



**Phu Nhuan Jewelry Joint Stock Company
and its subsidiaries**

Consolidated Financial Statements
for the year ended 31 December 2023



Phu Nhuan Jewelry Joint Stock Company Corporate Information

Enterprise Registration

Certificate No. 0300521758 2 January 2004

The Company's Enterprise Registration Certificate has been amended several times, the most recent of which is dated 30 January 2024. The Enterprise Registration Certificate and its amendments were issued by the Department of Planning and Investment of Ho Chi Minh City.

Board of Directors

Ms. Cao Thi Ngoc Dung	Chairwoman
Mr. Le Tri Thong	Vice Chairman
Ms. Tran Phuong Ngoc Thao	Vice Chairwoman (from 27 April 2023)
	Member (until 27 April 2023)
Mr. Dao Trung Kien	Member
Ms. Dang Thi Lai	Member
Mr. Dang Hai Anh	Member (from 27 April 2023)
Ms. Huynh Thi Xuan Lien	Member (until 27 April 2023)
Mr. Le Quang Phuc	Independent Member
Ms. Tieu Yen Trinh	Independent Member
Mr. Nguyen Tuan Hai	Independent Member

Audit Committee

Mr. Le Quang Phuc	Chairman
Mr. Nguyen Tuan Hai	Member
Ms. Huynh Thi Xuan Lien	Member (until 27 April 2023)
Mr. Nguyen Anh Tuan	Head of Internal Audit

Legal Representative

Ms. Cao Thi Ngoc Dung	Chairwoman of Board of Directors
Mr. Le Tri Thong	Chief Executive Officer

Phu Nhuan Jewelry Joint Stock Company
Corporate Information (continued)

Board of Management	Mr. Le Tri Thong	Chief Executive Officer Cum managing and operating Strategy Division (from 6 February 2023) Cum managing and operating Customer and Retail Division (until 1 January 2024)
	Ms. Dang Thi Lai	Senior Director - Finance (from 6 February 2023)
	Mr. Nguyen Ngoc Van Quan	Senior Director - Supply Chain (from 16 February 2023) Acting Director of Supply Chain Division (until 16 February 2023)
	Mr. Dao Trung Kien	Senior Director - Operation (from 6 February 2023) Director of Strategy Division (until 6 February 2023)
	Mr. Dang Hai Anh	Senior Director - Information Technology
	Mr. Nguyen Khoa Hong Thanh	Senior Director - Marketing (from 26 March 2023)
	Mr. Nguyen Chi Kien	Senior Director - Human Resources (from 19 September 2023)
	Ms. Truong Hoai Anh	Senior Director - Customer and Retail (from 2 January 2024)
	Mr. Nguyen Anh Hung	Director of Human Resources (until 1 May 2023)
	Mr. Duong Quang Hai	Chief Accountant

Registered Office No. 170E, Phan Dang Luu Street
Ward 3, Phu Nhuan District
Ho Chi Minh City
Vietnam

Auditor KPMG Limited
Vietnam

Phu Nhuan Jewelry Joint Stock Company Statement of the Board of Management

The Board of Management of Phu Nhuan Jewelry Joint Stock Company (“the Company”) presents this statement and the accompanying consolidated financial statements of the Company and its subsidiaries (collectively referred to as “the Group”) for the year ended 31 December 2023.

The Company’s Board of Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting. In the opinion of the Company’s Board of Management:

- (a) the consolidated financial statements set out on pages 6 to 48 give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of their consolidated results of operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Group will not be able to pay its debts as and when they fall due.

The Company’s Board of Management has, on the date of this statement, authorised the accompanying consolidated financial statements for issue.

On behalf of the Board of Management



Le Tri Thong
Chief Executive Officer

Ho Chi Minh City, 26 March 2024



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115 Nguyen Hue Street, Ben Nghe Ward
District 1, Ho Chi Minh City, Vietnam
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders 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 (collectively referred to as "the Group"), which comprise the consolidated balance sheet as at 31 December 2023, the consolidated statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Management on 26 March 2024, as set out on pages 6 to 48.

Management's Responsibility

The Company's Board of Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting, and for such internal control as the Board of Management determines is necessary to enable the preparation of the 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 these 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 requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the 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 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 Company's Board of Management, as well as evaluating the overall presentation of the 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 give a true and fair view, in all material respects, of the consolidated financial position of Phu Nhuan Jewelry Joint Stock Company and its subsidiaries as at 31 December 2023 and of their consolidated results of operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

Other matter

The consolidated financial statements of the Group for the year ended 31 December 2022 were audited by another firm of auditors whose report dated 22 March 2023 expressed an unqualified opinion on those financial statements.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam

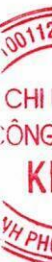
Audit Report No.: 23-01-00408-24-2



Trương Vinh Phúc
Practicing Auditor Registration
Certificate No. 1901-2023-007-1
Deputy General Director

Ho Chi Minh City, 26 March 2024

Phạm Huy Cường
Practicing Auditor Registration
Certificate No. 2675-2024-007-1



Phu Nhuan Jewelry Joint Stock Company and its subsidiaries
Consolidated balance sheet as at 31 December 2023

Form B 01 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	31/12/2023 VND	1/1/2023 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		12,958,118,192,260	11,966,357,761,798
Cash	110	5	896,147,917,336	879,548,130,711
Cash	111		896,147,917,336	879,548,130,711
Short-term financial investments	120		810,100,000,000	200,000,000,000
Held-to-maturity investments	123	6(a)	810,100,000,000	200,000,000,000
Accounts receivable – short-term	130		215,035,937,840	300,880,402,245
Accounts receivable from customers	131	7	69,277,567,110	56,532,707,659
Prepayments to suppliers	132	8	27,775,617,785	68,902,837,213
Loans receivable	135	9	90,000,000,000	140,000,000,000
Other short-term receivables	136	10(a)	32,980,198,226	37,641,170,145
Allowance for doubtful debts	137		(5,049,680,837)	(2,862,909,308)
Shortage of assets awaiting resolution	139		52,235,556	666,596,536
Inventories	140	11	10,940,937,959,289	10,506,054,932,284
Inventories	141		10,944,749,006,797	10,508,065,026,916
Allowance for inventories	149		(3,811,047,508)	(2,010,094,632)
Other current assets	150		95,896,377,795	79,874,296,558
Short-term prepaid expenses	151	12(a)	94,051,248,427	74,007,356,286
Deductible value added tax	152		1,845,129,368	5,866,940,272

The accompanying notes are an integral part of these consolidated financial statements

Phu Nhuan Jewelry Joint Stock Company and its subsidiaries
Consolidated balance sheet as at 31 December 2023 (continued)

Form B 01 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	31/12/2023 VND	1/1/2023 VND
Long-term assets (200 = 210 + 220 + 240 + 250 + 260)	200		1,469,439,823,096	1,370,766,887,448
Accounts receivable – long-term	210		104,636,239,106	93,956,493,011
Other long-term receivables	216	10(b)	104,636,239,106	93,956,493,011
Fixed assets	220		882,715,109,732	882,432,821,075
Tangible fixed assets	221	13	256,373,758,673	239,734,551,747
Cost	222		747,570,855,214	672,781,337,441
Accumulated depreciation	223		(491,197,096,541)	(433,046,785,694)
Intangible fixed assets	227	14	626,341,351,059	642,698,269,328
Cost	228		708,071,904,553	707,010,800,099
Accumulated amortisation	229		(81,730,553,494)	(64,312,530,771)
Long-term work in progress	240		29,100,048,410	30,826,629,189
Construction in progress	242	15	29,100,048,410	30,826,629,189
Long-term financial investments	250	6(b)	3,980,000,000	-
Equity investments in other entities	253		399,251,613,400	395,271,613,400
Allowance for diminution in the value of long-term financial investments	254		(395,271,613,400)	(395,271,613,400)
Other long-term assets	260		449,008,425,848	363,550,944,173
Long-term prepaid expenses	261	12(b)	329,182,091,504	243,656,590,750
Deferred tax assets	262	16	119,826,334,344	119,894,353,423
TOTAL ASSETS (270 = 100 + 200)	270		14,427,558,015,356	13,337,124,649,246

The accompanying notes are an integral part of these consolidated financial statements

Phu Nhuan Jewelry Joint Stock Company and its subsidiaries
Consolidated balance sheet as at 31 December 2023 (continued)

Form B 01 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	31/12/2023 VND	1/1/2023 VND (Reclassified)
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		4,621,377,351,380	4,893,029,994,396
Current liabilities	310		4,611,956,609,380	4,883,064,421,396
Accounts payable to suppliers	311	17	257,304,950,807	277,212,839,495
Advances from customers	312	18	215,299,493,413	222,164,283,405
Taxes payable to State Treasury	313	19	344,258,054,659	292,985,361,927
Payables to employees	314		673,116,492,808	534,807,250,396
Accrued expenses	315	20	307,718,428,978	453,432,735,944
Other short-term payables	319	21	228,798,913,738	227,169,093,119
Short-term borrowings	320	22	2,384,288,254,693	2,683,045,875,772
Provisions – short-term	321	23(a)	29,061,192,534	30,129,306,488
Bonus and welfare funds	322	24	172,110,827,750	162,117,674,850
Long-term liabilities	330		9,420,742,000	9,965,573,000
Other long-term payables	337		218,668,000	218,668,000
Provisions – long-term	342	23(b)	9,202,074,000	9,746,905,000
EQUITY (400 = 410)	400		9,806,180,663,976	8,444,094,654,850
Owners' equity	410	25	9,806,180,663,976	8,444,094,654,850
Share capital	411	26	3,281,691,880,000	2,461,716,200,000
Share premium	412	26	1,851,376,032,458	2,251,376,032,458
Treasury shares	415	26	(3,384,090,000)	(3,384,090,000)
Investment and development fund	418	26	1,936,397,556,918	1,212,120,556,918
Retained profits	421		2,740,099,284,600	2,522,265,955,474
- Retained profits brought forward	421a		769,000,107,465	859,175,348,677
- Retained profits for the current year	421b		1,971,099,177,135	1,663,090,606,797
TOTAL RESOURCES (440 = 300 + 400)	440		14,427,558,015,356	13,337,124,649,246

26 March 2024

Prepared by:


 Nguyen Thanh Dat
 General Accountant

Approved by:


 Duong Quang Hai
 Chief Accountant


 Le Tri Thong
 Chief Executive Officer



The accompanying notes are an integral part of these consolidated financial statements

Phu Nhuan Jewelry Joint Stock Company and its subsidiaries
Consolidated statement of income for the year ended 31 December 2023

Form B 02 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	2023 VND	2022 VND
Revenue from sale of goods and provision of services	01	28	33,481,608,954,953	34,211,128,942,240
Revenue deductions	02	28	344,679,758,524	334,674,383,087
Net revenue (10 = 01 - 02)	10	28	33,136,929,196,429	33,876,454,559,153
Cost of sales and services provided	11	29	27,078,338,249,235	27,949,348,024,381
Gross profit (20 = 10 - 11)	20		6,058,590,947,194	5,927,106,534,772
Financial income	21	30	97,825,547,538	54,036,974,170
Financial expenses	22	31	142,580,680,640	141,471,203,463
<i>In which: Interest expense</i>	23		<i>118,568,804,103</i>	<i>94,143,431,408</i>
Selling expenses	25	32	2,835,769,469,802	2,828,208,644,376
General and administration expenses	26	33	693,934,934,718	673,996,996,684
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		2,484,131,409,572	2,337,466,664,419
Other income	31		11,846,230,257	8,582,642,521
Other expenses	32		7,217,637,455	33,721,752,227
Results of other activities (40 = 31 - 32)	40		4,628,592,802	(25,139,109,706)
Accounting profit before tax (50 = 30 + 40)	50		2,488,760,002,374	2,312,327,554,713
Income tax expense – current	51	35	517,592,806,160	521,061,271,124
Income tax expense/(benefit) – deferred	52	35	68,019,079	(19,425,559,808)
Net profit after tax (carried forward to the next page) (60 = 50 - 51 - 52)	60		1,971,099,177,135	1,810,691,843,397

The accompanying notes are an integral part of these consolidated financial statements

Phu Nhuan Jewelry Joint Stock Company and its subsidiaries
Consolidated statement of income for the year ended 31 December 2023 (continued)

Form B 02 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	2023 VND	2022 VND
Net profit after tax (brought forward from the previous page) (60 = 50 - 51 - 52)	60		1,971,099,177,135	1,810,691,843,397
Attributable to:				
Net profit after tax of the parent company	61		1,971,099,177,135	1,810,691,843,397
Earnings per share				(Restated)
Basic earnings per share	70	36	5,436	5,350

26 March 2024

Prepared by:


 Nguyen Thanh Dat
 General Accountant

Approved by:


 Duong Quang Hai
 Chief Accountant


 Le Tri Thong
 Chief Executive Officer



The accompanying notes are an integral part of these consolidated financial statements

Phu Nhuan Jewelry Joint Stock Company and its subsidiaries

Consolidated statement of cash flows for the year ended 31 December 2023 (Indirect method)

Form B 03 – DN/HN

(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	2023 VND	2022 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	01	2,488,760,002,374	2,312,327,554,713
Adjustments for			
Depreciation and amortisation	02	81,257,091,304	79,516,376,971
Allowances and provisions	03	2,374,779,451	2,868,205,863
Exchange gains arising from revaluation of monetary items denominated in foreign currencies	04	(1,611,805,757)	(8,239,903,282)
Profits from investing activities	05	(79,561,268,312)	(21,327,686,776)
Interest expense	06	118,568,804,103	94,421,152,974
Operating profit before changes in working capital	08	2,609,787,603,163	2,459,565,700,463
Change in receivables and other current assets	09	39,100,711,762	(52,151,674,870)
Change in inventories	10	(436,683,979,881)	(1,753,323,314,557)
Change in payables and other liabilities	11	92,449,328,770	76,506,711,125
Change in prepaid expenses	12	(103,556,391,934)	(59,503,878,567)
		2,201,097,271,880	671,093,543,594
Interest paid	14	(122,841,644,646)	(90,657,750,651)
Corporate income tax paid	15	(466,349,274,224)	(464,338,080,937)
Other payments for operating activities	17	(104,164,881,917)	(15,516,505,310)
Net cash flows from operating activities	20	1,507,741,471,093	100,581,206,696
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets and other long-term assets	21	(83,115,434,103)	(52,384,601,566)
Proceeds from disposals of fixed assets	22	2,289,295,529	1,498,185,785
Placements of term deposits to banks and granting loans	23	(2,240,100,000,000)	(540,000,000,000)
Receipts from term deposits and collecting loans	24	1,680,000,000,000	200,000,000,000
Payments for investments in other entities	25	(3,980,000,000)	-
Receipts of interest from deposits and granting loans	27	66,432,820,820	20,219,137,155
Net cash flows from investing activities	30	(578,473,317,754)	(370,667,278,626)

The accompanying notes are an integral part of these consolidated financial statements

Phu Nhuan Jewelry Joint Stock Company and its subsidiaries
Consolidated statement of cash flows for the year ended 31 December 2023
(Indirect method – continued)

Form B 03 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	2023 VND	2022 VND
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuing shares	31	-	1,447,231,530,000
Proceeds from borrowings	33	8,159,472,964,689	6,261,254,967,206
Payments to settle loan principals	34	(8,458,230,585,768)	(6,300,139,792,578)
Payments of dividends	36	(615,443,389,700)	(616,671,158,340)
Net cash flows from financing activities	40	(914,201,010,779)	791,675,546,288
Net cash flows during the year (50 = 20 + 30 + 40)	50	15,067,142,560	521,589,474,358
Cash at beginning of the year	60	879,548,130,711	355,454,838,957
Effect of exchange rate fluctuations on cash	61	1,532,644,065	2,503,817,396
Cash at end of the year (70 = 50 + 60 + 61) (Note 5)	70	896,147,917,336	879,548,130,711

26 March 2024

Prepared by:


 Nguyen Thanh Dat
 General Accountant

Approved by:


 Duong Quang Hai
 Chief Accountant




 Le Tri Thong
 Chief Executive Officer

The accompanying notes are an integral part of these consolidated financial statements

Phu Nhuan Jewelry Joint Stock Company and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2023

Form B 09 – DN/HN
*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

These notes form an integral part of and should be read in conjunction with these accompanying consolidated financial statements.

1. Reporting entity

(a) Ownership structure

Phu Nhuan Jewelry Joint Stock Company (“the Company”) is a joint stock company incorporated in Vietnam.

The consolidated financial statements for the year ended 31 December 2023 comprise the Company and its subsidiaries (collectively referred to as “the Group”).

The Company’s shares are listed on the Ho Chi Minh City Stock Exchange with trading code “PNJ”.

(b) Principal activities

The principal activities of the Company and its subsidiaries (the “Group”) are trading gold, silver, jewelry and gemstones; importing and exporting jewelry in gold, silver and gemstones.

(c) Normal operating cycle

The normal operating cycle of the Group is generally within 12 months.

Phu Nhuan Jewelry Joint Stock Company and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

Form B 09 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(d) The Group's structure

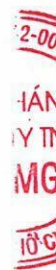
As at 31 December 2023, the Group had 3 directly owned subsidiaries (1/1/2023: 3 directly owned subsidiaries). Information about subsidiaries is described as follows:

Name	Principal activities	Address	% of equity owned and voting rights 31/12/2023 1/1/2023
Directly owned subsidiaries			
CAO Fashion Company Limited	Trading of jewelry and accessories	No.170E, Phan Dang Luu Street, Ward 3, Phu Nhuan District, Ho Chi Minh City, Vietnam	100% 100%
PNJ Laboratory Company Limited	Consultant and appraisal services for gold, silver and gemstones	No. 302 - 304, Phan Xich Long Street, Ward 7, Phu Nhuan District, Ho Chi Minh City, Vietnam	100% 100%
PNJ Jewelry Production and Trading Company Limited	Manufacturing and trading jewelry	No. 23, Street No. 14, Ward 5, Go Vap District, Ho Chi Minh City, Vietnam	100% 100%

All subsidiaries are established in Vietnam.

As at 31 December 2023, the Group had 57 branches nationwide (1/1/2023: 57 branches).

As at 31 December 2023, the Group had 7,672 employees (1/1/2023: 7,199 employees).



Phu Nhuan Jewelry Joint Stock Company and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2023
(continued)

Form B 09 – DN/HN
*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

2. Basis of preparation

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

(b) Basis of measurement

The consolidated financial statements, except for the consolidated statement of cash flows, are prepared on the accrual basis using the historical cost concept. The consolidated statement of cash flows is prepared using the indirect method.

(c) Annual accounting period

The annual accounting period of the Group is from 1 January to 31 December. These consolidated financial statements are prepared for the year ended 31 December 2023.

(d) Accounting and presentation currency

The accounting currency of the Company and its subsidiaries is Vietnam Dong (“VND”), which is also the currency used for these consolidated financial statements presentation purposes.

3. Significant accounting policies

The following significant accounting policies have been adopted by the Group in the preparation of these consolidated financial statements.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Transactions eliminated on consolidation

Intra-group transactions, balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains and losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group’s interest in the investee.

Phu Nhuan Jewelry Joint Stock Company and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2023
(continued)

Form B 09 – DN/HN
*(Issued under Circular No. 202/2014/TT-BTC
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(b) Foreign currency transactions

Transactions in currencies other than VND during the year have been translated into VND at rates approximating actual rates of exchange ruling at the transaction dates.

Monetary assets denominated in foreign currencies are revalued at the foreign currency buying rate of the commercial bank where the Group most frequently conducts transactions. Cash in banks in foreign currencies are revalued at the foreign currency buying rate of the commercial bank where the Group opens a foreign currency account. Monetary liabilities denominated in foreign currencies are revalued at the foreign currency selling rate of the commercial bank where the Group most frequently conducts transactions.

All foreign exchange differences are recorded in the consolidated statement of income.

(c) Cash

Cash comprises cash balances and call deposits.

(d) Investments

(i) Held-to-maturity investments

Held-to-maturity investments are those that the Company's Board of Management has the intention and ability to hold until maturity. Held-to-maturity investments include term deposits at banks. These investments are stated at costs less allowance for doubtful debts.

(ii) Investments in other entities

Investments in other entities are initially recognised at cost which includes purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, these investments are stated at cost less allowance for diminution in value.

An allowance is made for diminution in investment value if the investee has suffered a loss which may cause the Group to lose their invested capital, unless there is evidence that the value of the investment has not been diminished. The allowance is reversed if the investee subsequently made a profit that offsets the previous loss for which the allowance had been made. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

(e) Accounts receivable

Accounts receivable from customers and other receivables are stated at cost less allowance for doubtful debts.

Phu Nhuan Jewelry Joint Stock Company and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2023
(continued)

Form B 09 – DN/HN

*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs incurred in bringing the inventories to their present location and condition. Cost in the case of finished goods and work in progress includes raw materials, direct labour and attributable manufacturing overheads. Net realisable value is the estimated selling price of inventory items, less estimated costs of completion and estimated costs to sell.

The Group applies the perpetual method of accounting for inventories.

(g) Tangible fixed assets

(i) Cost

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repair, maintenance and overhaul cost, is charged to the consolidated statement of income in the year in which the cost is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

(ii) Depreciation

Depreciation is computed on a straight-line basis over the estimated useful lives of tangible fixed assets. The estimated useful lives are as follows:

▪ buildings and structures	5 – 25 years
▪ machinery and equipment	3 – 15 years
▪ motor vehicles	5 – 10 years
▪ office equipment	3 – 5 years

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(h) Intangible fixed assets

(i) Land use rights

Land use rights are stated at cost less accumulated amortisation. The initial cost of a land use right comprises its purchase price and any directly attributable costs incurred in conjunction with securing the land use rights. Amortisation is computed on a straight-line basis over the validity period of the land use right certificates. Land use rights with indefinite term are stated at cost and are not amortised.

(ii) Software

Cost of acquiring a new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible fixed asset. Software cost is amortised on a straight-line basis over their estimated useful lives ranging from 3 years to 5 years.

(i) Construction in progress

Construction in progress represents the costs of tangible and intangible fixed assets which have not been fully completed or installed. No depreciation is provided for construction in progress during the period of construction and installation.

(j) Long-term prepaid expenses

(i) Tools and instruments

Tools and instruments include assets held for use by the Group in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under prevailing regulation. Costs of those assets are amortised on a straight-line basis over a period ranging from 2 years to 3 years.

(ii) Office and stores renovation expenses

Office and store renovation expenses are stated at cost and amortised on a straight-line basis over a period ranging from 2 years to 3 years.

(iii) Operating lease payments

Operating lease payments are stated at cost and amortised on a straight-line basis over the term of the lease ranging from 2 years to 5 years.

(iv) Other prepaid expenses

Other prepaid expenses are stated at cost and amortised on a straight-line basis over their useful lives ranging from over 1 year to 3 years.

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(k) Accounts payable

Accounts payable to suppliers and other payables are stated at their costs.

(l) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(i) Warranties

The provision for warranties relates mainly to goods sold during the year. The provision is based on estimates derived from historical warranty data associated with similar products.

(ii) Severance allowance

Under the Vietnamese Labour Code, when an employee who has worked for 12 months or more (“the eligible employees”) voluntarily terminates his/her labour contract, the employer is required to pay the eligible employee severance allowance calculated based on years of service and employee’s compensation at termination. Provision for severance allowance has been provided based on employees’ years of service and their average salary for the six-month period prior to the end of the annual accounting period. For the purpose of determining the number of years of service by an employee, the period for which the employee participated in and contributed to unemployment insurance in accordance with prevailing laws and regulations and the period for which severance allowance has been paid by the Company are excluded.

(m) Shared capital

(i) Shared capital and premium shares

Ordinary shares are recognised at par value. The difference between the proceeds from issuance of shares and the par value of shares issued is recorded as share premium. Any costs directly attributable to the issue of the shares, less tax effects, are recorded as a reduction in equity premium.

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(ii) Repurchase and reissue of ordinary shares (treasury shares)

Before 1 January 2021

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of tax effects, is recognised as a reduction from equity. Repurchased shares are classified as treasury shares under equity. When treasury shares are sold for reissue subsequently, cost of the reissued shares is determined on a weighted average basis. Any difference between the amount received and the cost of the shares reissued is presented within share premium.

From 1 January 2021

Treasury shares are recognised only in respect of repurchased shares which are aggregated fractions of share arising when the Group issues shares to pay dividends or issues shares from equity reserves in accordance with an approved issuance plan, or repurchased odd-lots of shares as requested by the shareholders. In all other cases, when shares recognised as equity are repurchased, their par value amount is recognised as a reduction to share capital. The difference between the par value and the amount of the consideration paid, which includes directly attributable costs, net of tax effects, is included in share premium.

This change in accounting policy has been applied prospectively from 1 January 2021 due to change in applicable laws and regulations on buying back shares.

(n) Equity funds

Equity funds included investment and development funds were appropriated from retained profits in accordance with the proportion decided by shareholders in the Annual General Meeting of Shareholders.

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(o) Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the consolidated statement of income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the annual accounting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities using tax rates enacted or substantively enacted at the end of the annual accounting period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(p) Revenue from sale of goods and provision of services

(i) *Sale of goods*

Revenue from sale of goods is recognised in the consolidated statement of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue from sale of goods is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods. Revenue from sale of goods is recognised at the net amount after deducting sales discounts stated on the invoice.

(ii) *Services rendered*

Revenue from services rendered is recognised in the consolidated statement of income in proportion to the stage of completion of the transaction. The stage of completion is assessed by reference to surveys of work performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

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(q) Financial income and financial expenses

(i) Financial income

Financial income comprises interest income from deposits at banks, loans receivable and foreign exchange gains.

Interest income is recognised on a time proportion basis with reference to the principal outstanding and the applicable interest rate.

(ii) Financial expenses

Financial expenses comprise interest expense on borrowings and foreign exchange losses.

Borrowing costs are recognised as an expense in the year in which they are incurred, except where the borrowing costs relate to borrowings in respect of the construction of qualifying assets, in which case the borrowing costs incurred during the period of construction are capitalised as part of the cost of the assets concerned.

(r) Operating lease payments

Payments made under operating leases are recognised in the consolidated statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the consolidated statement of income as an integral part of the total lease expense, over the term of the lease.

(s) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Group's primary format for segment reporting is based on business segments/geographical segments.

(t) Related parties

Parties are considered to be related to the Group if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or whether the Group and the other party are subject to common control or significant influence. Related parties may be individuals or corporate entities and include close family members of any individual considered to be a related party.

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(u) Basic earning per share

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company (after deducting any amounts appropriated to bonus and welfare funds for the annual accounting period) by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share are determined by adjusting the profit or loss attributable to ordinary shareholders and the average number of ordinary shares outstanding, taking into account the effects of potential ordinary shares, including convertible bonds and stock options. During the year, the Company has no potential ordinary shares and therefore does not present dilutive earnings per share.

(v) Comparative information

Comparative information in these consolidated financial statements is presented as corresponding figures. Under this method, comparative information for the prior year is included as an integral part of the current year consolidated financial statements and is intended to be read only in relation to the amounts and other disclosures relating to the current year. Accordingly, the comparative information included in these consolidated financial statements is not intended to present the Group's consolidated financial position, consolidated results of operations or consolidated cash flows for the prior year.

4. Segment reporting

(a) Business segments

The principal business activities of the Group are trading in gold, silver, jewelry and gemstones. Other activities are trading accessories, provision appraisal services, rental services and warranty services. During the year, other activities only accounted for an insignificant proportion of the Group's results of operations, accordingly, financial information presented on the consolidated balance sheet as at 31 December 2023 and 1 January 2023 and revenue and expenses presented in the consolidated statement of income for the years ended 31 December 2023 and 31 December 2022 mainly relate to the Group's principal business activities.

(b) Geographical segments

The geographical segments of the Group are based on the geographical location of customers, including domestic and foreign customers, in which revenue from exporting only accounted for an insignificant proportion of the Group's total revenue and did not require a separate report. Therefore, the financial information presented mainly reflected the business activities of the Group in the territory of Vietnam.

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5. Cash

	31/12/2023 VND	1/1/2023 VND
Cash on hand	240,746,288,133	404,784,773,480
Cash at banks	558,964,417,558	428,429,733,705
Cash on transit	96,437,211,645	46,333,623,526
	<hr/>	<hr/>
Cash in consolidated statement of cash flows	896,147,917,336	879,548,130,711
	<hr/>	<hr/>

6. Financial investments

(a) Held-to-maturity investments

	31/12/2023 VND	1/1/2023 VND
<i>Term deposits at:</i>		
Joint Stock Commercial Bank for Development		
– Ho Chi Minh City Branch	410,000,000,000	-
Southeast Asia Commercial Joint Stock Bank	200,000,000,000	-
Orient Commercial Joint Stock Bank	150,000,000,000	200,000,000,000
Viet Capital Commercial Joint Stock Bank	50,000,000,000	-
Joint Stock Commercial Bank for Foreign Trade of Vietnam		
– Ky Dong Branch	100,000,000	-
	<hr/>	<hr/>
	810,100,000,000	200,000,000,000
	<hr/>	<hr/>

Held-to-maturity investments represented term deposits at banks with original terms of more than 3 months from the transaction dates and the remaining terms to maturity not exceeding 12 months from the end of the annual accounting period. The term deposits at banks are denominated in VND and earned annual interest at rates ranging from 3.4% to 7.1% (1/1/2023: 6.5%).

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	31/12/2023			1/1/2023			
	Quantity	% equity owned and voting rights	Cost VND	Allowance VND	% equity owned and voting rights	Cost VND	Allowance VND
Golden Friend Joint Stock Company	398,000	19.9%	3,980,000,000	-	0.00%	-	-
Dong A Commercial Joint Stock Bank (*)	38,496,250	7.69%	395,271,613,400	(395,271,613,400)	7.69%	395,271,613,400	(395,271,613,400)
			<u>399,251,613,400</u>	<u>(395,271,613,400)</u>		<u>395,271,613,400</u>	<u>(395,271,613,400)</u>

The Group has not determined the fair values of its investments in other entities for disclosure in the consolidated financial statements because there is currently no guidance on determination of fair value using valuation techniques under Vietnamese Accounting Standards or the Vietnamese Accounting System for enterprises. The fair values of equity investments in other entities may differ from their carrying amounts.

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Movements during the year of investments in other entities were as follows:

	2023	2022
	VND	VND
Opening balance	395,271,613,400	395,271,613,400
Additions during the year	3,980,000,000	-
Closing balance	<u>399,251,613,400</u>	<u>395,271,613,400</u>

- (*) As at 31 December 2023 and 1 January 2023, Dong A Commercial Joint Stock Bank was still under the special control of the State Bank of Vietnam and its shares were not allowed to be transferred concession. The Board of Management of the Company has made allowance for the entire value of the investment in Dong A Commercial Joint Stock Bank.

7. Accounts receivable from customers

(a) Accounts receivable from customers detailed by significant customers

	31/12/2023	1/1/2023
	VND	VND
AEON Vietnam Company Limited – Binh Duong Branch	7,988,832,041	8,249,435,172
AEON Vietnam Company Limited – Binh Tan Branch	6,203,684,363	7,549,704,598
AEON Vietnam Company Limited – Tan Phu Branch	6,113,728,778	7,799,727,008
Other customers	48,971,321,928	32,933,840,881
	<u>69,277,567,110</u>	<u>56,532,707,659</u>

(b) Accounts receivable from customers who are related parties

	31/12/2023	1/1/2023
	VND	VND
Ho Chi Minh City Young Entrepreneurs Association	-	265,600,000

The trade related amounts due from the related party were unsecured, interest free and are receivable on demand.

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8. Prepayment to suppliers

(a) Prepayment to suppliers detailed by significant suppliers

	31/12/2023	1/1/2023
	VND	VND
Saigon Art Advertising Co.,Ltd	3,478,496,040	-
Omega Art S.R.L	5,023,394	9,532,828,735
Untung Bersama Sejahtera PT	-	15,497,793,920
Other suppliers	24,292,098,351	43,872,214,558
	27,775,617,785	68,902,837,213

(b) Prepayment to suppliers who are related parties

	31/12/2023	1/1/2023
	VND	VND
Ho Chi Minh City Young Entrepreneurs Association	-	50,000,000
Golden Space Company Limited	-	84,092,727

9. Loans receivable

	31/12/2023	1/1/2023
	VND	VND
Golden Friend Joint Stock Company	90,000,000,000	140,000,000,000

Loans receivable are unsecured and earned annual interest rates as agreed in the contract. These loans are due in 12 months from the date of disbursement. Loans interest will be collected at the end of each month.

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10. Other receivables

(a) Other short-term receivables

	31/12/2023 VND	1/1/2023 VND
Interest receivable from bank deposits	12,128,785,923	-
Advances to employees	4,264,414,680	4,092,287,274
Union of the Company and its subsidiaries	-	11,662,100,000
Other receivables	16,586,997,623	21,886,782,871
	32,980,198,226	37,641,170,145

(b) Other long-term receivables

	31/12/2023 VND	1/1/2023 VND
Deposits for stores rental	104,636,239,106	93,956,493,011

Other long-term receivables represented deposits for stores rental which will be refunded by the end of the lease term.

11. Inventories

	31/12/2023		1/1/2023	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Raw materials	1,336,881,052,967	-	993,959,155,489	-
Tools and supplies	39,140,960,355	-	51,100,087,913	-
Work in progress	182,116,093,085	-	207,969,940,730	-
Finished goods	7,079,496,646,224	-	7,215,980,192,888	-
Merchandise inventories	2,307,114,254,166	(3,811,047,508)	2,039,055,649,896	(2,010,094,632)
	0,944,749,006,797	(3,811,047,508)	0,508,065,026,916	(2,010,094,632)

As at 31 December 2023, inventories with carrying amount of VND3,990,000,000,000 (1/1/2023: VND4,167,800,000,000) were pledged with commercial banks as security for loans granted to the Group (Note 22).

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Movements in the allowance for inventories during the year were as follows:

	2023 VND	2022 VND
Opening balance	2,010,094,632	-
Allowance made during the year (Note 29)	1,800,952,876	2,010,094,632
	<hr/>	<hr/>
Closing balance	3,811,047,508	2,010,094,632
	<hr/>	<hr/>

Included in inventories as at 31 December 2023 was VND10,022,323,229 (1/1/2023: VND6,931,360,800) of slow-moving inventories.

12. Prepaid expenses

(a) Short-term prepaid expenses

	31/12/2023 VND	1/1/2023 VND
Operating leases	47,522,730,317	35,846,009,519
Information technology expenses	15,684,661,599	13,772,510,956
Repairs and maintenances	11,995,398,104	3,926,289,430
Tools and instruments	11,700,207,423	15,226,271,179
Other prepaid expenses	7,148,250,984	5,236,275,202
	<hr/>	<hr/>
	94,051,248,427	74,007,356,286
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(b) Long-term prepaid expenses

	31/12/2023 VND	1/1/2023 VND
Tools and instruments	167,629,342,406	117,607,382,963
Office and store renovation expenses	153,000,846,149	110,061,249,509
Operating leases payments	1,330,382,904	4,693,940,300
Other prepaid expenses	7,221,520,045	11,294,017,978
	<hr/>	<hr/>
	329,182,091,504	243,656,590,750
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13. Tangible fixed assets

Cost	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Opening balance	156,288,864,503	344,966,454,465	50,791,046,180	120,734,972,293	672,781,337,441
Additions during the year	1,364,386,870	56,991,206,086	10,158,853,800	11,541,058,518	80,055,505,274
Transfer from construction in progress	-	1,712,404,193	-	-	1,712,404,193
Disposals	-	(2,076,236,033)	(2,371,579,190)	(2,530,576,471)	(6,978,391,694)
Closing balance	157,653,251,373	401,593,828,711	58,578,320,790	129,745,454,340	747,570,855,214
Accumulated depreciation					
Opening balance	68,123,475,517	248,299,809,940	31,259,153,396	85,364,346,841	433,046,785,694
Charge for the year	8,562,095,718	36,622,850,344	5,850,658,498	12,803,464,021	63,839,068,581
Disposals	-	(1,432,819,604)	(2,371,579,190)	(1,884,358,940)	(5,688,757,734)
Closing balance	76,685,571,235	283,489,840,680	34,738,232,704	96,283,451,922	491,197,096,541
Net book value					
Opening balance	88,165,388,986	96,666,644,525	19,531,892,784	35,370,625,452	239,734,551,747
Closing balance	80,967,680,138	118,103,988,031	23,840,088,086	33,462,002,418	256,373,758,673

Included in tangible fixed assets were assets with cost of VND269,699,973,808 which were fully depreciated as at 31 December 2023 (1/1/2023: VND208,749,061,619), but which are still in use.

As at 31 December 2023, tangible fixed assets with cost of VND82,089,986,082 (1/1/2023: VND82,089,986,082) were pledged at commercial banks as security for loans granted to the Group (Note 22).

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14. Intangible fixed assets

	Land use rights (*) VND	Software VND	Total VND
Cost			
Opening balance	557,784,111,372	149,226,688,727	707,010,800,099
Additions during the year	34,118,796	1,026,985,658	1,061,104,454
Closing balance	557,818,230,168	150,253,674,385	708,071,904,553
Accumulated amortisation			
Opening balance	-	64,312,530,771	64,312,530,771
Charge for the year	-	17,418,022,723	17,418,022,723
Closing balance	-	81,730,553,494	81,730,553,494
Net book value			
Opening balance	557,784,111,372	84,914,157,956	642,698,269,328
Closing balance	557,818,230,168	68,523,120,891	626,341,351,059

(*) Including in land use rights were land use rights certificates at No. 52A-52B Nguyen Van Troi Street, Phu Nhuan District, Ho Chi Minh City, No. 195 Phan Dang Luu Street, Phu Nhuan District, Ho Chi Minh City and No. 174 Le Thanh Ton Street, District 1, Ho Chi Minh City with a carrying value of VND63,592,666,838 being kept at Dong A Commercial Joint Stock Bank as at the date of these consolidated financial statements.

Included in intangible fixed assets were assets costing VND6,982,250,583 which were fully amortised as at 31 December 2023 (1/1/2023: VND6,982,250,583), but which are still in use.

15. Construction in progress

	2023 VND	2022 VND
Opening balance	30,826,629,189	30,795,369,850
Additions during the year	1,998,824,375	4,030,932,699
Transfer to intangible fixed assets	-	(3,895,673,360)
Transfer to tangible fixed assets	(1,712,404,193)	(104,000,000)
Transfer to long-term prepaid expenses	(2,013,000,961)	-
Closing balance	29,100,048,410	30,826,629,189

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Major constructions in progress at the end of the annual accounting period were as follows:

	31/12/2023 VND	1/1/2023 VND
Land use right in Di An - Binh Duong (*)	26,137,767,250	26,137,767,250
Others	2,962,281,160	4,688,861,939
	29,100,048,410	30,826,629,189

- (*) The Group has paid for the land use right at Binh Minh 2 Town, Di An Ward, Di An City, Binh Duong Province according to the Contract for transfer of land use right dated 30 October 2018. As at 31 December 2023 and 1 January 2023, the procedures for transferring this land use right have not been completed, and therefore, the Group has not been granted land use right certificate.

16. Deffered tax assets

	Tax rate	31/12/2023 VND	1/1/2023 VND
Deffered tax assets:			
Allowance for long-term investments	20%	79,054,322,681	79,054,322,681
Allowance for re-processing inventories	20%	16,288,988,251	16,110,617,292
Accruals	20%	16,876,526,905	16,800,327,952
Provision for warranties	20%	5,812,238,507	6,025,861,298
Provision for severance allowance	20%	1,794,258,000	1,903,224,200
		119,826,334,344	119,894,353,423

17. Accounts payables to suppliers

(a) Accounts payable to suppliers detailed by significant suppliers

	31/12/2023 VND	1/1/2023 VND
Finesse Impex Limited	62,986,047,881	98,320,888,917
Jewel Star Diamond Co., Ltd	22,019,758,200	-
Forte Jewellery (HK) Co., Ltd	20,020,495,242	55,143,909,736
Other suppliers	152,278,649,484	123,748,040,842
	257,304,950,807	277,212,839,495

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(b) Accounts payable to suppliers who are related parties

	31/12/2023	1/1/2023
	VND	VND
Golden Space Company Limited	2,031,772,749	-
Saigon House Production Trading Service Joint Stock Company	-	25,492,500
	-	25,492,500

The trade related amounts due to the related parties are unsecured, interest free and are payable on demand.

18. Advances from customers

Short-term advances from customers represented the amounts received in advance from third parties, related to unused gift vouchers at the end of the annual accounting period. Gift vouchers are valid for a maximum period of one year from the issuance date.

19. Taxes payables to the State Treasury

	1/1/2023	Incurred	Paid	31/12/2023
	VND	VND	VND	VND
Value added tax	38,390,997,769	749,087,099,281	(780,405,646,058)	7,072,450,992
Corporate income tax	241,315,151,898	527,720,746,409	(466,349,274,224)	302,686,624,083
Personal income tax	8,706,023,120	184,127,090,160	(163,828,624,593)	29,004,488,687
Other taxes	4,573,189,140	9,243,012,023	(8,321,710,266)	5,494,490,897
	292,985,361,927	1,470,177,947,873	(1,418,905,255,141)	344,258,054,659

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20. Accrued expenses

	31/12/2023 VND	1/1/2023 VND (Reclassified)
Salary, performance salary	200,000,000,000	354,902,558,728
Advertising and marketing expenses	76,737,071,505	64,930,307,781
Interest expense	2,102,369,369	6,319,425,148
Others	28,878,988,104	27,280,444,287
	307,718,428,978	453,432,735,944

21. Other short-term payables

	31/12/2023 VND	1/1/2023 VND
Proceeds from issuance of new shares under Employees' Share Ownership Plan ("ESOP") in 2023	130,745,840,000	-
Bonus fund for the Board of Directors and the Board of Management (*)	36,683,186,925	11,418,221,742
Raw materials received for processing	8,015,185,881	17,136,919,621
Dividends payable	5,432,318,407	161,676,227,507
Insurance and union fees	5,284,453,538	5,492,310,230
Personal income tax paid on behalf of shareholders	4,531,133,392	4,531,133,392
Others	38,106,795,595	26,914,280,627
	228,798,913,738	227,169,093,119

Other payables due to the related parties are unsecured, interest free and are payable on demand.

(*) Movements of the Bonus fund for the Board of Directors and the Board of Management during the year were as follows:

	2023 VND	2022 VND
Opening balance	11,418,221,742	10,084,181,002
Appropriation during the year (Note 25)	48,888,000,000	12,348,000,000
Utilisation during the year	(23,623,034,817)	(11,013,959,260)
	36,683,186,925	11,418,221,742

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22. Short-term borrowings

	1/1/2023	Movements during the year		31/12/2023
	Carrying amount/ Amount within repayment capacity VND	Additions VND	Repayments VND	Carrying amount/ Amount within repayment capacity VND
Loans from individuals (i)	32,431,978,659	21,695,905,713	(50,387,070,862)	3,740,813,510
Short-term bank loans (ii)	2,650,613,897,113	8,137,777,058,976	(8,407,843,514,906)	2,380,547,441,183
	2,683,045,875,772	8,159,472,964,689	(8,458,230,585,768)	2,384,288,254,693

(i) Short-term loans from individuals represented unsecured loans from employees of the Group. These loans have term to maturity of 12 months and bear an annual interest rate ranging from 6.0% to 7.4% (1/1/2023: 6.0% - 7.4%).

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

	Currency	Annual interest rate	31/12/2023 VND	1/1/2023 VND
Unsecured bank loans				
Asia Commercial Joint Stock Bank – Ho Chi Minh City Branch	VND	3.8%	156,000,000,000	-
Ho Chi Minh City Development Joint Stock Commercial Bank – Long An Branch	VND	4.0%	103,471,913,750	-
Siam Commercial Bank – Ho Chi Minh City Branch	VND	4.0%	99,925,643,880	213,298,725,800
Shinhan Bank Vietnam Limited	VND	3.5%	88,583,648,576	-
China Construction Bank – Ho Chi Minh City Branch	VND	4.0%	22,603,434,900	108,000,000,000
Secured bank loans (*)				
Joint Stock Commercial Bank for Foreign Trade of Vietnam	VND	4.0%	577,647,099,638	739,188,711,128
Vietnam Joint Stock Commercial Bank for Industry and Trade	VND	4.0%	544,224,108,986	723,362,916,970
Joint Stock Commercial Bank for Investment and Development of Vietnam				
– Hoc Mon Branch	VND	4.0%	334,500,000,000	358,000,000,000
HSBC Bank (Viet Nam) Ltd.	VND	3.8%	313,024,720,165	368,732,594,015
Vietnam International Commercial Joint Stock Bank – Sai Gon Branch	VND	4.0%	140,566,871,288	-
CTBC Bank Company Limited – Ho Chi Minh City Branch	VND	6.0%	-	50,000,000,000
Woori Bank Vietnam Limited	VND	5.2%	-	90,030,949,200
			<hr/>	<hr/>
			2,380,547,441,183	2,650,613,897,113

(*) As at 31 December 2023, these bank loans were secured by inventories with carrying amount of VND3,990,000,000,000 (1/1/2023: VND4,167,800,000,000) (Note 11) and tangible fixed assets with cost of VND82,089,986,082 (1/1/2023: VND82,089,986,082) (Note 13).

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23. Provisions

(a) Provisions – short-term

Provisions – short-term represented provisions for product warranties that may be payable within one month to six months from the end of the annual accounting period.

(b) Provisions – long-term

Provisions – long-term represented provisions for severance allowance payable to employees is determined according to the method presented in Note 3(1(ii)).

24. Bonus and welfare funds

	2023	2022
	VND	VND
Opening balance	162,117,674,850	126,182,180,160
Appropriation during the year (Note 25)	90,535,000,000	51,452,000,000
Utilisation during the year	(80,541,847,100)	(15,516,505,310)
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Closing balance	172,110,827,750	162,117,674,850
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25. Changes in owners' equity

	Share capital VND	Share premium VND	Treasury share VND	Investment and development fund VND	Retained profits VND	Total VND
Balance as at 1 January 2022	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
Increase during the year	150,000,000,000	1,260,946,550,000	-	-	-	1,410,946,550,000
Decrease during the year	(762,400,000)	(797,400,000)	1,524,800,000	-	-	(35,000,000)
Shares issuance under ESOP	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 (ii)	-	-	-	-	(762,662,698,800)	(762,662,698,800)
Appropriation to bonus and welfare funds (iii) (Note 24)	-	-	-	-	(51,452,000,000)	(51,452,000,000)
Appropriation to development and investment fund (iii)	-	-	-	411,617,000,000	(411,617,000,000)	-
Appropriation to bonus fund for the Board of Directors and Board of Management (iii) (Note 21)	-	-	-	-	(12,348,000,000)	(12,348,000,000)
Balance as at 1 January 2023	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
Increase during the year (i)	819,975,680,000	(400,000,000,000)	-	-	(419,975,680,000)	-
Net profit for the year	-	-	-	-	1,971,099,177,135	1,971,099,177,135
Dividends (ii)	-	-	-	-	(459,199,480,600)	(459,199,480,600)
Appropriation to bonus and welfare funds (iii) (Note 24)	-	-	-	-	(90,535,000,000)	(90,535,000,000)
Appropriation to development and investment fund (iii)	-	-	-	724,277,000,000	(724,277,000,000)	-
Appropriation to bonus fund for the Board of Directors and Board of Management (iii) (Note 21)	-	-	-	-	(48,888,000,000)	(48,888,000,000)
Others (iv)	-	-	-	-	(10,390,687,409)	(10,390,687,409)
Balance as at 31 December 2023	3,281,691,880,000	1,851,376,032,458	(3,384,090,000)	1,936,397,556,918	2,740,099,284,600	9,806,180,663,976



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- (i) The Resolution of the General Meeting of Shareholders of the Group dated 16 April 2022 resolved the bonus shares issuance plan and the Resolution of the Board of Directors of the Group dated 12 January 2023 approved the bonus shares issuance implementation to the Group’s shareholders from share premium and retained profit with the exercise ratio of 3:1, equivalent to 82,000,687 shares. In which, the number of issued shares is 81,997,568 shares with a value of VND819,975,680,000, the remaining shares of 3,119 have been canceled according to the issuance plan.
- (ii) The Resolution of the General Meeting of Shareholders of the Group dated 27 April 2023 resolved the cash dividends plan and the Resolution of the Board of Directors of the Group dated 30 May 2023 and the Resolution of the Board of Directors of the Group dated 10 October 2023 approved the cash dividends implementation to the Group’s shareholders from retained profit in 2022 amounting to VND459,199,480,600 (2022: VND762,662,698,800).
- (iii) The Resolution of the Group’s General Meeting of Shareholders dated 27 April 2023 resolved the distribution of profits for the financial year ended 31 December 2022 as follows:
- Appropriation to development and investment fund: VND724,277,000,000 (2022: VND411,617,000,000);
 - Appropriation to bonus and welfare funds: VND90,535,000,000 (2022: VND51,452,000,000); and
 - Appropriation to bonus fund for the Board of Directors and Board of Management: VND48,888,000,000 (2022: VND12,348,000,000).
- (iv) The Group paid additional corporate income tax and personal income tax according to Decision No. 1338/QĐ-TCT dated 5 September 2023 of the General Department of Taxation.

26. Share capital, share premium and treasury share

The Company’s authorised and issued share capital are:

	31/12/2023		1/1/2023	
	Number of shares	VND	Number of shares	VND
Authorised and issued share capital				
Ordinary shares	328,169,188	3,281,691,880,000	246,171,620	2,461,716,200,000
Treasury shares				
Ordinary shares	169,559	3,384,090,000	169,559	3,384,090,000
Shares in circulation				
Ordinary shares	327,999,629	3,279,996,290,000	246,002,061	2,460,020,610,000
Share premium		1,851,376,032,458		2,251,376,032,458

All ordinary shares have a par value of VND10,000. Each share is entitled to one vote at meetings of the Company. Shareholders are entitled to receive dividend as declared from time to time. All ordinary shares are ranked equally with regard to the Company’s residual assets.

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Movements in share capital during the year were as follows:

	2023		2022	
	Number of shares	VND	Number of shares	VND
Opening balance				
- in circulation	246,002,061	2,460,020,610,000	227,366,563	2,273,665,630,000
New shares issued	81,997,568	819,975,680,000	18,635,498	186,354,980,000
Closing balance				
- in circulation	327,999,629	3,279,996,290,000	246,002,061	2,460,020,610,000

27. Off balance sheet items

(a) Foreign currencies

	31/12/2023		1/1/2023	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	154,885	3,731,570,015	806,937	18,892,483,641
EUR	3,614	95,307,523	3,653	89,533,507
GBP	1,625	45,399,526	1,625	45,399,526
AUD	854	13,859,724	919	14,625,767
SGD	174	3,002,840	174	3,002,840
HKD	970	2,883,585	970	2,883,585

(b) Operating leases commitments

The minimum lease payments for operating leases are as follows:

	31/12/2023 VND	1/1/2023 VND
Within one year	317,134,312,195	290,334,960,066
Within two to five years	976,905,335,151	889,184,740,169
More than five years	429,694,612,191	381,430,438,377
	1,723,734,259,537	1,560,950,138,612

The Group's lease agreements related to the lease of the store are non-cancellable. Leases have an initial lease term of 1 month to 15 years, with the option to renew the lease after the end date.

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28. Revenue from sale of goods and provision of services

Total revenue represented the gross value of goods sold and services rendered exclusive of value added tax.

Net revenue comprised of:

	2023	2022
	VND	VND
Total revenue		
▪ Revenue from sales of gold, silver, gemstones and jewelry	33,348,659,223,161	34,023,892,071,468
▪ Revenue from sales of accessories	71,543,206,059	130,958,118,605
▪ Revenue from provision of services	61,406,525,733	56,278,752,167
	33,481,608,954,953	34,211,128,942,240
Less revenue deductions		
▪ Sale returns	344,679,758,524	334,674,383,087
Net revenue	33,136,929,196,429	33,876,454,559,153

29. Cost of sales and services provided

	2023	2022
	VND	VND
Total cost of sales and services provided		
▪ Cost of gold, silver, gemstones, jewelry sold and services rendered	27,005,589,756,309	27,863,719,121,239
▪ Cost of accessories sold	58,339,412,647	71,382,174,659
▪ Cost of appraisal services	12,608,127,403	12,236,633,851
▪ Allowance for inventories (Note 11)	1,800,952,876	2,010,094,632
	27,078,338,249,235	27,949,348,024,381

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30. Financial income

	2023 VND	2022 VND
Interest income from deposits at banks and loans receivable	78,561,606,743	20,219,137,155
Realised foreign exchange gains	17,652,135,038	25,577,933,733
Unrealised foreign exchange gains	1,611,805,757	8,239,903,282
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	97,825,547,538	54,036,974,170
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31. Financial expenses

	2023 VND	2022 VND
Interest expense	118,568,804,103	94,143,431,408
Realised foreign exchange losses	7,905,772,415	36,827,964,149
Others	16,106,104,122	10,499,807,906
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	142,580,680,640	141,471,203,463
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32. Selling expenses

	2023 VND	2022 VND
Staff costs	1,572,636,131,525	1,747,899,283,895
Rental expenses	392,654,780,883	313,984,329,086
Advertising and marketing expenses	256,682,753,650	233,616,338,432
Outside services	209,414,303,188	180,465,083,327
Tools and supplies	184,639,928,159	158,050,197,251
Commission fees	52,965,924,329	40,767,985,896
Depreciation and amortisation	21,514,611,498	20,587,525,036
Others	145,261,036,570	132,837,901,453
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	2,835,769,469,802	2,828,208,644,376
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33. General and administration expenses

	2023	2022
	VND	VND
Staff costs	454,539,695,004	489,342,777,115
Outside services	137,559,213,732	110,109,648,564
Depreciation and amortisation	33,208,049,432	30,198,442,003
Events organisation expenses	18,603,087,053	15,112,959,484
Business trip expenses	15,052,044,443	9,615,221,212
Tools and supplies	13,208,868,022	10,160,012,839
Taxes, charges and fees	2,456,525,617	1,315,416,928
Allowance for doubtful debts	2,186,771,529	1,706,943,481
Others	17,120,679,886	6,435,575,058
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	693,934,934,718	673,996,996,684

34. Production and business costs by element

	2023	2022
	VND	VND
Merchandise goods and raw materials	26,551,426,167,940	27,388,872,084,611
Labour costs and staff costs	2,371,001,344,392	2,570,949,066,842
Rental expenses	403,064,998,740	357,346,696,433
Outside services	402,223,975,412	362,911,610,033
Advertising and marketing expenses	256,682,753,650	233,616,338,432
Tools and supplies	235,366,874,624	201,221,669,493
Depreciation and amortisation	81,257,091,304	79,516,376,971
Commission fees	52,965,924,329	40,767,985,896
Allowance for doubtful debts	2,186,771,529	1,706,943,481
Others	251,866,751,835	214,644,893,249

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35. Income tax

(a) Recognised in the consolidated statement of income

	2023	2022
	VND	VND
Current income tax expense		
Current year	517,592,806,160	520,251,344,444
Under provisions in prior years	-	809,926,680
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	517,592,806,160	521,061,271,124
Expense/(benefit) of deferred income tax		
Originations and reversals of temporary differences	68,019,079	(19,425,559,808)
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Income tax expenses	517,660,825,239	501,635,711,316

(b) Reconciliation of effective tax rate

	2023	2022
	VND	VND
Accounting profit before tax	2,488,760,002,374	2,312,327,554,713
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Tax at the Company's income tax rate	497,752,000,475	462,465,510,943
Tax losses utilised of subsidiaries	(4,810,650,917)	(6,168,191,643)
Under provisions in prior years	-	809,926,680
Non-deductible expenses	4,104,778,703	12,819,907,213
Unrecognised deferred tax assets	20,614,696,978	31,708,558,123
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	517,660,825,239	501,635,711,316

Deferred tax assets have not been recognised in certain subsidiaries because it is not probable that sufficient future taxable profit will be available against which the tax benefits of these subsidiaries will be utilised these temporary differences.

(c) Applicable tax rates

The Company and its subsidiaries have an obligation to pay corporate income tax to the government at usual income tax rate of 20% of taxable profits.

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36. Earnings per share

The calculation of basic earnings per share was based on the profit attributable to ordinary shareholders after deducting the amounts appropriated to bonus and welfare funds for the annual accounting period and a weighted average number of ordinary shares outstanding, calculated as follows:

(i) Net profit attributable to ordinary shareholders

	2023 VND	2022 VND (Restated) (**)
Net profit for the year	1,971,099,177,135	1,810,691,843,397
Appropriation to bonus and welfare funds (*)	(187,976,942,399)	(139,423,000,000)
Net profit attributable to ordinary shareholders	<u>1,783,094,374,736</u>	<u>1,671,268,843,397</u>

(*) Appropriation to bonus and welfare funds and bonus fund for the Board of Directors and Board of Management for the year ended 31 December 2023 were estimated based on the appropriation rate approved by shareholders in the General Meeting of Shareholders.

(ii) Weighted average number of ordinary shares

	2023 Shares	2022 Shares (Restated) (**)
Issued ordinary shares at the beginning of the year	327,999,629	227,366,563
Effect of bonus shares issued during the year	-	75,785,972
Effect of new shares issued during the year	-	9,227,876
Weighted average number of ordinary shares at the end of the year	<u>327,999,629</u>	<u>312,380,411</u>

(iii) Basic earnings per share

	2023 VND	2022 VND (Restated) (**)	2022 VND (As previous reported)
Basic earnings per share	5,436	5,350	5,223

(**) The restatement represented the effect of bonus shares issued after 31 December 2022 and the actual appropriation to bonus and welfare funds and bonus fund for the Board of Directors and the Board of Management in accordance with the Resolution of the General Meeting of Shareholders of the Group dated 27 April 2023.

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37. Significant transactions with related parties

In addition to related party balances disclosed in other notes to these consolidated financial statements, the Group had the following significant transactions with its related parties during the year:

	2023	2022
	VND	VND
<i>Other related parties</i>		
Golden Space Company Limited		
Purchases of fixed assets and tools and supplies	8,799,091,882	6,576,578,942
An Phu International Healthcare Company Limited		
Purchases of services	2,228,835,000	2,154,235,000
Talent Net Corporation		
Purchases of services	1,112,897,400	-
Young Businesspeople Association of Ho Chi Minh City		
Sales of goods	-	265,600,000
Purchase of goods	74,000,000	184,500,000
Donation	500,000,000	-
Saigon House Production Trading Service Joint Stock Company		
Sales of goods	-	25,880,800
Purchase of goods	-	4,428,768,000
Ho Chi Minh City Association for Women Executives & Entrepreneurs		
Purchase of goods	174,500,000	2,256,400,000
Vietnam Institute of Directors Social Enterprise Joint Stock Company		
Purchase of services	47,190,000	464,670,000
Vietnam Gold Trader Association		
Purchase of services	30,618,000	-
Golden Trust Fund		
Charity contributed	5,000,000,000	-
Business Association of High Quality Vietnamese Product Ho Chi Minh City		
Purchase of services	66,000,000	221,000,000
Kansai-Alphanam Paint Co., Ltd		
Sales of goods	11,220,000	-

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	2023	2022
	VND	VND
Key management personnel (*)		
Remuneration to key management personnel - average/month	3,462,000,000	2,645,934,607

(*) In the remuneration paid to key management personnel are salary and remuneration for each member of the Board of Directors, Board of Management and Chief Executive Officer of the Company as follows:

Name	Position	2023	2022
		VND	VND
Board of Directors			
<i>Salary and remuneration - average/month</i>			
Ms. Cao Thi Ngoc Dung	Chairwoman	735,000,000	630,000,000
Mr. Le Tri Thong	Vice Chairman	150,000,000	60,333,333
Ms. Tran Phuong Ngoc Thao	Vice Chairwoman	390,000,000	280,000,000
Mr. Dao Trung Kien	Member	109,000,000	30,166,667
Ms. Dang Thi Lai	Member	113,000,000	37,708,333
Mr. Dang Hai Anh (from 27 April 2023)	Member	100,000,000	-
Ms. Huynh Thi Xuan Lien (until 27 April 2023)	Member	223,000,000	200,000,000
Mr. Le Quang Phuc	Independent Member	323,000,000	263,291,667
Ms. Tieu Yen Trinh	Independent Member	246,000,000	185,583,333
Mr. Nguyen Tuan Hai	Independent Member	240,000,000	200,666,667
Board of Management			
<i>Salary and remuneration - average/month</i>			
Mr. Le Tri Thong	Chief Executive Officer	572,000,000	530,000,000
Other key management personnel	Senior Director	261,000,000	228,184,607

38. Fees paid and payable to the auditors

	2023	2022
	VND	VND
Fees for financial statement audits	856,481,481	728,000,000
Fees for other services (including non-assurance services and reviews of financial information)	363,888,889	360,000,000
	1,220,370,370	1,088,000,000

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39. Comparative information

Comparative information as at 1 January 2023 was derived from the balances and amounts reported in the Company’s consolidated financial statements as at and for the year ended 31 December 2022.

The certain comparative information items have been reclassified to conform with the consolidated financial statements’ presentation for the year ended 31 December 2023. A comparison of the amounts previously reported and as reclassified was as follows:

Consolidated balance sheet

	1/1/2023 (As previous reported) VND	(Reclassified) VND	1/1/2023 (As reclassified) VND
Payables to employees	889,709,809,124	(354,902,558,728)	534,807,250,396
Accrued expenses	98,530,177,216	354,902,558,728	453,432,735,944

40. Post balance sheet events

Issuance of new shares under employees’ stock ownership plan (“ESOP”)

On 27 April 2023, the Company’s Annual General Meeting of Shareholders in 2023 resolved the plan to issue new shares under the employees’ stock ownership plan (“ESOP”). On 19 January 2024, the State Securities Commission announced the receipt of the Company’s ESOP issuance results report. Accordingly, the Company issued 6,559,992 new shares corresponding to a total par value of VND65,599,920,000. On 30 January 2024, the Company was granted the 36th adjusted Enterprise Registration Certificate related to increase in share capital from this issuance.

26 March 2024

Prepared by:



Nguyen Thanh Dat
General Accountant

Approved by:



Duong Quang Hai
Chief Accountant



Le Tri Thong
Chief Executive Officer