

2013 ACTION PROGRAM

The global as well as local economies are expected to experience another turbulent period in 2013 as complications persist. The big picture seemed brighter mid-2012 with governmental efforts to ensure macro-economy stability and inflation & lending interests slightly slipped to expected rates. Nevertheless, these progresses were not viewed as sustainable since capital flows continued to impede and, most alarming, consumer confidence drops signaled by sharp declines in retail sales lasting from later months of 2012 up to now. Vietnam GDP is estimated to reach 5.68% while that same figure for the world at 3.3% in 2013, says the National Center for Socio-Economic Information & Forecast.

In 2012 the company contracted with an international consultant agency for a 10-year restructuring and strategic positioning project till 2022, which has been executed since Q3 2012 with initial positive results. The goals of this are sustainable development and long-term strategic framework.

The year 2013 marks PNJ's 25th anniversary and it is also another milestone en route to the company's strategic visions for 2022: becoming the leading jewelry processor and retailer in Asia market while staying on top in all targeted market fragments locally. 2013 Business Plan has been formulated upon the bases of competitive advantage analysis and references to macro-economy performance.

I. CRITICAL OBJECTIVES FOR 2013

1. Standardization and coordination of proper & efficient Human Resources Management System.
2. IT System upgrading to ensure adequate support for all business and managerial operations
3. Innovation and execution of a properly developed & manageable procedure system in good coordination with the new management system
4. Ensuring adequate and competitively-priced availability to cater demands from all business partners
5. Achievement of all KPIs for business outputs, as follows:

Total Gross Revenue for 2013: 7.798 billion dong (21% increase) in which:

| | | |
|-----------------------------------------|---------------------|----------------------|
| a. Gold Jewelry Revenue | 4.394 billion dong | (20% increase) |
| b. Silver Jewelry Revenue | 174 billion dong | (12% increase) |
| c. Gold Bar Revenue | 3.230 billion dong | (24% increase) |
| d. Gross Profit | 650 billion dong | (18% increase) |
| e. Financial Income | 65 billion dong | (equivalent to 56%) |
| f. Profit before Tax (non-consolidated) | 280 billion dong | (equivalent to 100%) |
| g. Profit after Tax | 226 billion dong | (equivalent to 100%) |
| h. Consolidated Profit before Tax | 296 billion dong | (equivalent to 95%) |
| i. Consolidated Profit after Tax | 241,25 billion dong | (equivalent to 95%) |
| j. Dividend | 20 % | |

II. SOLUTIONS TO ACHIEVE CRITICAL GOALS OF THE YEAR

1. Objective 1: Standardization and Coordination of proper & efficient HR Management System

The most critical mission in building a profound base for sustainable strategic framework lies in the correct positioning and analysis of existing HR competencies, quality, strengths, professionalism, etc. compared to the actual expectations.

- Finalization of the organizational framework in consistency with the model as approved by the Board of Director, fill up executive vacancies, final JDs for each position according to the new HR standard package, opening of new training courses for staff awareness and expertise promotion.
- Formulation and Implementation of a better remuneration policy which is competitive and suitable with current marketplace situation in order to enhance staff retention and talent recruitment. Application of KPIs in HR supervision and performance review.
- Promotion of internal communications and in-depth awareness of corporate culture amongst all staff members.

2. Objective 2: IT System upgrading to ensure adequate support for all business and managerial operations

- Proposing a proper & cost-efficient schedule for system upgrade correlating with the overall business development strategies
- Coordinative application of ERP in financial management and business administration. Finalization of production-friendly ERP, en route to ERP for company-wide administrative system.
- Training for ERP utilization to all relevant staff members (office & sales), commitment of full coverage of ERP amongst executives and managers.

3. Objective 3: Innovation and execution of a properly developed & manageable procedure system in good coordination with the new management system

- Development of Execution of Actions for Performance Control Department. Recruitment of additional staff members who will be supposed to work closely with other functional departments in the formulation, standardization, compliance check, and management of operation procedures in a way that ensures compatibility with all strategic missions and implementation realities.
- Engineering a quality testing system in order to ensure the efficiency of new procedures and their benefits brought to all departments' business and production activities, introduction of reasonable solutions for adjustments and bettering of current procedures.

4. Objective 4: Ensuring adequate and competitively-priced availability to cater demands from all business partners

This target will be realized by a number of solutions agreed upon amongst functional relevant departments and the production:

- Formulation of administrative system and managerial procedures for PNJ Procession Plant, introduction of a manufacturing model that ensures a high level of automation and empowers production QC and performance monitoring.
- Innovation of some critical industrial procedures so as to increase productivity and efficiency.
- Boosting of R&D actions for new products; formulation of key-production strategies
- Sourcing of good-quality supplies so as to cater all demands.
- Sufficient procurement to cater production demands with competitively priced materials
- Supervision of proper inter-outlet or inter-section goods delivery so as to maximizing the effectiveness of goods production

- Enhancement of professionalism and promptness of production and business supporting services

5. Objective 5: Revenues and Earnings

For those 2013 objectives to come true, all concerned departments are liable to conduct their detailed operations in timely and effective manners so as to enhance overall appeals to potential clients, seek for more sales leads and actual sales ratio, gaining more per-client purchasing power, sales cost reduction, and ultimately contribute to increase profit margin for the company.

- Promotion of brand awareness and perception amongst clients towards PNJ, most especially its key brands; Planning and running of well-focused marketing campaigns suitable for brands in their respective market locations.
- Fostering standard PNJ service culture and well-invested customer care campaigns; enhancement of customer loyalty and brand loyalty.
- Expansion and upgrading of distribution networks and retailing systems, most especially regional branches and minor ones; increasing focus on wholesale and export sales.
- Providence of an adjustable and real-time price policy to gain more competitive advantages for ensure sales revenues.
- Supervision of capital cycles and availability at best-performing outlets. Close inspection and tightening of capital cost as well as expenses for sales and managerial operations

III. INVESTMENT AND SYSTEM UPGRADING:

- Investment for R&D operations and overseas expansion;
- Inauguration of a new tourism Thu Khoa Huan outlet;
- Investment for re-positioning schemes towards PNJSilver brand;
- Re-positioning for CAO và Jemma;
- Investment for upgrading 2 minor rural-based PNJSilver outlets into gold POS. Inauguration of 8 more gold and 6 silver outlets;
- Investment for IT innovation correlating with strategic demands
- Investment for machinery purchase for facilities expansion and quality increments;
- Follow-up and review of the portfolio and liquidate all inefficient investments.

Recipients of this document:

- Board of Directors, Supervisory Board
- Board of Management
- PNJ Shareholders
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ON BEHALF OF THE BOARD OF DIRECTORS

CHAIRWOMAN

(Signed and sealed)

CAO THI NGOC DUNG