

PHU NHUAN JEWELRY JOINT STOCK COMPANY

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

PHU NHUAN JEWELRY JOINT STOCK COMPANY

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED ENDED 31 DECEMBER 2022**

TABLE OF CONTENTS	PAGE
Corporate information	1
Statement by the Board of Management	3
Independent auditor's report	4
Consolidated balance sheet (Form B 01 – DN/HN)	6
Consolidated income statement (Form B 02 – DN/HN)	9
Consolidated cash flow statement (Form B 03 – DN/HN)	10
Notes to the consolidated financial statements (Form B 09 – DN/HN)	11

PHU NHUAN JEWELRY JOINT STOCK COMPANY

CORPORATE INFORMATION

Enterprise Registration Certificate

No. 0300521758 dated 2 January 2004 was initially issued by the Department of Planning and Investment of Ho Chi Minh City and the latest (the 35th) amendment dated 6 February 2023.

Board of Directors

Mrs. Cao Thi Ngoc Dung	Chairwoman
Mr. Le Tri Thong	Vice Chairman
Mr. Le Huu Hanh	Member (Until 16 April 2022)
Mr. Dao Trung Kien	Member (From 16 April 2022)
Mrs. Huynh Thi Xuan Lien	Member
Mrs. Dang Thi Lai	Member
Mrs. Tran Phuong Ngoc Thao	Member
Mrs. Tieu Yen Trinh	Independent Member
Mr. Le Quang Phuc	Independent Member
Mr. Nguyen Tuan Hai	Independent Member

Audit Committee

Mr. Le Quang Phuc	Chairman
Mr. Nguyen Tuan Hai	Member
Mrs. Huynh Thi Xuan Lien	Member (From 27 July 2022)
Mr. Nguyen Anh Tuan	Head of Internal Audit

Board of Management

Mr. Le Tri Thong	General Director Cum managing and operating the Customer and Retail Division Cum managing and operating the Marketing Division (From 17 October 2022) Cum managing and operating the Strategy Division (From 6 February 2023)
Mrs. Dang Thi Lai	Chief Operation Officer Cum Chief of Finance – Operation Officer (Until 6 February 2023) Senior Director – Finance (From 6 February 2023)
Mr. Phan Nguyen Hoai Anh	Acting Director of Marketing Division (Until 17 October 2022)
Mr. Nguyen Ngoc Van Quan	Acting Director of Supply Chain Division (From 1 June 2022 until 16 February 2023) Senior Director – Supply Chain (From 16 February 2023)
Mr. Dao Trung Kien	Chief Strategy Officer (Until 6 February 2023) Senior Director – Operation (From 6 February 2023)
Mr. Dang Hai Anh	Chief Information Officer
Mr. Nguyen Anh Hung	Director of Human Resource
Mr. Duong Quang Hai	Chief Accountant

PHU NHUAN JEWELRY JOINT STOCK COMPANY

CORPORATE INFORMATION (continued)

Legal representative	Mrs. Cao Thi Ngoc Dung	Chairwoman
	Mr. Le Tri Thong	General Director
Registered office	170E Phan Dang Luu Street, Ward 3, Phu Nhuan District, Ho Chi Minh City, Vietnam	
Auditor	PwC (Vietnam) Limited	

PHU NHUAN JEWELRY JOINT STOCK COMPANY

STATEMENT OF THE BOARD OF MANAGEMENT

Responsibility of the Board of Management of the Company in respect of the consolidated financial statements

The Board of Management of Phu Nhuan Jewelry Joint Stock Company ("the Company") is responsible for preparing the consolidated financial statements of the Company and its subsidiaries (together, "the Group") which give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and of the consolidated results of its operations and its consolidated cash flows for the year then ended. In preparing these consolidated financial statements, the Board of Management is required to:

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

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

Approval of the consolidated financial statements

We hereby, approve the accompanying consolidated financial statements as set out on pages 6 to 46 which give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements.

On behalf of the Board of Management



Le Tri Thong
General Director

Ho Chi Minh City, SR Vietnam
22 March 2023



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PHU NHUAN JEWELRY JOINT STOCK COMPANY

We have audited the accompanying consolidated financial statements of Phu Nhuan Jewelry Joint Stock Company ("the Company") and its subsidiaries (together, "the Group") which were prepared on 31 December 2022 and approved by the Board of Management on 22 March 2023. These consolidated financial statements include the consolidated balance sheet as at 31 December 2022, the consolidated income statement and consolidated cash flow statement for the year then ended, and explanatory notes to the consolidated financial statements including significant accounting policies, as set out on pages 6 to 46.

The Board of Management' Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical standards and requirements and plan and perform the audit in order to obtain reasonable assurance as to whether the consolidated financial statements of the Group are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Auditor's opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022, its consolidated financial performance and its consolidated cash flows for the year ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of consolidated financial statements.

Other Matter

The independent auditor's report is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English versions, the Vietnamese version shall take precedence.

For and on behalf of PwC (Vietnam) Limited



Lương Thị Anh Tuyền
Audit Practising Licence No.
3048-2019-006-1
Authorised signatory

Vo Ngoc Huyen
Audit Practising Licence No.
2610-2023-006-1

Report reference number: HCM13138
Ho Chi Minh City, 22 March 2023

PHU NHUAN JEWELRY JOINT STOCK COMPANY
Form B 01 – DN/HN
CONSOLIDATED BALANCE SHEET

Code	ASSETS	Note	As at 31 December	
			2022 VND	2021 VND
100	CURRENT ASSETS		11,966,357,761,798	9,292,192,238,421
110	Cash		879,548,130,711	355,454,838,957
111	Cash	3	879,548,130,711	355,454,838,957
120	Short-term investments		200,000,000,000	-
123	Investments held to maturity	4(a)	200,000,000,000	-
130	Short-term receivables		300,880,402,245	111,969,758,488
131	Short-term trade accounts receivable	5	56,532,707,659	59,930,655,833
132	Short-term prepayments to suppliers	6	68,902,837,213	30,659,175,548
135	Short-term lending	7	140,000,000,000	-
136	Other short-term receivables	8(a)	37,641,170,145	22,831,538,994
137	Provision for doubtful debts – short-term		(2,862,909,308)	(2,004,798,077)
139	Shortage of assets awaiting resolution		666,596,536	553,186,190
140	Inventory		10,506,054,932,284	8,754,741,712,359
141	Inventories	9	10,508,065,026,916	8,754,741,712,359
149	Provision for decline in value of inventories		(2,010,094,632)	-
150	Other current assets		79,874,296,558	70,025,928,617
151	Short-term prepaid expenses	10(a)	74,007,356,286	56,716,921,380
152	Value Added Tax ("VAT") to be reclaimed		5,866,940,272	8,705,831,517
153	Tax and other receivables from the State		-	4,603,175,720

The notes on pages 11 to 46 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET
(continued)

Code	ASSETS (continued)	Note	As at 31 December	
			2022 VND	2021 VND
200	NON-CURRENT ASSETS		1,370,766,887,448	1,326,824,308,701
210	Long-term receivable		93,956,493,011	84,131,506,164
216	Other long-term receivables	8(b)	93,956,493,011	84,131,506,164
220	Fixed assets		882,432,821,075	909,985,491,983
221	Tangible fixed assets	11(a)	239,734,551,747	259,137,188,160
222	Historical cost		672,781,337,441	633,614,629,426
223	Accumulated depreciation		(433,046,785,694)	(374,477,441,266)
227	Intangible fixed assets	11(b)	642,698,269,328	650,848,303,823
228	Historical cost		707,010,800,099	697,774,918,988
229	Accumulated amortisation		(64,312,530,771)	(46,926,615,165)
240	Long-term asset in progress		30,826,629,189	30,795,369,850
242	Construction in progress	12	30,826,629,189	30,795,369,850
250	Long-term investments	4(b)	-	-
253	Investments in other entities		395,271,613,400	395,271,613,400
254	Provision for long-term investments		(395,271,613,400)	(395,271,613,400)
260	Other long-term assets		363,550,944,173	301,911,940,704
261	Long-term prepaid expenses	10(b)	243,656,590,750	201,443,147,089
262	Deferred income tax assets	22	119,894,353,423	100,468,793,615
270	TOTAL ASSETS		13,337,124,649,246	10,619,016,547,122

The notes on pages 11 to 46 are an integral part of these consolidated financial statements.

PHU NHUAN JEWELRY JOINT STOCK COMPANY

Form B 01 – DN/HN

CONSOLIDATED BALANCE SHEET
(continued)

Code	RESOURCES	Note	As at 31 December	
			2022 VND	2021 VND
300	LIABILITIES		4,893,029,994,396	4,606,382,566,869
310	Short-term liabilities		4,883,064,421,396	4,563,002,409,508
311	Short-term trade accounts payable	13	277,212,839,495	680,447,298,103
312	Short-term advances from customers	14	222,164,283,405	156,729,112,135
313	Tax and other payables to the State	15	292,985,361,927	309,500,571,902
314	Payable to employees	16	889,709,809,124	385,144,216,152
315	Short-term accrued expenses	17	98,530,177,216	69,534,599,697
319	Other short-term payables	18	227,169,093,119	83,404,423,727
320	Short-term borrowings	19	2,683,045,875,772	2,721,930,701,144
321	Provision for short-term liabilities	21(a)	30,129,306,488	30,129,306,488
322	Bonus and welfare fund	20	162,117,674,850	126,182,180,160
330	Long-term liabilities		9,965,573,000	43,380,157,361
337	Other long-term payables		218,668,000	518,668,000
342	Provision for long-term liability	21(b)	9,746,905,000	42,861,489,361
400	OWNERS' EQUITY		8,444,094,654,850	6,012,633,980,253
410	Capital and reserves		8,444,094,654,850	6,012,633,980,253
411	Owners' capital	23, 24	2,461,716,200,000	2,276,123,620,000
411a	- Ordinary shares with voting rights		2,461,716,200,000	2,276,123,620,000
412	Share premium	24	2,251,376,032,458	991,261,882,458
415	Treasury shares	24	(3,384,090,000)	(4,908,890,000)
418	Investment and development fund	24	1,212,120,556,918	800,503,556,918
421	Undistributed earnings	24	2,522,265,955,474	1,949,653,810,877
421a	- Undistributed post-tax profits of previous years		859,175,348,677	920,611,645,232
421b	- Post-tax profits of current year		1,663,090,606,797	1,029,042,165,645
440	TOTAL RESOURCES		13,337,124,649,246	10,619,016,547,122

Nguyen Thanh Dat
Preparer

Duong Quang Hai
Chief Accountant

Le Tri Thong
General Director
22 March 2023



The notes on pages 11 to 46 are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENT

Code	Note	Year ended 31 December	
		2022 VND	2021 VND
01	Revenue from sales of goods and rendering of services	34,211,128,942,240	19,735,646,137,250
02	Less deductions	(334,674,383,087)	(188,587,772,416)
10	Net revenue from sales of goods and rendering of services	33,876,454,559,153	19,547,058,364,834
11	Cost of goods sold and services rendered	(27,949,348,024,381)	(15,948,760,134,458)
20	Gross profit from sales of goods and rendering of services	5,927,106,534,772	3,598,298,230,376
21	Financial income	54,036,974,170	16,326,114,795
22	Financial expenses	(141,471,203,463)	(118,252,734,395)
23	- Including: Interest expense	(94,143,431,408)	(104,380,274,160)
25	Selling expenses	(2,828,208,644,376)	(1,687,654,952,494)
26	General and administration expenses	(673,996,996,684)	(501,819,303,928)
30	Net operating profit	2,337,466,664,419	1,306,897,354,354
31	Other income	8,582,642,521	8,861,354,013
32	Other expenses	(33,721,752,227)	(36,528,186,336)
40	Net other expenses	(25,139,109,706)	(27,666,832,323)
50	Net accounting profit before tax	2,312,327,554,713	1,279,230,522,031
51	Corporate income tax ("CIT")		
	- current	(521,061,271,124)	(259,673,455,974)
52	CIT - deferred	19,425,559,808	9,485,099,588
60	Net profit after tax	1,810,691,843,397	1,029,042,165,645
61	Attributable to: Owners of the parent company	1,810,691,843,397	1,029,042,165,645
70	Basic earnings per share	5,223	3,184
71	Diluted earnings per share	5,223	3,184

Nguyen Thanh Dat
Preparer

Duong Quang Hai
Chief Accountant

Le Tri Thong
General Director
22 March 2023

The notes on pages 11 to 46 are an integral part of these consolidated financial statements.

PHU NHUAN JEWELRY JOINT STOCK COMPANY

Form B 03 – DN/HN

CONSOLIDATED CASH FLOW STATEMENT
(Indirect method)

		Year ended 31 December	
Code	Note	2022 VND	2021 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Net accounting profit before tax	2,312,327,554,713	1,279,230,522,031
	Adjustments for:		
02	Depreciation and amortisation	79,516,376,971	75,118,429,219
03	Provisions	2,868,205,863	64,942,006,080
04	Unrealised foreign exchange (gains)/losses	(8,239,903,282)	2,504,365,377
05	Profits from investing activities	(21,327,686,776)	(3,225,478,644)
06	Interest expense	94,421,152,974	104,380,274,160
08	Operating profit before changes in working capital	2,459,565,700,463	1,522,950,118,223
09	Increase in receivables	(52,151,674,870)	(23,111,709,097)
10	Increase in inventories	(1,753,323,314,557)	(2,208,835,725,303)
11	Increase in payables	76,506,711,125	354,804,359,041
12	(Increase)/decrease in prepaid expenses	(59,503,878,567)	14,254,564,032
14	Interest paid	(90,657,750,651)	(105,200,568,547)
15	CIT paid	(464,338,080,937)	(234,058,441,077)
17	Other payments on operating activities	(15,516,505,310)	(43,169,828,785)
20	Net cash inflows/(outflows) from operating activities	100,581,206,696	(722,367,231,513)
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets	(52,384,601,566)	(61,304,197,645)
22	Proceeds from disposals of fixed assets	1,498,185,785	12,869,426,085
23	Loans granted and term deposits placed at banks	(540,000,000,000)	-
24	Collection of loans and term deposits placed at banks	200,000,000,000	-
27	Interest received	20,219,137,155	267,480,935
30	Net cash outflows from investing activities	(370,667,278,626)	(48,167,290,625)
CASH FLOWS FROM FINANCING ACTIVITIES			
31	Proceeds from issuance of shares	1,447,231,530,000	-
32	Payments for share repurchases	-	(1,524,800,000)
33	Proceeds from borrowings	6,261,254,967,206	7,758,858,344,889
34	Repayments of borrowings	(6,300,139,792,578)	(6,876,202,707,810)
36	Dividends paid	(616,671,158,340)	(177,376,257,045)
40	Net cash inflows from financing activities	791,675,546,288	703,754,580,034
50	Net increase/(decrease) in cash	521,589,474,358	(66,779,942,104)
60	Cash at beginning of year	3 355,454,838,957	422,234,781,061
61	Effect of foreign exchange differences	2,503,817,396	-
70	Cash at end of year	3 879,548,130,711	355,454,838,957

Nguyen Thanh Dat
Preparer

Duong Quang Hai
Chief Accountant

Le Tri Thong
General Director
22 March 2023

The notes on pages 11 to 46 are an integral part of these consolidated financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED ENDED 31 DECEMBER 2022**

1 GENERAL INFORMATION

Phu Nhuan Jewelry Joint Stock Company ("the Company") is a joint stock company established in SR Vietnam in accordance with the Enterprise Registration certificate No. 0300521758 which was initially issued by the Department of Planning and Investment of Ho Chi Minh City on 2 January 2004 and the latest (the 35th) amendment dated 6 February 2023.

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

The principal activities of the Company and its subsidiaries (together, "the Group") are to manufacture and trade gold, silver, jewelry and gemstones; import and export jewelry in gold, silver and gemstones.

The normal business cycle of the Group is within 12 months.

As at 31 December 2022 and 31 December 2021, the Group had 3 subsidiaries, details are as follows:

	Place of incorporation and operation	31.12.2022		31.12.2021		The principal activities
		% of ownership	% of voting rights	% of ownership	% of voting rights	
CAO Fashion Company Limited	Ho Chi Minh City	100	100	100	100	Trading of jewelry products
PNJ Laboratory Company Limited	Ho Chi Minh City	100	100	100	100	Jewelry inspection and consultancy services
PNJ Jewelry Production and Trading Company Limited	Ho Chi Minh City	100	100	100	100	Manufacturing and trading jewelry

In addition, as at 31 December 2022, the Group had 57 branches (as at 31 December 2021: 56 branches) located in various provinces and cities in Vietnam.

As at 31 December 2022, the Group had 7,199 employees (as at 31 December 2021: 5,806 employees).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of preparation of consolidated financial statements**

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

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

The consolidated financial statements in the Vietnamese language are the official statutory consolidated financial statements of the Group. The consolidated financial statements in the English language have been translated from the Vietnamese version.

2.2 Fiscal year

The Group's fiscal year is from 1 January to 31 December.

2.3 Currency

The consolidated financial statements are measured and presented in Vietnamese Dong ("VND"), which is the Group's accounting currency.

2.4 Exchange rates

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.5 Basis of consolidation****Subsidiaries**

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies in order to gain future benefits from their activities, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The financial statements of the subsidiaries are prepared for the same fiscal year of the Group for the consolidation purpose. If there are differences in end dates, the gap must not exceed 3 months. Adjustments are made to reflect impacts of significant transactions and events occurring between the end dates of the subsidiaries' accounting period and that of the Group's. The length of the reporting period and differences in reporting date must be consistent between periods.

2.6 Cash

Cash comprises cash on hand, cash in banks and cash in transit.

2.7 Receivables

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.8 Inventories**

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

The Group applies the perpetual method for inventories.

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

2.9 Investment in other entity

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

Provision for investments in other entities is made when there is a diminution in value of the investments at the year end. It is calculated based on market value if market value can be determined reliably. If market value cannot be determined reliably, the provision for investments in other entities is calculated based on the loss of investees.

The difference between the provision of this year and the provision of the previous year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

2.10 Lendings

Lendings are lendings granted for the earning interest under agreements among parties but not for being traded as securities.

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.11 Fixed assets***Tangible and intangible fixed assets*

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

Depreciation/amortisation

Fixed assets are depreciated/amortised using the straight-line method so as to write off the depreciable amount of the fixed assets over their estimated useful lives. Depreciable amount equals to the historical cost of fixed assets recorded in the separate financial statements minus (-) the estimated disposal value of such assets. The estimated useful lives of each fixed assets class are as below:

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

Indefinite land use rights are stated at costs and not amortised.

Disposals

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

Construction in progress

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Leased assets

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

2.13 Prepaid expenses

Prepaid expenses include short-term and long-term prepayments on the separate balance sheet. Short-term prepaid expenses represent prepayments for services; or tools and supplies that do not meet the recognition criteria for fixed assets for a period not exceeding 12 months or a business cycle from the date of prepayment. Long-term prepaid expenses represent prepayments for services; or tools and supplies that do not meet the recognition criteria for fixed assets for a period not exceeding 12 months or more than one business cycle from the date of prepayment. Prepaid expenses are recorded at historical cost and allocated using the straight-line method over their estimated useful lives.

2.14 Payables

Classifications of payables are based on their nature as follows:

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

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

2.15 Borrowing

Borrowings include borrowings from banks and individual.

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

Borrowing costs are recognised in the consolidated income statement when incurred.

2.16 Accrued expenses

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Provisions

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

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

2.18 Provision for severance allowances

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

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

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

2.19 Capital and reserve

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

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

Treasury shares bought before the effective date of the Securities Law (ie. 1 January 2021) are shares issued by the Company and bought-back by itself, but these are not cancelled and may be re-issued subsequently in accordance with the Law on Securities.

Treasury shares bought after 1 January 2021 will be cancelled and adjusted to reduce equity.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Appropriation of profit

Undistributed earnings record the Group's accumulated results after CIT at the reporting date.

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

Net profit after CIT could be distributed to shareholders after approval at the General Meeting of Shareholders, and after appropriation to other funds in accordance with the Company's charter and Vietnamese regulations.

The Group's funds are as below:

(a) Investment and development fund

Investment and development fund is appropriated from profit after CIT of the Group and subject to Shareholders' approval at the General Meeting of Shareholders. The fund is set aside for the use in the Group's expansion of its operation or in-depth investments.

(b) Bonus and welfare fund

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

2.21 Revenue recognition

(a) Revenue from sales of goods

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

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Group 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 Group; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Revenue recognition (continued)

(b) Revenue from rendering of services

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

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

(c) Interest income

Interest income is recognised on an earned basis.

(d) Dividend income

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

2.22 Sales deduction

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

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

2.23 Cost of goods sold and services rendered

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

2.24 Financial expenses

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.25 Selling expenses

Selling expenses represent expenses that are incurred in the process of selling products, goods, and providing services, which mainly include publicity, display, promotions, advertising expenses, warranty charges of goods and products, maintenance charges, packaging and transportation.

2.26 General and administration expenses

General and administration expenses represent expenses for administrative purposes which mainly include salary expenses of administrative staffs (salaries, wages, allowances, etc.); compulsory social insurance, medical insurance, labour union fees and unemployment insurance of administrative staff; expenses of office materials, tools and supplies, depreciation and amortisation of fixed assets used for administration, land rental, outside services and other expenses.

2.27 Current and deferred income tax

Income taxes includes all income taxes which is based on taxable. Income tax expense comprises current income tax expense and deferred income tax expense.

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

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

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

2.28 Related parties

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.29 Critical accounting estimates**

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

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

2.30 Segment reporting

A segment is a component which can be separated by the Group engaged in sales of goods or rendering of services ("business segment"), or sales of goods or rendering of services within a particular economic environment ("geographical segment"). Each segment is subject to risks and returns that are different from those of other segments. A reportable segment is the Group's business segment or the Group's geographical segment.

3 CASH

	2022 VND	2021 VND
Cash on hand	404,784,773,480	108,982,273,042
Cash at bank	428,429,733,705	213,630,437,624
Cash in transit	46,333,623,526	32,842,128,291
	<u>879,548,130,711</u>	<u>355,454,838,957</u>

PHU NHUAN JEWELRY JOINT STOCK COMPANY

Form B 09 – DN/HN

4 INVESTMENTS

(a) Short-term

	2022		2021	
	Cost VND	Book value VND	Cost VND	Book value VND
Term deposits (*)	200,000,000,000	200,000,000,000	-	-

(*) Term deposits represent term deposits placed at commercial banks with an original maturity from more than three months to less than a year and earn interest at the rate of 6.5% per annum.

(b) Long-term

	2022		2021	
	Cost VND	Provision VND	Cost VND	Provision VND
Dong A Joint Stock Commercial Bank (*)	395,271,613,400	(395,271,613,400)	395,271,613,400	(395,271,613,400)

(*) As at 31 December 2022 and 31 December 2021, Dong A Joint Stock Commercial Bank was still under special control of the State Bank of Vietnam and its shares have not been eligible transferable. Therefore, the Board of Management decided to make full provision for diminution in value of this investment as at the consolidated balance sheet date.

As at 31 December 2022 and 31 December 2021, the Group has not determined the fair value of this investment for disclosure in the consolidated financial statements because the shares of this entity have not been listed in the stock exchange.

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	2022 VND	2021 VND
Third parties		
Aeon Vietnam Co., Ltd. - Binh Duong Branch	8,249,435,172	7,417,481,647
Aeon Vietnam Co., Ltd.	7,799,727,008	6,055,942,557
Aeon Vietnam Co., Ltd. - Binh Tan Branch	7,549,704,598	7,047,219,391
Others	32,668,240,881	39,410,012,238
Related parties (Note 36(b))	265,600,000	-
	<u>56,532,707,659</u>	<u>59,930,655,833</u>

As at 31 December 2022 and 31 December 2021, there was no balance of short-term trade accounts receivable that was past due or not past due but doubtful.

6 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	2022 VND	2021 VND
Third parties		
Untung Bersama Sejahtera PT	15,497,793,902	-
Omega Art Srl	9,532,828,735	-
Others	43,738,121,849	28,801,631,794
Related parties (Note 36(b))	134,092,727	686,743,139
	<u>68,902,837,213</u>	<u>30,659,175,548</u>

7 SHORT-TERM LENDING

	2022 VND	2021 VND
Golden Friend Joint Stock Company	<u>140,000,000,000</u>	<u>-</u>

The balance represents unsecured lending with interest rates ranging from 9% to 12% per annum, the original maturity less than 12 months.

As at 31 December 2022, there was no balance of short-term lending that was past due or not past due but doubtful.

8 OTHER RECEIVABLES**(a) Short-term**

	2022 VND	2021 VND
Advances from employees	3,728,898,145	12,867,680,249
Lending the Trade Union of the Company	11,662,100,000	-
Others	22,250,172,000	9,963,858,745
	<u>37,641,170,145</u>	<u>22,831,538,994</u>

As at 31 December 2022 and 31 December 2021, the balance of short-term other receivables that was past due was VND4,009,596,154. The Group has made provision of VND2,806,717,308 accordingly.

8 OTHER RECEIVABLES (continued)**(b) Long-term**

	2022 VND	2021 VND
Rent deposits	93,956,493,011	84,131,506,164

9 INVENTORIES

	2022		2021	
	Cost VND	Provision VND	Cost VND	Provision VND
Raw materials	993,959,155,489	-	635,145,088,845	-
Tools and supplies	51,100,087,913	-	34,566,769,933	-
Work in progress	207,969,940,730	-	147,603,238,069	-
Finished goods	7,215,980,192,888	-	5,255,400,611,756	-
Merchandise	2,039,055,649,896	(2,010,094,632)	2,682,026,003,756	-
	<u>10,508,065,026,916</u>	<u>(2,010,094,632)</u>	<u>8,754,741,712,359</u>	<u>-</u>

As at 31 December 2022, the Group's total inventories of VND4,167,800,000,000 (as at 31 December 2021: VND3,303,916,000,000) were pledged as collateral assets for borrowings from commercial banks (Note 19).

10 PREPAID EXPENSES**(a) Short-term**

	2022 VND	2021 VND
Tools and supplies	15,245,340,375	8,256,792,363
Operating lease	35,846,009,519	25,131,143,445
IT expenses	13,747,510,963	15,347,742,167
Repairs and maintenances	4,030,110,219	2,687,986,462
Others	5,138,385,210	5,293,256,943
	<u>74,007,356,286</u>	<u>56,716,921,380</u>

PHU NHUAN JEWELRY JOINT STOCK COMPANY

Form B 09 – DN/HN

10 PREPAID EXPENSES (continued)

(b) Long-term

	2022 VND	2021 VND
Tools and supplies	117,607,382,963	103,689,818,858
Office and store renovation	110,061,249,509	80,879,194,596
Operating lease	4,693,940,300	8,930,291,938
Repairs and maintenances	3,748,630,963	2,190,418,018
Others	7,545,387,015	5,753,423,679
	<u>243,656,590,750</u>	<u>201,443,147,089</u>

Movements in prepaid expenses during the year were as follows:

	2022 VND	2021 VND
Beginning of year	258,160,068,469	270,404,042,417
Increases	707,135,743,929	483,024,682,438
Transfers from construction in progress (Note 12)	-	114,462,753
Allocation	(646,921,830,651)	(494,840,534,604)
Disposal	(710,034,711)	(542,584,535)
End of year	<u>317,663,947,036</u>	<u>258,160,068,469</u>

PHU NHUAN JEWELRY JOINT STOCK COMPANY

Form B 09 – DN

11 FIXED ASSETS

(a) Tangible fixed assets

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Historical cost					
As at 1 January 2022	155,952,121,770	310,867,298,929	48,446,261,508	118,348,947,219	633,614,629,426
New purchases	336,742,733	35,317,392,295	3,056,584,672	4,302,741,416	43,013,461,116
Transfers from construction in progress (Note 12)	-	104,000,000	-	-	104,000,000
Disposals	-	(1,322,236,759)	(711,800,000)	(1,916,716,342)	(3,950,753,101)
As at 31 December 2022	156,288,864,503	344,966,454,465	50,791,046,180	120,734,972,293	672,781,337,441
Accumulated depreciation					
As at 1 January 2022	59,607,786,150	215,626,422,625	26,208,276,661	73,034,955,830	374,477,441,266
Charge for the year	8,515,689,367	33,949,065,777	5,762,676,735	13,903,029,486	62,130,461,365
Disposals	-	(1,275,678,462)	(711,800,000)	(1,573,638,475)	(3,561,116,937)
As at 31 December 2022	68,123,475,517	248,299,809,940	31,259,153,396	85,364,346,841	433,046,785,694
Net book value					
As at 1 January 2022	96,344,335,620	95,240,876,304	22,237,984,847	45,313,991,389	259,137,188,160
As at 31 December 2022	88,165,388,986	96,666,644,525	19,531,892,784	35,370,625,452	239,734,551,747

As at 31 December 2022, the historical cost of fully depreciated fixed assets but still in use was VND182,551,001,557 (as at 31 December 2021: VND163,594,191,621).

PHU NHUAN JEWELRY JOINT STOCK COMPANY

Form B 09 – DN

11 FIXED ASSETS (continued)

(b) Intangible fixed assets

	Land use rights VND	Software VND	Total VND
Historical cost			
As at 1 January 2022	557,784,111,372	139,990,807,616	697,774,918,988
New purchases	-	5,340,207,751	5,340,207,751
Transfers from construction in progress (Note 12)	-	3,895,673,360	3,895,673,360
As at 31 December 2022 (*)	557,784,111,372	149,226,688,727	707,010,800,099
Accumulated amortisation			
As at 1 January 2022	-	46,926,615,165	46,926,615,165
Charge for the year	-	17,385,915,606	17,385,915,606
As at 31 December 2022	-	64,312,530,771	64,312,530,771
Net book value			
As at 1 January 2022	557,784,111,372	93,064,192,451	650,848,303,823
As at 31 December 2022	557,784,111,372	84,914,157,956	642,698,269,328

(*) Land use rights at No. 52A-52B Nguyen Van Troi Street, Phu Nhuan District, Ho Chi Minh City; No. 195A Phan Dang Luu Street, Phu Nhuan District, Ho Chi Minh City; No. 577 Nguyen Kiem Street, Phu Nhuan District, Ho Chi Minh City and No. 174 Le Thanh Ton Street, District 1, Ho Chi Minh City with total carrying value of VND63,592,666,838 were held at Dong A Commercial Joint Stock Bank as at the consolidated balance sheet date.

As at 31 December 2022 and 31 December 2021, the historical cost of fully amortised software but still in use was VND6,982,250,583.

12 CONSTRUCTION IN PROGRESS

	2022 VND	2021 VND
Land use right in Di An - Binh Duong	26,137,767,250	26,137,767,250
Human resource management software	-	1,990,919,100
Others	4,688,861,939	2,666,683,500
	30,826,629,189	30,795,369,850

12 CONSTRUCTION IN PROGRESS (continued)

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

	2022 VND	2021 VND
Beginning of year	30,795,369,850	33,003,867,003
Addition	4,030,932,699	2,388,425,000
Transfer to tangible fixed assets (Note 11(a))	(104,000,000)	(4,482,459,400)
Transfer to intangible fixed assets (Note 11(b))	(3,895,673,360)	-
Others	-	(114,462,753)
End of year	<u>30,826,629,189</u>	<u>30,795,369,850</u>

13 SHORT-TERM TRADE ACCOUNTS PAYABLE

	2022 VND	2021 VND
Third parties		
Finesse Impex Limited	98,320,888,917	419,140,437,414
Forte Jewellery (HK) Co., Ltd	55,143,909,736	161,906,400,863
Others	123,722,548,342	99,374,967,326
Related parties (Note 36(b))	25,492,500	25,492,500
	<u>277,212,839,495</u>	<u>680,447,298,103</u>

14 SHORT-TERM ADVANCES FROM CUSTOMERS

	2022 VND	2021 VND
Duoc Hau Giang Joint Stock Company	21,047,250,000	-
AIA (Vietnam) Life Insurance Company Limited	8,986,225,000	-
Mrs. Tran Thi Cu	6,803,400,000	-
Others	185,327,408,405	156,729,112,135
	<u>222,164,283,405</u>	<u>156,729,112,135</u>

15 TAXES AND OTHER PAYABLES TO THE STATE

	2022 VND	2021 VND
VAT	38,390,997,769	106,359,582,855
CIT	241,315,151,898	184,591,961,711
Personal income tax ("PIT")	8,706,023,120	13,412,674,360
Others	4,573,189,140	5,136,352,976
	<u>292,985,361,927</u>	<u>309,500,571,902</u>

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

	As at 1.1.2022 VND	Payable during the year VND	Paid during the year VND	As at 31.12.2022 VND
VAT	106,359,582,855	837,348,678,772	(905,317,263,858)	38,390,997,769
CIT	184,591,961,711	521,061,271,124	(464,338,080,937)	241,315,151,898
PIT	13,412,674,360	137,371,925,640	(142,078,576,880)	8,706,023,120
Others	5,136,352,976	28,523,016,860	(29,086,180,696)	4,573,189,140
	<u>309,500,571,902</u>	<u>1,524,304,892,396</u>	<u>(1,540,820,102,371)</u>	<u>292,985,361,927</u>

16 PAYABLES TO EMPLOYEES

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

PHU NHUAN JEWELRY JOINT STOCK COMPANY

Form B 09 – DN

17 SHORT-TERM ACCRUED EXPENSES

	2022 VND	2021 VND
Advertising and marketing	64,013,894,164	47,856,371,900
Interest expense	6,375,209,912	2,611,807,589
Others	28,141,073,140	19,066,420,208
	<u>98,530,177,216</u>	<u>69,534,599,697</u>

18 OTHER SHORT-TERM PAYABLES

	2022 VND	2021 VND
Bonus for the Board of Directors and the Board of Management (Note 36(b))	11,418,221,742	10,084,181,002
Dividends payable (Note 25)	161,676,227,507	15,684,687,047
Compulsory insurance and union trade	5,492,310,230	4,036,647,172
PIT paid on behalf of shareholders	4,531,133,392	4,531,133,392
Raw materials borrow for processing	17,136,919,621	26,949,152,804
Others	26,914,280,627	22,118,622,310
	<u>227,169,093,119</u>	<u>83,404,423,727</u>

PHU NHUAN JEWELRY JOINT STOCK COMPANY

Form B 09 – DN

19 SHORT TERM BORROWINGS

	As at 1.1.2022 VND	Increase VND	Decrease VND	As at 31.12.2022 VND
Bank borrowings (*)				
Joint Stock Commercial Bank for Investment and Development of Vietnam – Hoc Mon Branch	398,800,000,000	792,555,474,443	(833,355,474,443)	358,000,000,000
Vietnam Joint Stock Commercial Bank for Industry and Trade	764,417,632,142	1,041,801,035,462	(1,082,855,750,634)	723,362,916,970
Southeast Asia Joint Stock Commercial Bank	269,959,271,800	273,732,123,360	(543,691,395,160)	-
Vietnam International Commercial Joint Stock Bank	-	131,073,789,740	(131,073,789,740)	-
HSBC Bank (Viet Nam) Ltd.	52,020,791,882	664,593,099,901	(347,881,297,768)	368,732,594,015
CTBC Bank Company Limited – Ho Chi Minh City Branch	86,686,381,740	99,430,270,491	(136,116,652,231)	50,000,000,000
Ho Chi Minh City Development Joint Stock Commercial Bank	-	264,029,190,900	(264,029,190,900)	-
Joint Stock Commercial Bank for Foreign Trade of Vietnam	693,167,317,617	1,559,965,698,771	(1,513,944,305,260)	739,188,711,128
Military Commercial Joint Stock Bank	-	8,650,759,812	(8,650,759,812)	-
China Construction Bank – Ho Chi Minh City Branch	91,800,000,000	108,000,000,000	(91,800,000,000)	108,000,000,000
Vietnam Technological and Commercial Joint Stock Bank	-	283,154,947,141	(283,154,947,141)	-
Petrolimex Group Commercial Joint Stock Bank	282,932,584,960	110,598,960,000	(393,531,544,960)	-
Woori Bank Vietnam Limited	-	316,518,424,500	(226,487,475,300)	90,030,949,200
KEB Hana Bank – Ho Chi Minh City Branch	2,216,065,600	80,000,000,000	(82,216,065,600)	-
Siam Commercial Bank – Ho Chi Minh City Branch	-	326,825,254,280	(113,526,528,480)	213,298,725,800
Individual borrowings (**)	79,930,655,403	200,325,938,405	(247,824,615,149)	32,431,978,659
	2,721,930,701,144	6,261,254,967,206	(6,300,139,792,578)	2,683,045,875,772

PHU NHUAN JEWELRY JOINT STOCK COMPANY

Form B 09 – DN

19 SHORT TERM BORROWINGS (continued)

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

Bank	As at 31.12.2022 VND	Maturity date	Interest (per annum)	Collateral
Joint Stock Commercial Bank for Investment and Development of Vietnam - Hoc Mon Branch HSBC Bank (Viet Nam) Ltd.	358,000,000,000	From 5 March 2023 to 14 May 2023	6.8%	Inventories
	368,732,594,015	From 12 February 2023 28 May 2023	7.2%	Inventories
Vietnam Joint Stock Commercial Bank for Industry and Trade	723,362,916,970	From 7 March 2023 to 19 June 2023	7.7%	Inventories
CTBC Bank Company Limited - Ho Chi Minh City Branch	50,000,000,000	To 29 January 2023	6.0%	Inventories
Joint Stock Commercial Bank for Foreign Trade of Vietnam	739,188,711,128	From 27 January 2023 to 12 June 2023	6.4%	Inventories
China Construction Bank - Ho Chi Minh City Branch	108,000,000,000	From 5 January 2023 to 19 January 2023	4.6%	Unsecured
Woori Bank Vietnam Limited	90,030,949,200	From 26 January 2023 to 12 March 2023	5.2%	Inventories
Siam Commercial Bank - Ho Chi Minh City Branch	213,298,725,800	From 5 February 2023 to 27 March 2023	6.3%	Unsecured
	<u>2,650,613,897,113</u>			

(**) Individual loans represent unsecured loans from the Group's employees with original maturity of 12 months and bear interests at rates ranging from 3.8% to 7.4% per annum.

PHU NHUAN JEWELRY JOINT STOCK COMPANY

Form B 09 – DN

20 BONUS AND WELFARE FUND

	2022 VND	2021 VND
Beginning of year	126,182,180,160	115,886,008,945
Appropriation during the year (Note 24)	51,452,000,000	53,466,000,000
Utilisation during the year	(15,516,505,310)	(43,169,828,785)
End of year	<u>162,117,674,850</u>	<u>126,182,180,160</u>

21 PROVISION FOR OTHER LIABILITIES

(a) Short-term

The balance represents the provision for warranty for products, goods which may be payable within one to six months after the end of the fiscal year.

(a) Long-term

The balance represents the provision for severance allowance was determined based on the method presented at Note 2.18.

22 DEFERRED INCOME TAX ASSETS

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

	2022 VND	2021 VND
Deferred tax assets:		
Deferred tax assets to be recovered after more than 12 months	101,202,052,644	80,776,669,080
Deferred tax assets to be recovered within 12 months	18,692,300,779	19,692,124,535
	<u>119,894,353,423</u>	<u>100,468,793,615</u>

22 DEFERRED INCOME TAX ASSETS (continued)

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

	2022 VND	2021 VND
Beginning of year	100,468,793,615	90,983,694,027
Credit to consolidated income statement (Note 35)	19,425,559,808	9,485,099,588
End of year	<u>119,894,353,423</u>	<u>100,468,793,615</u>

Details of deferred tax assets:

	2022 VND	2021 VND
Accruals	22,826,189,250	19,692,124,535
Provision for re-processing inventories	16,110,617,292	-
Severance allowances	1,903,224,200	1,722,346,400
Provision for long-term investments	79,054,322,681	79,054,322,680
	<u>119,894,353,423</u>	<u>100,468,793,615</u>

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

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

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

	2022	2021
Number of shares registered	<u>246,171,620</u>	<u>227,612,362</u>
Number of shares issued	246,171,620	227,612,362
Number of shares repurchased (*)	(169,559)	(245,799)
Number of existing shares in circulation	<u>246,002,061</u>	<u>227,366,563</u>

(*) This represents the number of treasury shares purchased before the effective date of the Securities Law (ie. 1 January 2021).

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

	2022		2021	
	Ordinary shares (VND)	%	Ordinary shares (VND)	%
Dragon Capital Vietfund Management Joint Stock Company (*)	242,399,280,000	9.85	156,908,280,000	6.90
Mrs. Truong Ngoc Phuong (**)	226,841,685,000	9.22	204,315,730,000	8.99
Other shareholders	1,992,475,235,000	81.00	1,914,899,610,000	84.22
Treasury shares	(1,695,590,000)	(0.07)	(2,457,990,000)	(0.11)
	<u>2,460,020,610,000</u>	<u>100</u>	<u>2,273,665,630,000</u>	<u>100</u>

(*) As at 31 December 2022 and 31 December 2021, Dragon Capital Vietfund Management Joint Stock Company was the representative for a group of investors.

(**) As at 31 December 2022 and 31 December 2021, Mrs. Truong Ngoc Phuong was the representative for a group of foreign investors.

(c) Movement of share capital

	Quantity		Ordinary shares	Treasury shares
	Ordinary shares	Treasury shares	VND	VND
As at 1 January 2021	227,442,803	(169,559)	2,276,123,620,000	(1,695,590,000)
Treasury share (*)	-	(76,240)	-	(762,400,000)
As at 31 December 2021	227,442,803	(245,799)	2,276,123,620,000	(2,457,990,000)
New shares issued	18,635,498	-	186,354,980,000	-
Cancellation of treasury shares	(76,240)	76,240	(762,400,000)	762,400,000
As at 31 December 2022	<u>246,078,301</u>	<u>(169,559)</u>	<u>2,462,478,600,000</u>	<u>(1,695,590,000)</u>

Par value per share: VND10,000 per share.

The Company does not have preferred shares.

(*) According to the Resolution No. 217/2021/NQ-ĐHĐCĐ-CTY dated 17 April 2021, the Company bought back 76,240 ESOP shares of retired employees. As at the approval date of the consolidated financial statements, the Company has completed legal procedures to reduce the Company's charter capital.

PHU NHUAN JEWELRY JOINT STOCK COMPANY

Form B 09 – DN

24 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Treasury shares VND	Investment and development fund VND	Undistributed earnings VND	Total VND
As at 1 January 2021	2,276,123,620,000	991,261,882,458	(3,384,090,000)	372,779,556,918	1,605,080,895,632	5,241,861,865,008
Net profit for the year	-	-	-	-	1,029,042,165,645	1,029,042,165,645
Dividends appropriation	-	-	-	-	(181,893,250,400)	(181,893,250,400)
Repurchase of share	-	-	(1,524,800,000)	-	-	(1,524,800,000)
Appropriation of bonus and welfare fund (Note 20)	-	-	-	-	(53,466,000,000)	(53,466,000,000)
Appropriation to investment and development fund	-	-	-	427,724,000,000	(427,724,000,000)	-
Appropriation to bonus for the Board of Directors and the Board of Management	-	-	-	-	(21,386,000,000)	(21,386,000,000)
As at 31 December 2021	2,276,123,620,000	991,261,882,458	(4,908,890,000)	800,503,556,918	1,949,653,810,877	6,012,633,980,253
Capital decrease during the year (i)	(762,400,000)	(797,400,000)	1,524,800,000	-	-	(35,000,000)
Capital increase during the year from new issuance (ii)	150,000,000,000	1,260,946,550,000	-	-	-	1,410,946,550,000
Issuance of ordinary shares under Employee Stock Ownership Plan to Employees (iii)	36,354,980,000	(35,000,000)	-	-	-	36,319,980,000
Net profit for the year	-	-	-	-	1,810,691,843,397	1,810,691,843,397
Dividends appropriation (Note 25) (iv)	-	-	-	-	(762,662,698,800)	(762,662,698,800)
Appropriation of bonus and welfare fund (Note 20) (v)	-	-	-	-	(51,452,000,000)	(51,452,000,000)
Appropriation to investment and development fund (v)	-	-	-	411,617,000,000	(411,617,000,000)	-
Appropriation to bonus for the Board of Directors and the Board of Management (v)	-	-	-	-	(12,348,000,000)	(12,348,000,000)
As at 31 December 2022	2,461,716,200,000	2,251,376,032,458	(3,384,090,000)	1,212,120,556,918	2,522,265,955,474	8,444,094,654,850

24 MOVEMENTS IN OWNERS' EQUITY (continued)

- (i) In accordance with the Resolution of the Annual General Meeting of Shareholders No. 217/2021/NQ-ĐHĐCĐ-CTY dated 17 April 2021 and the Resolution of the Board of Directors No. 702/2022/NQ-HĐQT-CTY dated 16 December 2022, the Company canceled 76,240 shares of ESOP repurchased in 2021 from resigned employees in accordance with the Securities Law. Accordingly, the Company's charter capital decreased to VND2,275,361,220,000 in accordance with the 32nd amended Enterprise Registration Certificate dated 12 December 2022.
- (ii) In accordance with the Resolution of the Annual General Meeting of Shareholders No. 217/2021/NQ-ĐHĐCĐ-CTY dated 17 April 2021, the Resolutions of the Board of Directors No. 127/2022/NQ-HĐQT-CTY dated 18 February 2022 and No. 224/2022/NQ-HĐQT-CTY dated 31 March 2022, the Company completed the private issuance of 15,000,000 shares and increased its charter capital to VND2,425,361,220,000 in accordance with the 33rd amended Enterprise Registration Certificate dated 3 January 2023.
- (iii) In accordance with the Resolution of the Annual General Meeting of Shareholders No. 217/2021/NQ-ĐHĐCĐ-CTY dated 17 April 2021 and the Resolutions of the Board of Directors No. 257/2022/NQ-HĐQT-CTY dated 13 April 2022 and No. 505/2022/NQ-HĐQT-CTY, the Company completed the issuance of an additional 3,635,498 shares to members of the Board of Directors, members of the Board of Management, key managements, mid-level officials and other key employees of the Company and its subsidiaries, who made great contributions in exceeding the business plan of the year 2020, with the issued price of VND10,000 per share. Accordingly, the Company's charter capital increased to VND2,461,716.200,000 in accordance with the 34th amended Enterprise Registration Certificate dated 12 January 2023.
- (iv) The Company has appropriated dividends from undistributed post-tax profits for years 2020 and 2021, amounted to VND615,061,462,200 in accordance with the Resolutions of the Board of Directors No. 425/2021/NQ-HĐQT-CTY dated 23 November 2021, No. 104/2022/NQ-HĐQT-CTY dated 16 February 2022, No. 338/2022/NQ-HĐQT-CTY dated 1 June 2022, and No. 596/2022/NQ-HĐQT-CTY dated 17 October 2022. In addition, the Company has advanced the dividend from undistributed post-tax profit for year 2022, amounted to VND 147,601,236,600 in accordance with the Resolutions of the Board of Directors No. 764/2022/NQ-HĐQT-CTY dated 27 December 2022.
- (v) In accordance with the Resolution of the Shareholders General Meeting No. 264/2022/NQ-ĐHĐCĐ-CTY dated 16 April 2022, the Shareholders approved the appropriation of net profit for the year ended 31 December 2021 as follows:
 - Investment and development fund: VND411,617,000,000;
 - Bonus and welfare fund: VND51,452,000,000; and
 - Allowance for the Board of Directors and Board of Management: VND12,348,000,000.

25 DIVIDENDS

	2022 VND	2021 VND
Beginning of year	15,684,687,047	11,167,693,692
Dividend payable during the year (Note 24)	762,662,698,800	181,893,250,400
Dividend paid in cash	(616,671,158,340)	(177,376,257,045)
End of year (Note 18)	<u>161,676,227,507</u>	<u>15,684,687,047</u>

26 EARNINGS PER SHARE**(a) Basic earnings per share**

Basic earnings per share is calculated by dividing the net profit attributable to shareholders after deducting the bonus and welfare funds, bonus for the Board of Directors and the Board of Management by the weighted average number of ordinary shares outstanding during the year adjusted for bonus shares issued during the year and excluding treasury shares. The details were as follows:

	For the year ended	
	31.12.2022 VND	31.12.2021 (**) VND
Net profit attributable to shareholders (VND)	1,810,691,843,397	1,029,042,165,645
Less amount allocated to bonus and welfare fund, bonus for the Board of Directors and the Board of Management (VND) (Note 24) (*)	(117,695,000,000)	(63,800,000,000)
	<u>1,692,996,843,397</u>	<u>965,242,165,645</u>
Weighted average number of ordinary shares in issue (shares) (**)	324,123,635	303,155,417
Basic earnings per share (VND)	<u>5,223</u>	<u>3,184</u>

(*) The amount of bonus and welfare fund and bonus for the Board of Directors and Board of Management for the year ended 31 December 2022 is estimated based on the approved appropriation rate in accordance with Resolutions of the Shareholders General Meeting No. 264/2022/NQ-ĐHĐCĐ-CTY dated 16 April 2022.

(**) The weighted average number of ordinary share in issue include number of shares issued from share premium and post-tax undistributed profits in accordance with the Resolutions of the Annual General Meeting of Shareholders No. 264/2022/NQ-ĐHĐCĐ-CTY dated 16 April 2022, Resolutions of the Board of Directors No. 629/2022/NQ-HĐQT-CTY dated 7 November 2022, Resolutions of the Board of Directors No. 665/2022/NQ-HĐQT-CTY dated 29 November 2022 and Decision No. 42/QĐ-SGDHCM dated 3 February 2023 from the Ho Chi Minh City Stock Exchange.

26 EARNINGS PER SHARE (continued)**(a) Basic earnings per share (continued)**

(***) Basic earnings per share and diluted earnings per share for the year ended 31 December 2021 were recalculated to take into account the actual appropriation of bonus and welfare fund, bonus for the Board of Directors and the Board of Management in accordance with the Resolution of the Shareholders General Meeting No. 264/2022/NQ-ĐHĐCĐ-CTY dated 16 April 2022 and the issuance of dividend shares from share premium and post-tax undistributed profits in accordance with the Resolution of the Annual General Meeting of Shareholders No. 264/2022/NQ-ĐHĐCĐ-CTY dated 16 April 2022, Resolution of the Board of Directors No. 629/2022/NQ-HĐQT-CTY dated 7 November 2022, Resolution of the Board of Directors No. 665/2022/NQ-HĐQT-CTY dated 29 November 2022 and Decision No. 42/QĐ-SGDHCM dated 3 February 2023 from the Ho Chi Minh City Stock Exchange as follows:

	For the year ended 31.12.2021		
	As previously reported	Adjustments	As restated under Circular 200
Net profit attributable to shareholders (VND)	954,190,165,645	11,052,000,000	965,242,165,645
Weighted average number of ordinary shares in issue (shares)	227,366,563	75,788,854	303,155,417
Basic earnings per share (VND)	4,197		3,184

(b) Diluted earnings per share

The Company did not have any ordinary shares potentially diluted during the year and up to the date of this consolidated financial statements. Therefore, the diluted earnings per share is equal to the basic earnings per share.

27 OFF CONSOLIDATED BALANCE SHEET ITEMS**Foreign currencies**

	2022	2021
United States Dollar - USD	806,937	1,059,414
Euro - EUR	3,653	3,677
British Pound - GBP	1,625	1,625
Australia Dollar - AUD	919	958
Gold bar - mace	7,903	9,980

PHU NHUAN JEWELRY JOINT STOCK COMPANY

Form B 09 – DN/HN

28 NET REVENUE FROM SALES OF GOODS AND RENDERING SERVICES

	2022 VND	2021 VND
Revenue		
Revenue from sales of gold, silver and jewelry	34,023,892,071,468	19,608,294,312,644
Revenue from sales of accessories	130,958,118,605	79,149,769,974
Revenue from rendering of services	56,278,752,167	48,202,054,632
	<u>34,211,128,942,240</u>	<u>19,735,646,137,250</u>
Sales deductions		
Sales returns	(334,674,383,087)	(188,580,972,416)
Sales allowances	-	(6,800,000)
	<u>(334,674,383,087)</u>	<u>(188,587,772,416)</u>
Net revenue from sales of goods and rendering of services	<u>33,876,454,559,153</u>	<u>19,547,058,364,834</u>

29 COST OF GOODS SOLD AND SERVICES RENDERED

	2022 VND	2021 VND
Cost of gold, silver and jewelry sold	27,863,719,121,239	15,907,666,477,678
Cost of accessories sold	71,382,174,659	29,613,031,220
Cost of services rendered	12,236,633,851	11,480,625,560
Provision for decline in value of inventories	2,010,094,632	-
	<u>27,949,348,024,381</u>	<u>15,948,760,134,458</u>

30 FINANCIAL INCOME

	2022 VND	2021 VND
Realised foreign exchange gains	25,577,933,733	16,058,633,860
Interest income	20,219,137,155	267,480,935
Net gain from foreign currency translation at year-end	8,239,903,282	-
	<u>54,036,974,170</u>	<u>16,326,114,795</u>

PHU NHUAN JEWELRY JOINT STOCK COMPANY

Form B 09 – DN/HN

31 FINANCIAL EXPENSES

	2022 VND	2021 VND
Interest expense	94,421,152,974	104,380,274,160
Realised foreign exchange losses	36,550,242,583	6,160,507,306
Net loss from foreign currency translation at year-end	-	2,504,365,377
Others	10,499,807,906	5,207,587,552
	<u>141,471,203,463</u>	<u>118,252,734,395</u>

32 SELLING EXPENSES

	2022 VND	2021 VND
Staff costs	1,747,899,283,895	927,933,521,764
Rental	313,984,329,086	246,307,802,475
Advertising and marketing	233,616,338,432	126,473,042,786
Outside services	180,465,083,327	158,156,935,122
Tools and supplies	158,050,197,251	106,242,385,201
Depreciation	20,587,525,036	18,852,708,747
Others	173,605,887,349	103,688,556,399
	<u>2,828,208,644,376</u>	<u>1,687,654,952,494</u>

33 GENERAL AND ADMINISTRATION EXPENSES

	2022 VND	2021 VND
Staff costs	489,342,777,115	334,815,199,923
Outside services	110,109,648,564	77,739,085,012
Depreciation	30,198,442,003	28,655,150,417
Tools and supplies	10,160,012,839	13,345,577,420
Provision for doubtful debt	1,706,943,481	-
Fee charges	1,315,416,928	1,273,038,584
Others	31,163,755,754	45,991,252,572
	<u>673,996,996,684</u>	<u>501,819,303,928</u>

34 CIT

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

	2022 VND	2021 VND
Net accounting profit before tax	2,312,327,554,713	1,279,230,522,031
Including:		
- Accounting profit before tax	2,312,327,554,713	1,354,549,732,531
- Accounting loss before tax	-	(75,319,210,500)
Tax calculated at a rate of 20%	462,465,510,943	255,846,104,406
Effect of:		
Expenses not deductible for tax purposes	12,819,907,213	8,105,845,631
Temporary differences for which no deferred income tax asset was recognised	31,708,558,123	(21,196,075,967)
Tax reduction	-	(741,406,483)
Tax losses for which no deferred income tax asset was recognised	-	6,429,003,684
Utilisation of tax losses for which no deferred income tax asset was recognised previously	(6,168,191,643)	-
Under-provision in previous years	809,926,680	1,744,885,115
CIT charge (*)	501,635,711,316	250,188,356,386
Charged/(credited) to the consolidated income statement:		
CIT – current	521,061,271,124	259,673,455,974
CIT – deferred (Note 21)	(19,425,559,808)	(9,485,099,588)
	501,635,711,316	250,188,356,386

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

35 COST OF OPERATION BY FACTOR

Costs of operation by factor represent all costs incurred during the year from the Group's operating activities, excluding cost of merchandises for trading activities. The details are as follows:

	2022 VND	2021 VND
Raw materials	9,777,777,838,685	6,533,668,664,645
Staff costs	2,570,949,066,842	1,468,307,712,404
Outside services	955,143,374,819	651,162,176,248
Tools and supplies	164,752,137,409	117,237,309,536
Depreciation	79,516,376,971	75,118,429,219
Provision for doubtful debt	1,706,943,481	-
Others	320,607,342,794	216,461,489,153
	<u>13,870,453,081,001</u>	<u>9,061,955,781,205</u>

36 RELATED PARTY DISCLOSURES

The Group has balances and/or transactions with the following related parties during the year:

Name	Relationship
Members of the Board of Directors and the Board of Management	Other related parties
Vietnam Institute of Directors Social Enterprise Joint Stock Company	Other related parties
Saigon House Production Trading Service Joint Stock Company	Other related parties
An Phu International Healthcare Company Limited	Other related parties
Golden Space Company Limited	Other related parties
Business Association of High Quality Vietnamese Products Ho Chi Minh City	Other related parties
Young Businesspeople Association of Ho Chi Minh City	Other related parties
Ho Chi Minh City Association for Women Executives & Entrepreneurs	Other related parties

(a) Related party transactions

During the year, the following major transaction was carried out with related parties:

	2022 VND	2021 VND
i) Sales of goods and services		
Young Businesspeople Association of Ho Chi Minh City	265,600,000	-
Saigon House Production Trading Service Joint Stock Company	25,880,800	144,000,000
	<u>291,480,800</u>	<u>144,000,000</u>

PHU NHUAN JEWELRY JOINT STOCK COMPANY

Form B 09 – DN/HN

36 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	2022 VND	2021 VND
ii) Purchases of goods and services		
Golden Space Production Trade Company Limited	6,576,578,942	2,479,743,231
Saigon House Production Trading Service Joint Stock Company	4,428,768,000	4,681,668,400
Ho Chi Minh City Association for Women Executives & Entrepreneurs	2,256,400,000	155,450,000
An Phu International Healthcare Company Limited	2,154,235,000	1,529,710,000
Young Businesspeople Association of Ho Chi Minh City	184,500,000	-
Vietnam Institute of Directors Social Enterprise Joint Stock Company	464,670,000	64,152,000
Business Association of High Quality Vietnamese Products Ho Chi Minh City	221,000,000	-
	<u>16,286,151,942</u>	<u>8,910,723,631</u>

iii) Average salary and remuneration per month for key management personnel of the Company

Name	Title		
Members of the Board of Directors			
Mrs. Cao Thi Ngoc Dung	Chairwoman, Head of Strategy – Finance Subcommittee	630,000,000	568,304,058
Mr. Le Tri Thong	Vice Chairman, General Director (*)	60,333,333	-
Mr. Le Quang Phuc	Member, Chairman of Audit Committee	263,291,667	105,000,000
Mrs. Dang Thi Lai	Member, Senior Director – Finance (*)	37,708,333	-
Mr. Dao Trung Kien	Member, Senior Director – Strategy	30,166,667	-
Mrs. Tran Phuong Ngoc Thao	Member, Head of ESG Subcommittee (*)	280,000,000	-
Mrs. Huynh Thi Xuan Lien	Member	200,000,000	75,000,000
Mrs. Tieu Yen Trinh	Member, Head of Human Resources – Salary Subcommittee	185,583,333	75,000,000
Mr. Nguyen Tuan Hai	Member	200,666,667	75,000,000
		<u>1,887,750,000</u>	<u>898,304,058</u>
Members of the Board of Management			
Mr. Le Tri Thong	General Director	530,000,000	490,000,000
Average of a member of Board of Management	Senior Directors	228,184,607	201,499,874
		<u>758,184,607</u>	<u>691,499,874</u>

(*) In 2021, remuneration of members of the Board of Directors cum Executive title was not separately disclosed.

PHU NHUAN JEWELRY JOINT STOCK COMPANY

Form B 09 – DN/HN

36 RELATED PARTY DISCLOSURES (continued)

(b) Balances with related parties

	2022 VND	2021 VND
i) Short-term trade accounts receivable (Note 5)		
Young Businesspeople Association of Ho Chi Minh City	265,600,000	-
ii) Prepayments to suppliers (Note 6)		
Golden Space Production Trade Company Limited	84,092,727	-
Young Businesspeople Association of Ho Chi Minh City	50,000,000	686,743,139
	134,092,727	686,743,139
iii) Short-term trade accounts payable (Note 13)		
Saigon House Production Trading Service Joint Stock Company	25,492,500	25,492,500
iv) Other short-term payables (Note 18)		
Members of the Board of Directors and the Board of Management	11,418,221,742	10,084,181,002

37 COMMITMENTS UNDER OPERATING LEASES

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

	2022 VND	2021 VND
Within one year	290,334,960,066	267,648,043,754
Between one and five years	889,184,740,169	814,210,958,710
Over five years	381,430,438,377	362,366,349,123
Total minimum payments	1,560,950,138,612	1,444,225,351,587

38 SEGMENT REPORTING*Geographical segment*

The Group has performed all manufacturing and trading activities of gold, silver, jewelry, gemstones and services in Vietnam only. Therefore, the Group does not present the geographical segment.

Business activity segment

Manufacturing and trading gold, silver, jewelry and gemstones are the principal activities of the Group to generate revenue and earn profit for the Group, whereas, other incomes account for a small portion in total revenue of the Group, therefore, the Board of Management assumed that the Group is in one business activity segment only.

39 EVENTS AFTER THE CONSOLIDATED FINANCIAL STATEMENTS DATE

In accordance with the Resolution of the Annual General Meeting of Shareholders No. 264/2022/NQ-ĐHĐCĐ-CTY dated 16 April 2022, Resolution of the Board of Directors No. 629/2022/NQ-HĐQT-CTY dated 7 November 2022, Resolution of the Board of Directors No. 665/2022/NQ-HĐQT-CTY dated 29 November 2022 and Decision No. 42/QĐ-SGDHCM dated 3 February 2023 from the Ho Chi Minh City Stock Exchange, the Company has completed the issuance of 81,997,568 shares from share premium and post-tax undistributed profits. Accordingly, the Company's charter capital increased to VND3,281,691,880,000 in accordance with the 35th amended Enterprise Registration Certificate dated 6 February 2023.

The consolidated financial statements were approved by the Board of Management on 22 March 2023.



Nguyen Thanh Dat
Preparer

Duong Quang Hai
Chief Accountant

Le Tri Thong
General Director