

MINUTES

OF PNJ'S 2014 ANNUAL GENERAL MEETING OF SHAREHOLDERS

Name of Company: Phu Nhuan Jewelry Joint Stock Company (PNJ)

Head office address: 170E Phan Dang Luu, Ward 3, Phu Nhuan District, HCMC

Certificate of Business Registration No.: 0300521758 issued by Ho Chi Minh City's Department of Planning and Investment for the first time on 2nd January 2004 and the 19th amendment registration on 17th December 2013.

Today, at 8h50 dated 29th March 2014 at White Palace Convention Center, 194 Hoang Van Thu, Ward 9, Phu Nhuan District, Ho Chi Minh City the PNJ's 2014 Annual General Meeting of Shareholders was launched with detail contents as follows:

I. GENERAL MEETING AGENDA:

- 1. Mr. Huynh Van Tan conducted the opening ceremony to announce the meeting and introduce attendances.**
- 2. Ms. Nguyen Ngoc Hue – Head of Supervisory Board – to make the report on eligible shareholder's verification**

As at 8:53 Am dated 29th March 2014, the total shareholders attending the meeting both by themselves and by proxies are 277. Total shares of participants or the authorized persons are 61,540,612 shares, accounting for 81.41% of total shares owned by invited participants and 81.41% of total shares with voting rights.

Therefore, the 2014 Annual General Meeting of Shareholders is eligible to be held as stipulated by the law.

- 3. The general meeting was presented and presided by Mr. Huynh Van Tan to adopt the Working Regulations and vote in the General Meeting (attachment).**

General Meeting adopted the Working Regulations and voting at the Meeting with 100 percent approval.

- 4. The general meeting was hosted by Mr. Huynh Van Tan through the presidium members. The presidium includes (03 persons):**

- Ms. Cao Thi Ngoc Dung - Chairwoman of the Board of Directors cum CEO
- Mr. Nguyen Vu Phan - Vice Chairman of Board of Directors cum Vice General Director

- Ms. Nguyen Thi Cuc - Member of Board of Directors cum Vice Standing General Director

The General Meeting adopted the list of presidium members with 100 percent approval rate as above.

5. **The General Meeting was presided by Mr. Nguyen Vu Phan to adopt the members of Secretary Board as follows:**

Secretary Board (including 02 members):

- Mr. Tran Van Dan - Member of Supervisory Board
- Ms. Trinh Thi Ngoc Hieu - Secretary of the Company

The Voting Committee (including 03 members):

- Mr. Duong Quang Hai - Vice Manager of Financial and Accounting Department
- Ms. Le Minh Phuong - Vice Manager of Administration Department
- Ms. Nguyen Thi Hoa - HR Official

The General Meeting adopted the list of Secretary Board and Voting Committee with 100 percent approval rate as above.

6. **Mr. Nguyen Vu Phan reported the General meeting agenda (attachments).** .

The Meeting Agenda was approved with 100 percent approval rate at the Meeting.

7. **Ms. Nguyen Thi Cuc reported the 2013 Income Statement of PNJ in 2013 (attachment).**

Some main results are as follows:

Unit: Million VND

Items	Plan	2013	2012	+/- (%)	%Act
Gross revenue	7,798,211	7,603,581	6,428,395	18%	98%
Gross profit from sales of goods and rendering of services	649,701	599,778	550,225	9%	92%
Income from financial activities	25,000	26,361	116,574	-77%	105%
Expenses from financial activities	122,000	62,133	106,805	-42%	51%
Selling expenses	240,275	232,532	216,894	7%	97%
General & administration expenses	86,420	91,804	76,961	19%	106%
Profit before tax	240,406	240,005	280,003	-14%	100%
Profit after tax	186,554	182,394	225,148	-19%	98%

Consolidated profit before tax	256,406	233,007	310,094	-25%	91%
Consolidated profit after tax	205,250	169,037	254,409	-34%	82%

8. **Mr. Nguyen Vu Phan presented the 2013 Operation Report of Board of Directors** (*attachment*).

The Board of Directors (BOD) took the guidelines to timely settle the difficulties and obstacles struggled in 2013. The BOD outperformed its supervisory function to ensure the CEO's management was complied with the set objectives, orientation and plan.

The key objectives of the year were synchronously launched as directed by the BOD: developing and operating the HR Management System suitably and effectively, constructing the IT platform to successfully support the operations; developing and operating the internal procedure system to obtain high performance, qualified production in conformity with requirements of Business Units (BUs) with reasonable competitive expenses and completing the planned goals.

9. **Ms. Cao Thi Ngoc Dung reported the 2014 Strategic Orientations of the Board of Directors** (*attachment*).

The 2014 orientation of PNJ is to improve the performance of Human Resources, customer satisfaction to a new height and strengthen the available system and develop a new one.

The planned items in 2014 include:

Unit: Million VND

Items	2013 Act	2014 Plan	Growth (%)
Gross revenue	7,603,581	9,124,297	20%
<i>In which: Jewelry sales</i>	4,316,183	5,205,448	21%
Gross profit	599,778	677,251	13%
<i>Income from financial activities</i>	26,361	27,000	2.4%
Profit before tax	240,005	275,676	15%
Profit after tax	182,394	220,967	21%
Consolidated profit before tax	233,007	279,920	20%
Consolidated profit after tax	169,037	202,551	20%
Network development	Newly establishment of 6 stores	Newly establishment of 12 stores	100%
Dividend plan	20%	20%	

10. **Mr. Pham Van Tan delivered the 2013 Operation Report of Supervisory Board (attachment).**
- Performance of assigned tasks in accordance with the Resolution of 2013 General Meeting of Shareholders:
 - Main sales revenue of PNJ Corporation: 8,973,966 billion VND, increase of 32.4% against 2012.
 - Profit before tax of PNJ Corporation was 233,007 billion VND, obtaining 90.9% against the plan and reduction of 24.86% against 2012. The Corporation failed to achieve the planed profit which was mainly affected by income from financial investments (dividend).
 - Conformity to laws and regulations: PNJ successfully completed the comprehensive operation and control system for its operations, ensuring effective control of every operation in accordance with the laws and specific regulations of PNJ.
 - Auditing the Financial Statements of Holding Company and Financial Statements of PNJ in 2013: The concerned documents/records gave a true and fair view, in all material respects, of the financial position of the PNJ Corporation and PNJ in particular in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System and prevailing relevant regulations in Vietnam pertaining preparation and presentation of Financial Statements.
 - Supervising operations of Board of Directors and the Management:
 - The issues specified in the Resolution of 2013 Genearl Meeting of Shareholders have been strictly launched by the Board of Directors. In 2013, BOD operated by specifically assigning duty to each individual as member of BOD, each member outperformed the assigned tasks in 2013, creating the solid belief and convenience for entire PNJ in 2014 and subsequent years.
 - The Steering Committee successfully implemented the Resolutions approved by the General Meeting of Shareholders and BOD, continuing corporate restructure, creativity and determination in managing and closely following the market signs to each unit, strictly adhering to regulations of PNJ and laws.
11. **Mr. Pham Van Tan presented the 2013 Audited Financial Statements of the Company.**
- Ernst & Young Auditing Company approved all key contents in PNJ's Consolidated Financial Statements and Specific Financial Statements in 2013.
12. **Mr. Nguyen Thi Cuc reported the Profit Distribution Report in 2013.**
- The distribution ratio is applied as follows:
- | | |
|-------------------------------------|----------------------------|
| I. Profit before tax in 2013 | 240,005,185,966 VND |
| - Corporate income tax payable | 57,831,875,517 VND |
| - Deferred corporate income tax | 220,310,692 VND |

- Distributed after-tax profit	182,393,621,141 VND
II. Profit distribution:	
1. Distributed gross profit	229,426,913,602 VND
- Retained earnings of previous years	47,033,292,461 VND
- After-tax profit in 2013	182,393,621,141 VND
2. Provision for dividend distribution	151,192,652,000 VND
a. 1st phase:	
- Dividend was distributed in the 1 st installment of 2013 (10%/face value)	75,596,326,000 VND
b. 2nd phase:	
- Request on dividend distribution in the 2 nd installment of 2013 (10%/face value)	75,596,326,000 VND
3. Provision for funds:	71,300,000,000 VND
- Obligatory reserve funds (5% of profits after tax)	9,100,000,000 VND
- Investment and development fund	40,000,000,000 VND
- Bonus and welfare funds for employees	18,500,000,000 VND
- Operation funds for Board of Directors, Supervisory Board	1,200,000,000 VND
- Operation funds for Board of Management	2,500,000,000 VND
4. Retained earnings:	6,934,261,602 VND
13. Ms. Nguyen Thi Cuc reported the remuneration of Board of Directors, Supervisory Board as well as salary, allowances and benefits of the CEO in 2013.	
1. Remuneration and working cost of BOD and Supervisory Board:	
- Remuneration and working cost of BOD	
Chairman of BOD	23,300,000 VND/month
Vice Chairman of BOD	17,300,000 VND/month
Member of BOD	13,300,000 VND/month
- Remuneration and working costs of Supervisory Board	
Head of Supervisory Board	9,500,000 VND/month
Member of Supervisor Board	4,400,000 VND/month
2. Salary and allowances of CEO	
- Salary and allowances of CEO	#130,000,000 VND/month
- Bonus	# 2.5 monthly salary
(Including the 13 th monthly salary and 1.5 salary of ABC month)	

14. The Statement on removal of 01 member of BOD and appointment of 01 member of BOD in the 3rd tenure (2012- 2017) by Mr. Nguyen Vu Phan (attachment).

The Company's BOD submitted the General Meeting of Shareholders to adopt the title removal of BOD member named Nguyen Thi Huong Giang and appoint Mr. Andy Hoa as a member of PNJ's Board of Directors with the remaining terms of the 3rd term (2012-2017).

15. Mr. Nguyen Vu Phan presented the Report on Share Issuance Results for Employees and adoption of BOD's PNJ share distribution to attract human resources (attachment).

The Result of share issuance to employees in accordance with the Resolution of 2013 General Meeting of Shareholder as follows:

- Number of shares issued to employees: 3,599,200 shares
- Issuing price: 10,000 VND/share
- Post-issuance chartered capital of the Company: 755,970,350,000 VND

In order to continue implementing the policy on HR attraction, BOD expected to consider and offer PNJ shares to some outstanding employees with achievements enjoying the preferential price from shares of Trade Union. The BOD submitted following contents to the General Meeting of Shareholders, concretely:

- To approve PNJ Grassroots Trade Union to reacquire shares issued to employees in 2013 if they discontinue working for PNJ/subsidiaries (except for the case of service discontinuity due to retirement) with face value of 10,000 VND per share. The restricted transfer shall not be applied to such quantity of acquired shares within 03 years (from 21st November 2013 to 21st November 2016).
- To approve the Board of Directors to offer PNJ shares to some outstanding employees with achievements recommended by the Board of Management to attract the human resources. The preferential price offered to employees shall be decided by BOD and not less than 10,000 VND/share. Such offered shares are derived from shares issued to employees in 2013 that were not completely subscribed in accordance with the approved list, to be distributed to PNJ Grassroots Trade Union and it is also originated from share volumes that the Trade Union acquired shares issued to employees in 2013 if such employees did not work for PNJ/subsidiaries (except for the retirement-based service discontinuity).
- To approve the release of transfer restriction from 21st November 2013 to 21st November 2016 applicable to 162,900 shares offered to the Trade Union by BOD because it was not completely subscribed by employees (in accordance with the Resolution No. 955/2013/NQ-HDQT-CTY dated 12th September 2013 by the Board of Directors) so that the BOD may launch the HR Attraction Policy for the Company in the coming time. The BOD is authorized to implement the necessary procedures to release the transfer restriction of such shares.

16. **Mr. Nguyen Vu Phan reported the statement on amendments of the Articles of Association** (*the statement and summary sheet of amendments of the Articles, the Articles as attached*).
17. Ms. Nguyen Thi Cuc reported the statement on selecting auditors for the fiscal year of 2014.

The General Meeting of Shareholders was submitted to authorize the BOD to select an Auditor out of 04 recommended auditing companies hereunder to perform auditing service for fiscal year 2014:

- Deloitte Vietnam Co., Ltd
- Ernst & Young Vietnam Co., Ltd
- KPMG Vietnam Co., Ltd
- PricewaterhouseCoopers Vietnam Co., Ltd

18. **Mr. Nguyen Vu Phan reported the Statement on Approving Chairman of BOD cum CEO in 2014** (*attachment*).

19. Discussion of the General Meeting:

- *Shareholder Tran Thi Thanh Tam:*
 - Regarding external financial investments such as SaiGon Fuel Joint Stock Company (SFC), DongA Bank, DongA Land, is the capital withdrawal plan applied by the Company and which stage of the capital withdrawal process is?
 - What difficulty does the company meet when raw materials are bought to produce jewelry? What difficulty does the company struggle when launching the VND loan for gold purchase?
 - Liquidity of PNJ share is relatively low, so is there any plan taken to improve the share liquidity?

Answer of the Chairman of Presidium:

+ The capital withdrawal plan has been applied for some companies since 2012; however, at this moment it is not easy to withdraw capital. BOD is still looking for partner to implement. If the partner is good and good price is obtained, capital withdrawal shall be initiated especially investments in real estates. The investment into SFC is also subject to the capital withdrawal plan, however, it is assumed to take it in favorable conditions, offering profit in investments. The external financial investments are not directed to be kept by the Company, in stead, the Company's capital resources shall be concentrated to carry out main businesses without investment extension.

+ At the moment, no loan difficulty is struggled by the Company. PNJ is till eligible to make a loan from banks with average interest rate of 6.2- 6.3%, 7.5% is the highest. Most of them are collateral loan. Because the PNJ's loan limit is high, it is not completely used. Moreover, the Company does not meet any difficulty in buying jewelry materials while the jewelry materials are very abundant.

+ Regarding share liquidity, PNJ's obligations are successfully fulfilled concretely: transparency in news release, great effort in production and business. Share liquidity depends on available and potential shareholders. Majority of PNJ shares (about 49%) are owned by foreign investors. The remaining is possessed by PNJ employees who have no sales demand.

- *Shareholders:*

- The General Meeting of Shareholders is submitted with the redistribution of shares acquired by the Trade Union to offer to employees to attract human resources. It is recommended that the transfer restriction should not be released because it is not fair for employees acquired shares previously.

Answer of the Chairman of Presidium:

+ The BOD does not recommend to remove the transfer restriction for employees who acquired shares in the 2013 issuance phase. BOD only suggests to release the transfer restriction for shares owned by Trade Union and number of shares to be acquired by Trade Union from non-working employees so as to implement the Policy of Human Resources Attraction because Trade Union plays an intermediary role in share acquisition. If the Company is also required to keep the shares within 3 years like employees, then the Policy on Human Resources is not launched. Employees acquired the shares re-distributed by Trade Union are still subject to transfer restriction like others.

- *Shareholder Tran Dai Xuan Tien:*

- Does the 2014 revenue which is planned to be 9,124 billion VND include consolidated revenue from SFC?
- How are main businesses in the first quarter of 2014? Is it promissory compared to the same period?
- How is capital withdrawal process launched at items of real estate investment?

Answer of the Chairman of Presidium:

+ The 2014 revenue of 9,124 billion VND excludes the consolidated revenue from SFC.

+ The revenue of the first quarter of 2014 obtains the growth of 25% compared to the same period and the profit is relatively good. It is forecasted that the 2014 business performance shall be better than last year. Signal from jewelry market is relatively satisfactory. Thanks to the Circular No. 22/2013/TT-BKHCN, PNJ's retail segment is driven. Consumer is more interested in gold content which is convenient for giants like PNJ. Furthermore, PNJ's improvements obtain good effects; concretely it successfully increases the revenue/m² of sales, revenue/sales person, improving marginal profit. It is strongly believe that the set growth rate shall be successfully fulfilled.

+ Regarding the investment capital withdrawal as answered previously, such investments shall be offered. However, feasible partners have not been found yet. The BOD shall continue making great effort to improve the performance of main operations and release the financial investments.

- *Shareholders Truong Cam Minh:*

- Employee's salary increase (especially sales persons) is legitimate. I wonder whether the Management could consider to improve the sales commission to sales person with outstanding achievement in addition to salary.
- PNJ online shopping is an effective channel for sales improvement with low investment costs. Could you please reveal the sales ratio of this channel and its improvement orientation in 2014?
- Could you say something about the performance of PNJ online shopping, its operation orientation and model as well?

Answer of the Chairman of Presidium:

+ In the eyes of customer, sales person is the image representative of PNJ. In the past 6 years, hard salary and soft salary were paid to sales person. Therefore, many people of them may receive a high soft salary in addition to hard salary.

+ Relatively high performance is obtained in the online shopping. 2013 witnessed the separation of online shopping division into a department under the direct management of Vice General Director. PNJ shall design software and strengthen this activity. However, online shopping also meets difficulty in product delivery like sales operation and the delivery is often carried out on public holidays whereas the offered items are luxury.

+ Previously, PNJ did not anticipate all obstacles for tourism combined tourism sales. Concretely: PNJ finds it hard to post because of high discount for travel agents, and unavailability of financial invoices, etc. Meanwhile, PNJ's posting has been always conducted in a strict and transparent manner without double book posting. Therefore, such operation shall not be concentrated by PNJ.

- *Shareholder:* The e-commerce and delivery may be learnt from the mobile world. They also distribute luxury items like PNJ. Moreover, we may cooperate with the website: giaohangnhanh.vn to deliver.

Answer of the Chairman of Presidium: PNJ acknowledges and thanks for your suggestion.

- *Shareholder Tran Quoc Khanh:*

- Is there any noticeable distinction between PNJ and the same companies operating in Vietnam?
- Could you say something about the Company's HR restructure.
- Could you please unveil the marketing expenses and brand advertisement expenses in 2013 and the last year?
- Which reliable background does the Company have to assume that PNJ share value is much higher than the market price?
- How can we do to inspire "Love sales not product sales" from the highest level to sales person?

Answer of the Chairman of Presidium:

- + In order to survive and develop, each enterprise must have a distinct point. PNJ's difference is the comprehensive vision, clear mission, offering pride to customer by sophisticated and outstanding quality product. Such mission is not a slogan but it is originated from the bottom of the heart and feelings of PNJ employees. Shareholder may conduct a field survey covering employees who are working at PNJ. In fact, the world jewelry industry has few giants, mainly family ones, PNJ is a public company characterized by family spirit and modern business administration. Each PNJ employee thoroughly understands his mission and tasks. PNJ products are specifically featured with guideline of "Honoring true value". PNJ's available culture value is the highest.
- + 2013 witnessed the PNJ's human resource disorder to change the set strategy. Even though such change is even taken with an ocean of tears, PNJ employees are willing to change to develop PNJ.
- + Regarding marketing expense, sorry we can not disclose at this moment.
- + Regarding share value: EPS of PNJ is approximately 2.239 VND and PNJ dividend is 20% whereas the price is only about 3x. By evaluating the strength, PNJ found that the share value is not completely corresponding to its true value against many other enterprises in the market.
- + The idea of "Love sales not product sales" is being launched in combination with a series of marketing and human resources programs.

20. Ms. Nguyen Ngoc Hue reported the updating of participants before voting.

As at 11.49 am, total shareholders attending the meeting both by themselves and by proxies are 315 with total shareholders of 70,210,374 shares, accounting for 92.88% of total shareholders of inviting shareholders.

21. Disclosure of voting count results:

The report on voting count results is delivered by Mr. Nguyen Vu Phan via Reports and Statements which have been presented in the General Meeting with specific results as follows:

- With 99.96% of agreed votes: Summary Income Statement of 2013 is adopted by the General Meeting of Shareholders.
- With 99.96% of agreed votes: the 2013 Operation Report and 2014 Strategic Orientation of the BOD are adopted by the General Meeting of Shareholders.
- With 99.91% of agreed votes: The 2013 Operation Report of Supervisory Board is adopted by the General Meeting of Shareholders.
- With 99.91% of agreed votes: The 2013 Audited Financial Statement of the Company is adopted by the General Meeting of Shareholders.
- With 99.92% of agreed votes: The 2013 Statement on Profit Distribution is adopted by the General Meeting of Shareholders.

- With 99.15% of agreed votes: The Report on Remuneration of BOD, Supervisory Board and Report on Salary and Allowances of CEO in 2013 is adopted by the General Meeting of Shareholders.
- With 99.22% of agreed votes: The Statement on removal of a BOD member and appointment of a BOD member in the 3rd tenure is adopted by the General Meeting of Shareholders.
- With 99.25% of agreed votes: The Statement on Share Issuance Result Report offered to employees is adopted and the Board of Directors is authorized to distribute PNJ share to attract human resources.
- With 99.25% of agreed votes: The Statement on Amendments and Supplements of the Articles of Association is adopted by the General Meeting of Shareholders.
- With 99.93% of agreed votes: The Statement on Auditor Selection for the fiscal year of 2014 is adopted by the General Meeting of Shareholders.
- With 99.25% of agreed votes: The Statement on Chairman of BOD cum CEO in 2014 is adopted by the General Meeting of Shareholders.

II. ADOPTION OF MEETING MINUTES AND RESOLUTIONS OF THE GENERAL MEETING OF SHAREHOLDERS:

On behalf of the Secretarial Board, Mr. Huynh Van Tan presented the Minutes and Resolutions of 2014 Annual General Meeting of Shareholders.

The contents of the minutes and resolutions of the 2014 Annual Meeting are approved by the Meeting with an approval ratio of 100%.

The 2014 Annual General Meeting of Shareholders of PNJ ended at 12.30 of the same day.

SECRETARY BOARD

Tran Van Dan

(Signed)

Trinh Thi Ngoc Hieu

(Signed)

PRESIDIUM

Cao Thi Ngoc Dung

(Signed & sealed)

Nguyen Vu Phan

(Signed)

Nguyen Thi Cuc

(Signed)

