



PHU NHUAN JEWELRY JOINT STOCK COMPANY

Separate Interim Financial Statements

For the three month period ended 31 Mar 2023

Separate Financial Statement Q1.2023
31 March 2023

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Phu Nhuan Jewelry Joint Stock Company
GENERAL INFORMATION

Phu Nhuan Jewelry Joint Stock Company (the "Company") was incorporated in Vietnam, under the Business Registration Certificate No. 0300521758 issued by the Department of Planning and Investment of Ho Chi Minh City on 2 January 2004, amended registration on 06 February 2023.

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 | Mrs | Cao Thi Ngoc Dung | Chairwoman |
| | Mr | Le Tri Thong | Vice Chairman |
| | Mrs | Dang Thi Lai | Member |
| | Mrs | Huynh Thi Xuan Lien | Member |
| | Mrs | Tran Phuong Ngoc Thao | Member |
| | Mr | Dao Trung Kien | Member |
| | Mr | Nguyen Tuan Hai | Independent Member |
| | Mr | Le Quang Phuc | Independent Member |
| | Mrs | Tieu Yen Trinh | Independent Member |
| Audit Committee | Mr | Le Quang Phuc | Chairman |
| | Mr | Nguyen Tuan Hai | Member |
| | Mrs | Huynh Thi Xuan Lien | Member |
| | Mr | Nguyen Anh Tuan | Head of Internal Audit Department under Audit Committee |
| Board of Managements | Mr | Le Tri Thong | Chief Executive Officer |
| | Mrs | Dang Thi Lai | Senior Director of Finance (Since 06/02/2023) |
| | Mr | Nguyen Anh Hung | Senior Director of Human Resources (Resigned since 01/05/2023) |
| | Mr | Dao Trung Kien | Senior Director of Operation (Since 06/02/2023) Chief Strategy Officer (Resigned since 06/02/2023) |
| | Mr | Dang Hai Anh | Chief Information Officer |
| | Mr | Nguyen Khoa Hong Thanh | Senior Director of Marketing Division (Since 26/03/2023) |
| | Mr | Nguyen Ngoc Van Quan | Senior Director of Supply Chain (Since 16/02/2023) |
| | Mr | Duong Quang Hai | Chief Accountant |
| Legal representative | Mrs | Cao Thi Ngoc Dung | Chairwoman |
| | Mr | Le Tri Thong | Chief Executive Officer |


- ❖ The Board of Director assigned Mr. Le Tri Thong to manage and operate:
- Customer and Retail Division (Since 10/08/2020)
 - Strategy Division (Since 06/02/2023)
 - Marketing Division (From 17/10/2022 to 26/03/2023)

| Code | ASSETS | 31/03/2023 VND | 31/12/2022 VND |
|------------|---|---------------------------|---------------------------|
| 100 | CURRENT ASSETS | 10,547,312,865,434 | 11,064,035,069,182 |
| 110 | Cash and cash equivalents | 445,061,493,543 | 812,986,324,575 |
| 111 | Cash | 295,061,493,543 | 812,986,324,575 |
| 112 | Cash equivalents | 150,000,000,000 | |
| 120 | Current financial investment | 720,000,000,000 | 200,000,000,000 |
| 123 | Held to maturity investments | 720,000,000,000 | 200,000,000,000 |
| 130 | Current accounts receivable | 783,599,282,796 | 710,766,133,884 |
| 131 | Trade receivables | 160,066,976,578 | 143,730,514,010 |
| 132 | Advances to suppliers | 418,510,785,863 | 396,330,171,806 |
| 135 | Short term lending | 180,000,000,000 | 140,000,000,000 |
| 136 | Other receivables | 27,771,208,605 | 33,444,427,006 |
| 137 | Provision for doubtful debts | (2,806,717,308) | (2,806,717,308) |
| 139 | Shortage of assets pending resolution | 57,029,058 | 67,738,370 |
| 140 | Inventories | 8,532,484,216,775 | 9,271,399,848,670 |
| 141 | Inventories | 8,532,484,216,775 | 9,271,399,848,670 |
| 150 | Other current assets | 66,167,872,320 | 68,882,762,053 |
| 151 | Short-term prepaid expenses | 63,697,394,416 | 65,745,263,061 |
| 152 | Value-added tax deductible | 2,470,477,904 | 3,137,498,992 |
| 200 | NON CURRENT ASSETS | 1,865,556,807,310 | 1,846,082,304,812 |
| 210 | Non- current account receivables | 91,254,607,596 | 88,419,971,107 |
| 216 | Other non-current receivables | 91,254,607,596 | 88,419,971,107 |
| 220 | Fixed assets | 798,371,566,237 | 805,633,551,936 |
| 221 | Tangible fixed assets | 160,004,411,210 | 162,935,282,608 |
| 222 | - Cost | 373,505,651,358 | 368,585,849,492 |
| 223 | - Accumulated depreciation (*) | (213,501,240,148) | (205,650,566,884) |
| 227 | Intangible fixed assets | 638,367,155,027 | 642,698,269,328 |
| 228 | - Cost | 705,939,742,348 | 705,939,742,348 |
| 229 | - Accumulated amortization (*) | (67,572,587,321) | (63,241,473,020) |
| 240 | Non –current assets in progress | 28,930,787,250 | 28,799,987,250 |
| 242 | Construction in progress | 28,930,787,250 | 28,799,987,250 |
| 250 | Long-term investments | 586,669,065,179 | 586,669,065,179 |
| 251 | Investments in subsidiaries | 660,000,000,000 | 660,000,000,000 |
| 253 | Other long-term investments | 395,271,613,400 | 395,271,613,400 |
| 254 | Provision for long-term investments | (468,602,548,221) | (468,602,548,221) |
| 260 | Other long-term assets | 360,330,781,048 | 336,559,729,340 |
| 261 | Long-term prepaid expenses | 243,600,646,485 | 219,829,594,777 |
| 262 | Deferred tax assets | 116,730,134,563 | 116,730,134,563 |
| 270 | TOTAL ASSETS (270=100+200) | 12,412,869,672,744 | 12,910,117,373,994 |

| Code | RESOURCES | 31/03/2023 VND | 31/12/2022 VND |
|------------|---|---------------------------|---------------------------|
| 300 | LIABILITIES | 3,350,260,749,792 | 4,569,887,335,324 |
| 310 | Current liabilities | 3,334,044,453,943 | 4,559,852,546,324 |
| 311 | Trade payables | 489,789,868,214 | 255,035,902,130 |
| 312 | Advances from customers | 204,375,070,476 | 170,105,715,685 |
| 313 | Statutory obligations | 240,264,915,603 | 226,999,428,026 |
| 314 | Payables to employees | 548,438,974,963 | 836,225,571,023 |
| 315 | Accrued expenses | 53,582,713,278 | 77,567,311,611 |
| 319 | Other payables | 61,843,632,274 | 196,542,039,364 |
| 320 | Short-term loans | 1,547,487,029,887 | 2,605,754,185,502 |
| 321 | Provision for short term payables | 30,129,306,488 | 30,129,306,488 |
| 322 | Bonus and welfare fund | 158,132,942,760 | 161,493,086,495 |
| 330 | Non-current liabilities | 16,216,295,849 | 10,034,789,000 |
| 336 | Deferred Revenue – Long Term | 6,181,506,849 | - |
| 337 | Other long-term liabilities | 518,668,000 | 518,668,000 |
| 342 | Long-term provisions | 9,516,121,000 | 9,516,121,000 |
| 400 | EQUITY | 9,062,608,922,952 | 8,340,230,038,670 |
| 410 | Owner's equity | 9,062,608,922,952 | 8,340,230,038,670 |
| 411 | Owner's contributed capital | 3,281,691,880,000 | 2,461,716,200,000 |
| 412 | Share premium | 1,431,400,352,458 | 2,251,376,032,458 |
| 415 | Treasury shares (*) | (3,384,090,000) | (3,384,090,000) |
| 418 | Investment and development fund | 1,212,120,556,918 | 1,212,120,556,918 |
| 421 | Retained earnings | 3,140,780,223,576 | 2,418,401,339,294 |
| 421a | - Retained profits brought forward | 2,418,401,339,294 | 791,386,349,487 |
| 421b | - Retained profits for the current period | 722,378,884,282 | 1,627,014,989,807 |
| 440 | TOTAL RESOURCES (440=300+400) | 12,412,869,672,744 | 12,910,117,373,994 |



Nguyen Thanh Dat
Preparer
26 April 2023



Duong Quang Hai
Chief Accountant



Le Tri Thong
Chief Executive Officer



Phu Nhuan Jewelry Joint Stock Company
 Separate Income Statement
 Q1 - ended 31/03/2023

| Code | | Quarter 1 | | YTD | |
|------|--|--------------------------|--------------------------|--------------------------|--------------------------|
| | | 2023 VND | 2022 VND | 2023 VND | 2022 VND |
| 01 | Gross revenue from sale of goods and services rendered | 10,038,339,340,734 | 10,994,799,610,385 | 10,038,339,340,734 | 10,994,799,610,385 |
| 02 | Deductions | 93,063,227,147 | 85,423,607,725 | 93,063,227,147 | 85,423,607,725 |
| 10 | Net revenue from sale of goods and services rendered | 9,945,276,113,587 | 10,909,376,002,660 | 9,945,276,113,587 | 10,909,376,002,660 |
| 11 | Cost of goods sold and services rendered | 8,131,587,654,155 | 9,194,332,085,978 | 8,131,587,654,155 | 9,194,332,085,978 |
| 20 | Gross profit from sale of goods and services rendered | 1,813,688,459,432 | 1,715,043,916,682 | 1,813,688,459,432 | 1,715,043,916,682 |
| 21 | Finance income | 13,516,899,206 | 2,084,423,230 | 13,516,899,206 | 2,084,423,230 |
| 22 | Finance expenses | 34,750,060,908 | 28,910,477,732 | 34,750,060,908 | 28,910,477,732 |
| 23 | - <i>In which: Interest expense</i> | 31,080,937,273 | 29,033,323,457 | 31,080,937,273 | 29,033,323,457 |
| 25 | Selling expenses | 731,091,603,116 | 618,906,672,608 | 731,091,603,116 | 618,906,672,608 |
| 26 | General and administrative expenses | 158,761,782,641 | 130,211,615,312 | 158,761,782,641 | 130,211,615,312 |
| 30 | Operating profit | 902,601,911,973 | 939,099,574,260 | 902,601,911,973 | 939,099,574,260 |
| 31 | Other income | 1,377,787,283 | 545,720,791 | 1,377,787,283 | 545,720,791 |
| 32 | Other expenses | 406,175,814 | 1,853,442,243 | 406,175,814 | 1,853,442,243 |
| 40 | Other profit | 971,611,469 | (1,307,721,452) | 971,611,469 | (1,307,721,452) |
| 50 | Accounting profit before tax | 903,573,523,442 | 937,791,852,808 | 903,573,523,442 | 937,791,852,808 |
| 51 | Current corporate income tax expense | 181,194,639,160 | 187,863,576,649 | 181,194,639,160 | 187,863,576,649 |
| 60 | Net profit after corporate income tax | 722,378,884,282 | 749,928,276,159 | 722,378,884,282 | 749,928,276,159 |


 Nguyen Thanh Dat
 Preparer

26 April 2023


 Duong Quang Hai
 Chief Accountant



 Le Tri Thong
 Chief Executive Officer




| Code | | CURRENT YEAR VND | PREVIOUS YEAR VND |
|------|--|----------------------------|--------------------------|
| | CASH FLOWS FROM OPERATING ACTIVITIES | | |
| 01 | Profit before tax | 903,573,523,442 | 937,791,852,808 |
| | Adjustment for | | |
| 02 | - Depreciation and amortization | 12,832,923,200 | 11,769,265,084 |
| 04 | - Exchange losses arising from evaluation of monetary items | (2,501,102,241) | 1,946,337,365 |
| 05 | - (Gain)/loss from investing activities | (11,012,741,962) | (260,931,590) |
| 06 | - Interest expense | 31,080,937,273 | 29,033,323,457 |
| 08 | Operating profit before changes in working capital | 933,973,539,712 | 980,279,847,124 |
| 09 | - (Increase)/Decrease in receivables | (35,000,764,313) | (458,082,761,776) |
| 10 | - Increase in inventories | 738,915,631,895 | 1,341,265,746,721 |
| 11 | - Increase in payables | 9,433,964,763 | (225,587,115,755) |
| 12 | - Increase in prepaid expenses | (21,723,183,063) | 356,451,709 |
| 14 | - Interest paid | (34,618,609,357) | (29,439,578,910) |
| 15 | - Corporate income tax paid | (196,068,766,393) | (187,321,373,205) |
| 17 | - Other cash outflows from operating activities | (3,360,121,658) | (7,853,694,706) |
| 20 | Net cash flows (used in) from operating activities | 1,391,551,691,586 | 1,413,617,521,202 |
| II | CASH FLOWS FROM INVESTING ACTIVITIES | | |
| 21 | Purchases of fixed assets | (5,701,737,502) | (2,480,578,666) |
| 22 | Proceeds from disposals of fixed assets | 259,180,497 | 64,830,149 |
| 23 | Loans granted and term deposits placed at banks | (760,000,000,000) | - |
| 24 | Collection of loans and term deposit placed at banks | 200,000,000,000 | - |
| 27 | Interest earned and dividends received | 11,012,741,962 | 260,931,590 |
| 30 | Net cash flows from (used in) investing activities | (554,429,815,043) | (2,154,816,927) |
| III | CASH FLOWS FROM FINANCING ACTIVITIES | | |
| 31 | Proceeds from issuing stocks and capital contribution from owners | - | 1,410,946,550,000 |
| 33 | Proceeds from borrowings | 1,098,903,097,444 | 2,236,206,774,257 |
| 34 | Repayments of borrowings | (2,157,170,253,059) | (2,952,231,173,734) |
| 36 | Dividend paid | (146,779,551,960) | (128,864,170,850) |
| 40 | Net cash flows used in financing activities | (1,205,046,707,575) | 566,057,979,673 |
| 50 | Net decrease in cash and cash equivalents | (367,924,831,032) | 1,977,520,683,948 |
| 60 | Cash and cash equivalents at beginning of period | 812,986,324,575 | 305,277,938,978 |
| 70 | Cash and cash equivalents at end of period | 445,061,493,543 | 2,282,798,622,926 |



Nguyen Thanh Dat
Preparer
26 April 2023



Duong Quang Hai
Chief Accountant



Le Tri Thong
Chief Executive Officer



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 normal business cycle of the Company is within 12 months

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 2023 was 5,416 (as at 31 December 2022: 5,155).

As at 31 March 2023, 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 2023, the Company has also fifty-seven (57) branches and three hundred sixty-three (363) retail shops located in various provinces and cities in Vietnam, in which, the biggest 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. A DOPTION 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. 48/2019/TT-BTC dated August 08, 2019 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 08, 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:



| | Current year |
|--------------------------|--------------|
| | (Years) |
| Buildings and structures | 05 - 25 |
| Machinery and equipment | 03 - 15 |
| Motor vehicles | 05 - 10 |
| Office equipment | 03 - 10 |

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:

- ✓ 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.

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:

- ✓ 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 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.

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

| | 31/03/2023 | 31/12/2022 |
|------------------|-------------------------------|-------------------------------|
| Cash on hand | 84,716,410,430 | 400,728,142,501 |
| Cash at banks | 192,225,868,406 | 366,064,822,140 |
| Cash in transit | 18,119,214,707 | 46,193,359,934 |
| Cash equivalents | <u>150,000,000,000</u> | <u>-</u> |
| TOTAL | <u>445,061,493,543</u> | <u>812,986,324,575</u> |

2. FINANCIAL INVESTMENTS

| | 31/03/2023 | 31/12/2022 |
|---|------------------------|------------------------|
| a. Current financial investments | | |
| Term deposits | 720,000,000,000 | 200,000,000,000 |
| _Woori Bank | 40,000,000,000 | - |

| | | |
|--|-------------------------------|-------------------------------|
| _VIB | 50,000,000,000 | - |
| _Vietcapital Bank | 50,000,000,000 | - |
| _OCB | 150,000,000,000 | 200,000,000,000 |
| _HD Bank | 180,000,000,000 | - |
| _Dong Nam A Bank | 250,000,000,000 | - |
| TOTAL | <u>720,000,000,000</u> | <u>200,000,000,000</u> |
| b. Non current financial investments | | |
| The Company's subsidiaries | 586,669,065,179 | 586,669,065,179 |
| CAO Fashion Company Limited | 150,000,000,000 | 150,000,000,000 |
| _PNJ Laboratory Company Limited | 10,000,000,000 | 10,000,000,000 |
| <i>Provision for loss of financial investments</i> CAO* | (73,330,934,821) | (73,330,934,821) |
| _PNJ Jewelry Production And Trading Co.,Ltd | 500,000,000,000 | 500,000,000,000 |
| Other long term investments | | |
| _Dong A Joint Stock (EAB) | 395,271,613,400 | 395,271,613,400 |
| <i>Provision for long-term investments</i> (EAB) (**) | (395,271,613,400) | (395,271,613,400) |
| TOTAL | <u>586,669,065,179</u> | <u>586,669,065,179</u> |

CAO Fine Jewelry Company Limited (CAF) 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. CAF'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"), owned 100% by PNJ, the Business Registration Certificate No.0310521330 issued by the Department of Planning and Investment of Ho Chi Minh City on 16 December 2010. PNJL's registered head office is located at 302-304 Phan Xich Long Street, Ward 7, Phu Nhuan District, Ho Chi Minh City, Vietnam. PNJL's principal activities are to provide jewelry inspection and consultancy services of diamond, gold, precious metals, gemstone, semi gemstone, minerals, colored gemstone, marble etc.

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

(**) As at 31 March 2023, 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:

| Transactions | Purchasing in Q1.2023 | Selling in Q1.2023 |
|---------------------|----------------------------------|-------------------------------|
| 1. CAF | | |
| Sale of goods | - | 31,217,242,923 |
| Purchase of goods | 20,254,414,149 | - |
| Services | - | 330,778,971 |
| 2. PNJL | | |
| Services | 1,988,249,975 | |
| Rental | - | 272,727,273 |
| _Interest payable | 353,753,425 | - |
| 3. PNJP | | |
| Sale of goods | - | 1,231,503,097,760 |
| Retal | - | 1,281,818,181 |
| Purchase of goods | 2,187,026,871,559 | |
| _Services | 3,171,090,223 | 422,067,257 |
| Total | 2,212,794,379,331 | 1,265,027,732,365 |

❖ The outstanding balances due from and due to related parties as at 31/03/2023 as follows:

| Related parties | Relationship | Transactions | Receivable (Payables) |
|------------------------------|---------------------|---------------------|----------------------------------|
| 1. RECEIVABLES | | | 526,226,614,713 |
| 1.1 Trade Receivables | | | 526,226,614,713 |
| PNJP | Subsidiary | Advance | 354,155,092,603 |
| CAO | Subsidiary | Receivable | 172,071,522,110 |
| 2. PAYABLES | | | (48,962,604,268) |
| 2.1 Trade payables | | | (3,451,044,111) |
| PNJL | Subsidiary | Services | (780,325,000) |
| CAO | Subsidiary | Payables | (2,670,719,111) |
| 2.2 Other payables | | | (45,511,560,157) |
| CAO | Subsidiary | Payables | (15,211,560,157) |
| PNJL | Subsidiary | Borrowings | (30,000,000,000) |
| PNJL | Subsidiary | Retal deposits | (300,000,000) |

3. TRADE RECEIVABLES

| | 31/03/2023 | 31/12/2022 |
|---|-------------------------------|-------------------------------|
| Diamond Le Duan | 133,925,220 | 514,723,849 |
| TTTM Nowzone | 247,401,579 | 771,785,986 |
| DayOne Joint Stock Company | 397,422,000 | 1,732,683,800 |
| Sense Ca Mau | 545,353,282 | 784,063,107 |
| Gold Coast Nha Trang Building | 595,118,990 | 1,309,856,377 |
| Sense Ben Tre | 708,160,617 | 905,772,564 |
| Crescent Mall Q7 | 1,186,759,069 | 2,745,711,304 |
| Giao hang tiet kiem | 1,333,715,527 | 881,947,065 |
| Sense Can tho | 1,355,461,706 | 2,751,472,729 |
| Payoo Payment Service Joint Stock Company | 1,719,450,000 | - |
| Aeon Hai Phong | 1,731,135,731 | 2,459,044,120 |
| Aeon Ha Noi | 2,517,229,286 | 3,871,527,147 |
| Savico Ha Noi Joint Stock Company | 2,544,103,419 | - |
| Aeonmall Ha Dong | 2,561,159,397 | 3,455,906,062 |
| Aeon Binh Duong | 2,761,670,499 | 8,249,435,172 |
| Aeon Tan Phu | 2,941,129,848 | 7,799,727,008 |
| Aeon Binh Tan | 4,413,622,478 | 7,549,704,598 |
| CAO Limited Company | 123,459,323,563 | 93,335,781,909 |
| Others | 8,914,834,367 | 4,611,371,213 |
| TOTAL | <u>160,066,976,578</u> | <u>143,730,514,010</u> |

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

4. OTHER RECEIVABLES

| | 31/03/2023 | 31/12/2022 |
|--|------------------------------|------------------------------|
| a. Short term | | |
| _OCB Bank | - | 6,054,794,521 |
| Hoang Gia Ngoc | 4,009,596,154 | 4,009,596,154 |
| Trinh Son Nhut | 6,556,683,920 | 7,043,947,458 |
| _Advances to employees | 3,706,190,702 | 1,995,780,879 |
| Others | <u>13,498,737,829</u> | <u>14,340,307,994</u> |
| TOTAL | <u>27,771,208,605</u> | <u>33,444,427,006</u> |
| b. Long term | | |
| _ Long term deposit for renting stores | <u>91,254,607,596</u> | <u>88,419,971,107</u> |
| TOTAL | <u>91,254,607,596</u> | <u>88,419,971,107</u> |

5. SHORT TERM LENDING

| | 31/03/2023 | 31/12/2022 |
|-----------------------------------|-------------------------------|-------------------------------|
| Golden Friend Joint Stock Company | <u>180,000,000,000</u> | <u>140,000,000,000</u> |
| TỔNG CỘNG | <u>180,000,000,000</u> | <u>140,000,000,000</u> |

The balance represents unsecured lending with interest rates of 10.5% per annum, the original maturity less than 12 months.

6. INVENTORIES

| | 31/03/2023 | 31/12/2022 |
|--------------------|---------------------------------|---------------------------------|
| Raw materials | 269,416,396,968 | 519,001,420,333 |
| Tools and supplies | 41,907,688,907 | 44,445,537,687 |
| Work in progress | 758,313,448 | 793,638,605 |
| Finished goods | 6,424,649,000,345 | 6,876,257,805,734 |
| Merchandise goods | 1,795,752,817,107 | 1,830,901,446,311 |
| TOTAL | <u>8,532,484,216,775</u> | <u>9,271,399,848,670</u> |

Inventories of VND 3,325,680,000,000 were used as collaterals for short-term loans obtained from commercial banks (Note 12).

7. REPAYMENTS

CURRENT :

| | 31/03/2023 | 31/12/2022 |
|--------------------------------------|------------------------------|------------------------------|
| Counters | 4,447,214,898 | 4,050,221,511 |
| Tools and supplies | 5,946,734,677 | 6,429,485,540 |
| Stores rental | 32,668,004,016 | 34,109,069,519 |
| Office and store renovation expenses | 3,080,232,811 | 3,145,281,159 |
| IT Expenses | 11,045,635,653 | 13,747,510,963 |
| Others | 6,509,572,361 | 4,263,694,369 |
| TOTAL | <u>63,697,394,416</u> | <u>65,745,263,061</u> |

NON CURRENT :

| | | |
|--------------------------------------|-------------------------------|-------------------------------|
| Counters | 67,579,539,343 | 52,178,204,042 |
| Tools and supplies | 50,889,151,002 | 48,067,813,412 |
| Stores rental | 3,417,903,119 | 4,693,940,300 |
| Office and store renovation expenses | 116,451,119,763 | 110,061,249,509 |
| Others | 5,262,933,258 | 4,828,387,514 |
| TOTAL | <u>243,600,646,485</u> | <u>219,829,594,777</u> |

8. TAXES AND OTHER RECEIVABLES/ PAYABLES TO THE STATE BUDGET
Q 1/2023

| | As at 31.12.2022 | Receivable/ payable during the period | Received/ paid during the period | As at 31.03.2023 |
|-----------------------------|-------------------------------|---|--|-------------------------------|
| a.Receivables | | | | |
| Value added tax from import | - | 63,638,100,265 | 63,638,100,265 | - |
| Value added tax | 3,137,498,992 | 2,017,556,423 | 2,684,577,511 | 2,470,477,904 |
| Import- Export tax | - | 22,958,742,948 | 22,958,742,948 | - |
| Total | <u>3,137,498,992</u> | <u>88,614,399,636</u> | <u>89,281,420,724</u> | <u>2,470,477,904</u> |
| b. Payables | | | | |
| Value added tax | 22,256,518,892 | 203,275,120,789 | 197,769,178,451 | 27,762,461,230 |
| Corporate income tax | 193,339,354,900 | 181,194,639,160 | 196,068,766,393 | 178,465,227,667 |
| Personal income tax | 6,845,721,599 | 82,576,665,834 | 59,943,993,362 | 29,478,394,071 |
| Others | 4,557,832,635 | 1,681,171,123 | 1,680,171,123 | 4,558,832,635 |
| Total | <u>226,999,428,026</u> | <u>468,727,596,906</u> | <u>455,462,109,329</u> | <u>240,264,915,603</u> |

YTD 2023

a.Receivables

| | | | | |
|-----------------------------|----------------------|-----------------------|-----------------------|----------------------|
| Value added tax from import | - | 63,638,100,265 | 63,638,100,265 | - |
| Value added tax | 3,137,498,992 | 2,017,556,423 | 2,684,577,511 | 2,470,477,904 |
| Import- Export tax | - | 22,958,742,948 | 22,958,742,948 | - |
| Total | 3,137,498,992 | 88,614,399,636 | 89,281,420,724 | 2,470,477,904 |

b. Payables

| | | | | |
|----------------------|------------------------|------------------------|------------------------|------------------------|
| Value added tax | 22,256,518,892 | 203,275,120,789 | 197,769,178,451 | 27,762,461,230 |
| Corporate income tax | 193,339,354,900 | 181,194,639,160 | 196,068,766,393 | 178,465,227,667 |
| Personal income tax | 6,845,721,599 | 82,576,665,834 | 59,943,993,362 | 29,478,394,071 |
| Others | 4,557,832,635 | 1,681,171,123 | 1,680,171,123 | 4,558,832,635 |
| Total | 226,999,428,026 | 468,727,596,906 | 455,462,109,329 | 240,264,915,603 |

9. SHORT TERM ACCURED EXPENSES

| | 31/03/2023 | 31/12/2022 |
|-------------------------|-----------------------|-----------------------|
| Interest expense | 2,517,778,654 | 6,055,450,738 |
| Advertising & marketing | 41,065,849,154 | 59,142,239,840 |
| Others | 9,999,085,470 | 12,369,621,033 |
| TOTAL | 53,582,713,278 | 77,567,311,611 |

Phu Nhuan Jewelry Joint Stock Company
Notes to the Separate Financial Statements (Cont)
Q1 - ended 31/03/2023

10. FIXED ASSETS
TANGIBLE FIXED ASSETS

| | Buildings and structures | Machinery and equipment | Motor vehicles | Office equipment | Total |
|--------------------------------------|--------------------------|-------------------------|----------------|------------------|------------------------|
| I. Historical cost | | | | | |
| 1. As at 31.12.2022 | 155,749,390,623 | 74,666,919,388 | 41,054,060,788 | 97,115,478,693 | 368,585,849,492 |
| 2. New purchases | 779,059,766 | 2,860,837,659 | 836,943,400 | 1,094,096,677 | 5,570,937,502 |
| 3. Disposals | - | 36,880,000 | 502,286,636 | 111,969,000 | 651,135,636 |
| 4. As at 31.03.2023 | 156,528,450,389 | 77,490,877,047 | 41,388,717,552 | 98,097,606,370 | 373,505,651,358 |
| In which, | | | | | |
| Fully depreciated | 2,057,555,204 | 27,247,865,837 | 4,066,685,490 | 40,096,867,617 | 73,468,974,148 |
| II. Accumulated depreciation: | | | | | |
| 1. As at 31.12.2022 | 67,924,821,285 | 43,976,931,735 | 23,578,445,761 | 70,170,368,103 | 205,650,566,884 |
| 2. Charge for the period | 2,097,374,737 | 2,742,674,565 | 1,124,333,292 | 2,537,426,306 | 8,501,808,900 |
| 3. Disposals | - | 36,880,000 | 502,286,636 | 111,969,000 | 651,135,636 |
| 4. As at 31.03.2023 | 70,022,196,022 | 46,682,726,300 | 24,200,492,417 | 72,595,825,409 | 213,501,240,148 |
| III. Net book value | | | | | |
| 1. As at 31.12.2022 | 87,824,569,338 | 30,689,987,653 | 17,475,615,027 | 26,945,110,590 | 162,935,282,608 |
| 2. As at 31.03.2023 | 86,506,254,367 | 30,808,150,747 | 17,188,225,135 | 25,501,780,961 | 160,004,411,210 |

11. INTANGIBLE FIXED ASSETS

| | Indefinite Land use rights | Software | Total |
|-------------------------------------|-------------------------------|------------------------|-------------------------------|
| I. Historical cost | | | |
| 1. As at 31.12.2022 | 557,784,111,372 | 148,155,630,976 | 705,939,742,348 |
| 2. New purchases | - | - | - |
| 3. Disposals | - | - | - |
| 4. As at 31.03.2023 | <u>557,784,111,372</u> | <u>148,155,630,976</u> | <u>705,939,742,348</u> |
| In which, | | | |
| Fully depreciated | - | 6,982,250,583 | 6,982,250,583 |
| II. Accumulated amortisation | | | |
| 1. As at 31.12.2022 | - | 63,241,473,020 | 63,241,473,020 |
| 2. Charge for the period | - | 4,331,114,301 | 4,331,114,301 |
| 3. Disposals | - | - | - |
| 4. As at 31.03.2023 | <u>-</u> | <u>67,572,587,321</u> | <u>67,572,587,321</u> |
| III. Net book value | | | |
| 1. As at 31.12.2022 | <u>557,784,111,372</u> | <u>84,914,157,956</u> | <u>642,698,269,328</u> |
| 2. As at 31.03.2023 | <u>557,784,111,372</u> | <u>80,583,043,655</u> | <u>638,367,155,027</u> |

12. CONSTRUCTION IN PROCESS

| | 31/03/2023 | 31/12/2022 |
|------------------------------------|------------------------------|------------------------------|
| Land use right in Di An_Binh Duong | 26,137,767,250 | 26,137,767,250 |
| Tower 577 Nguyen Kiem | 2,662,220,000 | 2,662,220,000 |
| Others | 130,800,000 | - |
| TOTAL | <u>28,930,787,250</u> | <u>28,799,987,250</u> |

13. SHORT-TERM BORROWINGS

| | 31/03/2023 | 31/12/2022 |
|--|---------------------------------|---------------------------------|
| a. Short term | | |
| Loans from commercial banks | 1,487,121,599,686 | 2,547,605,843,133 |
| Individual borrowings and borrowings from related parties | 60,365,430,201 | 58,148,342,369 |
| TOTAL | <u>1,547,487,029,887</u> | <u>2,605,754,185,502</u> |

Phu Nhuan Jewelry Joint Stock Company
Notes to the Separate Financial Statements (Cont)
Q1 - ended 31/03/2023

Details of short term bank loans are as follows:

| BANK | As at 31/12/2022 | Increase | Decrease | As at 31/03/2023 |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| Short term bank loans | 2,547,605,843,133 | 1,092,617,879,086 | 2,153,102,122,533 | 1,487,121,599,686 |
| CHINA CONSTRUCTION BANK CORPORATION | 108,000,000,000 | - | 108,000,000,000 | - |
| CTBC Bank Company Limited - HCM Branch | 50,000,000,000 | - | 50,000,000,000 | - |
| Military Commercial Joint Stock Bank | - | 10,768,651,200 | - | 10,768,651,200 |
| The Siam Commercial Bank | 213,298,725,800 | 12,000,000,000 | 213,298,725,800 | 12,000,000,000 |
| Woori Bank Vietnam Limited | 90,030,949,200 | 40,000,000,000 | 90,030,949,200 | 40,000,000,000 |
| HD Bank - HCM Branch | - | 70,000,000,000 | - | 70,000,000,000 |
| KEB Hana Bank | - | 100,000,000,000 | - | 100,000,000,000 |
| Joint Stock Company Bank for Foreign Trade of Vietnam | 699,801,329,820 | - | 584,025,557,620 | 115,775,772,200 |
| HSBC (Vietnam) Limited - HCM Branch | 335,000,000,000 | - | 80,000,000,000 | 255,000,000,000 |
| Vietnam Joint Stock Commercial Bank for Industry and Trade | 693,474,838,313 | 325,849,227,886 | 584,746,889,913 | 434,577,176,286 |
| Bank for Investment and Development of Vietnam - Hoc Mon Branch | 358,000,000,000 | 534,000,000,000 | 443,000,000,000 | 449,000,000,000 |
| Other borrowings | 58,148,342,369 | 6,285,218,358 | 4,068,130,526 | 60,365,430,201 |
| TOTAL | 2,605,754,185,502 | 1,098,903,097,444 | 2,157,170,253,059 | 1,547,487,029,887 |



Balances of short term borrowings as at 31/03/2023 are as follows :

| Bank | Amount | Maturity date | Interest (per annum) | Collateral |
|---|--------------------------|----------------|----------------------|-------------|
| SHORT TERM LOANS-VND | 1,487,121,599,686 | | | |
| Joint Stock Company Bank for Foreign Trade of Vietnam | 115,775,772,200 | To 12/06/2023 | 7.2% | Inventories |
| Vietnam Joint Stock Commercial Bank for Industry and Trade | 434,577,176,286 | To 28/09/2023 | 6.9% | Inventories |
| Bank for Investment and Development of Vietnam - Hoc Mon Branch | 449,000,000,000 | To 21/08/2023 | 6.5% | Inventories |
| HSBC (Vietnam) Limited – HCM Branch | 255,000,000,000 | To 22/06/2023 | 7.9% | Inventories |
| KEB Hana Bank | 100,000,000,000 | To 21/08/2023 | 7.3% | Unsecured |
| HD Bank – HCM Branch | 70,000,000,000 | To 08 /06/2023 | 7.2% | Unsecured |
| Woori Bank Vietnam Limited | 40,000,000,000 | To 10/09/2023 | 7.5% | Inventories |
| Military Commercial Joint Stock Bank | 10,768,651,200 | To 13/08/2023 | 7.5% | Unsecured |
| The Siam Commercial Bank | 12,000,000,000 | To 27/06/2023 | 6.8% | Unsecured |
| OTHER BORROWINGS | 60,365,430,201 | | | |
| TOTAL | 1,547,487,029,887 | | | |

14. OTHER PAYABLES

| | 31/03/2023 | 31/12/2022 |
|--|-----------------------|------------------------|
| a. Short term | | |
| _Deduction under salary | 6,933,971 | 2,390,882,094 |
| _Bonus of Board of Management and Board of Directors | 8,158,663,952 | 11,418,221,742 |
| _Dividends payable | 14,896,675,547 | 161,676,227,507 |
| CAO Company | 15,211,560,157 | 3,362,089,022 |
| _Others | 23,569,798,647 | 17,694,618,999 |
| TOTAL | 61,843,632,274 | 196,542,039,364 |
| b. Long-term | | |
| Receive deposit for space rental | 518,668,000 | 518,668,000 |
| TOTAL | 518,668,000 | 518,668,000 |

15. TRADE ACCOUNTS PAYABLES

| | 31/03/2023 | 31/12/2022 |
|---|------------------------|------------------------|
| Song Hanh Culture Joint Stock Company | 4,560,000 | 2,362,258,000 |
| Kobayashi Vina | 29,263,101 | 1,781,565,058 |
| SAP Asia Pte.LTd | 73,651,999 | 5,106,252,291 |
| Phuong Hoang Co., Ltd | 679,869,960 | 1,130,759,806 |
| CHAU DUONG MANUFACTURING CO., LTD | 713,705,300 | 472,550,220 |
| PNJL Company | 780,325,000 | 183,550,000 |
| TIANJIN MINGHANG BEAUTY DAZZLING JE | 781,244,757 | 2,002,097,393 |
| Vincom Shophouse Quang Ninh | 832,771,856 | 832,771,856 |
| Thanh Thuy Co., Ltd | 878,491,500 | 224,153,500 |
| Rosy Blue Jewellery (HK) Ltd. | 960,349,983 | 17,440,357,917 |
| Phuoc Tinh Thanh Engineering & Construction Company | 1,107,074,572 | 4,189,514,921 |
| FACEBOOK IRELAND LIMITED | 1,204,031,028 | 2,826,628,727 |
| CMC CN CN&GP Co., Ltd | 1,269,378,000 | 2,325,802,000 |
| Yotu Packing Technology limited | 1,532,254,319 | 1,590,359,584 |
| Bao Ngoc Long Chau Co., Ltd | 1,598,532,000 | - |
| Omega Art Srl | 1,616,403,390 | - |
| Science and Technology Nguyen Vinh Hieu | 1,622,553,196 | - |
| Service Trading Company KT | 1,959,712,456 | - |
| Co Ba La Advertising Company Limited | 2,593,206,000 | - |
| Kien Nhan Tam Co., Ltd | 2,599,296,000 | - |
| NHAT VY Gemstone Company Limited | 4,667,999,000 | 3,147,587,000 |
| CHRISTY GEM | 4,742,631,591 | 5,267,832,192 |
| SHINE JEWELS | 5,442,529,439 | - |
| PR Viet Company Limited | 5,472,588,000 | 3,275,823,600 |
| VINH HIEN GEMSTONE CO.,LTD | 5,963,716,000 | - |
| Kien Thanh Tai Jewelry Company | 7,092,103,200 | - |
| KGK Diamond Co., Ltd | 9,037,331,010 | - |
| Hung Kim Loan Company Limited | 23,422,009,916 | 1,288,875,680 |
| Forte Jewellery (HK) | 122,538,428,412 | 55,143,909,736 |
| Fineese Impex Ltd | 217,072,998,395 | 98,320,888,917 |
| Other customers | 61,500,858,834 | 46,122,363,732 |
| TOTAL | 489,789,868,214 | 255,035,902,130 |

Phu Nhuan Jewelry Joint Stock Company
Notes to the Separate Financial Statements (Cont)
Q1 - ended 31/03/2023

16. OWNER'S EQUITY

| | Share capital | Share premium | Treasury shares | Investment and development fund | Undistributed earnings | Total |
|---|--------------------------|--------------------------|------------------------|---------------------------------|--------------------------|--------------------------|
| As at 31/12/2021 | | | | | | |
| Capital increase | 2,276,123,620,000 | 991,261,882,458 | (4,908,890,000) | 800,503,556,918 | 1,881,864,811,687 | 5,944,844,981,063 |
| Capital decrease | 186,354,980,000 | 1,260,911,550,000 | - | - | - | 1,447,266,530,000 |
| | (762,400,000) | (797,400,000) | 1,524,800,000 | - | - | (35,000,000) |
| Profit for the year | - | - | - | - | 1,774,616,226,407 | 1,774,616,226,407 |
| Dividends appropriation | - | - | - | - | (762,662,698,800) | (762,662,698,800) |
| Profit appropriation | - | - | - | 411,617,000,000 | (475,417,000,000) | (63,800,000,000) |
| - Investment and development fund appropriation | - | - | - | 411,617,000,000 | (411,617,000,000) | - |
| - Transfer to bonus and welfare funds | - | - | - | - | (51,452,000,000) | (51,452,000,000) |
| - Board of Management fund | - | - | - | - | (12,348,000,000) | (12,348,000,000) |
| As at 31/12/2022 | 2,461,716,200,000 | 2,251,376,032,458 | (3,384,090,000) | 1,212,120,556,918 | 2,418,401,339,294 | 8,340,230,038,670 |
| Capital increase (*) | 819,975,680,000 | (819,975,680,000) | - | - | - | - |
| Profit for the year | - | - | - | - | 722,378,884,282 | 722,378,884,282 |
| As at 31/03/2023 | 3,281,691,880,000 | 1,431,400,352,458 | (3,384,090,000) | 1,212,120,556,918 | 3,140,780,223,576 | 9,062,608,922,952 |

Notes:

(*) On 30/01/2023, PNJ announced that the company amended Clause 2, Article 14 of The company's Articles of Organization and Operation after completed the issuance shares to increase share capital from owner's equity.

17. REVENUE

17.1 Revenue from Sales of goods and rendering of services

| | Q1.2023 | Q1.2022 |
|---|--------------------------|---------------------------|
| Gross revenue, in which | 10,038,339,340,734 | 10,994,799,610,385 |
| _ <i>Sale of gold, silver and jewelry</i> | 10,003,238,130,177 | 10,940,363,280,817 |
| _ <i>Others</i> | 25,288,138,404 | 47,344,829,878 |
| _ <i>Provide services</i> | 9,813,072,153 | 7,091,499,690 |
| _ <i>Goods returned</i> | (93,063,227,147) | (85,423,607,725) |
| Net revenue, of which | 9,945,276,113,587 | 10,909,376,002,660 |
| _ <i>Sale of gold, silver and jewelry</i> | 9,910,174,903,030 | 10,854,939,673,092 |
| _ <i>Others</i> | 25,288,138,404 | 47,344,829,878 |
| _ <i>Provide services</i> | 9,813,072,153 | 7,091,499,690 |

17.2 Financial income

| | Q1.2023 | Q1.2022 |
|----------------------------|-----------------------|----------------------|
| Interest income | 11,012,741,962 | 260,931,590 |
| Gain from foreign exchange | 2,504,157,244 | 1,823,491,640 |
| TOTAL | 13,516,899,206 | 2,084,423,230 |

18. COST OF GOODS SOLD AND SERVICES RENDERED

| | Q1.2023 | Q1.2022 |
|----------------------------------|--------------------------|--------------------------|
| Cost of gold, silver and jewelry | 8,110,285,108,004 | 9,172,551,761,884 |
| Others | 21,302,546,151 | 21,780,324,094 |
| TOTAL | 8,131,587,654,155 | 9,194,332,085,978 |

19. FINANCIAL EXPENSES

| | Q1.2023 | Q1.2022 |
|--------------------|-----------------------|-----------------------|
| Interest expense | 31,080,937,273 | 29,033,323,457 |
| Financial expenses | 3,666,068,632 | 2,127,944,325 |
| Exchange rate | 3,055,003 | (2,250,790,050) |
| TOTAL | 34,750,060,908 | 28,910,477,732 |

20. GENERAL ADMINISTRATIVE AND SELLING EXPENSES BY NATURE

| | Q1.2023 | Q1.2022 |
|--------------------------------|------------------------|------------------------|
| Labor costs | 537,179,261,732 | 435,285,859,594 |
| Raw materials | 18,541,416,796 | 14,296,144,929 |
| Tools and supplies | 27,952,613,327 | 22,898,996,514 |
| Depreciation and amortization | 12,832,923,200 | 11,769,265,084 |
| Expenses for external services | 226,570,392,205 | 218,475,524,649 |
| Other expenses | 66,776,778,497 | 46,392,497,150 |
| TOTAL | 889,853,385,757 | 749,118,287,920 |

21. CORPORATE INCOME TAX

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

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

Current CIT

The current tax payable is based on taxable profit for the period. The taxable profit of the Company for the period differs from the profit as reported in the separate interim income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are not taxable or deductible.

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

| | Q1.2023 | Q1.2022 |
|---|------------------------|------------------------|
| Profit before tax | 903,573,523,442 | 937,791,852,808 |
| <i>Adjustments:</i> | | |
| <i>_ Non - deductible expenses</i> | 2,399,672,356 | 1,526,030,437 |
| <i>_ Temporary differences</i> | - | - |
| Estimated current taxable profit | 905,973,195,798 | 939,317,883,245 |
| Corporate income tax rate | 20% | 20% |
| Estimated current CIT | 181,194,639,160 | 187,863,576,649 |

22. 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 2023 were as follows

| | 31/03/2023 | 31/12/2022 |
|-------------------|---------------------------------|---------------------------------|
| Within next year | 266,378,434,850 | 252,253,162,287 |
| From 1 to 5 years | 843,516,606,732 | 817,799,276,147 |
| Over 5 years | 381,513,593,878 | 381,430,438,377 |
| | <u>1,491,408,635,460</u> | <u>1,451,482,876,811</u> |

(b) Foreign currencies

| | 31/03/2023 | 31/12/2022 |
|-------------------|-------------------|-------------------|
| USD | 77,429 | 77,442 |
| GBP | 1,625 | 1,625 |
| AUD | 386 | 390 |
| EUR | 450 | 453 |
| Gold taels (mace) | 18,495 | 7,903 |

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

Market risk

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

The sensitivity analyses in the following sections relate to the position as at 31 December 2022 and 31 March 2023.

Interest rate risk

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

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

Foreign currency risk

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

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

Equity price risk

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

Commodity price risk

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

Credit risk

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

Trade receivables

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

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

Bank deposits

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

Liquidity risk

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

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

Collateral

The Company has pledged its fixed assets, inventories in order to fulfil the collateral requirements for loans obtained from commercial banks (Notes 12).

The Company did not hold any collateral at 31 December 2022 and 31 March 2023.

24. FACTORS EFFECT TO FINANCIAL INCOME IN Q1.2023

Q1.2023, in the context reducing the general purchasing power of the market, PNJ has made great efforts to remain net revenue of VND 9,945 bill, decreased 8.8% compared to the record net revenue in Q1.2022, in which:

- Revenue of jewelry retails did not differ with same period last year, based on the company's effort to launch new collections, implementation marketing campaign and using effective sale programs to attract more new customers.
- Gold 24k revenue lightly decreased compared to same period last year.

PNJ's profit after tax reached VND 722 bill, lightly decrease 3.8% to same period last year.




Nguyen Thanh Dat
Preparer

26 April 2023



Duong Quang Hai
Chief Accountant



Le Tri Thong
Chief Executive Officer

