



**Phu Nhuan Jewelry Joint Stock Company**

Separate interim financial statements for the  
six-month period ended 30 June 2011

**Phu Nhuan Jewelry Joint Stock Company**  
**Corporate information**

**Business Registration  
Certificate No**

0300521758

2 January 2004

The business registration certificate was issued by the Department of Planning and Investment of Ho Chi Minh City and was amended several times; the most recent amendment was issued on 16 February 2011.

**Board of Management**

Ms. Cao Thi Ngoc Dung  
Mr. Nguyen Vu Phan  
Ms. Nguyen Thi Cuc  
Ms. Nguyen Thi Ngo  
Mr. Bui Viet

Chairman  
Vice Chairman  
Member  
Member  
Member

**Board of Directors**

Ms. Cao Thi Ngoc Dung  
Ms. Nguyen Thi Cuc  
Mr. Nguyen Vu Phan  
Mr. Le Huu Hanh  
Mr. Nguyen Tuan Quynh

General Director  
Deputy General Director  
Deputy General Director  
Deputy General Director  
Deputy General Director

**Registered Office**

170E Phan Dang Luu  
Phu Nhuan District  
Ho Chi Minh City  
Vietnam

**Auditors**

KPMG Limited  
Vietnam



**KPMG Limited**  
10<sup>th</sup> Floor, Sun Wah Tower  
115 Nguyen Hue Street  
District 1, Ho Chi Minh City  
The Socialist Republic of Vietnam

Telephone +84 (8) 3821 9266  
Fax +84 (8) 3821 9267  
Internet www.kpmg.com.vn

## THE INDEPENDENT AUDITORS' REPORT ON REVIEW OF SEPARATE INTERIM FINANCIAL STATEMENTS

**To the Shareholders  
Phu Nhuan Jewelry Joint Stock Company**

### Scope of review

We have reviewed the accompanying separate balance sheet of Phu Nhuan Jewelry Joint Stock Company ("the Company") as of 30 June 2011 and the related separate statements of income, changes in equity and cash flows for the six-month period then ended and the relevant explanatory notes thereto ("the separate interim financial statements") which were authorised for issue by the Company's management on 15 August 2011. These separate interim financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these separate interim financial statements based on our review.

We conducted our review in accordance with the Vietnamese Standard on Auditing 910 - *Engagements to Review Financial Statements*. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying separate interim financial statements do not give a true and fair view of the financial position of Phu Nhuan Jewelry Joint Stock Company as of 30 June 2011 and of its results of operations and its cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standard 27 - *Interim Financial Reporting*, the Vietnamese Accounting System and the relevant statutory requirements applicable to interim financial statements.

### KPMG Limited

Vietnam

Investment Certificate No: 011043000345

Audit Report No: 11-01-194



Chang Hung Chun  
CPA No. N0863/KTV  
Deputy General Director

Ha Vu Dinh  
CPA No. 0414/KTV

Ho Chi Minh City, 15 August 2011

**Phu Nhuan Jewelry Joint Stock Company**  
**Separate balance sheet as at 30 June 2011**

	Code	Note	30/6/2011 VND	31/12/2010 VND
<b>ASSETS</b>				
<b>Current assets</b>	<b>100</b>		<b>1,411,442,483,395</b>	<b>1,091,212,414,489</b>
<b>Cash and cash equivalents</b>	<b>110</b>	<b>3</b>	<b>392,226,009,588</b>	<b>317,023,440,697</b>
Cash	111		140,317,169,634	30,749,890,177
Cash equivalents	112		251,908,839,954	286,273,550,520
<b>Accounts receivable</b>	<b>130</b>	<b>4</b>	<b>162,055,791,906</b>	<b>41,956,414,537</b>
Accounts receivable – trade	131		55,576,018,000	16,029,437,397
Prepayments to suppliers	132		66,737,289,662	11,348,628,701
Other receivables	135		41,338,969,175	16,174,833,370
Allowance for doubtful debts	139		(1,596,484,931)	(1,596,484,931)
<b>Inventories</b>	<b>140</b>	<b>5</b>	<b>835,855,680,381</b>	<b>718,714,872,670</b>
<b>Other current assets</b>	<b>150</b>		<b>21,305,001,520</b>	<b>13,517,686,585</b>
Short-term prepayments	151		9,887,576,855	6,587,463,910
Taxes receivable from State Treasury	154		153,088,050	115,590,835
Other current assets	158	6	11,264,336,615	6,814,631,840
<b>Long-term assets</b>	<b>200</b>		<b>1,101,118,192,873</b>	<b>1,110,647,819,291</b>
<b>Fixed assets</b>	<b>220</b>		<b>316,382,155,814</b>	<b>293,887,652,439</b>
Tangible fixed assets	221	7	60,685,447,032	59,355,070,397
Cost	222		120,367,236,253	114,459,921,911
Accumulated depreciation	223		(59,681,789,221)	(55,104,851,514)
Intangible fixed assets	227	8	216,435,756,026	192,907,248,296
Cost	228		216,864,851,451	193,276,744,251
Accumulated amortisation	229		(429,095,425)	(369,495,955)
Construction in progress	230	9	39,260,952,756	41,625,333,746
<b>Long-term investments</b>	<b>250</b>	<b>10</b>	<b>767,682,257,298</b>	<b>797,419,988,080</b>
Investments in subsidiaries	251		80,000,000,000	80,000,000,000
Investments in associates	252		230,474,829,680	230,474,829,680
Other long-term investments	258		474,745,158,400	497,745,158,400
Allowance for diminution in the value of long-term investments	259		(17,537,730,782)	(10,800,000,000)
<b>Other long-term assets</b>	<b>260</b>		<b>17,053,779,761</b>	<b>19,340,178,772</b>
Long-term prepayments	261	11	16,244,257,100	18,530,656,111
Deferred tax assets	262		809,522,661	809,522,661
<b>TOTAL ASSETS</b>	<b>270</b>		<b>2,512,560,676,268</b>	<b>2,201,860,233,780</b>

*The accompanying notes are an integral part of these separate interim financial statements*



**Phu Nhuan Jewelry Joint Stock Company**  
**Separate balance sheet as at 30 June 2011 (continued)**

	Code	Note	30/6/2011 VND	31/12/2010 VND
<b>RESOURCES</b>				
<b>LIABILITIES</b>	<b>300</b>		<b>1,414,152,977,516</b>	<b>1,197,190,189,172</b>
<b>Current liabilities</b>	<b>310</b>		<b>647,963,848,054</b>	<b>1,134,079,358,588</b>
Short-term borrowings	311	12	523,067,635,995	932,754,017,705
Accounts payable - trade	312		48,228,250,025	40,114,973,072
Advance from customers	313		4,879,828,102	6,336,897,626
Taxes payable to State Treasury	314	13	17,283,860,700	18,300,841,546
Payable to employees	315		9,307,845,428	25,834,751,274
Accrued expenses	316	14	5,731,120,248	9,974,319,640
Other payables	319	15	17,783,763,471	87,477,958,485
Bonus and welfare funds	323	16	21,681,544,085	13,285,599,240
<b>Long-term liabilities</b>	<b>330</b>		<b>766,189,129,462</b>	<b>63,110,830,584</b>
Other long-term liabilities	333		426,284,500	426,284,500
Long-term borrowings	334	17	762,425,000,000	59,211,000,000
Provision for severance allowance	336	18	3,337,844,962	3,473,546,084
<b>EQUITY</b>	<b>400</b>		<b>1,098,407,698,752</b>	<b>1,004,670,044,608</b>
<b>Equity</b>	<b>410</b>		<b>1,098,407,698,752</b>	<b>1,004,670,044,608</b>
Share capital	411	19	599,991,420,000	599,991,420,000
Share premium	412	19	225,008,580,000	225,008,580,000
Treasury shares	414	19	(7,090,000)	(7,090,000)
Investment and development funds	417		51,070,897,000	31,070,897,000
Financial reserves	418		34,457,414,000	24,129,654,000
Retained profits	420		187,886,477,752	124,476,583,608
<b>TOTAL RESOURCES</b>	<b>440</b>		<b>2,512,560,676,268</b>	<b>2,201,860,233,780</b>

Prepared by:

Dang Thi Lai  
Chief Accountant



Approved by:

Cao Thi Ngoc Dung  
General Director

15 August 2011

*The accompanying notes are an integral part of these separate interim financial statements*

**Phu Nhuan Jewelry Joint Stock Company**  
**Separate statement of income for the six-month period ended 30 June 2011**

	Code	Note	Six months ended	
			30/6/2011 VND	30/6/2010 VND
<b>Total revenue</b>	<b>01</b>	<b>20</b>	<b>7,962,173,267,636</b>	<b>5,830,044,206,677</b>
<b>Less sales deductions</b>	<b>02</b>	<b>20</b>	<b>(32,425,193,348)</b>	<b>(21,773,019,915)</b>
<b>Net sales</b>	<b>10</b>		<b>7,929,748,074,288</b>	<b>5,808,271,186,762</b>
<b>Cost of sales</b>	<b>11</b>		<b>(7,612,251,990,502)</b>	<b>(5,581,528,370,306)</b>
<b>Gross profit</b>	<b>20</b>		<b>317,496,083,786</b>	<b>226,742,816,456</b>
Financial income	21	21	43,951,837,352	40,032,517,250
Financial expenses	22	22	(54,820,842,915)	(27,126,176,461)
Selling expenses	24		(94,541,068,901)	(63,664,026,211)
General and administration expenses	25		(34,971,074,846)	(24,040,327,573)
<b>Net operating profit</b>	<b>30</b>		<b>177,114,934,476</b>	<b>151,944,803,461</b>
<b>Results of other activities</b>	<b>40</b>			
Other income	31	23	6,482,603,234	16,962,288,889
Other expenses	32	24	(764,299,449)	(10,362,840,705)
<b>Profit before tax</b>	<b>50</b>		<b>182,833,238,261</b>	<b>158,544,251,645</b>
<b>Income tax expense – current</b>	<b>51</b>	<b>25</b>	<b>(35,940,846,617)</b>	<b>(32,519,490,465)</b>
<b>Income tax expense – deferred</b>	<b>52</b>	<b>25</b>	<b>-</b>	<b>-</b>
<b>Net profit</b>	<b>60</b>		<b>146,892,391,644</b>	<b>126,024,761,180</b>
<b>Earnings per share</b>				
Basic earnings per share	70	26	2,448	3,151

Prepared by:

*Đặng Thị Lai*  
*Chief Accountant*



Approved by:

*Cao Thị Ngọc Dung*  
*General Director*

15 August 2011

*The accompanying notes are an integral part of these separate interim financial statements*

**Phu Nhuan Jewelry Joint Stock Company**  
**Separate statement of changes in equity for the six-month period ended 30 June 2011**


	Share capital VND	Share premium VND	Treasury shares VND	Investment and development funds VND	Financial reserves VND	Retained profits VND	Total VND
<b>Balance as at 1 January 2010</b>	399,999,210,000	425,000,790,000	(7,090,000)	31,070,897,000	24,129,654,000	37,918,237,015	918,111,698,015
Net profit for the period	-	-	-	-	-	126,024,761,180	126,024,761,180
<b>Balance as at 30 June 2010</b>	399,999,210,000	425,000,790,000	(7,090,000)	31,070,897,000	24,129,654,000	163,942,998,195	1,044,136,459,195
Bonus shares issued	199,992,210,000	(199,992,210,000)	-	-	-	-	-
Net profit for the period	-	-	-	-	-	80,530,451,413	80,530,451,413
Dividends	-	-	-	-	-	(119,996,866,000)	(119,996,866,000)
<b>Balance as at 31 December 2010</b>	599,991,420,000	225,008,580,000	(7,090,000)	31,070,897,000	24,129,654,000	124,476,583,608	1,004,670,044,608

*The accompanying notes are an integral part of these separate interim financial statements*



**Phu Nhuan Jewelry Joint Stock Company**  
**Separate statement of changes in equity for the six-month period ended 30 June 2011 (continued)**

	Share capital VND	Share premium VND	Treasury shares VND	Investment and development funds VND	Financial reserves VND	Retained profits VND	Total VND
<b>Balance as at 1 January 2011</b>	599,991,420,000	225,008,580,000	(7,090,000)	31,070,897,000	24,129,654,000	124,476,583,608	1,004,670,044,608
Net profit for the period	-	-	-	-	-	146,892,391,644	146,892,391,644
Appropriations to funds and reserves	-	-	-	20,000,000,000	10,327,760,000	(30,327,760,000)	-
Dividends	-	-	-	-	-	(29,999,216,500)	(29,999,216,500)
Appropriations to non-equity funds	-	-	-	-	-	(23,155,521,000)	(23,155,521,000)
<b>Balance as at 30 June 2011</b>	599,991,420,000	225,008,580,000	(7,090,000)	51,070,897,000	34,457,414,000	187,886,477,752	1,098,407,698,752

Prepared by:  
  
 Dang Thi Lai  
 Chief Accountant

Approved by:  
  
 Cao Thi Ngoc Dung  
 General Director

15 August 2011

*The accompanying notes are an integral part of these separate interim financial statements*



**Phu Nhuan Jewelry Joint Stock Company**  
**Separate statement of cash flows for the six-month period ended 30 June 2011**

	Code	Note	Six months ended	
			30/6/2011 VND	30/6/2010 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Profit before tax</b>	<b>01</b>		<b>182,833,238,261</b>	<b>158,544,251,645</b>
<b>Adjustments for</b>				
Depreciation and amortisation	02		7,998,049,589	7,598,488,803
Allowances and provisions	03		6,737,730,782	23,190,188
Losses/(gains) from disposal of fixed assets	05		220,281,210	(3,266,329,598)
Gain from disposal of investments in subsidiary	05		-	(3,458,000,000)
Dividend and interest incomes	05		(40,530,471,103)	(29,605,904,444)
Gains from investments in securities through trusted fund	05		-	(5,561,922,489)
Interest expenses	06		43,992,686,862	25,854,522,250
<b>Operating profit before changes in working capital</b>	<b>08</b>		<b>201,251,515,601</b>	<b>150,128,296,355</b>
Change in receivables and other current assets	09		(47,392,704,772)	(22,443,969,443)
Change in inventories	10		(117,140,807,711)	(165,381,559,105)
Change in payables and other liabilities	11		(22,910,133,739)	24,068,890,736
			<b>13,807,869,379</b>	<b>(13,628,341,457)</b>
Interest paid	13		(43,741,889,149)	(25,444,019,664)
Income tax paid	14		(43,351,593,482)	(19,515,637,249)
Other payments for operating activities	16		(12,259,576,155)	(10,515,895,636)
<b>Net cash used in operating activities</b>	<b>20</b>		<b>(85,545,189,407)</b>	<b>(69,103,894,006)</b>

*The accompanying notes are an integral part of these separate interim financial statements*

**Phu Nhuan Jewelry Joint Stock Company**  
**Separate statement of cash flows for the six-month period ended 30 June 2011**  
**(continued)**

	Code	Note	Six months ended	
			30/6/2011 VND	30/6/2010 VND
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for additions to fixed assets and other long-term assets	21		(28,477,344,254)	(50,870,933,023)
Payments for prepayments of additions to fixed assets	21		(61,100,000,000)	-
Proceeds from disposals of fixed assets	22		50,909,091	13,330,391,972
Payments for investments in other entities	25		-	(51,931,047,000)
Proceeds from disposals of investments in subsidiary and other long-term investment	26		23,000,000,000	20,748,000,000
Receipts of interest and dividends	27		21,136,483,571	26,564,613,133
<b>Net cash used in investing activities</b>	<b>30</b>		<b>(45,389,951,592)</b>	<b>(42,158,974,918)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from short-term and long-term borrowings	33		4,650,588,484,620	3,137,582,808,120
Payments to settle debts	34		(4,357,060,866,330)	(2,958,367,344,070)
Payments of dividends	36		(87,389,908,400)	(20,867,198,500)
<b>Net cash generated from financing activities</b>	<b>40</b>		<b>206,137,709,890</b>	<b>158,348,265,550</b>
<b>Net cash flows during the period</b>	<b>50</b>		<b>75,202,568,891</b>	<b>47,085,396,626</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>60</b>	<b>3</b>	<b>317,023,440,697</b>	<b>244,771,724,200</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>70</b>	<b>3</b>	<b>392,226,009,588</b>	<b>291,857,120,826</b>

Prepared by:

Dang Thi Lai  
*Chief Accountant*

Approved by:

Cao Thi Ngoc Dung  
*General Director*



15 August 2011

*The accompanying notes are an integral part of these separate interim financial statements*

**Phu Nhuan Jewelry Joint Stock Company**  
**Notes to the separate interim financial statements for the six-month period ended 30**  
**June 2011**

These notes form an integral part of and should be read in conjunction with the accompanying separate interim financial statements.

**1. Reporting Entity**

Phu Nhuan Jewelry Joint Stock Company ("the Company") is a joint stock company incorporated in Vietnam. The principal activities of the Company are to trade gold, silver, jewelry and gemstones; import and export jewelry in gold, silver and gemstones; provide foreign exchange services; explore and extract gold, silver and gemstones.

As at 30 June 2011 the Company had 2,107 employees (31 December 2010: 2,045 employees).

**2. Summary of significant accounting policies**

The following significant accounting policies have been adopted by the Company in the preparation of these separate interim financial statements.

**(a) Basis of financial statement preparation**

**(i) General basis of accounting**

The separate interim financial statements, expressed in Vietnam Dong ("VND"), have been prepared in accordance with Vietnamese Accounting Standard 27 - *Interim Financial Reporting*, the Vietnamese Accounting System and the relevant statutory requirements. These separate interim financial statements should be read in conjunction with the separate financial statements of the Company as of and for the year ended 31 December 2010.

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

These are the Company's unconsolidated financial statements. The Company separately issues consolidated financial statements.

**(b) Fiscal year**

The fiscal year of the Company is from 1 January to 31 December.

**(c) Foreign currency transactions**

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at rates of exchange ruling at the balance sheet date. Transactions in currencies other than VND during the period have been translated into VND at rates approximating those ruling at the transaction dates.



**Phu Nhuan Jewelry Joint Stock Company**  
**Notes to the separate interim financial statements for the six-month period ended 30**  
**June 2011 (continued)**

All foreign exchange differences are recorded in the separate statement of income in accordance with Vietnamese Accounting Standard No. 10 ("VAS 10") – The Effects of Changes in Foreign Exchange Rates.

**(d) Cash and cash equivalents**

Cash comprises cash balances and call deposits. Cash equivalents are gold, silver and precious metals and short-term highly liquid investments that are readily convertible to known amount of cash, are subject to an insignificant risk of changes in value.

**(e) Investments**

Investments are stated at cost. An allowance is made for reductions in investment values if market value of the investment falls below cost or if the investee has suffered a loss. The allowance is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the allowance was recognised. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that has been determined if no allowance had been recognised.

**(f) Accounts receivable**

Trade and other receivables are stated at cost less allowance for doubtful debts.

**(g) 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 the estimated costs of completion and selling expenses.

The Company applies the perpetual method of accounting for inventory.

**Phu Nhuan Jewelry Joint Stock Company**  
**Notes to the separate interim financial statements for the six-month period ended 30**  
**June 2011 (continued)**

**(h) 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 repairs and maintenance and overhaul costs, is normally charged to income in the period in which the costs are 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	3 – 25 years
▪ machinery and equipment	3 – 15 years
▪ office equipment	3– 8 years
▪ motor vehicles	4 – 10 years

**(i) Intangible fixed assets**

**(i) Land use rights**

Land use rights consist of freehold land use rights. Freehold land use rights are stated at cost and are not amortized. 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 right.

**(ii) Software**

Cost of acquisition of new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software is amortised on a straight-line basis over 3 years.

**(j) Construction in progress**

Construction in progress represents the cost of construction and machinery which have not been fully completed or installed. No depreciation is provided for construction in progress during the period of construction and installation.

**Phu Nhuan Jewelry Joint Stock Company**  
**Notes to the separate interim financial statements for the six-month period ended 30**  
**June 2011 (continued)**

**(k) Long-term prepayments**

**(i) Prepaid house rentals**

Prepaid house rentals are recognised in the separate statement of income on a straight-line basis over the term of the lease from 1 to 5 years.

**(ii) Prepaid land cost**

Prepaid land costs comprise prepaid land lease rentals and other costs incurred in conjunction with securing the use of leased land. These costs are recognised in the separate statement of income on a straight-line basis over the term of the lease of 40 years.

**(iii) Others**

Other long-term prepayments mainly represent office equipment which does not qualify for recognition as tangible fixed assets under Vietnamese regulations as they cost less than VND10 million each. The office equipment is classified as long-term prepayments and is amortised on a straight-line basis over 3 years.

**(l) Trade and other payables**

Trade and other payables are stated at their cost.

**(m) Provisions**

A provision is recognised if, as a result of a past event, the Company 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.

**(n) Bonus and welfare funds**

Allocations are made to bonus and welfare funds based on shareholders' resolution. This fund is used exclusively to pay bonus and welfare to the Company's staff. Payments from bonus and welfare funds are not charged to separate statement of income.



**Phu Nhuan Jewelry Joint Stock Company**  
**Notes to the separate interim financial statements for the six-month period ended 30**  
**June 2011 (continued)**

**(o) Taxation**

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

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

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 amount of assets and liabilities using tax rates enacted or substantively enacted at the balance sheet date.

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) Share capital**

**(i) Ordinary shares**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

**(ii) Treasury shares**

When share capital recognised as equity is purchased, the amount of the consideration paid, which includes directly attributable cost, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity.

**(q) Equity funds and reserves**

Allocations are made to equity funds and reserves based on the shareholders decision at their annual general meeting.

**Phu Nhuan Jewelry Joint Stock Company**  
**Notes to the separate interim financial statements for the six-month period ended 30**  
**June 2011 (continued)**

**(r) Revenue**

**(i) Goods sold**

Revenue from the sale of goods is recognised in the separate statement of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods.

**(ii) Services rendered**

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

**(iii) Processing services**

Revenue from processing services is recognised in the separate statement of income when the goods have been processed and accepted by the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

**(s) Operating lease payments**

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

**(t) Borrowing costs**

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

**Phu Nhuan Jewelry Joint Stock Company**

**Notes to the separate interim financial statements for the six-month period ended 30 June 2011 (continued)**

**(u) Earnings per share**

The Company presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares.

**(v) Related companies**

Related companies include the Company's subsidiaries and associates.

**(w) Off balance sheet items**

Amounts which are defined as off balance sheet items under the Vietnamese Accounting System are disclosed in the relevant notes to these separate interim financial statements.



**Phu Nhuan Jewelry Joint Stock Company**  
**Notes to the separate interim financial statements for the six-month period ended 30**  
**June 2011 (continued)**

**3. Cash and cash equivalents**

	<b>30/6/2011</b> <b>VND</b>	<b>31/12/2010</b> <b>VND</b>
Cash on hand	16,761,765,420	22,950,658,818
Cash in banks	123,300,511,214	7,567,826,281
Cash in transit	254,893,000	231,405,078
Cash equivalents	251,908,839,954	286,273,550,520
	<hr/>	<hr/>
	392,226,009,588	317,023,440,697
	<hr/>	<hr/>

As at 30 June 2011, cash and cash equivalents included amounts denominated in currencies other than VND amounting to VND117 billion (31 December 2010: VND341 million).

**4. Accounts receivable**

Accounts receivable included the following amounts due from related parties:

	<b>30/6/2011</b> <b>VND</b>	<b>31/12/2010</b> <b>VND</b>
<b>Amounts due from other related companies</b>		
Trade	7,133,055,686	6,518,885,301
Non-trade	16,094,673,939	5,300,000,000
	<hr/>	<hr/>

The trade and non-trade amounts due from related companies were unsecured, interest free and are receivable on demand.

Other receivables comprised:

	<b>30/6/2011</b> <b>VND</b>	<b>31/12/2010</b> <b>VND</b>
Entrusting contract	5,088,237,418	5,088,237,418
Loans to a subsidiary	8,908,854,000	3,800,000,000
Loans to an associate	-	1,500,000,000
Receivables from pawning services	4,018,500,000	1,974,100,000
Dividends receivable	17,393,987,532	-
Others	5,929,390,225	3,812,495,952
	<hr/>	<hr/>
	41,338,969,175	16,174,833,370
	<hr/>	<hr/>

Entrusting contract represented investments in listed shares of other entities by entrusted party on the Company's behalf and is stated at cost. No impairment was recognised as at 30 June 2011 as the closing balance only included cash at entrusting party accounts.

**Phu Nhuan Jewelry Joint Stock Company**  
**Notes to the separate interim financial statements for the six-month period ended 30**  
**June 2011 (continued)**

Loans to a subsidiary were unsecured, interest free and receivable at call.

Movements in the allowance for doubtful debts during the period were as follows:

	Six months ended	
	30/6/2011 VND	30/6/2010 VND
Opening balance	1,596,484,931	1,573,294,743
Increase in allowance during the period	-	23,190,188
	<hr/>	<hr/>
Closing balance	1,596,484,931	1,596,484,931
	<hr/>	<hr/>

**5. Inventories**

	30/6/2011 VND	31/12/2010 VND
Goods in transit	17,550,435,751	365,167,709
Raw materials	10,650,017,875	8,788,552,862
Tools and supplies	6,734,989,396	7,474,954,137
Work in progress	6,702,390,562	5,885,590,856
Finished goods	39,383,907,013	30,967,036,089
Merchandise inventories	707,988,829,163	620,760,507,486
Goods on consignment	46,845,110,621	44,473,063,531
	<hr/>	<hr/>
	835,855,680,381	718,714,872,670
	<hr/>	<hr/>

**6. Other current assets**

Other current assets comprised:

	30/6/2011 VND	31/12/2010 VND
Advances to employees	4,040,474,632	235,436,753
Short-term deposits for rentals	7,223,861,983	6,579,195,087
	<hr/>	<hr/>
	11,264,336,615	6,814,631,840
	<hr/>	<hr/>

**Phu Nhuan Jewelry Joint Stock Company**  
**Notes to the separate interim financial statements for the six-month period ended 30**  
**June 2011 (continued)**

**7. Tangible fixed assets**

	<b>Buildings VND</b>	<b>Machinery and equipment VND</b>	<b>Office Equipment VND</b>	<b>Motor vehicles VND</b>	<b>Total VND</b>
<b>Cost</b>					
Opening balance	31,455,616,718	64,296,522,771	10,676,580,090	8,031,202,332	114,459,921,911
Additions	-	6,205,096,958	1,048,521,086	-	7,253,618,044
Disposals	(764,409,972)	(132,001,782)	(279,891,948)	(170,000,000)	(1,346,303,702)
<b>Closing balance</b>	<b>30,691,206,746</b>	<b>70,369,617,947</b>	<b>11,445,209,228</b>	<b>7,861,202,332</b>	<b>120,367,236,253</b>
<b>Accumulated depreciation</b>					
Opening balance	4,182,370,524	39,164,288,586	7,637,253,815	4,120,938,589	55,104,851,514
Charge for the period	730,972,220	4,001,749,015	562,577,511	356,752,362	5,652,051,108
Disposals	(519,284,441)	(123,184,804)	(262,644,156)	(170,000,000)	(1,075,113,401)
<b>Closing balance</b>	<b>4,394,058,303</b>	<b>43,042,852,797</b>	<b>7,937,187,170</b>	<b>4,307,690,951</b>	<b>59,681,789,221</b>
<b>Net book value</b>					
Closing balance	26,297,148,443	27,326,765,150	3,508,022,058	3,553,511,381	60,685,447,032
Opening balance	27,273,246,194	25,132,234,185	3,039,326,275	3,910,263,743	59,355,070,397

Included in the cost of tangible fixed assets were assets costing VND27,656 million which were fully depreciated as of 30 June 2011 (31 December 2010: VND26,851 million), but which are still in active use.

At 30 June 2011 tangible fixed assets with a carrying value of VND10,248 million (31 December 2010: VND11,419 million) were pledged with banks as security for loans granted to the Company.



**Phu Nhuan Jewelry Joint Stock Company**  
**Notes to the separate interim financial statements for the six-month period ended 30**  
**June 2011 (continued)**

**8. Intangible fixed assets**

	Land use right VND	Software VND	Total VND
<b>Cost</b>			
Opening balance	192,784,772,638	491,971,613	193,276,744,251
Transfer from construction in progress	23,588,107,200	-	23,588,107,200
Closing balance	216,372,879,838	491,971,613	216,864,851,451
<b>Accumulated amortisation</b>			
Opening balance	-	369,495,955	369,495,955
Charge for the period	-	59,599,470	59,599,470
Closing balance	-	429,095,425	429,095,425
<b>Net book value</b>			
Closing balance	216,372,879,838	62,876,188	216,435,756,026
Opening balance	192,784,772,638	122,475,658	192,907,248,296

At 30 June 2011 intangible fixed assets with a carrying value of VND9,595 million (31 December 2010: VND106,543 million) were pledged with banks as security for loans granted to the Company.

**9. Construction in progress**

	Six months ended	
	30/6/2011 VND	30/6/2010 VND
Opening balance	41,625,333,746	9,422,893,409
Additions during the period	21,223,726,210	36,900,000,000
Transfers to fixed assets	(23,588,107,200)	(9,090,893,409)
Closing balance	39,260,952,756	37,232,000,000

**Phu Nhuan Jewelry Joint Stock Company**  
**Notes to the separate interim financial statements for the six-month period ended 30**  
**June 2011 (continued)**

**10. Long-term investments**

	<b>30/6/2011</b>	<b>31/12/2010</b>
	<b>VND</b>	<b>VND</b>
Long-term equity investments in subsidiaries:		
▪ Dai Viet Energy Joint Stock Company (“Dai Viet”) (a)	70,000,000,000	70,000,000,000
▪ CAO Fashion Company Limited (“CAO”) (b)	10,000,000,000	10,000,000,000
▪ PNJ Laboratory Company Limited (“PNJL”) (c)	-	-
	<hr/>	<hr/>
	80,000,000,000	80,000,000,000
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- a. This represents 70% of the shares of Dai Viet, a company incorporated in Vietnam. The principal activities of Dai Viet are to trade gasoline, gas cookers, machinery and equipment in oil and gas industry; provide transportation services, trade in oil, lubricant and petrol-chemical products.
- b. This represents 100% of the shares of CAO, a company incorporated in Vietnam. The principal activities of CAO are to produce and trade in fashion products such as suitcases, handbag, wallet, footwear, clothes cosmetic and perfume, watches, sunglasses; produce and trade in silver and gold jewellery; trade in souvenir, knit products, arts and crafts products; import and export art and craft products.
- c. As at 30 June 2011, the Company has not contributed share capital to this subsidiary. The principal activities of PNJL are to provide jewelry inspection and consultancy services and trade inspection machinery and equipment.

Movements of investments in subsidiaries during the period were as follows:

	<b>Six months ended</b>	
	<b>30/6/2011</b>	<b>30/6/2010</b>
	<b>VND</b>	<b>VND</b>
Opening balance	80,000,000,000	90,990,000,000
New investments during the period	-	6,300,000,000
Disposals during the period	-	(17,290,000,000)
	<hr/>	<hr/>
Closing balance	80,000,000,000	80,000,000,000
	<hr/>	<hr/>

**Phu Nhuan Jewelry Joint Stock Company**  
**Notes to the separate interim financial statements for the six-month period ended 30**  
**June 2011 (continued)**

	<b>30/6/2011</b>	<b>31/12/2010</b>
	<b>VND</b>	<b>VND</b>
Long-term equity investments in associates:		
▪ Dong A Land Joint Stock Company (“Dong A Land”) (d)	91,866,300,000	91,866,300,000
▪ Sai Gon Fuel Joint Stock Company (“Saigon Fuel”) (e)	138,608,529,680	138,608,529,680
	<hr/>	<hr/>
	230,474,829,680	230,474,829,680
	<hr/>	<hr/>

- d. This represents 30.62% of the shares of Dong A Land, a company incorporated in Vietnam. The principal activities of Dong A Land are to provide designing services, project management, building services for constructions; provide real estate consultant services and real estate agency; trade building and interior materials.
- e. This represents 49.99% of the shares of Saigon Fuel, a listed company incorporated in Vietnam. The principal activities of Saigon Fuel are to trade oils and gas products; trade tools, supplies and machineries for oil and gas; produce and trade agriculture products; import, produce and trade wooden products; transportation service, rental and construction services.

Movement of investments in associates during the period were:

	<b>Six months ended</b>	
	<b>30/6/2011</b>	<b>30/6/2010</b>
	<b>VND</b>	<b>VND</b>
Opening balance	230,474,829,680	110,884,882,680
New investments during the period	-	34,374,947,000
	<hr/>	<hr/>
Closing balance	230,474,829,680	145,259,829,680
	<hr/>	<hr/>



**Phu Nhuan Jewelry Joint Stock Company**  
**Notes to the separate interim financial statements for the six-month period ended 30**  
**June 2011 (continued)**

	30/6/2011 VND	31/12/2010 VND
Other long-term investments in:		
▪ DongA Bank shares	356,775,363,400	356,775,363,400
▪ Saigon M&C Real Estate Joint Stock Company shares	65,380,375,000	65,380,375,000
▪ Kinh Do Land Corporation shares	-	23,000,000,000
▪ Que Huong Liberty Joint Stock Company shares	40,833,320,000	40,833,320,000
▪ Que Huong Liberty Joint Stock Company convertible bonds (f)	1,666,600,000	1,666,600,000
▪ Investment cooperation contract (g)	10,089,500,000	10,089,500,000
	474,745,158,400	497,745,158,400

f. This represents 8,333 convertible bonds issued by Que Huong Liberty Joint Stock Company. These bonds have par value of VND100,000, interest free and will be converted into shares on 26 December 2012 at the conversion rate of 1:10.

g. This represents amounts advanced according to an investment corporation contracts to develop a piece of land at 8 Hoang Minh Giam, Phu Nhuan District, Ho Chi Minh city with Vietnam Festival Travel Company Limited and Dong A Land, an associate. The main purpose of the project is to construct and exploit a complex for hotel, business and apartments centre at 8 Hoang Minh Giam, Phu Nhuan District, Ho Chi Minh City. As at 30 June 2011, the investors of this project are still in the progress to obtain the approval for the construction from local authority.

As at 30 June 2011, other long-term investments included DongA Bank shares with carrying amount of VND265 billion (31 December 2010: VND257 billion) were pledged with a bank as security for loans granted to the Company.

Movements in the allowance for diminution in value of long-term investments during the period were as follows:

	Six months ended	
	30/6/2011 VND	30/6/2010 VND
Opening balance	10,800,000,000	10,800,000,000
Increase in allowance during the period	6,737,730,782	-
	17,537,730,782	10,800,000,000

**Phu Nhuan Jewelry Joint Stock Company**  
**Notes to the separate interim financial statements for the six-month period ended 30**  
**June 2011 (continued)**

**11. Long-term prepayments**

	House rental VND	Prepaid land cost VND	Others VND	Total VND
Opening balance	3,443,567,100	7,158,840,000	7,928,249,011	18,530,656,111
Amortisation for the period	(1,153,794,000)	(97,200,000)	(1,035,405,011)	(2,286,399,011)
Closing balance	2,289,773,100	7,061,640,000	6,892,844,000	16,244,257,100

**12. Short-term borrowings**

	30/6/2011 VND	31/12/2010 VND
Short-term borrowings		
▪ Dominated in USD	114,416,400,000	114,289,500,000
▪ Dominated in VND	389,460,519,742	116,758,888,666
▪ Dominated in Gold	13,118,716,253	685,633,629,039
	516,995,635,995	916,682,017,705
Current portion of long-term borrowings (Note 17)	6,072,000,000	16,072,000,000
	523,067,635,995	932,754,017,705

At 30 June 2011, the Company's short-term loans included VND445,599 million (31 December 2010: VND478,140 million) which are unsecured and VND71,396 million (31 December 2010: VND438,542 million) secured by the Company's DongA Bank shares with carrying amount of VND41 billion (31 December 2010: VND257 billion).

As 30 June 2011, the Company guaranteed for a subsidiary's bank loans amounted to VND22,900 million (31 December 2010: VND13,000 million).

The borrowings from banks and individuals in USD, VND and gold bore interest at rates ranging from 4.80% to 7.00% (six months period ended 30/6/2010: 7.00%), 3.20% to 20.50% (six months period ended 30/6/2010: 13%) and 2.50% to 5.50% (six months period ended 30/6/2010: 2.50% to 7.90%) per annum during the period, respectively.

**Phu Nhuan Jewelry Joint Stock Company**  
**Notes to the separate interim financial statements for the six-month period ended 30**  
**June 2011 (continued)**

**13. Taxes payable to State Treasury**

	<b>30/6/2011</b>	<b>31/12/2010</b>
	<b>VND</b>	<b>VND</b>
Value added tax	8,394,036,398	2,140,676,808
Corporate income tax	8,540,170,613	15,950,917,478
Other taxes	349,653,689	209,247,260
	<hr/>	<hr/>
	17,283,860,700	18,300,841,546
	<hr/>	<hr/>

**14. Accrued expenses**

	<b>30/6/2011</b>	<b>31/12/2010</b>
	<b>VND</b>	<b>VND</b>
Interest expenses	2,336,712,659	2,085,914,946
Promotion, discount expenses	1,959,638,808	7,259,713,748
House rental	690,987,855	628,690,946
Others	743,780,926	-
	<hr/>	<hr/>
	5,731,120,248	9,974,319,640
	<hr/>	<hr/>

**15. Other payables**

	<b>30/6/2011</b>	<b>31/12/2010</b>
	<b>VND</b>	<b>VND</b>
Trade union fees	2,578,100,687	1,848,551,703
Social insurance	1,353,155,082	107,893,103
Health insurance	626,339,939	337,917,867
Dividends	2,949,444,550	60,340,136,450
Unearned revenue	3,593,626,339	4,734,330,673
Board of Management and Board of Directors funds	2,816,694,704	3,613,115,644
Others	3,866,402,170	16,496,013,045
	<hr/>	<hr/>
	17,783,763,471	87,477,958,485
	<hr/>	<hr/>



**Phu Nhuan Jewelry Joint Stock Company**  
**Notes to the separate interim financial statements for the six-month period ended 30**  
**June 2011 (continued)**

**16. Bonus and welfare fund**

	Six months ended	
	30/6/2011 VND	30/6/2010 VND
Opening balance	13,285,599,240	34,647,061,417
Appropriations from retained profits during the period	20,655,521,000	-
Utilised during the period	(12,259,576,155)	(10,515,895,636)
Closing balance	21,681,544,085	24,131,165,781

**17. Long-term borrowings**

	30/6/2011 VND	31/12/2010 VND
From DongA Bank		
▪ Facility 1 (a)	486,000,000	690,000,000
▪ Facility 2 (b)	12,851,000,000	14,693,000,000
▪ Facility 3 (c)	146,250,000,000	-
From Asia Commercial Bank		
▪ Facility 4 (d)	8,910,000,000	9,900,000,000
▪ Facility 5 (e)	206,250,000,000	-
▪ Facility 6 (f)	93,750,000,000	-
From Saigon Thuong Tin Commercial Bank		
▪ Facility 7	-	50,000,000,000
▪ Facility 8 (g)	300,000,000,000	-
Repayable within twelve months	768,497,000,000 (6,072,000,000)	75,283,000,000 (16,072,000,000)
Repayable after twelve months	762,425,000,000	59,211,000,000

- a. Facility 1 is secured by tangible fixed assets with net book value as at 30 June 2011 of VND1,442 million (31 December 2010: VND1,580 million) and bears interest at rates ranging from 12% to 13.6% (six months period ended 30/6/2010: 6.50% to 8%) per annum during the period. The loans under this facility are repayable in 35 equal monthly instalments of VND34 million each beginning in October 2009 and a final instalment comprising the remaining balance in September 2012.

**Phu Nhuan Jewelry Joint Stock Company**  
**Notes to the separate interim financial statements for the six-month period ended 30**  
**June 2011 (continued)**

- b. Facility 2 is secured by land use right with net book value as at 30 June 2011 of VND9,595 million (31 December 2010: VND9,595 million) and bears interest at rates ranging from 12% to 13.6% (six months period ended 30/6/2010: 8%) per annum during the period. The loans under this facility are repayable in 48 equal monthly instalments of VND307 million each beginning in December 2010 and a final instalment comprising the remaining balance in December 2014.
- c. Facility 3 is secured by gold jewelry in inventory with the value not less than VND200 billion at any time. The loan bears interest at rate of 4% per annum during the period. The loan is repayable on 29 April 2013.
- d. Facility 4 is secured by building and structures with net book value as at 30 June 2011 of VND8,806 million (31 December 2010: VND8,958 million) and bears interest at rate of 18% per annum during the period (six months period ended 30/6/2010: Nil). The loans under this facility are repayable in 60 equal monthly instalments of VND165 million each beginning in January 2011 and a final instalment comprising the remaining balance in December 2015.
- e. Facility 5 is secured by the Company's shares in DongA Bank with the carrying amount of VND224 billion. The loan bears interest at rate of 4.2% per annum during the period. The loan is repayable one time on the loan due date on 29 April 2013, or repayable in a number of instalments during the loan period, which is decided by the Company.
- f. Facility 6 is unsecured and bears interest at rate of 4.2% per annum during the period. The loan is repayable one time on the loan due date on 29 April 2013, or repayable in a number of instalments during the loan period, which is decided by the Company.
- g. Facility 8 is unsecured and bears interest at rate of 4.2% per annum during the period. The loan is repayable in 2 yearly instalments with the first instalment be not less than 3.000 gold tael or cash equivalent to 3.000 gold tael in April 2012 and the remaining balance in April 2013.

**18. Provision for severance allowance**

Movements of provision for severance allowance during the period were as follows:

	<b>Six months ended</b> <b>30/6/2011</b> <b>VND</b>
Opening balance	3,473,546,084
Provision used during the period	(135,701,122)
	<hr/>
Closing balance	3,337,844,962
	<hr/>

Under the Vietnamese Labour Code, when employees who have worked for 12 months or more ("eligible employees") voluntarily terminates his/her labour contract, the employer is required to pay eligible employees severance allowance calculated based on years of service and employees' compensation at termination. Provision for severance allowance has been provided based on employees' years of service and their current salary level.

## Phu Nhuan Jewelry Joint Stock Company

### Notes to the separate interim financial statements for the six-month period ended 30 June 2011 (continued)

Pursuant to Law on Social Insurance, effective from 1 January 2009 the Company and its employees are required to contribute to an unemployment insurance fund managed by the Vietnam Social Insurance Agency. The contribution to be paid by each party is calculated at 1% of the lower of the employees' basic salary and 20 times the general minimum salary level as specified by the Government from time to time. With the implementation of unemployment insurance scheme, the Company is no longer required to provide severance allowance for the service period after 1 January 2009. However, severance allowance to be paid to existing eligible employees as of 30 June 2010 will be determined based on eligible employees' years of service as of 31 December 2008 and their average salary for the six-month period prior to the termination date.

For the six months period ended 30 June 2011, the Company contributed VND379 million (six months period ended 30/6/2010: VND343 million) to the unemployment insurance fund and the amount is recorded as part of labour and staff costs in the separate statement of income.

## 19. Share capital

The Company's authorised and issued share capital are:

	30/6/2011		31/12/2010	
	Number of shares	VND	Number of shares	VND
<b>Authorised share capital</b>	59,999,142	599,991,420,000	59,999,142	599,991,420,000
<b>Issued share capital</b>				
Ordinary shares	59,999,142	599,991,420,000	59,999,142	599,991,420,000
<b>Treasury shares</b>				
Ordinary shares	(709)	(7,090,000)	(709)	(7,090,000)
<b>Shares currently in circulation</b>				
Ordinary shares	59,998,433	599,984,330,000	59,998,433	599,984,330,000



**Phu Nhuan Jewelry Joint Stock Company**  
**Notes to the separate interim financial statements for the six-month period ended 30 June 2011 (continued)**

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 dividends as declared from time to time. All ordinary shares are ranked equally with regard to the Company's residual assets. In respect of shares bought back by the Company, all rights are suspended until those shares are reissued.

Movements in share capital during the period/year were as follows:

	Six months ended 30/6/2011		Year ended 31/12/2010	
	Number of shares	VND	Number of shares	VND
Opening balance	59,998,433	599,984,330,000	39,999,212	399,992,120,000
Bonus shares issued during the period/year	-	-	19,999,221	199,992,210,000
Closing balance	59,998,433	599,984,330,000	59,998,433	599,984,330,000

Movements in share premium during the period/year were as follows:

	Six months ended	Year ended
	30/6/2011	31/12/2010
	VND	VND
Opening balance	225,008,580,000	425,000,790,000
Bonus shares issued during the period/year	-	(199,992,210,000)
Closing balance	225,008,580,000	225,008,580,000

**Phu Nhuan Jewelry Joint Stock Company**  
**Notes to the separate interim financial statements for the six-month period ended 30**  
**June 2011 (continued)**

**20. Total revenue**

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

Net sales comprised:

	<b>Six months ended</b>	
	<b>30/6/2011</b>	<b>30/6/2010</b>
	<b>VND</b>	<b>VND</b>
Total revenue		
▪ Sales	7,954,144,105,905	5,823,319,632,878
▪ Services	8,029,161,731	6,724,573,799
Less sales deductions		
▪ Sales discounts	-	(39,187,000)
▪ Sales returns	(2,584,822,062)	(1,436,378,200)
▪ Direct value added tax	(29,840,371,286)	(20,297,454,715)
Net sales	7,929,748,074,288	5,808,271,186,762

**21. Financial income**

	<b>Six months ended</b>	
	<b>30/6/2011</b>	<b>30/6/2010</b>
	<b>VND</b>	<b>VND</b>
Interest incomes	282,175,353	241,742,219
Dividends	40,248,295,750	29,364,162,225
Gains from investments in securities through trusted fund	-	5,561,922,489
Gains on disposal of subsidiary	-	3,458,000,000
Foreign exchange gains	3,421,366,249	991,487,330
Others	-	415,202,987
	43,951,837,352	40,032,517,250

**Phu Nhuan Jewelry Joint Stock Company**  
**Notes to the separate interim financial statements for the six-month period ended 30**  
**June 2011 (continued)**

**22. Financial expenses**

	Six months ended	
	30/6/2011 VND	30/6/2010 VND
Interest expenses	43,992,686,862	25,854,522,250
Foreign exchange losses	4,090,425,271	683,669,801
Provisions for investments	6,737,730,782	-
Others	-	587,984,410
	54,820,842,915	27,126,176,461

**23. Other income**

	Six months ended	
	30/6/2011 VND	30/6/2010 VND
Proceeds from disposals of fixed assets	50,909,091	13,330,391,972
Compensation received from other parties	4,984,345,320	3,486,789,277
Gain on transfer of assets to subsidiary	1,140,704,334	-
Others	306,644,489	145,107,640
	6,482,603,234	16,962,288,889

**24. Other expenses**

	Six months ended	
	30/6/2011 VND	30/6/2010 VND
Net book value of fixed assets disposed	271,190,301	10,064,062,374
Others	493,109,148	298,778,331
	764,299,449	10,362,840,705



**Phu Nhuan Jewelry Joint Stock Company**  
**Notes to the separate interim financial statements for the six-month period ended 30**  
**June 2011 (continued)**

**25. Income tax**

**(a) Recognised in the separate statement of income**

	Six months ended	
	30/6/2011 VND	30/6/2010 VND
<b>Current tax expense</b>		
Current period	35,806,614,428	32,519,490,465
Under provision in prior period	134,232,189	-
	35,940,846,617	32,519,490,465
Income tax expenses	35,940,846,617	32,519,490,465

**(b) Reconciliation of effective tax rate**

	Six months ended	
	30/6/2011 VND	30/6/2010 VND
Profit before tax	182,833,238,261	158,544,251,645
	45,708,309,565	39,636,062,911
Tax at the Company's tax rate	160,378,801	224,468,110
Non-deductible expenses	(10,062,073,938)	(7,341,040,556)
Tax exempt income	134,232,189	-
Under provision in prior period	35,940,846,617	32,519,490,465

**(c) Applicable tax rates**

The Company has an obligation to pay the government income tax at the rate of 25% of taxable profits.

**Phu Nhuan Jewelry Joint Stock Company**  
**Notes to the separate interim financial statements for the six-month period ended 30 June 2011 (continued)**

**26. Basic earnings per share**

The calculation of basic earnings per share for the six months period ended 30 June 2011 was based on the profit attributable to ordinary shareholders of VND146,892,391,644 (six months period ended 30 June 2010: VND126,024,761,180) and a weighted average number of ordinary shares outstanding of 59,998,433 (30 June 2010: 39,999,212), calculated as follows:

*(i) Net profit attributable to ordinary shareholders*

	Six months ended	
	30/6/2011 VND	30/6/2010 VND
Net profit for the period	146,892,391,644	126,024,761,180
Net profit attributable to ordinary shareholders	146,892,391,644	126,024,761,180

*(ii) Weighted average number of ordinary shares*

	30/6/2011	30/6/2010
Issued ordinary shares at the beginning of the period	59,999,142	39,999,921
Effect of own shares held	(709)	(709)
Weighted average number of ordinary shares for the six months period ended	59,998,433	39,999,212

**Phu Nhuan Jewelry Joint Stock Company**  
**Notes to the separate interim financial statements for the six-month period ended 30**  
**June 2011 (continued)**

**27. Significant transactions with related parties**

In addition to related party balances disclosed in other notes to these separate interim financial statements, the Company has the following transactions with related parties:

	Six months ended	
	30/6/2011 VND	30/6/2010 VND
<b>Related companies</b>		
<b>CAO</b>		
Sales of goods	12,139,615,141	12,921,565,327
Purchases of goods	5,794,977,573	2,756,406,243
Lendings to subsidiary	3,908,854,000	2,728,947,737
Borrowings from subsidiary	1,500,000,000	500,000,000
Capital contribution	-	6,300,000,000
<b>Dai Viet</b>		
Dividends received	7,000,000,000	-
Lendings to subsidiary	10,000,000,000	1,500,000,000
Borrowings from subsidiary	1,100,000,000	10,500,000,000
<b>SG Fisheries</b>		
Purchases of goods	-	1,411,146,000
Dividends received	-	1,383,200,000
<b>Saigon Fuel</b>		
Dividends received	5,134,708,000	1,850,589,000
Share purchase	-	12,574,947,000
<b>Dong A Land</b>		
Lendings to associate	-	8,000,000,000
Payment of services and advances	17,325,000,000	1,746,082,412
Dividends received	-	1,869,324,625
<b>PNJL</b>		
Sales of goods	185,819,939	-
Borrowings from subsidiary	500,000,000	-
<b>Members of Board of Directors and Board of Management</b>		
Remuneration	2,705,875,000	2,743,935,000



**Phu Nhuan Jewelry Joint Stock Company**  
**Notes to the separate interim financial statements for the six-month period ended 30**  
**June 2011 (continued)**

**28. Commitments**

**(a) Capital expenditure**

As at 30 June 2011 the Company had the following outstanding capital commitments approved but not provided for in the separate balance sheet:

	<b>30/6/2011</b> <b>VND</b>	<b>31/12/2010</b> <b>VND</b>
Approved and contracted	76,520,399,786	79,089,169,600

**(b) Leases**

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

	<b>30/6/2011</b> <b>VND</b>	<b>31/12/2010</b> <b>VND</b>
Within one year	20,307,422,771	18,800,260,260
Within two to five years	38,604,072,636	40,071,721,654
More than five years	38,361,845,314	30,491,461,834
	<b>97,273,340,721</b>	<b>89,363,443,748</b>

**29. Post balance sheet event**

**Dividends declared after the period end**

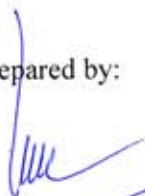
Subsequent to the period end a dividend of VND59.9 billion has been declared. The amount payable has not been accrued in these separate interim financial statements.

**Phu Nhuan Jewelry Joint Stock Company**  
**Notes to the separate interim financial statements for the six-month period ended 30**  
**June 2011 (continued)**

**30. Production and business costs by element**

	Six months ended	
	30/6/2011 VND	30/6/2010 VND
Raw material costs included in production costs	2,512,985,194,705	5,582,687,204,757
Labour costs and staff costs	81,655,802,625	42,692,833,691
Depreciation and amortisation	7,998,049,589	7,598,488,803
Outside services	18,793,426,087	23,889,514,271
Other expenses	38,645,550,617	33,742,407,088

Prepared by:



Dang Thi Lai  
*Chief Accountant*

Approved by:



Cao Thi Ngoc Dung  
*General Director*

15 August 2011