

MINUTES

OF 2015 ANNUAL GENERAL MEETING

OF PHU NHUAN JEWELRY JOINT STOCK COMPANY

Company name: Phu Nhuan Jewelry Joint Stock Company

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

Certificate of Business Registration number 0300521758, issued by HCMC Department of Planning and Investment first on 02/01/2004 and amended 21st on 10/03/2015.

Today, at 09:00 on April 15th, 2015 at White Palace Conference Center, 194 Hoang Van Thu Street, Ward 9, Phu Nhuan District, HCMC, 2015 Annual General Meeting of Shareholders of Phu Nhuan Jewelry Joint Stock Company (PNJ) is conducted with following details:

I. CONTENTS OF THE MEETING

- 1. Mr. Huynh Van Tan opens the meeting with Announcing reason and Introducing delegates of the meeting.**
- 2. Ms. Nguyen Ngoc Hue – Representative of Shareholder Verificating Committee – reports the verification of shareholders.**

Until 08:51 of 15/04/2015, the number of shareholders or authorized representatives participating in the General Meeting is 293 shareholders, total shares of participating shareholders or authorized representative are 54.756.846 shares, accounts for 72,43% total shares of the invited shareholders and 72,43% total shares with voting right.

Thus, 2015 Annual General Meeting of Shareholders is eligible to perform under provisions of the law.

- 3. Mr. Nguyen Vu Phan presents and controls the Meeting to approve Regulations of Working and Voting at the Meeting (*document attached*).**

With 100% affirmative votes, the General Meeting has approved the Regulations of Working and Voting at the Meeting.

- 4. Mr. Huynh Van Tan controls the Meeting to approve Preside Committee. Preside Committee (includes 3 members):**

- Ms. Cao Thi Ngoc Dung - Chairwoman cum General Director
- Mr. Nguyen Vu Phan - Deputy Chairman cum Deputy General Director
- Mr. Nguyen Thi Cuc - BOD's Member cum Permanent Deputy General Director

With 100% affirmative votes, the General Meeting has approved personnel of the Preside Committee.

5. Mr. Nguyen Vu Phan controls the Meeting to approve Secretary Committee and Voting Committee.

Secretary Committee (includes 2 members):

- Mr. Tran Van Dan - Member of Supervisory Committee
- Ms. Trinh Thi Ngoc Hieu - Company's Secretary

Voting Committee (includes 3 members)

- Mr. Pham Van Tan - Head of Supervisory Committee
- Mr. Dao Trong Dai - Head of Legislation – Administration Department
- Mr. Duong Quang Hai - Deputy Head of Finance – Account Department

With 100% affirmative votes, the General Meeting has approved the personnel of Secretary Committee and Voting Committee.

6. Mr. Nguyen Vu Phan presents and controls the Meeting to approve Agenda of the Meeting (document attached).

With 100% affirmative votes, the General Meeting has approved the Agenda of the Meeting.

7. Ms. Nguyen Thi Cuc presents the 2014 General Business Operating Statement of PNJ (document attached).

Some major criterias of 2014:

Unit: Million VND

Items	Plan	2014		+/- (%)	Performed/ Plan (%)
		2014	2013		
Total sale	9,124,297	7,294,174	7,603,581	-4%	80%
+ Include: Sale from jewelry	5,205,448	5,275,349	4,296,745	23%	101%
Gross profit from sale and service supplying	677,251	790,172	599,778	32%	117%
Financial sale	27,000	48,071	26,361	82%	178%
Financial cost	85,000	95,054	62,134	53%	112%
Sales cost	253,400	310,940	232,532	34%	123%
Management cost	90,175	105,944	91,804	15%	117%
Business net profit	275,676	326,306	239,510	36%	118%

Earning before tax (EBT)	275,676	326,791	240,111	36%	119%
Earning after tax (EAT)	220,967	256,571	182,394	41%	116%
Consolidated EBT	279,920	334,966	233,007	44%	120%
Consolidated EAT	202,551	255,816	169,037	51%	126%
Widening retail network	12 stores	18 stores			150%
Dividend	20%	45%			

8. Mr. Nguyen Vu Phan presents the 2014 Operation Performance Report of Board of Directors.

Board of Directors has promptly solved problems and difficulties in 2014. Board of Directors has monitored the managing of General Directors according to pointed objectives, orientations and plans.

Major goals of the year have been implemented synchronously and brought back positive results: enhancing the manpower's efficiency, strengthening the current sales system, developing new sales system and accomplishing given tasks.

9. Ms. Cao Thi Ngoc Dung presents the 2015 Strategic Orientation of Board of Directors.

Orientations of PNJ in 2015 are Creating a foundation to advance in manpower and organizing; Strongly developing the distribution network and raising customers' satisfaction, through that keeping confirming the leading position in core business segment; Strengthening and enhancing production capacity; Growing sales and profit.

Targets for 2015:

Unit: Million VND

Items	2014's performance	2015's plan	Change (%)
Total sales	7,294,173	8,227,568	13%
+ Include: Jewelry sales	5,275,349	6,703,565	27%
Gross profit	790,172	976,516	24%
Financial sales	48,071	12,000	-75%
Earning before tax	326,790	380,126	16%
Earning after tax	256,571	300,000	17%
Consolidated Earning before tax	334,966	388,000	16%
Consolidated Earning after tax	255,816	306,400	20%
Widening retail network	18 new stores	35 new stores	94%
Planned dividend	20%	20%	

10. Mr. Pham Van Tan presents the 2014 Operation Performance Report of Supervising Committee.

- Operating status of Supervisory Committee:
 - Supervisory Committee consists of 03 members; each member of the Supervisory Board continue to develop the ability to work independently as well as closely coordinate in necessary tasks.
 - Keeping closely in touch with PNJ's Board of Directors and Board of Management, SC has accomplished the tasks given by the shareholders.
 - Salary and operational cost of Supervisory Committee in 2014:
 - Head of SC : 11,300,000 Dong/Month
 - Member of SC : 4,800,000 Dong/Month
- Monitoring the administration and management of Board of Directors and Board of Management: Through the monitoring, operation of the BOD, BOM and major businesses of PNJ have been fully and honestly reflected in the documents (files) of PNJ, compliance with rules, regulations of PNJ and the laws.
- Examining 2014 profit distribution plan: Supervisory Committee claims that the 2014 profit distribution plan complies with the provisions of laws and PNJ's Charter. Dividend payout plan of 25%/par value, exceeding 5% of the 20% plan approved by 2014 Annual General Meeting, including issuing stock dividend with payout ratio of 10%/par value to increase charter capital and reduce permanent loan to meet the development of distribution channels and production.
- Appraising and Analyzing 2014 Financial Statements of PNJ and PNJ Group: The financial situation of PNJ Group and PNJ in particular was reflected honestly and properly in all major aspects in other related document / records, in accordance with the Accounting Standards , Vietnam Corporate Accounting Regime and legal regulations relating to the preparation and presentation of financial report.
- Evaluating the coordination of Supervisory Committee with Board of Directors, General Director, other managers and shareholders: In 2014, Supervisory Committee and Board of Directors, General Director and other managers have always closely collaborated for the benefit of the Company, shareholders and complied fully with the provisions of Internal Regulation, Company's Charter and laws. Board of Directors and General Director have always created favorable conditions for Supervisory Committee in implementing functions, duties and jurisdiction

11. Mr. Pham Van Tan presents the 2014 Audited Financial Statement of PNJ.

Ernst & Young Auditing Company has approved all major contents of 2014 Financial Statement and 2014 Consolidated Financial Statement of PNJ.

12. Ms. Nguyen Thi Cuc presents the 2014 Proposal of Profit distributing and funds setting with major contents:

1. 2014 Earnings before tax (consolidated)	335.033.546.883 VND
- Enterprise income tax to pay	79.455.050.132 VND
- Deferred enterprise income tax	293.307.944 VND
- Earning after tax to distribute	255.871.804.695 VND
2. Profit distributing	

1. Total profit to be distributed	255.871.804.695 VND
2. Dividend payoff	188.990.819.000 VND
a. Phase 1	
- Paid 2014 Phase 1 Dividend Payment (12%/par value)	90.715.591.200 VND
b. Phase 2	
- Request to pay 2014 Phase 2 Dividend Payment (10%/par value) in shares	75.596.326.000 VND
- Request to pay 2014 Phase 2 Dividend Payment (3%/par value) in cash	22.678.897.800 VND
3. Funds setting	
- Investment and development fund	33.000.000.000 VND
- Remuneration – welfare fund for staff	25.587.181.000 VND
- Operation fund of BOD and Supervising Committee	2.000.000.000 VND
- Fund of Board of Management	3.000.000.000 VND
4.Retained earning	3.293.804.695 VND

13. Mr. Nguyen Vu Phan presents the Proposal of Voting New member to Board of Directors in 2012 – 2017 term (*document attached*).

To meet the needs of development of PNJ in the future as well as to ensure the Company's administrating and managing, Board of Directors respectfully requests General Meeting of Shareholders to approve 08 members of Board of Directors in 2012 – 2017 term and vote for 01 additional member for Board of Directors in this Meeting.

Until 10:30 of 15/04/2015, the number of shareholders or authorized representatives participating in the General Meeting is 293 shareholders, total shares of participating shareholders or authorized representative are 55.961.522 shares, accounts for 74,03% total shares of the invited shareholders and 74,03% total shares with voting right.

With 98,6% affirmative votes, the General Meeting has approved the Proposal of Voting New member to Board of Directors in 2012 – 2017 term.

14. Mr. Nguyen Vu Phan presents the Regulation of Nominating and Self-Nominating to Supplement Member to the Board of Directors in 2012 – 2017 term (*document attached*).

With 98,6% affirmative votes, the General Meeting has approved the Regulation of Nominating and Self-Nominating to Supplement Member to the Board of Directors in 2012 – 2017 term.

15. Mr. Nguyen Vu Phan presents the List of Nominating and Self-Nominating Candidates to Board of Directors.

The group of Shareholders which owns 14.048.486 shares, accounts for 18,58% total shares in circulation has nominated Mr. Phan Quoc Cong to be Board of Directors' candidate.

With 98,6% affirmative votes, the General Meeting has approved the nominating of Mr. Phan Quoc Cong to be Board of Directors' candidate.

16. Mr. Nguyen Vu Phan presents the Rules of Voting New member to Board of Directors in 2012 – 2017 term (*document attached*).

Due to only 01 Board of Directors' candidate, General Meeting of Shareholders elects additional member for Board of Directors by using voting cards instead of ballots. The vote counting of electing additional member for Board of Directors will be performed according to Regulations of Working and Voting at the 2015 Annual General Meeting, approved by General Meeting of Shareholders.

With 100% affirmative votes, the General Meeting has approved the Rules of Voting New member to Board of Directors in 2012 – 2017 term.

17. Mr. Nguyen Vu Phan presents the Proposal of Amendments for Organizing and Operating Charter (*proposal and brief table of amendments, Charter attached*).

18. Ms. Nguyen Thi Cuc presents the Proposal of Issuing Shares to increase Authorized Capital with major contents:

- Security code: Phu Nhuan Jewelry Joint Stock Company Share
- Par value: 10.000 VND
- Issued share type: ordinary share
- PNJ's chartered equity until 31/12/2014: 755.970.350.000 VND.
- Quantity of issued shares: 75.597.035 shares
- Quantity of treasury shares: 709 shares
- Quantity of currently circulating shares: 75.596.326 shares
- Shares issuance plan: Issuing shares to pay 2014 dividend and to increase chartered equity from owner's equity
- Quantity of expected issuing shares: 22.678.898 shares, in which:
 - Issuing shares to pay 2014 dividend (after excluding 709 treasury shares which have no right): 7.559.633 shares
 - Issuing shares to increase chartered equity from owner's equity (after excluding 709 treasury shares which have no right): 15.119.265 shares
- Total value of expected issuing shares by par value: 226.788.980.000 VND, in which:
 - Issuing shares to pay 2014 dividend: 75.596.330.000 VND
 - Issuing shares to increase chartered equity from owner's equity: 151.192.650.000 VND
- Performing ratio: 30%, in which:
 - Performing ratio of Issuing shares to pay 2014 dividend: 10%
 - Performing ratio of Issuing shares to increase chartered equity from owner's equity: 20%

- On closing date of shareholders' list, each 10 current shares of shareholders will be paid 3 extra shares. Additional issued shares for paying 2014 dividend and increasing chartered's equity are common shares and free to transfer.
- Rounding and handling decimal shares plans: The number of issued shares to pay 2014 dividend and increase chartered equity from owner's equity will be rounded down to unit. The decimal shares incurred (if any) due to rounding will be cancelled.

For example: On closing date of shareholders' list to pay 2014 dividend by shares, shareholder A owns 107 shares. With 30% performing ratio, shareholder A receives: $107 \times 30\% = 32,1$ shares. According to rounding principle, shareholder A will receive 32 shares. The decimal share (0,1) will be cancelled.

- The right to receive issued shares to pay 2014 dividend and to increase chartered equity from owner's equity cannot be transfer. Treasury shares cannot benefit from the share issuance.
- Share issuing sources:
 - + Undistributed earnings after tax: 75.596.330.000 VND
 - + Surplus equity capital: 105.021.650.000 VND
 - + Investment – Development Fund: 46.171.000.000 VND
- Expected equity after issuance: 982.759.330.000 VND
- Issuing time: In 2015, after being approved by State Securities Committee.

19. Ms. Nguyen Thi Cuc presents the Proposal of Issuing shares for Key Managers and excellent employees when the PNJ accomplishes 2015 Business Plan (*proposal attached*) with major contents:

1. Plan of the optional share issuance for employee program

- Quantity of expected issuing shares: 3.779.816 shares, equivalent to 5% shares in circulation.
- Total value of expected issuing shares (by par value): 37.798.160.000
- Share type: Common share.
- Par value: 10.000 VND/share
- Objects of the share issuance: key managers, excellent employees of the Company and its subsidiaries who have notable achievements in the formation and development of the Company / subsidiary companies and achieve individual KPI in 2015.
- Requirement of the share issuance: audited earnings after tax in 2015 of PNJ (excluding extraordinary income) achieve or exceed targets approved by the 2015 General Meeting of Shareholders.
- Principle of valuation: Based on the market price (the price listed on HOSE), issue price shall be equal to 50% average price of 20 trading days preceding the shares issuing day and not less than the par value of PNJ share.
- Restriction of transfer: 50% of additional issuing shares will be restricted tranferation in 6 months and the rest will be restricted in 1 year from the completion of the issuance.
- Plan for the remaining shares after the issuance and decimal share (due to rounding) when distributing for employees (if any): Board of Directors will distribute these shares to other employees with the same price issued and restricted transfer

conditions of shares is similar to above regulations (except the shares distributed for PNJ Labor Union).

- If an employee resigns for any reason in 01 year limitation, that employee must sell all of the restricted transfer shares to PNJ with a price equivalent to market price of PNJ shares but not higher than the price PNJ distributed.
 - Expected issuing time: In Q2/2016, right after officially announce audited financial statement of PNJ and 2015 earnings after tax reach or exceed the plan approved by the 2015 General Meeting of Shareholders and after being approved by the State Securities Commission (SSC).
2. Plan to use the equity from the issuance of shares to key managers and excellent employees:
- The total money expected to be collected from the issuance will be used to supplement business operating capital of network development in 2016.
3. Listing and depository registration for additional issued shares:
- All additional issued shares will be registered for listing with HCM Stock Exchange and registered for depository with Vietnam Securities Depository after completing the issuance.
4. Authorizing the Board of Directors:
- General Meeting of Shareholders authorizes Board of Directors to decide all the matters relating to this shares issuance, details:
- Choosing time to implement the issuance properly;
 - Implementing necessary procedures to register the shares issuance with State Securities Commission (SSC) and explain to SSC (if any);
 - Supplementing or modifying the issuance plan at the request of SSC or for compliance with relevant laws (if any);
 - Deciding requirements of employees for buying shares, approving the list of employees buying shares, determining the number of shares distributed to each employee and deciding the issue price provided not lower than the par value;
 - Deciding how to handle the remaining shares from the issuance and the decimal shares (due to rounding) after distributing to employees (if any);
 - Performing business registration procedures with the Department of Planning and Investment of Ho Chi Minh City after completing the shares issuance;
 - Amending the provisions relating to chartered equity, shares, stocks in the Organizing and Operating Charter of the Company after completing the issuance in accordance with the result;
 - Implementing necessary procedures to register for listing and depository all additional issuing shares with HCM Stock Exchange and Vietnam Securities Depository;
 - Other related works to accomplished given tasks.

20. Ms. Nguyen Thi Cuc presents the Proposal of Choosing Auditing Agent for financial year 2015.

Board of Directors respectfully propose PNJ's General Meeting of Shareholders to authorize Board of Directors to choose an Auditing agent from list of 04 recommended company below to perform auditing for PNJ in financial year 2015:

1. Deloitte Vietnam

2. Ernst & Young Vietnam
3. KPMG Vietnam
4. PricewaterhouseCoopers Vietnam

21. Ms. Nguyen Thi Cuc presents the Proposal of Board of Directors' title Chairman cum General Director in 2015 (*proposal attached*).

22. Discussing.

- Shareholder:

- About the new Board of Directors' candidate: Does Mr. Phan Quoc Cong commit to contribute and consult PNJ?
 - Marketing of PNJ needs to be more specialized, therefore Board of Directors needs the experiences and expertise of Mr. Cong in marketing and digital field. Mr. Cong has committed to share and spend time with PNJ on this field.
- PNJ Charter will update new business line "Securities business and investment". Why does PNJ choose this business?
 - Currently, PNJ is having some financial investments and needs to divest in the future, so the business updating is to comply with the law's provisions.
- About the business performance of Quarter 1 of PNJ.
 - According to the provisions of information disclosure, the business performance of Quarter 1 cannot be published yet, but in general the business performance is good. In Quarter 1, PNJ has opened 7 new stores, Board of Management determined to accomplish the target of 2015.
- PNJ will invest on Italian technology's production chain. So, what targeted markets has PNJ chosen to export jewelry products? What about the comparison between PNJ and imported products' quality?
 - Currently, PNJ has mainly targeted domestic market and exported products to the US and European. PNJ can guarantee about the quality of its products comparing to imported products. However, major challenge is the designs. Beside, Vietnam's labor productivity is generally not high. Until Q1/2015, PNJ has replaced 40% Italian imported products by its products. PNJ will strive to replace 60% Italian imported products by the end of 2015 and heading toward 70%.

- Shareholder:

- About selling shares of SFC, how much did PNJ gain from the divestment and how many percent does this divestment profit occupy in PNJ's gross profit in 2014? How many is 2015 dividend ratio?
 - The divestment from SFC has brought 37 billion VND profits, which occupied 10% of the 2014 earnings before tax. In 2015, PNJ's chartered equity will increase 30% comparing to 2014, however PNJ will still keep the dividend payoff ratio of 20%.

- Shareholder:

- In 2015, the goal of PNJ is to open 30 new stores. Please specify whether these stores will sell gold jewelry, silver jewelry or other products and where will they locate?
 - New stores will sell both gold and silver jewelry. PNJ will open these new stores in cities and provinces across the country (except some remote areas), especially focusing on Hanoi and HCMC.
- Wholesales is a business segment with low marginal profit, why does PNJ still aim at boosting?
 - Despite low marginal profit, wholesales has a high capital turnover. This business segment contributes about 14% to the Company's profit.

- Shareholder – Asia Value Investment Limited:

- Is adding "Security Business and Investment" to PNJ's business lines to expand investment in finance or to meet the provisions of the law?
 - PNJ doesn't tend to expand the financial investment, but only focus on core business operation. Company's strategy to 2020 does not invest in any other business but the core business operation and keeps divest any inefficient investments. PNJ's Charter updates above business line in order to meet the provisions of the laws, especially in the future when PNJ divest financial investments.

- Shareholder – Dong A Securities:

- About customer caring, PNJ should concentrate on media to bring the passion of each employee to products and customers.
 - Each staff and employee of PNJ is trained about PNJ's culture. Before launching a new product line, PNJ always passes the message of that product to each sales person to pass to customers. PNJ will try to improve this.

- Shareholder:

- Can Preside Committee please share about the watch business segment? PNJ distributes other watch brands or PNJ's own brand?
 - PNJ has a desire to create a watch's brand, but is also considering about the market situation. PNJ currently carries on the watch business as an extra product line to increase the utility and take advantage of the stores' space. After 3 years of business, this segment has some contribution to PNJ's sales and images of the stores.

23. Ms. Nguyen Ngoc Hue reports the update of shareholders participating before the voting of the Meetings

Until 10:57 of 15/04/2015, the number of shareholders or authorized representatives participating in the General Meeting is 360 shareholders, total shares of participating shareholders or authorized representative are 63.455.200 shares, accounts for 83,94% total shares of the invited shareholders and 83,94% total shares with voting right.

24. Reporting the voting's results:

Mr. Pham Van Tan reports the voting results approving Reports, Proposals which were presented at the Meeting with following details:

- With 88,26 % affirmative voting cards: the General Meeting of Shareholders has approved the 2014 General Business Operating Statement of PNJ.
- With 88,26% affirmative voting cards: the General Meeting of Shareholders has approved the 2014 Operation Performance Report of Board of Directors and 2015 Strategic Orientation.
- With 88,26% affirmative voting cards: the General Meeting of Shareholders has approved the 2014 Operation Performance Report of Supervising Committee.
- With 88,26% affirmative voting cards: the General Meeting of Shareholders has approved the 2014 Audited Financial Statement of PNJ.
- With 88,26% affirmative voting cards: the General Meeting of Shareholders has approved the 2014 Proposal of Profit distributing and funds setting.
- With 93,75% affirmative voting cards: the General Meeting of Shareholders has approved the Proposal of Amendments for Organizing and Operating Charter.
- With 99,11% affirmative voting cards: the General Meeting of Shareholders has approved the Proposal of Issuing Shares to increase Authorized Capital.
- With 85,24% affirmative voting cards (excludes voting from shareholders who are also PNJ's employees and PNJ's Labor Union): the General Meeting of Shareholders has approved the Proposal of Issuing shares for Key Managers and excellent employees when the PNJ accomplishes 2015 Business Plan

- With 94,11% affirmative voting cards: the General Meeting of Shareholders has approved the Proposal of Choosing Auditing Agent for financial year 2015.
- With 93,11% affirmative voting cards: the General Meeting of Shareholders has approved the Proposal of Board of Directors' title Chairman cum General Director in 2015.
- With 92,82% affirmative voting cards: the General Meeting of Shareholders has approved the electing of Mr. Phan Quoc Cong to be Board of Directors' member in 2012 – 2017 term.

II. APPROVING THE MINUTES AND RESOLUTION OF ANNUAL GENERAL MEETING

Mr. Tran Van Dan, on behalf of the Secretary Committee, presents the Minutes of 2015 Annual General Meetings of Shareholders and 2015 Annual General Meetings of Shareholders' Resolution.

With 100% affirmative votes, the General Meeting of Shareholders has approved the Minutes and Resolution of 2015 Annual General Meetings of Shareholders.

Phu Nhuan Jewelry Joint Stock Company's 2015 Annual General Meetings of Shareholders finishes at 13:00 of 15/04/2015.

**ON BEHALF OF
SECRETARY COMMITTEE**

**ON BEHALF OF
PRESIDE COMMITTEE**

Mr. Tran Van Dan
(Signed)

Ms. Cao Thi Ngoc Dung
(Signed)

Ms. Trinh Thi Ngoc Hieu
(Signed)

Mr. Nguyen Vu Phan
(Signed)

Ms. Nguyen Thi Cuc
(Signed)