

PHU NHUAN JEWELRY JOINT STOCK COMPANY

(Incorporated in the Socialist Republic of Vietnam)

AUDITED SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2015

TABLE OF CONTENTS

<u>CONTENTS</u>	<u>PAGE(S)</u>
STATEMENT OF THE BOARD OF DIRECTORS	1 - 2
INDEPENDENT AUDITORS' REPORT	3 - 4
BALANCE SHEET	5 - 6
INCOME STATEMENT	7
CASH FLOW STATEMENT	8
NOTES TO THE SEPARATE FINANCIAL STATEMENTS	9 - 35



STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of Phu Nhuan Jewelry Joint Stock Company (the "Company") presents this report together with the Company's separate financial statements for the year ended 31 December 2015.

THE BOARDS OF MANAGEMENT AND DIRECTORS

The members of the Boards of Management and Directors of the Company who held office during the year and to the date of this report are as follows:

Board of Directors

Ms. Cao Thi Ngoc Dung	Chairwoman
Mr. Nguyen Vu Phan	Vice Chairman
Ms. Nguyen Thi Cuc	Member
Mr. Nguyen Tuan Quynh	Member
Ms. Nguyen Thi Bich Ha	Member
Ms. Pham Vu Thanh Giang	Member
Mr. Andy Ho	Member
Mr. Pham Quoc Cong	Member (appointed on 15 April 2015)

Board of Management

Ms. Cao Thi Ngoc Dung	General Director
Mr. Le Huu Hanh	Deputy General Director
Ms. Nguyen Thi Cuc	Deputy General Director
Mr. Nguyen Vu Phan	Deputy General Director
Ms. Pham Thi My Hanh	Deputy General Director

BOARD OF DIRECTORS' STATEMENT OF RESPONSIBILITY

The Board of Directors of the Company is responsible for preparing the separate financial statements, which give a true and fair view of the financial position of the Company and of its results and cash flows for the year in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. In preparing these separate financial statements, the Board of Directors is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the separate financial statements ;
- prepare the separate financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- design and implement an effective internal control system for the purpose of properly preparing and presenting the separate financial statements so as to minimize errors and frauds.

The Board of Directors is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and that the separate financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. The Board of Directors is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

00-
NHÀ
IQ Y
HIỂN H
OIT
T N
P. Y

STATEMENT OF THE BOARD OF DIRECTORS (Continued)

The Board of Directors confirms that the Company has complied with the above requirements in preparing these separate financial statements.

For and on behalf of the Board of Directors,



Cap Thi Ngoc Dung
General Director
1 March 2016

PHU NHUAN JEWELRY JOINT STOCK COMPANY

No. 275 /VNIA-HC-BC

A JOURNEY TO EXCELLENCE

INDEPENDENT AUDITORS' REPORT

**To: The shareholders, Boards of Management and Directors of
Phu Nhuan Jewelry Joint Stock Company**

We have audited the accompanying separate financial statements of Phu Nhuan Jewelry Joint Stock Company (the "Company"), prepared on 1 March 2016 as set out from page 5 to page 35, which comprise the balance sheet as at 31 December 2015, and the statement of income and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' Responsibility for the Separate Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these separate financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting and for such internal control as the Board of Directors determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error,

Auditors' Responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the separate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view, in all material respect, of the financial position of the Company as at 31 December 2015, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

INDEPENDENT AUDITORS' REPORT (Continued)

Other Matter

The Company's separate financial statements for the year ended 31 December 2014 were audited by another audit company whose independent auditors' report dated 28 March 2015 expressed an unqualified opinion.



Ngô Thị Hoa

Audit Partner

Audit Practising Registration Certificate

No. 0138-2013-001-1

For and on behalf of

Deloitte Vietnam Company Limited

1 March 2016

Ho Chi Minh City, S.R. Vietnam

Nguyen Trong The

Auditor

Audit Practising Registration Certificate

No. 2649-2013-001-1

BALANCE SHEET
As at 31 December 2015

FORM B 01-DN
Unit: VND

ASSETS	Codes	Notes	31/12/2015	31/12/2014
A. CURRENT ASSETS	100		2,249,671,374,204	1,803,181,850,800
I. Cash and cash equivalents	110		34,348,296,246	35,139,719,411
1. Cash	111	5	34,348,296,246	35,139,719,411
II. Short-term financial investments	120	6	65,000,000	65,000,000
1. Held-to-maturity investments	123		65,000,000	65,000,000
III. Short-term receivables	130		53,885,770,899	76,957,255,497
1. Short-term trade receivables	131	7	29,617,644,782	45,069,065,323
2. Short-term advances to suppliers	132		9,150,910,662	16,213,997,161
3. Other short-term receivables	136	8	14,556,219,212	22,524,963,387
4. Provision for short-term doubtful debts	137		-	(7,752,218,659)
5. Deficits in assets awaiting solution	139	9	560,996,243	901,448,285
IV. Inventories	140	10	2,116,642,713,460	1,655,596,302,559
1. Inventories	141		2,116,642,713,460	1,655,596,302,559
V. Other short-term assets	150		44,729,593,599	35,423,573,333
1. Short-term prepayments	151	11	43,626,588,708	27,110,751,151
2. Value added tax deductibles	152		-	3,659,558,376
3. Taxes and other receivables from the State budget	153	14	1,103,004,891	4,653,263,806
B. NON-CURRENT ASSETS	200		707,928,484,787	1,010,005,918,044
I. Long-term receivables	210		20,841,475,040	13,014,032,750
1. Other long-term receivables	216	8	20,841,475,040	13,014,032,750
II. Fixed assets	220		484,951,879,839	451,461,210,704
1. Tangible fixed assets	221	12	192,581,923,667	160,211,532,448
- Cost	222		323,732,078,905	263,929,102,351
- Accumulated depreciation	223		(131,150,155,238)	(103,717,569,903)
2. Intangible assets	227	13	292,369,956,172	291,249,678,256
- Cost	228		295,745,366,571	293,121,956,571
- Accumulated amortisation	229		(3,375,410,399)	(1,872,278,315)
III. Long-term assets in progress	240		6,279,408,722	739,090,200
1. Long-term construction in progress	242	15	6,279,408,722	739,090,200
IV. Long-term financial investments	250		166,084,385,537	531,735,510,537
1. Investments in subsidiaries	251	16	20,000,000,000	20,000,000,000
2. Investments in associates	252	17	91,866,300,000	91,866,300,000
3. Equity investments in other entities	253	18	395,271,613,400	460,651,988,400
4. Provision for impairment of long-term financial investments	254	6	(341,053,527,863)	(40,782,777,863)
V. Other long-term assets	260		29,771,335,649	13,056,073,853
1. Long-term prepayments	261	11	27,274,383,579	12,134,611,001
2. Deferred tax assets	262	19	2,496,952,070	921,462,852
TOTAL ASSETS (270=100+200)	270		2,957,599,858,991	2,813,187,768,844

The notes set out on pages 9 to 35 are an integral part of these separate financial statements

BALANCE SHEET (Continued)
As at 31 December 2015

FORM B 01-DN
Unit: VND

RESOURCES	Codes	Notes	31/12/2015	31/12/2014
C. LIABILITIES	300		1,584,536,605,959	1,546,477,098,360
I. Current liabilities	310		1,502,304,378,590	1,408,892,716,260
1. Short-term trade payables	311	20	191,490,239,870	141,440,940,445
2. Short-term advances from customers	312		20,602,104,470	10,577,252,253
3. Taxes and amounts payable to the State budget	313	14	27,769,837,431	45,248,221,899
4. Payables to employees	314		16,702,705,380	26,969,847,063
5. Short-term accrued expenses	315		4,909,222,768	4,188,467,510
6. Other current payables	319	21	28,340,702,014	41,515,425,628
7. Short-term loans	320	22	1,195,260,458,896	1,131,686,128,041
8. Bonus and welfare funds	322		17,229,107,761	7,266,433,421
II. Long-term liabilities	330		82,232,227,369	137,584,382,100
1. Other long-term payables	337	21	3,403,668,000	455,382,100
2. Long-term loans	338	23	72,388,000,000	137,129,000,000
3. Long-term provisions	342	25	6,440,559,369	-
D. EQUITY	400		1,373,063,253,032	1,266,710,670,484
I. Owner's equity	410	24	1,373,063,253,032	1,266,710,670,484
1. Owner's contributed capital	411		982,745,770,000	755,970,350,000
- Ordinary shares carrying voting rights	411a		982,745,770,000	755,970,350,000
2. Share premium	412		-	105,021,650,000
3. Treasury shares	415		(7,090,000)	(7,090,000)
4. Investment and development fund	418		219,647,610,783	232,805,050,783
5. Retained earnings	421		170,676,962,249	172,920,709,701
- Retained earnings accumulated to the prior year end	421a		11,058,300,901	6,934,261,602
- Retained earnings of the current year	421b		159,618,661,348	165,986,448,099
TOTAL RESOURCES (440=300+400)	440		2,957,599,858,991	2,813,187,768,844




Nguyen Thanh Dat
Preparer



Dang Thi Lai
Chief Accountant





Cao Thi Ngoc Dung
General Director
1 March 2016

INCOME STATEMENT
 For the year ended 31 December 2015

FORM B 02-DN
 Unit: VND

ITEMS	Codes	Notes	2015	2014
1. Gross revenue from goods sold and services rendered	1	27	7,697,947,292,121	7,213,329,446,122
2. Deductions	2	27	32,772,062,485	15,774,625,318
3. Net revenue from goods sold and services rendered (10=01-02)	10		7,665,175,229,636	7,197,554,820,804
4. Cost of sales	11	28	6,526,825,680,421	6,407,382,523,035
5. Gross profit from goods sold and services rendered (20=10-11)	20		1,138,349,549,215	790,172,297,769
6. Financial income	21	30	25,202,741,050	48,071,487,482
7. Financial expenses	22	31	430,803,003,461	95,054,464,191
- In which: Interest expense	23		81,048,729,469	72,826,281,233
8. Selling expenses	25	32	414,552,191,198	310,939,565,559
9. General and administration expenses	26	33	115,421,041,014	105,943,645,106
10. Operating profit (30=20+(21-22)-(25+26))	30		202,776,054,592	326,306,110,395
11. Other income	31		1,622,837,532	1,510,091,758
12. Other expenses	32		4,225,673,585	1,025,601,064
13. (Loss)/ Profit from other activities (40=31-32)	40		(2,602,836,053)	484,490,694
14. Accounting profit before tax (50=30+40)	50		200,173,218,539	326,790,601,089
15. Current corporate income tax expense	51	34	42,130,046,409	70,308,883,318
16. Deferred corporate tax income	52	34	(1,575,489,218)	(219,612,528)
17. Net profit after corporate income tax (60=50-51-52)			<u>159,618,661,348</u>	<u>256,701,330,299</u>



Nguyen Thanh Dat
Preparer



Dang Thi Lai
Chief Accountant




Cao Thi Ngoc Dung
General Director
1 March 2016

CASH FLOW STATEMENT
For the year ended 31 December 2015FORM B 03-DN
Unit: VND

ITEMS	Codes	2015	2014
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	01	200,173,218,539	326,790,601,089
2. Adjustments for:			
Depreciation and amortisation of fixed assets	02	30,185,600,250	20,878,766,466
Provisions	03	298,959,090,710	12,832,323,710
Loss arising from translating foreign currency items	04	286,018,688	-
Loss/(Gain) from investing activities	05	14,821,372,923	(40,108,279,979)
Interest expense	06	81,048,729,469	72,826,281,233
3. Operating profit before movements in working capital	08	625,474,030,579	393,219,692,519
Decrease/(Increase) in receivables	09	54,254,610,853	(15,740,279,688)
Increase in inventories	10	(461,046,410,901)	(418,704,484,266)
Increase in payables	11	40,246,437,507	74,505,345,991
Increase in prepaid expenses	12	(31,655,610,135)	(9,992,595,109)
Interest paid	14	(80,553,486,249)	(77,014,748,743)
Corporate income tax paid	15	(65,383,335,384)	(70,249,936,772)
Other cash outflows	17	(15,624,506,660)	(45,153,180,179)
Net cash generated by/(used in) operating activities	20	65,711,729,610	(169,130,186,247)
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets	21	(69,216,587,907)	(38,054,500,322)
2. Proceeds from sale, disposal of fixed assets	22	301,946,364	-
3. Cash recovered from investments in other entities	26	26,152,150,000	220,269,982,000
4. Interest earned, dividends and profits received	27	104,905,713	11,791,938,510
Net cash (used in)/generated by investing activities	30	(42,657,585,830)	194,007,420,188
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from borrowings	33	4,751,829,672,583	4,288,198,884,470
2. Repayment of borrowings	34	(4,752,996,341,728)	(4,074,145,320,054)
3. Dividends paid	36	(22,678,897,800)	(241,907,534,200)
Net cash used in by financing activities	40	(23,845,566,945)	(27,853,969,784)
Net increase/(decrease) in cash (50=20+30+40)	50	(791,423,165)	(2,976,735,843)
Cash at the beginning of the year	60	35,139,719,411	38,116,455,254
Cash at the end of the year (70=50+60)	70	34,348,296,246	35,139,719,411



Nguyen Thanh Dat
Preparer



Dang Thi Lai
Chief Accountant



Cao Thi Ngoc Dung
General Director
1 March 2016


NOTES TO THE SEPARATE FINANCIAL STATEMENTS

FORM B 09-DN

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

1. GENERAL INFORMATION

Structure of ownership

Phu Nhuan Jewelry Joint Stock Company (the "Company") was incorporated in Vietnam, under the Business Registration Certificate No. 0300521758 issued by the Department of Planning and Investment of Ho Chi Minh City on 2 January 2004, as amended.

The Company has been listed on the Ho Chi Minh City Stock Exchange ("HOSE") from 23 March 2009 pursuant to the Decision No.129/DKNY issued by the General Director of HOSE on 26 December 2008.

The number of employees as at 31 December 2015 was 3,274 (as at 31 December 2014: 2,494).

Operating industry and principal activities

The Company's principal activities are to trade gold, silver, jewellery and gemstones, and to import and export jewellery in gold, silver and gemstones.

Normal production and business cycle

The Company's normal production and business cycle is carried out for a time period of 12 months or less.

The Company's structure

The Company's head office is located at 170 Phan Dang Luu Street, Phu Nhuan District, Ho Chi Minh City, Vietnam. In addition, the Company also has one hundred and ninety-four (194) retail shops located in various provinces and cities in Vietnam.

As at 31 December 2015, the Company subsidiaries and associate were:

- CAO Fashion Company Limited – Subsidiary
- PNJ Laboratory Company Limited – Subsidiary
- Dong A Land Joint Stock Company – Associate

As at 31 December 2015, the Company also had forty-one (41) branches located in various provinces and cities in Vietnam, in which, the big branches were:

- Branch of Phu Nhuan Jewellery Joint Stock Company- Bien Hoa Branch
- Branch of Phu Nhuan Jewellery Joint Stock Company- Hue City
- Branch of Phu Nhuan Jewellery Joint Stock Company- Vinh Long Branch
- Branch of Phu Nhuan Jewellery Joint Stock Company- Nha Trang Branch
- Branch of Phu Nhuan Jewellery Joint Stock Company- Da Nang Branch
- Branch of Phu Nhuan Jewellery Joint Stock Company- Ha Noi Branch
- Branch of Phu Nhuan Jewellery Joint Stock Company- Can Tho Branch
- Branch of Phu Nhuan Jewellery Joint Stock Company- Tay Nguyen Branch

Disclosure of information comparability in the separate financial statements

As stated in Note 3, since 1 January 2015, the Company has adopted Circular No. 200/2014/TT-BTC issued by the Ministry of Finance on 22 December 2014 ("Circular 200") guiding the accounting regime for enterprises. This Circular is effective for the financial year beginning on or after 1 January 2015. Circular 200 supersedes the regulations for accounting regime promulgated under Decision No. 15/2006/QĐ-BTC dated 20 March 2006 issued by the Ministry of Finance and Circular No. 244/2009/TT-BTC dated 31 December 2009 issued by the Ministry of Finance. However, the adoption of Circular 200 does not have significant impact on the comparability of the figures in the Company's financial statements.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

The accompanying separate financial statements, expressed in Vietnam Dong (VND), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

The accompanying separate financial statements are prepared to present the Company's financial position as at 31 December 2014, results of operations and cash flows for the year then ended. Therefore, the Company did not consolidate the subsidiaries' financial statements in these separate financial statements. Accounting convention relating to the Company's investments is specified in Note 4 hereafter.

The accompanying separate financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

Financial year

The Company's financial year begins on 1 January and ends on 31 December.

3. ADOPTION OF NEW ACCOUNTING GUIDANCE

New guidance on accounting regime for enterprises

On 22 December 2014, the Ministry of Finance issued Circular No. 200/2014/TT-BTC ("Circular 200") guiding the accounting regime for enterprises. This Circular is effective for financial years beginning on or after 1 January 2015. Circular 200 supersedes the regulations for accounting regime promulgated under Decision No. 15/2006/QĐ-BTC dated 20 March 2006 issued by the Ministry of Finance and Circular No. 244/2009/TT-BTC dated 31 December 2009 issued by the Ministry of Finance. The Board of Directors has adopted Circular 200 in the preparation and presentation of the separate financial statements for the year ended 31 December 2015.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies, which have been adopted by the Company in the preparation of these separate financial statements, are as follows:

Estimates

The preparation of separate financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the separate financial statements and the reported amounts of revenues and expenses during the financial year. Although these accounting estimates are based on the management's best knowledge, actual results may differ from those estimates.

Financial instruments

Initial recognition

Financial assets: At the date of initial recognition, financial assets are recognised at cost plus transaction costs that are directly attributable to the acquisition of the financial assets. Financial assets of the Company comprise cash, trade and other receivables, deposits, financial investments.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

Financial liabilities: At the date of initial recognition financial liabilities are recognised at cost plus transaction costs that are directly attributable to the issue of the financial liabilities. Financial liabilities of the Company comprise borrowings, trade and other payables, accrued expenses.

Subsequent measurement after initial recognition

Currently, there are no requirements for the subsequent measurement of the financial instruments after initial recognition.

Cash

Cash comprise cash on hand, demand deposits.

Financial investments

Trading securities

Trading securities are those the Company holds for trading purpose. Trading securities are recognised from the date the Company obtains the ownership of those securities and initially measured at the fair value of payments made at the transaction date plus directly attributable transaction costs.

In subsequent periods, investments in trading securities are measured at cost less provision for impairment of such investments.

Provision for impairment of investments in trading securities is made in accordance with prevailing accounting regulations.

Held-to-maturity investments

Held-to-maturity investments comprise investments that the Company has the positive intent or ability to hold to maturity, including term deposits.

Held-to-maturity investments are recognised on a trade date basis and are initially measured at acquisition price plus directly attributable transaction costs. Post-acquisition interest income from held-to-maturity investments is recognised in the income statement on accrual basis. Pre-acquisition interest is deducted from the cost of such investments at the acquisition date.

Held-to-maturity investments are measured at cost less provision for doubtful debts.

Provision for doubtful debts relating to held-to-maturity investments is made in accordance with prevailing accounting regulations.

Investments in subsidiaries, associates

Investment in subsidiaries

A subsidiary is an entity over which the Company has control. Control is achieved where the Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

Investments in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

Interests in subsidiaries, joint ventures and associates are initially recognised at cost. The Company's share of the net profit of the investee after acquisition is recognised in the income statement. Other distributions received other than such profit share are deducted from the cost of the investments as recoverable amounts.

INHT
TY
HU
ITE
AM
G.C.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

Investments in subsidiaries, joint ventures and associates are carried in the balance sheet at cost less provision for impairment of such investments (if any).

Other long-term investments

Other long-term investments are investments in other entities which the Company owns less than 20% voting rights and does not have significant influence, with maturity over 1 year. The other long-term investments are recorded at the starting date of acquisition and the initial value are determined based on the cost and other cost related to the investments. In the next fiscal year, the other long-term investments is determined at cost less the impairment in value of investments.

Provisions for impairment of investments

Provisions for impairment of investments in subsidiaries and associates are made in accordance with Circular No. 228/2009/TT-BTC dated 7 December 2009 issued by the Ministry of Finance on "Guiding the appropriation and use of provisions for devaluation of inventories, loss of financial investments, bad debts and warranty for products, goods and construction works at enterprises", Circular No. 89/2013/TT-BTC dated 28 June 2013 by the Ministry of Finance amending and supplementing Circular No. 228/2009/TT-BTC and prevailing accounting regulations.

Receivables

Receivables represent the amounts recoverable from customers or other debtors and are stated at book value less provision for doubtful debts.

Provision for doubtful debts is made for receivables that are overdue for six months or more, or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to repay the debt.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

The evaluation of necessary provision for inventory obsolescence follows current prevailing accounting regulations which allow provisions to be made for obsolete, damaged, or sub-standard inventories and for those which have costs higher than net realisable values as at the balance sheet date.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working condition and location for their intended use.

Tangible fixed assets are depreciated using the straight-line method over their estimated useful lives as follows:

	<u>Years</u>
Buildings and structures	03 - 25
Machinery and equipment	03 - 15
Motor vehicles	04 - 10
Office equipment	03 - 08

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

Gain or loss resulting from sales and disposals of tangible fixed assets is the difference between profit from sales or disposals of assets and their residual values and is recognised in the income statement.

Leasing

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Rentals payable under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease.

Intangible assets and amortisation

Intangible assets represent computer software that is stated at cost less accumulated amortisation and is amortised on the straight-line basis over their estimated useful lives of 3 years.

Land use rights are recorded as an intangible asset on the balance sheet when the Company received the certificate of land use rights. Historical cost of land use rights includes all costs directly related to transfer of assets into ready for use status and is not amortized because land use rights have long usage time.

Construction in progress

Properties in the course of construction for selling, are carried at cost. Cost includes land use rights and construction cost for trade centers and stores in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

Straight bond issued

The Company issues straight bonds for long-term loan purposes to finance capital's projects. Carrying value of straight bonds is recorded on net basis, equal to bonds' nominal amount.

Prepayments

Prepayments are expenses which have been reported as short-term or long-term prepayment on the balance sheet and are amortized over the period for which the amount are paid or the period in which economic benefits are generated in relation to these expenses.

The following types of expenses are recorded as long term prepayments:

- Prepaid rental which includes land and shop rental prepaid for many years under operating lease contracts and is amortized over the lease term;
- Tools and consumables with large value issued in use which can be used for more than one year, and others which are amortized to the income statement over 2 to 3 years.

Borrowing costs

Interest expense includes interest and other costs incurred related to the loans of the Company and is recorded to the expenses incurred during the financial year.

Revenue recognition

Revenue from the sale of goods is recognised when all five (5) following conditions are satisfied:

- (a) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) the amount of revenue can be measured reliably;
- (d) it is probable that the economic benefits associated with the transaction will flow to the Company;
- and
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)**FORM B 09-DN***These notes are an integral part of and should be read in conjunction with the accompanying separate financial statements*

Revenue of a transaction involving the rendering of services is recognised when the outcome of such transactions can be measured reliably. Where a transaction involving the rendering of services is attributable to several periods, revenue is recognised in each period by reference to the percentage of completion of the transaction at the balance sheet date of that period. The outcome of a transaction can be measured reliably when all four (4) following conditions are satisfied:

- (a) the amount of revenue can be measured reliably;
- (b) it is probable that the economic benefits associated with the transaction will flow to the Company;
- (c) the percentage of completion of the transaction at the balance sheet date can be measured reliably; and
- (d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate.

Dividend income from investments is recognised when the Company's right to receive payment has been established.

Severance allowance payable

The severance allowance for employees is accrued at the end of each reporting period for all employees having worked at the Company for full 12 months and above. Working time serving as the basis for calculating severance allowance shall be the total actual working time subtracting the time when the employees have made unemployment insurance contributions as prescribed by law, and the working time when severance allowance has been paid to the employees. The allowance made for each year of service equals to a half of an average monthly salary under the Vietnamese Labour Code, Social Insurance Code and relevant guiding documents. The average monthly salary used for calculation of severance allowance shall be adjusted to be the average of the 6 consecutive months nearest to the date of the financial statements at the end of each reporting period. The increase or decrease in the accrued amount shall be recorded in the income statement.

Foreign currencies

The Company applies the method of recording foreign exchange differences in accordance with Vietnamese Accounting Standard No. 10 (VAS 10) "Effect of changes in foreign exchange rates" and Circular 200/2014/TT-BTC (Circular 200) guiding the accounting regime for enterprises. Accordingly, transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the balance sheet date are retranslated at the exchange rates on the same date. Exchange differences arising from the translation of these accounts are recognised in the income statement.

Payable provisions

Payable provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the Board of Directors' best estimate of the expenditure required to settle the obligation as at the balance sheet date.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

1250A
HINH
ONG
NHET
LOP
ET
TP.H

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

Deferred tax is recognised on significant differences between carrying amounts of assets and liabilities in the separate financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Company intends to settle its current tax assets and liabilities on a net basis.

The determination of the tax currently payable is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

Other taxes are paid in accordance with the prevailing tax laws in Vietnam.

5. CASH

	31/12/2015	31/12/2014
	VND	VND
Cash on hand	25,181,118,280	28,757,507,093
Cash in bank	7,132,550,966	4,660,869,318
Cash in transit	2,034,627,000	1,721,343,000
	<u>34,348,296,246</u>	<u>35,139,719,411</u>

As at 31 December 2014, cash equivalents which are gold material are reclassified to inventories in accordance with guidance of Circular No. 200/2014/TT-BTC of the Ministry of Finance dated 22 December 2014 with an amount of VND 234,599,264,879.

6. FINANCIAL INVESTMENTS

	31/12/2015			31/12/2014		
	Cost VND	Provision VND	Fair value VND	Cost VND	Provision VND	Fair value VND
a. Held-to-maturity investments						
- Cash deposit	65,000,000	-	65,000,000	65,000,000	-	65,000,000
b. Investments in other entities						
- Investments in others entities	20,000,000,000	-	20,000,000,000	20,000,000,000	-	20,000,000,000
<i>CAO Fashion Company Limited</i>	10,000,000,000	-	10,000,000,000	10,000,000,000	-	10,000,000,000
<i>PNJ Laboratory Company Limited</i>	10,000,000,000	-	10,000,000,000	10,000,000,000	-	10,000,000,000
- Investments in associates	91,866,300,000	(30,473,664,463)	61,392,635,537	91,866,300,000	(30,473,664,463)	61,392,635,537
<i>Dong A Land Joint Stock Company</i>	91,866,300,000	(30,473,664,463)	61,392,635,537	91,866,300,000	(30,473,664,463)	61,392,635,537
- Investments in others entities	395,271,613,400	(310,579,863,400)	84,691,750,000	460,651,988,400	(10,309,113,400)	450,342,875,000
<i>Dong A Joint Stock (*)</i>	395,271,613,400	(310,579,863,400)	84,691,750,000	395,271,613,400	(10,309,113,400)	384,962,500,000
Commercial Bank						
<i>Sai Gon M&C Real Estate Joint Stock Company</i>	-	-	-	65,380,375,000	-	65,380,375,000
	<u>507,202,913,400</u>	<u>(341,053,527,863)</u>	<u>166,149,385,537</u>	<u>572,583,288,400</u>	<u>(40,782,777,863)</u>	<u>531,800,510,537</u>

Significant intra-group transactions during the year (Note 37)

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

(*) On 14 August 2015, the State Bank of Vietnam decided to put Dong A Joint Stock Commercial Bank under special control. However, the Board of Directors believes that the Company made provision for impairment of investments in this bank fully and in accordance with current accounting regulations as at the balance sheet date.

7. SHORT-TERM TRADE RECEIVABLES

	31/12/2015	31/12/2014
	<u>VND</u>	<u>VND</u>
ToTal Gaz Vietnam Limited	362,078,769	13,274,137,702
FH Trautz GmbH	6,531,852,825	4,084,326,480
Others	22,723,713,188	27,710,601,141
	<u>29,617,644,782</u>	<u>45,069,065,323</u>

8. OTHER RECEIVABLES

	31/12/2015	31/12/2014
	<u>VND</u>	<u>VND</u>
a. Current		
- Advances to employees	1,050,979,825	644,633,055
- Others	13,505,239,387	21,880,330,332
<i>In which:</i>		
<i>CAO Fashion Company Limited</i>	8,000,000,000	4,979,800,000
<i>Others</i>	5,505,239,387	16,900,530,332
	<u>14,556,219,212</u>	<u>22,524,963,387</u>
b. Non-current		
- Long-term deposits for shop rentals	<u>20,841,475,040</u>	<u>13,014,032,750</u>

9. DEFICITS IN ASSETS AWAITING SOLUTION

	31/12/2015		31/12/2014	
	Quantity	<u>VND</u> Amount	Quantity	<u>VND</u> Amount
Gold (3,75 gram)	289,78	485,490,600	149,99	499,999,998
Others	-	75,505,643	-	401,448,287
	<u>289,78</u>	<u>560,996,243</u>	<u>149,99</u>	<u>901,448,285</u>

10. INVENTORIES

	31/12/2015	31/12/2014
	<u>VND</u> Cost	<u>VND</u> Cost
Goods in transit	9,502,592,792	608,973,823
Raw materials	91,664,955,905	100,733,744,306
Tools and supplies	20,578,565,163	19,832,568,407
Work in progress	131,664,308,110	147,200,324,226
Finished goods	134,240,935,308	129,280,128,300
Merchandise	1,689,170,023,391	1,219,465,105,121
Goods on consignment	39,821,332,791	38,475,458,376
	<u>2,116,642,713,460</u>	<u>1,655,596,302,559</u>



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

As at 31 December 2015, inventories of VND 465,916,000,000 (as at 31 December 2014: VND 570,000,000,000) were used as collateral for short-term loans obtained from commercial banks (Note 22).

11. PREPAYMENTS

	31/12/2015 VND	31/12/2014 VND
a. Current		
- Stores rental	4,799,961,022	3,361,387,270
- Uniform expense	5,852,667,700	3,856,037,600
- Tools and supplies	26,396,589,873	15,041,864,775
- Stores renovation costs, others	6,577,370,113	4,851,461,506
	<u>43,626,588,708</u>	<u>27,110,751,151</u>
b. Non-current		
- Stores rental	3,341,918,467	3,198,215,073
- Tools and supplies	9,163,390,629	4,039,577,270
- Stores renovation costs, others	14,769,074,483	4,896,818,658
	<u>27,274,383,579</u>	<u>12,134,611,001</u>

12. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

	Buildings and structures VND	Machinery and equipment VND	Motor Vehicles VND	Office Equipment VND	Total VND
COST					
As at 01/01/2015	120,558,292,982	116,606,709,230	11,093,892,423	15,670,207,716	263,929,102,351
Additions	4,888,027,522	34,843,593,288	4,543,371,000	16,777,867,575	61,052,859,385
Disposals	-	-	(544,933,636)	(704,949,195)	(1,249,882,831)
As at 31/12/2015	<u>125,446,320,504</u>	<u>151,450,302,518</u>	<u>15,092,329,787</u>	<u>31,743,126,096</u>	<u>323,732,078,905</u>
ACCUMULATED DEPRECIATION					
As at 01/01/2015	16,298,558,314	69,212,941,423	6,375,012,790	11,831,057,376	103,717,569,903
Charge for the year	5,306,503,177	15,312,500,097	1,023,736,044	7,039,728,848	28,682,468,166
Disposals	-	-	(544,933,636)	(704,949,195)	(1,249,882,831)
Tại ngày 31/12/2015	<u>21,605,061,491</u>	<u>84,525,441,520</u>	<u>6,853,815,198</u>	<u>18,165,837,029</u>	<u>131,150,155,238</u>
NET BOOK VALUE					
As at 31/12/2015	<u>103,841,259,013</u>	<u>66,924,860,998</u>	<u>8,238,514,589</u>	<u>13,577,289,067</u>	<u>192,581,923,667</u>
As at 31/12/2014	<u>104,259,734,668</u>	<u>47,393,767,807</u>	<u>4,718,879,633</u>	<u>3,839,150,340</u>	<u>160,211,532,448</u>

The cost of the Company's tangible fixed assets as at 31 December 2015 includes VND 61,407,021,450 (as at 31 December 2014: VND 45,600,215,654) of assets which have been fully depreciated but are still in use.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

13. INCREASES, DECREASES IN INTANGIBLE ASSETS

	Land use rights VND	Computer software VND	Total VND
COST			
As at 01/01/2015	285,183,268,988	7,938,687,583	293,121,956,571
Additions	2,623,410,000	-	2,623,410,000
As at 31/12/2015	<u>287,806,678,988</u>	<u>7,938,687,583</u>	<u>295,745,366,571</u>
ACCUMULATED AMORTISATION			
As at 01/01/2015	-	1,872,278,315	1,872,278,315
Charge for the year	-	1,503,132,084	1,503,132,084
As at 31/12/2015	-	<u>3,375,410,399</u>	<u>3,375,410,399</u>
NET BOOK VALUE			
As at 31/12/2015	<u>287,806,678,988</u>	<u>4,563,277,184</u>	<u>292,369,956,172</u>
As at 31/12/2014	<u>285,183,268,988</u>	<u>6,066,409,268</u>	<u>291,249,678,256</u>

As presented in Note 22 and 23, the value of land use rights used as collateral for the loans in commercial banks as at 31 December 2015 is VND 106,543,452,000 (as at 31 December 2014: VND 106,543,452,000).

The cost of intangible assets as at 31 December 2015 comprises fully depreciated fixed assets which are still in use with the total amount of VND 1,112,471,613 (as at 31 December 2014: Nil).

14. TAXES AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE BUDGET

	01/01/2015 VND	Receivable/Payable during the period VND	Received/Paid during the period VND	31/12/2015 VND
a. Receivables				
Value added tax	4,525,720,813	(42,238,028,172)	38,595,803,733	883,496,374
Import-export tax	53,542,993	(5,228,858,091)	5,363,199,865	187,884,767
Others	74,000,000	(3,000,094,965)	2,957,718,715	31,623,750
	<u>4,653,263,806</u>	<u>(50,466,981,228)</u>	<u>46,916,722,313</u>	<u>1,103,004,891</u>
b. Payables				
Value added tax	12,606,905,829	121,523,175,943	(115,878,247,549)	18,251,834,223
Corporate income tax	31,887,913,338	42,085,379,285	(65,383,335,384)	8,589,957,239
Personal income tax	645,896,896	8,213,717,210	(8,039,073,973)	820,540,133
Others	107,505,836	514,680,796	(514,680,796)	107,505,836
	<u>45,248,221,899</u>	<u>172,336,953,234</u>	<u>(189,815,337,702)</u>	<u>27,769,837,431</u>

15. CONSTRUCTION IN PROGRESS

	31/12/2015 VND	31/12/2014 VND
Store at Sunrise city mall	5,540,318,522	-
Construction expense for stores	739,090,200	739,090,200
	<u>6,279,408,722</u>	<u>739,090,200</u>

2000-
NHÀ
ING T
MIEN
LOIT
T NA
P. HỒ

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

16. INVESTMENTS IN SUBSIDIARIES

Details of the Company's subsidiaries as at 31 December 2015 are as follows:

Name	Place incorporated and operating	Rate of interest %	Rate of voting %	Value VND	Principal activities
CAO Fashion Company Limited	Ho Chi Minh City	100	100	10,000,000,000	Produce and trade fashion product
PNJ Laboratory Company Limited	Ho Chi Minh City	100	100	10,000,000,000	Provide jewellery inspection and consultancy services
				<u>20,000,000,000</u>	

CAO Fashion Company Limited ("CFC"), a one-member limited liability company, was established under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 0309279212 issued by the Department of Planning and Investment of Ho Chi Minh City on 14 August 2009. CFC's registered head office is located at 170E Phan Dang Luu Street, Phu Nhuan District, Ho Chi Minh City, Vietnam. CFC's principal activities are to produce and trade fashion products, silver and gold jewellery, and arts and crafts products, and to import and export art and craft products.

PNJ Laboratory Company Limited ("PLC"), a one-member limited liability company, was established under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No.0310521330 issued by the Department of Planning and Investment of Ho Chi Minh City on 16 December 2010. PLC's registered head office is located at 205 Phan Dang Luu Street, Phu Nhuan District, Ho Chi Minh City, Vietnam. PLC's principal activities are to provide jewellery inspection and consultancy services.

17. INVESTMENTS IN ASSOCIATES

Details of the Company's associate as at 31 December 2015 are as follows:

Name	Place incorporated and operating	Rate of interest %	Rate of voting %	Value VND	Principal activities
Dong A Land Joint Stock Company	Ho Chi Minh City	30.62	30.62	91,866,300,000	Provide design service, project management

Dong A Land Joint Stock Company ("DAL") is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 4103001739 issued by the Department of Planning and Investment of Ho Chi Minh City on 24 July 2003. DAL's registered head office is located at 43R/12, Ho Van Hue Street, Ward 9, Phu Nhuan District, Ho Chi Minh City, Vietnam. DAL's principal activities are to provide design service, project management, construction services, to provide real estate consulting services and real estate agency, and to trade houses and interior decoration.



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

18. EQUITY INVESTMENTS IN OTHER ENTITIES

	31/12/2015	31/12/2014
	<u>VND</u>	<u>VND</u>
Dong A Joint Stock Commercial Bank ("DAB")	395,271,613,400	395,271,613,400
Sai Gon M&C Real Estate Joint Stock Company	-	65,380,375,000
	<u>395,271,613,400</u>	<u>460,651,988,400</u>

Details of these companies as at 31 December 2015 are as follows:

Name	Place incorporated and operating	Rate of interest %	Rate of voting %	Value VND	Principal activities
Dong A Joint Stock Commercial Bank ("DAB") (*)	Ho Chi Minh City	7.69%	7.69%	395,271,613,400	Business operations related to financial activities, banking

19. DEFERRED TAX

The followings are the major deferred tax liabilities and assets recognised by the Company, and the movements thereon, during the current year and prior years.

	Accruals and other provisions <u>VND</u>
As at 1 January 2014	701,850,324
Credit to the income statement	219,612,528
As at 31 December 2014	<u>921,462,852</u>
Credit to the income statement	1,575,489,218
As at 31 December 2015	<u>2,496,952,070</u>

20. SHORT-TERM TRADE PAYABLES

	31/12/2015		31/12/2014	
	Cost <u>VND</u>	Amount able to be paid off <u>VND</u>	Cost <u>VND</u>	Amount able to be paid off <u>VND</u>
Forte Jewellery (HK) Ltd Co.	13,580,648,775	13,580,648,775	18,437,084,070	18,437,084,070
Other suppliers	177,909,591,095	177,909,591,095	123,003,856,375	123,003,856,375
	<u>191,490,239,870</u>	<u>191,490,239,870</u>	<u>141,440,940,445</u>	<u>141,440,940,445</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

21. OTHER PAYABLES

	31/12/2015	31/12/2014
	VND	VND
a. Current payables		
- Surpluses in assets awaiting solution	666,637,223	-
- Trade union fee	2,557,060,341	4,836,644,804
- Health insurance	-	198,471,280
- Unemployment insurance	-	272,373,838
- Payables to the Board of Management fund	803,029,644	804,402,000
- Payables to the Board of Directors fund	6,071,220,092	6,653,120,092
- Payables to Trade union fund	4,232,190,884	4,276,739,004
- Dividends payable	318,214,645	18,824,540
- Others	13,692,349,185	24,454,850,070
	<u>28,340,702,014</u>	<u>41,515,425,628</u>
b. Long-term payables		
- Others	3,403,668,000	455,382,100
	<u>31,744,370,014</u>	<u>41,970,807,728</u>



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

22. SHORT-TERM LOANS

	31/12/2014		In the year		31/12/2015	
	VND Amount	VND Amount able to be paid off	VND Increase	VND Decrease	VND Amount	VND Amount able to be paid off
Asia Commercial Joint Stock Bank	208,300,000,000	208,300,000,000	210,000,000,000	(418,300,000,000)	-	-
Vietnam Joint Stock Commercial Bank for Industry and Trade	138,453,326,647	138,453,326,647	392,160,577,691	(499,613,904,338)	31,000,000,000	31,000,000,000
Joint Stock Company Bank for Foreign trade of Vietnam	122,893,085,681	122,893,085,681	745,451,352,007	(588,396,789,833)	279,947,647,855	279,947,647,855
Southeast Asia Commercial Joint Stock Bank	90,000,000,000	90,000,000,000	450,000,000,000	(440,000,000,000)	100,000,000,000	100,000,000,000
Petrolimex Group Commercial Joint Stock Bank	70,000,000,000	70,000,000,000	400,000,000,000	(470,000,000,000)	-	-
CTBC Bank Company Limited - Ho Chi Minh Branch	63,000,000,000	63,000,000,000	197,669,000,000	(195,000,000,000)	65,669,000,000	65,669,000,000
Shinhan Bank Vietnam Limited	60,000,000,000	60,000,000,000	240,000,000,000	(240,000,000,000)	60,000,000,000	60,000,000,000
Military Commercial Joint Stock Bank	20,393,013,713	20,393,013,713	326,569,133,751	(286,694,637,938)	60,267,509,526	60,267,509,526
Ho Chi Minh City Housing Development Commercial Joint Stock Bank	15,900,000,000	15,900,000,000	341,460,000,000	(357,360,000,000)	-	-
Vietnam Prosperity Joint Stock Commercial Bank	15,385,000,000	15,385,000,000	80,000,000,000	(95,385,000,000)	-	-
Vietnam International Commercial Joint Stock Bank	-	-	86,135,607,619	(86,135,607,619)	-	-
Vietnam Asian Commercial Joint Stock Bank	-	-	100,000,000,000	(100,000,000,000)	-	-
ANZ Bank (Vietnam) Limited	-	-	165,579,800,000	(165,579,800,000)	-	-
Other individuals	317,316,702,000	317,316,702,000	437,804,201,515	(483,548,602,000)	271,572,301,515	271,572,301,515
Bond issued -Orient Commercial Joint Stock Bank	-	-	300,000,000,000	-	300,000,000,000	300,000,000,000
Current portion of bond liabilities (see Note 23)	10,045,000,000	10,045,000,000	22,516,000,000	(5,757,000,000)	26,804,000,000	26,804,000,000
	<u>1,131,686,128,041</u>	<u>1,131,686,128,041</u>	<u>4,495,345,672,583</u>	<u>(4,431,771,341,728)</u>	<u>1,195,260,458,896</u>	<u>1,195,260,458,896</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

Details of short term loans with floating rates obtained from commercial banks to finance working capital requirements are as follow:

Bank name	31/12/2015 VND	Maturity date	Interest % p.a	Collateral
- Southeast Asia Commercial Joint Stock Bank	100,000,000,000	From 08 March 2016 to 25 March 2016	7	Inventories, Land use rights and land-based assets at 123 Hung Vuong, Hai Chau II Ward, Hai Chau District, Da Nang
- Joint Stock Company Bank for Foreign trade of Vietnam	279,947,647,855	From 07 March 2016 to 28 June 2016	5.5	Unsecured Loan
- CTBC Bank Company Limited - Ho Chi Minh Branch	65,669,000,000	From 19 April 2016 to 24 May 2016	6.0 - 6.4	Inventories
- Shinhan Bank Vietnam Limited - Ho Chi Minh Branch	60,000,000,000	From 20 January 2016 to 02 March 2016	5.3 - 5.6	Inventories
- Military Commercial Joint Stock Bank	60,267,509,526	From 09 January 2016 to 29 February 2016	5	Unsecured Loan
- Vietnam Bank for industry and trade	31,000,000,000	From 04 February 2016 to 05 February 2016	5	Inventories
Bond issued -Orient Commercial Joint Stock Bank (*)	300,000,000,000	12 November 2016	8.5	PNJ stocks
Individuals	271,572,301,515		3 - 9	Unsecured Loan
Current portion of long-term liabilities	26,804,000,000			
	<u>1,195,260,458,896</u>			

(*) At 9 November 2015, the Company entered into the contract with Orient Commercial Joint Stock Bank ("OCB") relating to the issue of 300,000 bonds at par value (1,000,000/bond) to restructure the short-term loan and invest in the expansion of the Company's stores with 14,530,017 the Company's stocks as collateral. The period of the bond is 01 year from 12 November 2015 to 12 November 2016 with fixed interest rate at 8.5% per annum. The shares are pledged by the Company including 9,498,714 PNJ shares of Ms. Cao Thi Ngoc Dung - General Director, 623,996 PNJ shares of Ms. Nguyen Thi Cuc - Deputy General Director, 748,800 PNJ shares of Mr. Le Huu Hanh - Deputy General Director, 1,610,106 PNJ shares of PNJ Trade Union Fund and 2,048,401 PNJ shares of Ms. Pham Thuy Lan Anh - Shareholder.

23. LONG-TERM LOANS

	31/12/2014		In the year		31/12/2015	
	VND Amount	VND Amount able to be paid off	VND Increase	VND Decrease	VND Amount	VND Amount able to be paid off
Dong A Joint Stock Commercial Bank	78,128,000,000	78,128,000,000	54,710,000,000	(86,468,000,000)	26,370,000,000	26,370,000,000
Asia Commercial Joint Stock Bank	59,901,000,000	59,901,000,000	215,774,000,000	(228,757,000,000)	46,018,000,000	46,018,000,000
Other individuals	-	-	6,000,000,000	(6,000,000,000)	-	-
	<u>137,129,000,000</u>	<u>137,129,000,000</u>	<u>276,484,000,000</u>	<u>(321,225,000,000)</u>	<u>72,388,000,000</u>	<u>72,388,000,000</u>

PHU NHUAN JEWELRY JOINT STOCK COMPANY170 Phan Dang Luu Street, Ward 3, Phu Nhuan District
Ho Chi Minh City, S.R. Vietnam**Separate financial statements**
For the year ended 31 December 2015**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)****FORM B 09-DN***These notes are an integral part of and should be read in conjunction with the accompanying separate financial statements*

Terms and conditions of the loans and other long-term liabilities balances are detailed as follows:

Bank name	31/12/2015	Interest %	Maturity date	Collateral
Dong A Joint Stock Commercial Bank	41,660,000,000	6%	2020	Land use rights and land-based assets at 52A+52B Nguyen Van Troi Street, Phu Nhuan District, Ho Chi Minh City (HCMC); 159A Phan Dang Luu street, Phu Nhuan District, HCMC; 577 Nguyen Kiem street, Phu Nhuan District, HCMC; 174 Le Thanh Ton street, District 1, HCMC
Asia Commercial Joint Stock Bank	57,532,000,000	8.2%	2017	Land use rights at 16;18;20 and 24/2 Thu Khoa Huan Street, District 1, Ho Chi Minh City

In which:

Current portion of long-term liabilities	(26,804,000,000)
	<u><u>72,388,000,000</u></u>

Long-term loans are repayable as follows:

	31/12/2015 YND	31/12/2014 YND
Within one year	26,804,000,000	10,045,000,000
In the second year	28,194,000,000	78,128,000,000
In the third to fifth year inclusive	44,194,000,000	59,001,000,000
	<u><u>99,192,000,000</u></u>	<u><u>147,174,000,000</u></u>
Less: Amount due for settlement within 12 months (Note 22)	26,804,000,000	10,045,000,000
Amount due for settlement after 12 months	<u><u>72,388,000,000</u></u>	<u><u>137,129,000,000</u></u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

24. OWNER'S EQUITY

Movement in owner's equity

	Owner's contributed capital VND	Share premium VND	Treasury shares VND	Investment and development fund VND	Retained earnings VND	Total VND
As at 01/01/2014	755,970,350,000	105,021,650,000	(7,090,000)	183,705,050,783	229,426,913,602	1,274,116,874,385
Profit for the year	-	-	-	-	256,701,330,299	256,701,330,299
Dividends declared	-	-	-	-	(151,192,652,000)	(151,192,652,000)
Advanced 1st time dividends	-	-	-	-	(90,714,882,200)	(90,714,882,200)
Funds appropriation	-	-	-	49,100,000,000	(49,100,000,000)	-
Transfer to bonus and welfare fund	-	-	-	-	(22,200,000,000)	(22,200,000,000)
As at 31/12/2014	<u>755,970,350,000</u>	<u>105,021,650,000</u>	<u>(7,090,000)</u>	<u>232,805,050,783</u>	<u>172,920,709,701</u>	<u>1,266,710,670,484</u>
Capital increase	226,775,420,000	(105,021,650,000)	-	(46,157,440,000)	(75,596,330,000)	-
Profit for the year	-	-	-	-	159,618,661,348	159,618,661,348
Dividend declared	-	-	-	-	(22,678,897,800)	(22,678,897,800)
Profit appropriation	-	-	-	33,000,000,000	(33,000,000,000)	-
Transfer to bonus and welfare fund	-	-	-	-	(25,587,181,000)	(25,587,181,000)
Other fund	-	-	-	-	(5,000,000,000)	(5,000,000,000)
As at 31/12/2015	<u>982,745,770,000</u>	<u>-</u>	<u>(7,090,000)</u>	<u>219,647,610,783</u>	<u>170,676,962,249</u>	<u>1,373,063,253,032</u>

According to the Resolution of the Annual General Meeting of Shareholders No. 544/2015/NQ-DHDCD-CTY dated 15 April 2015, the Company's 2014 profit distribution is below:

- 2014 dividends of VND 188,990,819,000 including VND 90,714,882,200 advanced in 2014, VND 75,596,330,000 paid by bonus shares and VND 22,678,897,800 paid in cash.

- Distribution to Investment and development fund, bonus and other funds with the amounts of VND 33,000,000,000; VND 25,587,181,000, VND 5,000,000 respectively.

The Shareholders also approved the issuance plan of 22,677,542 additional shares, in which 7,559,633 shares equivalent to VND 75,596,330,000 were used to pay dividends in 2014 and 15,119,265 shares equivalent to VND 151,192,650,000 were from owner's equity.

As at 31 December 2015, the Company completed increasing owner's equity. The increase in capital was approved by Ho Chi Minh City Stock Exchange under Decision No. 288/QD-SGDHCM dated 17 July 2015.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

Share – Ordinary shares

	31/12/2015	31/12/2014
	Number of shares	Number of shares
Shares issued and fully paid	98,274,577	75,597,035
<i>Ordinary shares</i>	98,274,577	75,597,035
Treasury shares	(709)	(709)
<i>Ordinary shares</i>	(709)	(709)
Shares in circulation	98,273,868	75,596,326
<i>Ordinary shares</i>	98,273,868	75,596,326

An ordinary share has par value of VND 10,000.

Owner's contributed capital

As at 31 December 2015, the owner's contributed capital was fully contributed by the shareholders as follows:

	Per Business Registration Certificate		Contributed capital	
	VND	%	31/12/2015 VND	31/12/2014 VND
Cao Thi Ngoc Dung	99,667,140,000	10.14%	99,667,140,000	19,156,000,000
Nguyen Thi Cuc	9,424,960,000	0.96%	9,424,960,000	2,000,000,000
Nguyen Vu Phan	8,969,960,000	0.91%	8,969,960,000	2,000,000,000
Other Shareholders	864,683,710,000	87.99%	864,683,710,000	732,814,350,000
	<u>982,745,770,000</u>	<u>100%</u>	<u>982,745,770,000</u>	<u>755,970,350,000</u>

25. LONG-TERM PROVISIONS

Long-term provision was the severance allowance for employees accrued at the end of each reporting period for all employees who have worked for the Company before 31 December 2008.

26. OFF BALANCE SHEET ITEMS

Foreign currencies

	Unit	31/12/2015	31/12/2014
United States Dollar	USD	68,831	8,382
Australia Dollar	AUD	519	30,006
Singapore Dollar	SGD	174	-

Pledged, mortgaged goods

Phu Nhuan Jewellery Joint Stock Company is receiving the pledged, mortgaged gold jewellery and precious stones at 31 December 2015 with the value of VND 3,302,900,000 (as at 31 December 2014: VND 2,554,300,000).

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

Bad debts written off

During the year, the Board of Directors has evaluated the recoverability and written off bad debts as follows:

	2015 VND
Ho Van My	
Bui Minh Ky	4,247,179,715
Others	662,043,053
	<u>4,909,222,768</u>

27. NET REVENUE FROM GOODS SOLD AND SERVICES RENDERED

	2015 VND	2014 VND
Sales of goods, silver and jewelry	7,792,283,699,761	7,270,771,044,287
Sales of accessories	19,285,807,269	14,722,495,005
Rendering services	8,647,003,965	8,680,346,797
Value added tax applying direct method	(122,269,218,874)	(80,844,439,967)
	<u>7,697,947,292,121</u>	<u>7,213,329,446,122</u>
Sales returned	(32,772,062,485)	(15,774,625,318)
	<u>7,665,175,229,636</u>	<u>7,197,554,820,804</u>

28. COST OF GOODS SOLD AND SERVICES RENDERED

	2015 VND	2014 VND
Cost of goods, silver and jewelry and services rendered	6,513,591,201,185	6,397,043,030,577
Cost of accessories	13,234,479,236	10,339,492,458
	<u>6,526,825,680,421</u>	<u>6,407,382,523,035</u>

29. PRODUCTION COST BY NATURE

	2015 VND	2014 VND
Raw materials	6,058,820,600,404	6,464,574,769,169
Labour cost	366,181,456,157	301,530,232,304
Depreciation and amortisation	30,185,600,250	20,878,766,466
Tools and supplies	53,562,381,789	46,023,444,488
Out-sourced services expenses	99,920,456,512	76,315,862,406
Other monetary expenses	132,556,349,411	102,217,185,445
	<u>6,741,226,844,523</u>	<u>7,011,540,260,278</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

30. FINANCIAL INCOME

	2015	2014
	<u>VND</u>	<u>VND</u>
Interest income from term deposits	-	35,869,675,477
Dividends received	24,000,000,000	11,592,320,800
Foreign exchange realised gain	1,081,780,830	409,104,517
Interest income	104,905,713	199,617,710
Others	16,054,507	768,978
	<u>25,202,741,050</u>	<u>48,071,487,482</u>

31. FINANCIAL EXPENSES

	2015	2014
	<u>VND</u>	<u>VND</u>
Interest expense	81,048,729,469	72,826,281,233
Provision for impairment of investments	300,270,750,000	12,832,323,710
Loss from disposal of investments	39,228,225,000	6,772,956,000
Foreign exchange loss	9,253,442,646	964,406,647
Others	1,001,856,346	1,658,496,601
	<u>430,803,003,461</u>	<u>95,054,464,191</u>

32. SELLING EXPENSES

	2015	2014
	<u>VND</u>	<u>VND</u>
Management materials	18,288,814,557	10,290,686,002
Management staff	180,521,472,970	138,276,038,361
Office equipment	27,670,479,936	19,952,029,634
Depreciation and amortisation	4,039,449,304	3,174,188,316
Out-sourced services	88,908,931,984	68,223,188,313
Other monetary expenses	95,123,042,447	71,023,434,933
	<u>414,552,191,198</u>	<u>310,939,565,559</u>

33. GENERAL AND ADMINISTRATION EXPENSES

	2015	2014
	<u>VND</u>	<u>VND</u>
Management materials	134,424,660	120,760,100
Management staff	64,275,892,398	66,135,473,980
Office supplies	5,271,402,290	4,961,505,568
Depreciation and amortisation	10,300,718,453	5,967,671,880
Taxes , fees and charges	260,977,200	167,344,953
Out-sourced services	5,606,823,432	4,069,488,369
Other monetary expenses	29,570,802,581	24,521,400,256
	<u>115,421,041,014</u>	<u>105,943,645,106</u>



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

34. CURRENT CORPORATE INCOME TAX EXPENSE

	2015	2014
	VND	VND
Current corporate income tax expense		
Corporate income tax based on taxable profit in the current year	42,130,046,409	70,308,883,318
Total corporate income tax expenses	<u>42,130,046,409</u>	<u>70,308,883,318</u>
Deferred corporate tax income		
- Deferred corporate tax income incurred from taxable temporary differences	(1,575,489,218)	(219,612,528)
	<u>(1,575,489,218)</u>	<u>(219,612,528)</u>

35. OPERATING LEASE COMMITMENTS

	2015	2014
	VND	VND
Minimum lease payments under operating leases recognised in the income statement for the year	<u>68,388,253,744</u>	<u>37,340,047,682</u>

At the balance sheet date, the Company had outstanding commitments under non-cancelable operating leases, which fall due as follows:

	31/12/2015	31/12/2014
	VND	VND
Within one year	61,519,354,281	50,895,130,269
In the second to fifth year inclusive	162,681,151,732	120,774,255,680
After five years	<u>84,933,286,000</u>	<u>61,506,640,000</u>
	<u>309,133,792,013</u>	<u>233,176,025,949</u>

Operating lease mainly includes the rental related to 194 stores which are currently operating in Vietnam.

36. FINANCIAL INSTRUMENTS

Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings as disclosed in Note 22 and 23, offset by cash) and shareholders' equity (comprising owner's contributed capital, share premium, treasury shares, investment and development funds and retained earnings).



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

Gearing ratio

The gearing ratio of the Company as at the balance sheet date was as follows:

	31/12/2015	31/12/2014
	<u>VND</u>	<u>VND</u>
Borrowings	1,267,648,458,896	1,268,815,128,041
Less: Cash	(34,348,296,246)	(35,139,719,411)
Net debt	1,233,300,162,650	1,233,675,408,630
Equity	<u>1,373,063,253,032</u>	<u>1,266,710,670,484</u>
Net debt to equity ratio	<u>0.90</u>	<u>0.97</u>

Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset and financial liability are disclosed in Note 4.

Categories of financial instruments

	<u>Carrying amounts</u>	
	31/12/2015	31/12/2014
	<u>VND</u>	<u>VND</u>
Cash	34,348,296,246	35,139,719,411
Trade and other receivables	63,964,359,209	72,211,209,746
Short-term financial investments	65,000,000	65,000,000
Long-term financial investments	54,218,085,537	531,735,510,537
	<u>152,595,740,992</u>	<u>639,151,439,694</u>
Borrowings	1,267,648,458,896	1,268,815,128,041
Trade and other payables	220,677,549,543	178,104,258,251
Accrued expenses	4,909,222,768	4,188,467,510
	<u>1,493,235,231,207</u>	<u>1,451,107,853,802</u>

The Company has not assessed fair value of its financial assets and liabilities as at the balance sheet date since there are no comprehensive guidance under Circular No. 210/2009/TT-BTC issued by the Ministry of Finance on 6 November 2009 ("Circular 210") and other relevant prevailing regulations to determine fair value of these financial assets and liabilities. While Circular 210 refers to the application of International Financial Reporting Standards ("IFRS") on presentation and disclosures of financial instruments, it did not adopt the equivalent guidance for the recognition and measurement of financial instruments, including application of fair value, in accordance with IFRS.

Financial risk management objectives

The Company has set up risk management system to identify and assess the risks exposed by the Company and designed control policies and procedures to manage those risks at an appropriate level. Risk management system is reviewed on a regular basis to reflect changes in market conditions and the Company's operations.

Financial risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company does not hedge these risk exposures due to the lack of active market for the trading activities of financial instruments.

0-000
 HANH
 I TY
 NHUAN
 ITTE
 NAM
 W/C

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

Foreign currency risk management

The Company undertakes certain transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the year are as follows:

	Assets		Liabilities	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	VND	VND	VND	VND
United States Dollar (USD)	11,523,520,447	10,281,528,188	27,715,094,254	124,890,783,407
Australia Dollar (AUD)	8,459,304	543,430,896	1,469,232,815	543,153,309
Hong Kong Dollar (HKD)	-	2,825,400	-	-
Euro (EUR)	817,969,786	1,200,157,800	258,738,849	34,954,365,219
Singapore Dollar (SGD)	2,900,352	-	-	-

Foreign currency sensitivity analysis

The Company is mainly exposed to United States Dollar and Euro.

The sensitivity rate used when analyzing foreign currency sensitivity is 5% which is assessed to have significant effect on monetary items denominated in foreign currency at the year-end by the Board of Directors. For a 5% increase/decrease in the USD and EUR against VND, the profit before tax for the year ended 31 December 2015 would have decreased/increased by the amounts of VND 781,617,144 (2014: VND 7,418,173,132) respectively.

Interest rate risk management

The Company has significant interest rate risks arising from interest bearing loans which are arranged. The risk is managed by the Company by maintaining an appropriate level of borrowings and analysing market competition to enjoy favourable interest rates from appropriate lenders.

Interest rate sensitivity

The loan's sensitivity to interest rate changes which may arise at an appropriate level is presented in the following table. Assuming all other variables were held constant, if interest rates applicable to floating interest bearing loans had been 200 basis points higher/lower, the Company's profit before tax for the year ended 31 December 2015 would have decreased/increased by VND 19,352,969,178 (2014: VND 25,376,302,561).

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. The Company does not have any significant credit risk exposure to any counterparty because receivables consist of a large number of customers, spread across diverse industries.

Liquidity risk management

The purpose of liquidity risk management is to ensure the availability of funds to meet present and future financial obligations. Liquidity is also managed by ensuring that the excess of maturing liabilities over maturing assets in any period is kept to manageable levels relative to the amount of funds that the Company believes can generate within that period. The Company policy is to regularly monitor current and expected liquidity requirements to ensure that the Company maintains sufficient reserves of cash, borrowings and adequate committed funding from its shareholders to meet its liquidity requirements in the short and longer term.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

The following table details the Company's remaining contractual maturity for its non-derivative financial assets and financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial assets and undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

31/12/2015	Less than 1 year VND	From 1- 5 years VND	Total VND
Cash	34,348,296,246	-	34,348,296,246
Trade and other receivables	43,122,884,169	20,841,475,040	63,964,359,209
Short-term financial investments	65,000,000	-	65,000,000
Long-term financial investments	-	54,218,085,537	54,218,085,537
	<u>77,536,180,415</u>	<u>75,059,560,577</u>	<u>152,595,740,992</u>
Borrowings	1,195,260,458,896	72,388,000,000	1,267,648,458,896
Trade and other payables	220,222,167,443	455,382,100	220,677,549,543
Accrued expenses	4,909,222,768	-	4,909,222,768
	<u>1,420,391,849,107</u>	<u>72,843,382,100</u>	<u>1,493,235,231,207</u>
Net liquidation gap	<u>(1,342,855,668,692)</u>	<u>2,216,178,477</u>	<u>(1,340,639,490,215)</u>
31/12/2014	Less than 1 year VND	From 1- 5 years VND	Total VND
Cash	35,139,719,411	-	35,139,719,411
Trade and other receivables	59,197,176,996	13,014,032,750	72,211,209,746
Short-term financial investments	65,000,000	-	65,000,000
Long-term financial investments	-	531,735,510,537	531,735,510,537
	<u>94,401,896,407</u>	<u>544,749,543,287</u>	<u>639,151,439,694</u>
Borrowings	1,131,686,128,041	137,129,000,000	1,268,815,128,041
Trade and other payables	177,648,876,151	455,382,100	178,104,258,251
Accrued expenses	4,188,467,510	-	4,188,467,510
	<u>1,313,523,471,702</u>	<u>137,584,382,100</u>	<u>1,451,107,853,802</u>
Net liquidation gap	<u>(1,219,121,575,295)</u>	<u>407,165,161,187</u>	<u>(811,956,414,108)</u>

The Board of Directors assessed the liquidity risk at medium level because the Company has a quantity of inventories of gold, jewellery with great value and high liquidity. The Board of Directors believes that the Company will be able to generate sufficient funds to meet its financial obligations as and when they fall due.

37. RELATED PARTY TRANSACTIONS AND BALANCES

List of related parties:

<u>Related parties</u>	<u>Relationship</u>
Dong A Joint Stock Commercial Bank	Related party
CAO Fashion Company Limited	Subsidiary
PNJ Laboratory Company Limited	Subsidiary
Dong A Land Joint Stock Company	Associate

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

During the year, the Company entered into the following significant transactions with its related parties:

	2015 VND	2014 VND
Sale of goods and service rendered		
CAO Fashion Company Limited	35,729,533,059	17,700,241,109
PNJ Laboratory Company Limited	<u>720,000,000</u>	<u>-</u>
	<u>36,449,533,059</u>	<u>17,700,241,109</u>
Purchase of goods and services		
Dong A Joint Stock Commercial Bank	423,080,075	-
Dong A Land Joint Stock Company	3,499,947,727	6,092,656,665
PNJ Laboratory Company Limited	761,730,003	398,264,997
CAO Fashion Company Limited	<u>31,575,941,645</u>	<u>6,702,223,600</u>
	<u>36,260,699,450</u>	<u>13,193,145,262</u>
Purchase of land use rights		
Dong A Joint Stock Commercial Bank	<u>6,500,000,000</u>	<u>-</u>
Dividends paid		
PNJ Laboratory Company Limited	12,000,000,000	-
Dong A Joint Stock Commercial Bank	-	7,699,250,000
CAO Fashion Company Limited	<u>12,000,000,000</u>	<u>3,800,000,000</u>
	<u>30,500,000,000</u>	<u>11,499,250,000</u>

Significant related party balances as at the balance sheet date were as follows:

	31/12/2015 VND	31/12/2014 VND
Trade receivables		
CAO Fashion Company Limited	<u>-</u>	<u>572,499,629</u>
Other receivables		
CAO Fashion Company Limited	<u>8,000,000,000</u>	<u>4,979,800,000</u>
Trade payables		
PNJ Laboratory Company Limited	<u>1,146,450,000</u>	<u>1,478,374,997</u>
Advances from customers		
CAO Fashion Company Limited	<u>603,340,214</u>	<u>-</u>
Other payables		
PNJ Laboratory Company Limited	<u>3,113,260,274</u>	<u>15,030,000,000</u>
Loans		
Dong A Joint Stock Commercial Bank	41,660,000,000	78,128,000,000
PNJ Laboratory Company Limited	<u>6,000,000,000</u>	<u>-</u>

Remuneration paid to the Company's Boards of Directors and Management during the year was as follows:

	2015 VND	2014 VND
Salaries and bonus	<u>7,314,937,003</u>	<u>8,445,600,000</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

38. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Supplemental non-cash disclosures

Interest paid includes an amount of VND 3,751,936,495, representing the interest expense incurred in 2014 and excludes VND 4,247,179,715, representing the interest expense incurred during the year that has not yet been paid. Consequently, increase in accounts payable have been adjusted by the same amount.

Cash outflows for dividends during the year include VND 22,678,897,800, representing the dividends incurred in 2014 and exclude VND 75,596,330,000, representing dividends incurred during the year to raise the capital.

Cash inflows for investing activities during the year exclude VND 8,000,000,000 dividends from subsidiaries that has not yet been received and VND 16,000,000,000 was used to offset against trade accounts payables to the subsidiaries. Consequently, decrease/(increase) in accounts receivable and increase in accounts payable have been adjusted by the same amount.

39. COMPARATIVE FIGURES

As stated in Note 3, from 1 January 2015, the Company has adopted Circular No. 200/2014/TT-BTC issued by the Ministry of Finance on 22 December 2014 ("Circular 200") guiding accounting regime for enterprises. Accordingly, certain figures of the balance sheet, the income statement and cash flow statement of the previous year are reclassified to be adopted to be comparability of the figures of the current year.

BALANCE SHEET

ASSETS	Codes	Reported amount as	Reclassification	Amount after
		at 31/12/2014	under Circular 200	reclassification as at
		VND	VND	31/12/2014
				VND
A - CURRENT ASSETS	100	1,692,036,746,981	(13,014,032,750)	1,679,022,714,231
I. Cash and cash equivalents	110	234,599,264,879	(234,599,264,879)	-
2. Cash equivalents (*)	112	234,599,264,879	(234,599,264,879)	-
III. Short-term receivables	130	22,781,778,617	644,633,055	23,426,411,672
3. Other receivables	136	22,781,778,617	(256,815,230)	22,524,963,387
5. Deficits in assets awaiting solution	139	-	901,448,285	901,448,285
IV. Inventories	140	1,420,997,037,680	234,599,264,879	1,655,596,302,559
1. Inventories	141	1,420,997,037,680	234,599,264,879	1,655,596,302,559
V. Other short-term assets	150	13,658,665,805	(13,658,665,805)	-
4. Other short-term assets (*)	155	13,658,665,805	(13,658,665,805)	-
B - NON-CURRENT ASSETS	200	-	13,014,032,750	13,014,032,750
I. Long-term receivables	210	-	13,014,032,750	13,014,032,750
1. Other long-term receivables	216	-	13,014,032,750	13,014,032,750

3-002
 ANH
 TY
 HUU
 TTE
 NAM
 HO

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

RESOURCES

C - LIABILITIES	300	1,268,815,128,041	-	1,268,815,128,041
I. Current liabilities	310	1,131,686,128,041	-	1,131,686,128,041
1. Short-term loans and liabilities (*)	311	1,131,686,128,041	(1,131,686,128,041)	-
7. Short-term loans	320	-	1,131,686,128,041	1,131,686,128,041
II. Long-term liabilities	330	137,129,000,000	-	137,129,000,000
1. Long-term loans and liabilities (*)	337	137,129,000,000	(137,129,000,000)	-
2. Long-term loans	338	-	137,129,000,000	137,129,000,000
D - EQUITY	400	232,805,050,783	-	232,805,050,783
I. Owner's equity	410	232,805,050,783	-	232,805,050,783
3. Financial reserve fund (*)	415	66,734,153,783	(66,734,153,783)	-
4. Investment and development fund	418	166,070,897,000	66,734,153,783	232,805,050,783


(*) These items were disclosed in the separate financial statements for the year ended 31 December 2014 under different codes from those in the separate financial statements for the year ended 31 December 2015.

INCOME STATEMENT

ITEMS	Codes	Reported amount for	Reclassification	Amount after
		2014	under Circular 200	reclassification for 2014
1. Gross revenue from goods sold and services rendered	1	7,294,173,886,089	(80,844,439,967)	7,213,329,446,122
2. Deductions	2	(96,619,065,285)	80,844,439,967	(15,774,625,318)

CASH FLOW STATEMENT

ITEMS	Codes	Reported amount for	Reclassification	Amount after
		2014	under Circular 200	reclassification for 2014
I. CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES				
- Increase in receivables	09	(13,719,176,341)	(2,021,103,347)	(15,740,279,688)
- Increase in inventories	10	(438,911,772,320)	20,207,288,054	(418,704,484,266)
- Other cash outflows	17	(47,174,283,526)	2,021,103,347	(45,153,180,179)
<i>Net cash used in operating activities</i>	20	(189,337,474,301)	20,207,288,054	(169,130,186,247)
Net decrease in cash	50	(23,184,023,897)	20,207,288,054	(2,976,735,843)
Cash at the beginning of the year	60	292,923,008,187	(254,806,552,933)	38,116,455,254
Cash at the end of the year	70	<u>269,738,984,290</u>	<u>(234,599,264,879)</u>	<u>35,139,719,411</u>


Nguyen Thanh Dat
Preparer


Dang Thi Lai
Chief Accountant


Cao Thi Ngoc Dung
General Director
1 March 2016