	From 20/07 to 15/08/2022	4.0%	Inventories
Ho Chi Minh City Development Joint Stock Commercial Bank	59,029,190,900	From 28 to 29/05/2022	5.2%	Unsecured
Wooribank	105,518,424,500	From 11 to 20/07/2022	4.6%	Inventories
KEA Hanabank	80,000,000,000	30/12/2022	5.5%	Unsecured
Techcombank	283,154,947,141	From 06 to 20/07/2022	4.5%	Unsecured
Vietnam International Commercial Joint Stock Bank	84,693,882,600	From 24 to 25/06/2022	5.2%	Inventories
Military Commercial Joint Stock Bank	8,650,759,812	28/08/2022	5.0%	Unsecured
<b>Other individuals</b>	<b>92,052,472,633</b>			
<b>Total short term loans</b>	<b>1,779,282,720,989</b>			

10/03/2022

## NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Cont.)

As of date and for 1 ended on 31 March 2022

**12. SHORT-TERM TRADE PAYABLES**

	<b>31/03/2022</b>	<b>VND 31/03/2021</b>
Ngoc Luc Bao	-	368,745,080
Thanh Thuy	71,668,500	570,632,500
Lotus Diamonds Limited	96,009,948	96,009,948
Pt Kinara Gilang	142,054,844	142,054,844
Kobayashi Vina	239,888,635	534,634,316
Phuong Hoang Office Co., Ltd	409,512,024	1,474,033,935
Vincom Shophouse Quang Ninh	832,771,856	832,771,856
Yuto Packaging Technology Ltd.,	1,051,137,697	878,594,305
Nhat Vy Gemstones Co., Ltd	1,492,940,800	4,321,060,800
ORIVERI SRL	5,208,684,592	1,088,736,994
PNJL	11,910,658,870	8,986,047,520
Viet Capital Securities	14,013,450,000	-
Hung Kim Loan Company	15,039,669,500	11,380,503,100
Others	41,143,173,665	44,014,642,603
Forte Jewellery (HK)	93,169,067,385	156,961,646,131
Fineese Impex Ltd	241,826,941,053	407,209,800,903
<b>Total</b>	<b>427,044,825,616</b>	<b>638,903,772,994</b>

**13. OTHER PAYABLES**

	<b>31/03/2022</b>	<b>VND 31/03/2021</b>
<b>a. Current</b>		
_Deduction under salary	11,137,638,670	2,737,780,626
_Bonus of Board of Management and Board of Directors	10,765,507,099	10,084,181,002
_Dividends payable	16,831,385,857	11,510,437,047
_Others	17,005,380,283	22,874,299,985
<b>TOTAL</b>	<b>55,739,911,909</b>	<b>47,206,698,660</b>
<b>b. Non current</b>		
_ Long term deposit	518,668,000	518,668,000
<b>TOTAL</b>	<b>518,668,000</b>	<b>518,668,000</b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Cont.)  
As of date and for Quarter 1 ended on 31 March 2022

## 14. OWNERS' EQUITY

	Share capital	Share premium	Treasury shares	Investment and development fund	Undistributed earnings	Total
<b>Prior period's opening balance</b>	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
Capital increase	-	-	-	-	-	-
Profit for the year	-	-	-	-	1,055,376,419,781	1,055,376,419,781
Dividends declared	-	-	-	-	(181,893,250,400)	(181,893,250,400)
Treasury shares (***)	-	-	(1,524,800,000)	-	-	(1,524,800,000)
Profit appropriation	-	-	-	427,724,000,000	(502,576,000,000)	(74,852,000,000)
Investment and development fund	-	-	-	427,724,000,000	(427,724,000,000)	-
Transfer to bonus and welfare fund	-	-	-	-	(53,466,000,000)	(53,466,000,000)
Board of Management fund	-	-	-	-	(21,386,000,000)	(21,386,000,000)
<b>Current period's opening balance</b>	<b>2,276,123,620,000</b>	<b>991,261,882,458</b>	<b>(4,908,890,000)</b>	<b>800,503,556,918</b>	<b>1,881,864,811,687</b>	<b>5,944,844,981,063</b>
Capital increase (*)	150,000,000,000	1,260,946,550,000	-	-	-	1,410,946,550,000
Profit for the year	-	-	-	-	749,928,276,159	749,928,276,159
Dividends declared (**)	-	-	-	-	(136,419,937,800)	(136,419,937,800)
<b>Current period's closing balance</b>	<b>2,426,123,620,000</b>	<b>2,252,208,432,458</b>	<b>(4,908,890,000)</b>	<b>800,503,556,918</b>	<b>2,495,373,150,046</b>	<b>7,969,299,869,422</b>

Notes:

(\*) On March 31, 2022, PNJ completed the private placement 2022 (15 million shares).

(\*\*) On January 11, 2022, PNJ made the 3<sup>rd</sup> dividend payment of 2020, the payment rate is 6%/par value.

## NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Cont.)

As of date and for Quarter 1 ended on 31 March 2022

**15. REVENUE****15.1 Revenue from good sold and services rendered**

	Q1.2022	VND Q1.2021
<b>Gross revenue, of which</b>	10,994,799,610,385	8,238,182,296,232
_Sale of gold, silver and jewelry	10,940,363,280,817	8,212,599,346,516
_Others	47,344,829,878	20,323,523,155
_Rendering services	7,091,499,690	5,259,426,561
_Goods returned	(85,423,607,725)	(50,758,486,250)
<b>Net revenue, of which</b>	<b>10,909,376,002,660</b>	<b>8,187,423,809,982</b>
_Sale of gold, silver and jewelry	10,854,939,673,092	8,161,840,860,266
_Others	47,344,829,878	20,323,523,155
_Rendering services	7,091,499,690	5,259,426,561

**15.2 Financial incomes**

	Q1.2022	VND Q1.2021
Interest income (*)	260,931,590	52,234,462
Divident income	-	25,000,000,000
Foreign exchange gain	4,174,492,359	3,760,454,829
<b>Total</b>	<b>4,435,423,949</b>	<b>28,812,689,291</b>

**16. COST OF GOODS SOLD AND SERVICES RENDERED**

	Q1.2022	VND Q1.2021
Cost of gold, silver and jewelry	9,172,551,761,884	6,888,361,850,165
Others	21,780,324,094	17,091,263,336.0
<b>Total</b>	<b>9,194,332,085,978</b>	<b>6,905,453,113,501</b>

**17. FINANCIAL EXPENSES**

	Q1.2022	VND Q1.2021
Interest expense	29,033,323,457	20,155,692,436
Financial expense	2,127,944,325	1,418,072,511
Foreign exchange loss	100,210,669	396,411,795
<b>Total</b>	<b>31,261,478,451</b>	<b>21,970,176,742</b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Cont.)  
As of date and for Quarter 1 ended on 31 March 2022

### 18. SELLING AND GENERAL ADMINISTRATIVE EXPENSES BY NATURE

	Q1.2022	VND Q1.2021
Labor costs	435,285,859,594	353,489,931,411
Raw materials	14,296,144,929	13,651,773,654
Tools and supplies	22,898,996,514	17,513,034,917
Depreciation and amortization	11,769,265,084	11,315,752,034
Expenses for external services	218,475,524,649	198,260,483,790
Other expenses	46,392,497,150	26,528,572,645
<b>TOTAL</b>	<b>749,118,287,920</b>	<b>620,759,548,451</b>

### 19. 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.

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

	Q1.2022	VND Q1.2021
<b>Profit before tax</b>	<b>937,791,852,808</b>	<b>668,858,986,011</b>
<i>Adjustments:</i>		
<i>_Non - deductible expenses</i>	1,526,030,437	1,368,292,043
<i>_Dividend from PNJL</i>	-	(25,000,000,000)
<b>Estimated current taxable profit</b>	<b>939,317,883,245</b>	<b>645,227,278,054</b>
Corporate income tax rate	20%	20%
<b>Estimated current CIT</b>	<b>187,863,576,649</b>	<b>129,045,455,611</b>



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Cont.)  
As of date and for Quarter 1 ended on 31 March 2022

**20. OFF BALANCE SHEET ITEM**

- a) Leasing: The Company leases outlets under operating lease arrangements. Future rental amounts due under such operating leases after 31 March 2022 were as follows:

	31/03/2022	VND 31/03/2021
Within next year	235,547,240,020	218,134,471,575
From 1 to 5 years	734,232,603,417	672,012,602,084
Over 5 years	357,593,429,596	354,288,513,940
<b>Total</b>	<b>1,327,373,273,033</b>	<b>1,244,435,587,599</b>

- b) Foreign currencies:

	31/03/2022	VND 31/03/2021
USD	66,371	66,391
GBP	1,625	1,625
AUD	403	408
EUR	461	464
Gold taels (mace)	13,515	9,980

**21. 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 31 December 2021 and 31 March 2022.

**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.

## NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Cont.)

As of date and for Quarter 1 ended on 31 March 2022

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.

*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*

11/03/2022

## NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Cont.)

As of date and for Quarter 1 ended on 31 March 2022

The Company has pledged its fixed assets, inventories in order to fulfil the collateral requirements for loans obtained from commercial banks (*Notes 11*).

The Company did not hold any collateral at 31 December 2021 and 31 March 2022.


**22. FACTORS EFFECT TO FINANCIAL INCOME IN Q1.2022**

Net revenue in Q1.2022 reached VND 10,909 bn and profit before tax is VND 937.8 bn, increasing 33% and 40% yoy respectively.

In Q1.2022, PNJ recorded impressive growth by some reasons (1) dynamic retail market (2) effort in launch the key sales programs to attract and rich customer experience. Thanks to these, PNJ's retail revenue achieved 43% growth

Besides, gold bar revenue in the first quarter accounted for 61% yoy due to investment trend in the context of rapidly increasing inflation and global geopolitical instability.

Operating expenses in Q1.2022 accounted for VND 749 bn, up 21% yoy. Operating expenses/ New revenue in Q1.2022 is 6.87%, decreased Q1.2021 of 7.58% thanks to optimize cost items, and increase labor productivity.



\_\_\_\_\_  
Nguyen Thanh Dat  
Preparer  
20 April 2022



\_\_\_\_\_  
Duong Quang Hai  
Chief Accountant



\_\_\_\_\_  
Le Tri Thong  
General Director