

**PHU NHUAN JEWELRY JOINT STOCK COMPANY**

*(Incorporated in the Socialist Republic of Vietnam)*

**REVIEWED INTERIM SEPARATE FINANCIAL  
STATEMENTS**

**For the 6-month period ended 30 June 2016**

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## **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 interim separate financial statements for the 6-month period ended 30 June 2016.

### **THE BOARDS OF MANAGEMENT AND DIRECTORS**

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

#### **Board of Management**

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 (resigned on 26 February 2016)
Mr. Phan Quoc Cong	Member (resigned on 18 March 2016)
Mr. Le Huu Hanh	Member (appointed on 18 March 2016)
Mr. Le Quang Phuc	Member (appointed on 18 March 2016)

#### **Board of Directors**

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 Supervisors**

Mr. Tran Van Dn	Head of Board of Supervisors
Ms. Nguyen Ngoc Hue	Member
Mr. Nguyen Thanh Du	Member (appointed on 02 April 2016)

### **BOARD OF DIRECTORS’ STATEMENT OF RESPONSIBILITY**

The Board of Directors of the Company is responsible for preparing the interim 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 period in accordance with Vietnamese accounting standards, accounting regime for enterprises and legal regulations relating to financial reporting. In preparing these interim 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 interim separate financial statements ;
- prepare the interim 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 interim 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 interim 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.

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**STATEMENT OF THE BOARD OF DIRECTORS (Continued)**

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

For and on behalf of the Board of Directors,

  
  
Cao Thi Ngoc Dung  
General Director  
12 August 2016  


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No. *AAA* /VNIA-HC-BC

A JOURNEY TO EXCELLENCE

## REPORT ON REVIEW OF INTERIM SEPARATE FINANCIAL STATEMENTS

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

We have reviewed the accompanying interim separate financial statements of Phu Nhuan Jewelry Joint Stock Company (the "Company"), prepared on 12 August 2016 as set out from page 4 to page 32, which comprise the interim balance sheet as at 30 June 2016, the interim income statement and interim cash flow statement for the 6-month period then ended, and a summary of significant accounting policies and other explanatory information.

### Board of Directors' Responsibility for the Interim Separate Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express a conclusion on the accompanying interim separate financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements (VSRE) 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

A review of interim separate financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim separate financial statements do not present fairly, in all material respects, the financial position of the Company as at 30 June 2016, and of its financial performance and its cash flows for the 6-month period then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim separate financial reporting.



**Vo Thai Hoa**  
Audit Partner  
Audit Practising Registration Certificate  
No. 0138-2013-001-1  
*For and on behalf of*  
**Deloitte Vietnam Company Limited**  
12 August 2016  
Ho Chi Minh City, S.R. Vietnam

**INTERIM BALANCE SHEET**

*As at 30 June 2016*

**FORM B 01a-DN**

*(Issued under Circular No. 200/2014/TT-BTC  
 dated 22 December 2014 of the Ministry of Finance)*

Unit: VND

ASSETS	Codes	Notes	30/06/2016	31/12/2015
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>2,590,091,783,486</b>	<b>2,249,671,374,204</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>5</b>	<b>110,943,710,719</b>	<b>34,348,296,246</b>
1. Cash	111		30,943,710,719	34,348,296,246
2. Cash equivalents	112		80,000,000,000	-
<b>II. Short-term financial investments</b>	<b>120</b>	<b>6</b>	<b>50,065,000,000</b>	<b>65,000,000</b>
1. Held-to-maturity investments	123		50,065,000,000	65,000,000
<b>III. Short-term receivables</b>	<b>130</b>		<b>87,165,817,788</b>	<b>53,885,770,899</b>
1. Short-term trade receivables	131	7	39,477,931,770	29,617,644,782
2. Short-term advances to suppliers	132		23,013,054,149	9,150,910,662
3. Other short-term receivables	136	8	23,955,411,011	14,556,219,212
4. Deficits in assets awaiting solution	139	9	719,420,858	560,996,243
<b>IV. Inventories</b>	<b>140</b>	<b>10</b>	<b>2,302,759,606,515</b>	<b>2,116,642,713,460</b>
1. Inventories	141		2,302,759,606,515	2,116,642,713,460
<b>V. Other short-term assets</b>	<b>150</b>		<b>39,157,648,464</b>	<b>44,729,593,599</b>
1. Short-term prepayments	151	11	37,908,944,367	43,626,588,708
2. Taxes and other receivables from the State budget	153	12	1,248,704,097	1,103,004,891
<b>B. NON-CURRENT ASSETS</b>	<b>200</b>		<b>509,086,596,806</b>	<b>707,928,484,787</b>
<b>I. Long-term receivables</b>	<b>210</b>		<b>22,537,112,385</b>	<b>20,841,475,040</b>
1. Other long-term receivables	216	8	22,537,112,385	20,841,475,040
<b>II. Fixed assets</b>	<b>220</b>		<b>361,445,343,136</b>	<b>484,951,879,839</b>
1. Tangible fixed assets	221	13	182,484,349,710	192,581,923,667
- Cost	222		328,389,319,294	323,732,078,905
- Accumulated depreciation	223		(145,904,969,584)	(131,150,155,238)
2. Intangible assets	227	14	178,960,993,426	292,369,956,172
- Cost	228		183,019,025,421	295,745,366,571
- Accumulated amortisation	229		(4,058,031,995)	(3,375,410,399)
<b>III. Long-term assets in progress</b>	<b>240</b>		<b>13,695,664,487</b>	<b>6,279,408,722</b>
1. Long-term construction in progress	242	15	13,695,664,487	6,279,408,722
<b>IV. Long-term financial investments</b>	<b>250</b>		<b>81,392,635,537</b>	<b>166,084,385,537</b>
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	395,271,613,400
4. Provision for impairment of long-term financial investments	254	6	(425,745,277,863)	(341,053,527,863)
<b>V. Other long-term assets</b>	<b>260</b>		<b>30,015,841,261</b>	<b>29,771,335,649</b>
1. Long-term prepayments	261	11	27,518,889,191	27,274,383,579
2. Deferred tax assets	262	19	2,496,952,070	2,496,952,070
<b>TOTAL ASSETS (270=100+200)</b>	<b>270</b>		<b>3,099,178,380,292</b>	<b>2,957,599,858,991</b>

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







**INTERIM BALANCE SHEET (Continued)**  
 As at 30 June 2016

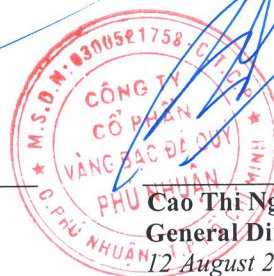
**FORM B 01a-DN**  
 (Issued under Circular No. 200/2014/TT-BTC  
 dated 22 December 2014 of the Ministry of Finance)  
 Unit: VND

RESOURCES	Codes	Notes	30/06/2016	31/12/2015
<b>C. LIABILITIES</b>	<b>300</b>		<b>1,647,984,872,095</b>	<b>1,584,536,605,959</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>1,579,865,115,851</b>	<b>1,502,304,378,590</b>
1. Short-term trade payables	311	20	225,141,290,346	191,490,239,870
2. Short-term advances from customers	312		14,336,848,492	20,602,104,470
3. Taxes and amounts payable to the State budget	313	12	45,060,362,396	27,769,837,431
4. Payables to employees	314		24,998,384,901	16,702,705,380
5. Short-term accrued expenses	315		19,981,025,096	4,909,222,768
6. Other current payables	319	21	123,286,512,323	28,340,702,014
7. Short-term loans	320	22	1,086,134,791,153	1,195,260,458,896
8. Bonus and welfare funds	322		40,925,901,144	17,229,107,761
<b>II. Long-term liabilities</b>	<b>330</b>		<b>68,119,756,244</b>	<b>82,232,227,369</b>
1. Other long-term payables	337	21	3,433,668,000	3,403,668,000
2. Long-term loans	338	23	58,291,000,000	72,388,000,000
3. Long-term provisions	342	25	6,395,088,244	6,440,559,369
<b>D. EQUITY</b>	<b>400</b>		<b>1,451,193,508,197</b>	<b>1,373,063,253,032</b>
<b>I. Owner's equity</b>	<b>410</b>	<b>24</b>	<b>1,451,193,508,197</b>	<b>1,373,063,253,032</b>
1. Owner's contributed capital	411		982,745,770,000	982,745,770,000
- Ordinary shares carrying voting rights	411a		982,745,770,000	982,745,770,000
2. Treasury shares	415		(7,090,000)	(7,090,000)
3. Investment and development fund	418		219,647,610,783	219,647,610,783
4. Retained earnings	421		248,807,217,414	170,676,962,249
- Retained earnings accumulated to the prior year end	421a		3,536,160,249	92,819,353,553
- Retained earnings of the current period/year	421b		245,271,057,165	77,857,608,696
<b>TOTAL RESOURCES (440=300+400)</b>	<b>440</b>		<b>3,099,178,380,292</b>	<b>2,957,599,858,991</b>

  
 Nguyen Thanh Dat  
 Preparer

  
 Dang Thi Lai  
 Chief Accountant

  
 Cao Thi Ngoc Dung  
 General Director  
 12 August 2016




**INTERIM INCOME STATEMENT**  
 For the 6-month period ended 30 June 2016

**FORM B 02a-DN**

(Issued under Circular No. 200/2014/TT-BTC  
 dated 22 December 2014 of the Ministry of Finance)

Unit: VND

ITEMS	Codes	Notes	From 01/01/2016	From 01/01/2015
			to 30/6/2016	to 30/6/2015
1. Gross revenue from goods sold and services rendered	01	27	3,941,729,880,588	3,846,456,981,660
2. Deductions	02	27	22,388,800,218	13,580,767,891
3. Net revenue from goods sold and services rendered (10=01-02)	10		3,919,341,080,370	3,832,876,213,769
4. Cost of sales	11	28	3,219,650,565,392	3,292,863,287,654
5. Gross profit from goods sold and services rendered (20=10-11)	20		699,690,514,978	540,012,926,115
6. Financial income	21	30	5,915,895,064	10,407,759,944
7. Financial expenses	22	31	124,250,886,900	172,438,939,426
- In which: Interest expense	23		38,237,408,560	36,777,505,139
8. Selling expenses	25	32	257,889,006,449	184,928,450,264
9. General and administration expenses	26	33	60,695,913,647	49,064,297,677
10. Operating profit (30=20+(21-22)-(25+26))	30		262,770,603,046	143,988,998,692
11. Other income	31	34	44,486,489,108	810,678,183
12. Other expenses	32	34	1,608,389,609	3,835,004,610
13. Profit/(Loss) from other activities (40=31-32)	40		42,878,099,499	(3,024,326,427)
14. Accounting profit before tax (50=30+40)	50		305,648,702,545	140,964,672,265
15. Current corporate income tax expense	51	35	60,377,645,380	30,582,395,611
16. Deferred corporate tax income	52	35	-	(475,332,042)
17. Net profit after corporate income tax (60=50-51-52)	60		245,271,057,165	110,857,608,696

  
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 Nguyen Thanh Dat  
 Preparer

  
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 Dang Thi Lai  
 Chief Accountant

  
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 Cao Thi Ngoc Dung  
 General Director  
 12 August 2016





**INTERIM CASH FLOW STATEMENT**

For the 6-month period ended 30 June 2016

**FORM B 03a-DN**

(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)

Unit: VND

ITEMS	Codes	From 01/01/2016	From 01/01/2015
		to 30/6/2016	to 30/6/2015
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
1. Profit before tax	01	305,648,702,545	140,964,672,265
2. Adjustments for:			
Depreciation and amortisation of fixed assets	02	16,344,382,622	14,524,205,793
Provisions	03	84,691,750,000	130,887,250,000
Gain arising from translating foreign currency items	04	(208,462,157)	-
Gain from investing activities	05	(47,112,714,979)	(10,052,684,494)
Interest expense	06	38,237,408,560	36,777,505,139
3. Operating profit before movements in working capital	08	397,601,066,591	313,100,948,703
(Increase)/Decrease in receivables	09	(16,681,832,444)	11,733,258,304
Increase in inventories	10	(186,116,893,055)	(588,024,477,919)
Increase in payables	11	33,413,552,131	45,982,627,360
Decrease/(Increase) in prepaid expenses	12	5,473,138,729	(1,996,980,185)
Interest paid	14	(35,210,944,904)	(35,453,096,521)
Corporate income tax paid	15	(37,754,344,108)	(47,771,895,759)
Other cash outflows	17	8,466,793,383	(25,734,973,364)
Net cash generated by/(used in) operating activities	20	169,190,536,323	(328,164,589,381)
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
1. Acquisition and construction of fixed assets	21	(20,715,630,036)	(28,257,814,789)
2. Proceeds from sale, disposal of fixed assets	22	150,004,500,000	154,545,455
3. Cash outflow for Time deposits	23	(190,000,000,000)	-
4. Cash recovered from Time deposits	24	140,000,000,000	-
5. Interest earned	27	450,440,492	52,684,494
Net cash generated by/(used in) investing activities	30	79,739,310,456	(28,050,584,840)
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
1. Proceeds from borrowings	33	1,374,047,879,893	2,517,148,924,984
2. Repayment of borrowings	34	(1,497,270,547,636)	(2,153,360,264,953)
3. Dividends paid	36	(49,136,934,000)	(18,831,507,285)
Net cash (used in)/generated by financing activities	40	(172,359,601,743)	344,957,152,746
Net increase/(decrease) in cash (50=20+30+40)	50	76,570,245,036	(11,258,021,475)
Cash and cash equivalent at the beginning of the period	60	34,348,296,246	35,139,719,411
Effect of changes in foreign exchange rates	61	25,169,437	-
Cash and cash equivalent at the end of the period (70=50+60+61)	70	110,943,710,719	23,881,697,936

Nguyen Thanh Dat  
Preparer

Dang Thi Lai  
Chief Accountant

Cao Thi Ngoc Dung  
General Director  
12 August 2016

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

**NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS**

**FORM B 09a-DN**

*(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

*These notes are an integral part of and should be read in conjunction with the accompanying interim 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 30 June 2016 was 3,639 (as at 31 December 2015: 3,274).

**Operating industry and principal activities**

The Company's principal activities are to trade gold, silver, jewelry and gemstones, and to import and export jewelry 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 two hundred and four (204) retail shops located in various provinces and cities in Vietnam.

As at 30 June 2016, the Company's subsidiaries and associate were:

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

As at 30 June 2016, 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 Jewelry Joint Stock Company- Bien Hoa Branch
- Branch of Phu Nhuan Jewelry Joint Stock Company- Hue City
- Branch of Phu Nhuan Jewelry Joint Stock Company- Vinh Long Branch
- Branch of Phu Nhuan Jewelry Joint Stock Company- Nha Trang Branch
- Branch of Phu Nhuan Jewelry Joint Stock Company- Da Nang Branch
- Branch of Phu Nhuan Jewelry Joint Stock Company- Ha Noi Branch
- Branch of Phu Nhuan Jewelry Joint Stock Company- Can Tho Branch
- Branch of Phu Nhuan Jewelry Joint Stock Company- Tay Nguyen Branch

**Disclosure of information comparability in the interim separate financial statements**

The comparative figures of the interim balance sheet are the figures of the Company's audited separate financial statements for the year ended 31 December 2015. The comparative figures of the interim income statement and interim cash flow statements are the figures of the reviewed interim separate financial statements for the 6-month period ended 30 June 2015.



2. ACCOUNTING CONVENTION AND ACCOUNTING PERIOD

**Accounting convention**

The accompanying interim 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 interim separate financial statements are presented to reflect the interim separate balance sheet as at 30 June 2016, the interim separate income statement and interim separate cash flow statement for the 6-month period from 01 January 2016 to 30 June 2016. Therefore, the Company does not consolidate its investments in subsidiaries in the interim separate financial statements. The Company's investments are recognized under the accounting policies are presented in Note 4 below.

The accompanying interim 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. The interim separate financial statements are prepared for the period from 1 January to 30 June annually.

3. ADOPTION OF NEW ACCOUNTING GUIDANCE

On 21 March 2016, the Ministry of Finance issued Circular No. 53/2016/TT-BTC ("Circular 53") amending and supplementing certain articles of Circular 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance guiding the accounting regime for enterprises. Circular 53 is effective for the financial years beginning on or after 01 January 2016. Accordingly, the Company has applied Circular 53 in the preparation and presentation of the Company's interim separate financial statements for the Company's accounting period from 01 January 2016 to 30 June 2016. The adoption of Circular 53 has an immaterial impact on the comparability of the figures in the interim separate financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

**Estimates**

The preparation of interim 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 interim separate financial statements and the reported amounts of revenues and expenses during the reporting period. 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 and cash equivalents, trade and other receivables, financial investments.

*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 and cash equivalents**

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**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. Post-acquisition interest income from held-to-maturity investments is recognised in the interim income statement on accrual basis.

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, joint ventures, 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 interim income statement. Other distributions received other than such profit share are deducted from the cost of the investments as recoverable amounts.

Investments in subsidiaries, joint ventures and associates are carried in the interim 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, joint ventures 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 interim 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

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 interim income statement.



**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 in the interim balance sheet when the Company received the certificate of land use rights. Historical cost of land use rights include all costs directly related to transfer of assets into ready for use status and are 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.

**Prepayments**

Prepayments are expenses which have reported as short-term or long-term prepayments in the interim 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 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 interim 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 are recorded to the expenses incurred during the period.

**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.

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.

#### 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 53/2016/TT-BTC. 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 interim 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 interim income statement.

#### 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 period. Taxable profit differs from net profit as reported in the interim income statement because it excludes items of income or expense that are taxable or deductible in other periods (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

Deferred tax is recognised on significant differences between carrying amounts of assets and liabilities in the interim 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 AND CASH EQUIVALENTS

	30/6/2016	31/12/2015
	<u>VND</u>	<u>VND</u>
Cash on hand	21,948,267,768	25,181,118,280
Cash in bank	7,790,070,951	7,132,550,966
Cash in transit	1,205,372,000	2,034,627,000
Cash equivalents (*)	80,000,000,000	-
	<u><u>110,943,710,719</u></u>	<u><u>34,348,296,246</u></u>

(\*) Cash equivalents are 1-month deposits with an interest rate of 5.5% per annum.



6. FINANCIAL INVESTMENTS

	30/6/2016			31/12/2015		
	Cost VND	Provision VND	Fair value VND	Cost VND	Provision VND	Fair value VND
<b>a. Held-to-maturity investments</b>						
- Cash deposit	50,065,000,000	-	50,065,000,000	65,000,000	-	65,000,000
Viet A Commercial Joint Stock Bank ("VAB") (*)	50,000,000,000	-	50,000,000,000	-	-	-
Anh Binh Commercial Joint Stock Bank ("AB Bank")	65,000,000	-	65,000,000	65,000,000	-	65,000,000
<b>b. Investments in subsidiaries</b>						
- Investments in others entities	20,000,000,000	-	20,000,000,000	20,000,000,000	-	20,000,000,000
CAO Fashion Company Limited	10,000,000,000	-	10,000,000,000	10,000,000,000	-	10,000,000,000
PNJ Laboratory Company Limited	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
Dong A Land Joint Stock Company	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 other entities	395,271,613,400	(395,271,613,400)	-	395,271,613,400	(310,579,863,400)	84,691,750,000
Dong A Joint Stock Commercial Bank (**)	395,271,613,400	(395,271,613,400)	-	395,271,613,400	(310,579,863,400)	84,691,750,000
	<b>557,202,913,400</b>	<b>(425,745,277,863)</b>	<b>131,457,635,537</b>	<b>507,202,913,400</b>	<b>(341,053,527,863)</b>	<b>166,149,385,537</b>

Material transactions between the Company and its subsidiaries, joint ventures and associated parties (kindly see more details in note 38)

(\*) The time deposits with a term of 6 months from 05 April 2016 and an interest rate of 7.1% per annum.

(\*\*) On 14 August 2015, the State Bank of Vietnam decided to put Dong A Joint Stock Commercial Bank under special control. 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 interim balance sheet date.

7. SHORT-TERM TRADE RECEIVABLES

	30/6/2016 VND	31/12/2015 VND
<b>a. Short-term receivable from customers</b>		
Mr. Le The Hoat (*)	14,944,000,000	-
ToTal Gaz Vietnam Limited	362,078,769	362,078,769
FH Trautz GmBh	5,014,543,632	6,531,852,825
DC&D CO .	4,021,835,006	1,802,492,568
Others	13,828,370,066	20,921,220,620
<b>b. Receivables from related parties</b>		
CAO Fashion Company Limited	1,307,104,297	-
	<b>39,477,931,770</b>	<b>29,617,644,782</b>

(\*) This is the receivable arising from the Agreement on Transfer of Land Use Right and Ownership of House and Properties on Land in respect of the land lot located at No. 16-18-20-24/2 Thu Khoa Huan Street, Ben Thanh Ward, District 1, Ho Chi Minh City.

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8. OTHER RECEIVABLES

	30/6/2016	31/12/2015
	<u>VND</u>	<u>VND</u>
a. Current		
- Advances to employees	2,584,448,830	1,051,013,825
- Others	21,370,962,181	13,505,205,387
<i>In which:</i>		
<i>Social insurance</i>	712,486,036	435,762,674
<i>Health insurance</i>	252,089,004	187,039,037
<i>Unemployment insurance</i>	37,049,777	17,709,003
<i>Others</i>	5,491,887,570	4,864,694,673
<i>From related parties:</i>		
<i>CAO Fashion Company Limited</i>	12,720,000,000	8,000,000,000
<i>PNJ Laboratory Company Limited</i>	2,157,449,794	-
	<u><b>23,955,411,011</b></u>	<u><b>14,556,219,212</b></u>
b. Non-current		
- Long-term deposits for renting shops	<u><b>22,537,112,385</b></u>	<u><b>20,841,475,040</b></u>

9. DEFICITS IN ASSETS AWAITING SOLUTION

	30/6/2016		31/12/2015	
	Quantity	<u>VND</u> Amount	Quantity	<u>VND</u> Amount
Gold (3,75 gram)	114.00	377,634,960	162.00	485,490,600
Others	-	341,785,898	-	75,505,643
	<u><b>114.00</b></u>	<u><b>719,420,858</b></u>	<u><b>162.00</b></u>	<u><b>560,996,243</b></u>

10. INVENTORIES

	30/06/2016	31/12/2015
	<u>VND</u>	<u>VND</u>
Goods in transit	6,659,381,584	9,502,592,792
Raw materials	117,564,827,696	91,664,955,905
Tools and supplies	22,960,873,013	20,578,565,163
Work in progress	108,402,452,053	131,664,308,110
Finished goods	108,277,059,222	134,240,935,308
Merchandise	1,889,631,115,557	1,689,170,023,391
Goods on consignment	49,263,897,390	39,821,332,791
	<u><b>2,302,759,606,515</b></u>	<u><b>2,116,642,713,460</b></u>

As at 30 June 2016, inventories of VND 1,390,467,990,000 (as at 31 December 2015: VND 465,916,000,000) were used as collateral for short-term loans obtained from commercial banks (Note 22).



11. PREPAYMENTS

	30/6/2016	31/12/2015
	<u>VND</u>	<u>VND</u>
a. Current		
- Stores rental	4,476,341,150	4,799,961,022
- Uniform expense	5,132,649,700	5,852,667,700
- Tools and supplies	22,439,768,128	26,396,589,873
- Stores renovation costs, others	5,860,185,389	6,577,370,113
	<u>37,908,944,367</u>	<u>43,626,588,708</u>
b. Non-current		
- Stores rental	2,203,809,469	3,341,918,467
- Tools and supplies	7,856,361,896	9,163,390,629
- Stores renovation costs, others	17,458,717,826	14,769,074,483
	<u>27,518,889,191</u>	<u>27,274,383,579</u>

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

	01/01/2016	Receivable/Payable during the period	Received/Paid during the period	30/6/2016
	<u>VND</u>	<u>VND</u>	<u>VND</u>	<u>VND</u>
a. Receivables				
Value added tax	883,496,374	(18,354,888,125)	18,438,461,599	967,069,848
Import-export tax	187,884,767	(3,328,354,412)	3,408,666,144	268,196,499
Others	31,623,750	(295,216,611)	277,030,611	13,437,750
	<u>1,103,004,891</u>	<u>(21,978,459,148)</u>	<u>22,124,158,354</u>	<u>1,248,704,097</u>
b. Payables				
Value added tax	18,251,834,223	76,104,225,908	(81,924,514,845)	12,431,545,286
Corporate income tax	8,589,957,239	60,377,645,380	(37,754,344,108)	31,213,258,511
Personal income tax	820,540,133	4,777,493,909	(4,266,072,622)	1,331,961,420
Others	107,505,836	1,660,125,940	(1,684,034,597)	83,597,179
	<u>27,769,837,431</u>	<u>142,919,491,137</u>	<u>(125,628,966,172)</u>	<u>45,060,362,396</u>

13. INCREASE, DECREASE IN TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Motor Vehicles	Office Equipment	Total
	<u>VND</u>	<u>VND</u>	<u>VND</u>	<u>VND</u>	<u>VND</u>
<b>COST</b>					
As at 01/01/2016	125,446,320,504	151,450,302,518	15,092,329,787	31,743,126,096	323,732,078,905
Additions	-	11,505,461,890	2,191,568,000	447,368,500	14,144,398,390
Disposals (*)	(9,423,420,273)	(63,737,728)	-	-	(9,487,158,001)
As at 30/6/2016	<u>116,022,900,231</u>	<u>162,892,026,680</u>	<u>17,283,897,787</u>	<u>32,190,494,596</u>	<u>328,389,319,294</u>
<b>ACCUMULATED DEPRECIATION</b>					
As at 01/01/2016	21,605,061,491	84,525,441,520	6,860,932,016	18,158,720,211	131,150,155,238
Charge for the year	2,640,430,679	9,009,695,525	631,438,732	3,380,196,090	15,661,761,026
Disposals (*)	(843,208,952)	(63,737,728)	-	-	(906,946,680)
As at 30/6/2016	<u>23,402,283,218</u>	<u>93,471,399,317</u>	<u>7,492,370,748</u>	<u>21,538,916,301</u>	<u>145,904,969,584</u>
<b>NET BOOK VALUE</b>					
As at 30/6/2016	<u>92,620,617,013</u>	<u>69,420,627,363</u>	<u>9,791,527,039</u>	<u>10,651,578,295</u>	<u>182,484,349,710</u>
As at 31/12/2015	<u>103,841,259,013</u>	<u>66,924,860,998</u>	<u>8,231,397,771</u>	<u>13,584,405,885</u>	<u>192,581,923,667</u>



(\*) In period, the Company disposed the land-attached assets at 16-18-20-24/ 2 Thu Khoa Huan , Ben Thanh Ward , District 1, Ho Chi Minh City with the disposal value of VND 9,423,420,273 (Note 34).

The cost of the Company's tangible fixed assets as at 30 June 2016 includes VND 66,559,269,833 (as at 31 December 2015: VND 61,407,021,450) of assets which have been fully depreciated but are still in use.

14. INCREASE, DECREASE IN INTANGIBLE ASSETS

	rights VND	software VND	Total VND
<b>COST</b>			
As at 01/01/2016	287,806,678,988	7,938,687,583	295,745,366,571
Disposals (*)	(112,726,341,150)	-	(112,726,341,150)
As at 30/6/2016	<u>175,080,337,838</u>	<u>7,938,687,583</u>	<u>183,019,025,421</u>
<b>ACCUMULATED AMORTISATION</b>			
As at 01/01/2016	-	3,375,410,399	3,375,410,399
Charge for the year	-	682,621,596	682,621,596
As at 30/6/2016	-	<u>4,058,031,995</u>	<u>4,058,031,995</u>
<b>NET BOOK VALUE</b>			
As at 30/6/2016	<u>175,080,337,838</u>	<u>3,880,655,588</u>	<u>178,960,993,426</u>
As at 31/12/2015	<u>287,806,678,988</u>	<u>4,563,277,184</u>	<u>292,369,956,172</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 30 June 2016 is VND 157,598,846,838 (as at 31 December 2015: VND 106,543,452,000).

(\*) In period, the Company disposed the Land use right at 16-18-20-24/ 2 Thu Khoa Huan , Ben Thanh ward , District 1, Ho Chi Minh City with the disposal value is VND 112,726,341,150 (Note 34).

15. CONSTRUCTION IN GROSS

	30/6/2016 VND	31/12/2015 VND
Store at Sunrise city mall	8,991,664,487	5,540,318,522
Land use right at Tay Ninh	4,509,000,000	-
Construction expense for stores	195,000,000	739,090,200
	<u>13,695,664,487</u>	<u>6,279,408,722</u>

16. INVESTMENTS IN SUBSIDIARIES

Details of the Company's subsidiaries as at 30 June 2016 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



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 jewelry, 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 jewelry inspection and consultancy services.

**17. INVESTMENTS IN ASSOCIATES**

Details of the Company's associate as at 30 June 2016 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.

**18. EQUITY INVESTMENTS IN OTHER ENTITIES**

	30/6/2016 VND	31/12/2015 VND
Dong A Joint Stock Commercial Bank ("DAB")	395,271,613,400	395,271,613,400
	<b>395,271,613,400</b>	<b>395,271,613,400</b>

Details of the above company as at 30 June 2016 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

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19. DEFERRED TAX

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

	Accruals and other provisions VND
As at 1 January 2015	921,462,852
Credit to the income statement	1,575,489,218
<b>As at 31 December 2015</b>	<b>2,496,952,070</b>
Credit to the interim income statement	-
<b>As at 30 June 2016</b>	<b>2,496,952,070</b>

20. SHORT-TERM TRADE PAYABLES

	30/6/2016		31/12/2015	
	Amount able to be		Amount able to be	
	Cost VND	paid off VND	Cost VND	paid off VND
Forte Jewellery (HK) Ltd Co.	52,366,404,951	52,366,404,951	13,580,648,775	13,580,648,775
Shrenujfar East Limited - Fineese Impex Limited	46,892,667,311	46,892,667,311	12,596,607,000	12,596,607,000
Other suppliers	125,882,218,084	125,882,218,084	165,312,984,095	165,312,984,095
	<b>225,141,290,346</b>	<b>225,141,290,346</b>	<b>191,490,239,870</b>	<b>191,490,239,870</b>

21. OTHER PAYABLES

	30/6/2016 VND	31/12/2015 VND
a. Current payables		
- Surpluses in assets awaiting solution	-	666,637,223
- Trade union fee	1,927,253,793	2,557,060,341
- Health insurance	-	-
- Unemployment insurance	-	-
- Payables to the Board of Management fund	1,390,029,644	803,029,644
- Payables to the Board of Directors fund	3,832,150,092	6,071,220,092
- Payables to Trade union fund	5,046,321,575	4,232,190,884
- Dividends payable	98,593,223,945	318,214,645
- Others	12,497,533,274	13,692,349,185
	<b>123,286,512,323</b>	<b>28,340,702,014</b>
b. Long-term payables		
- Others	3,433,668,000	3,403,668,000
	<b>126,720,180,323</b>	<b>31,744,370,014</b>



22. SHORT-TERM LOANS

	31/12/2015		In the year		30/6/2016	
	VND	VND	VND	VND	VND	VND
	Amount	Amount able to be paid off	Increase	Decrease	Amount	Amount able to be paid off
Asia Commercial Joint Stock Bank	-	-	80,000,000,000	(60,000,000,000)	20,000,000,000	20,000,000,000
Vietnam Joint Stock Commercial Bank for Industry and Trade	31,000,000,000	31,000,000,000	380,282,875,453	(220,500,000,000)	190,782,875,453	190,782,875,453
Joint Stock Company Bank for Foreign trade of Vietnam	279,947,647,855	279,947,647,855	283,727,272,508	(310,701,615,209)	252,973,305,154	252,973,305,154
Southeast Asia Commercial Joint Stock Bank	100,000,000,000	100,000,000,000	60,000,000,000	(130,000,000,000)	30,000,000,000	30,000,000,000
CTBC Bank Company Limited - Ho Chi Minh Branch	65,669,000,000	65,669,000,000	107,310,000,000	(133,929,000,000)	39,050,000,000	39,050,000,000
Shinhan Bank Vietnam Limited	60,000,000,000	60,000,000,000	120,000,000,000	(120,000,000,000)	60,000,000,000	60,000,000,000
Military Commercial Joint Stock Bank	60,267,509,526	60,267,509,526	73,426,552,385	(104,813,991,345)	28,880,070,566	28,880,070,566
Vietnam International Commercial Joint Stock Bank	-	-	99,512,011,370	(64,839,871,567)	34,672,139,803	34,672,139,803
China Construction Bank	-	-	6,012,000,000	-	6,012,000,000	6,012,000,000
Other individuals	271,572,301,515	271,572,301,515	149,680,168,177	(174,292,069,515)	246,960,400,177	246,960,400,177
Bond issued -Orient Commercial Joint Stock Bank	300,000,000,000	300,000,000,000	-	(150,000,000,000)	150,000,000,000	150,000,000,000
Current portion of long-term liabilities (see Note 23)	26,804,000,000	26,804,000,000	14,097,000,000	(14,097,000,000)	26,804,000,000	26,804,000,000
	<u>1,195,260,458,896</u>	<u>1,195,260,458,896</u>	<u>1,374,047,879,893</u>	<u>(1,483,173,547,636)</u>	<u>1,086,134,791,153</u>	<u>1,086,134,791,153</u>





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

Bank name	30/6/2016 VND	Maturity date	Interest % p.a	Collateral
- Southeast Asia Commercial Joint Stock Bank	30,000,000,000	27 August 2016	5.5	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 - Ho Chi Minh City Branch	252,973,305,154	From 29 July 2016 to 22 December 2016	5.5	Unsecured
- CTBC Bank Company Limited - Ho Chi Minh Branch	39,050,000,000	From 02 November 2016 to 13 December 2016	6.0 - 6.4	Inventories
- Shinhan Bank Vietnam Limited - Ho Chi Minh Branch	60,000,000,000	From 13 October 2016 to 12 January 2017	5.3 - 5.6	Inventories
- Military Commercial Joint Stock Bank	28,880,070,566	From 05 July 2016 to 30 August 2016	5	Unsecured Loan
- Vietnam Bank for industry and trade - Ho Chi Minh City Branch	190,782,875,453	From 05 July 2016 to 29 September 2016	5	Inventories
- Vietnam International Commercial Joint Stock Bank	34,672,139,803	27 January 2017	2.3	Inventories
- China Construction Bank - Ho Chi Minh Branch	6,012,000,000	From 27 January 2016 to 17 December 2016	3	Unsecured
- Asia Commercial Joint Stock Bank	20,000,000,000	27 September 2016	6	Inventories, Land use rights at 7 An Duong Vuong, Ward 8, District 5, Ho Chi Minh City and 6A Tran Nhan Tong, Bui Thi Xuan Ward, Hai Ba Trung District, Ha Noi
- Bond issued -Orient Commercial Joint Stock Bank (*)	150,000,000,000	12 November 2016	8.5	PNJ stocks
- Individuals	246,960,400,177	From 01 July 2016 to 30 June 2016	3 - 9	Unsecured Loan
Current portion of long-term liabilities	26,804,000,000			
	<b><u>1,086,134,791,153</u></b>			

(\*) At 09 November 2015, the Company entered into a 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 loans and invest in the expansion of the Company's stores with 14,529,657 the Company's stocks as collateral asset. 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 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 and 2,048,401 PNJ shares of Ms. Pham Thuy Lan Anh - Shareholder.

23. LONG-TERM LOANS

	31/12/2015		In the year		30/6/2016	
	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	26,370,000,000	26,370,000,000	-	(8,340,000,000)	18,030,000,000	18,030,000,000
Asia Commercial Joint Stock Bank	46,018,000,000	46,018,000,000	-	(5,757,000,000)	40,261,000,000	40,261,000,000
	<u>72,388,000,000</u>	<u>72,388,000,000</u>	<u>-</u>	<u>(14,097,000,000)</u>	<u>58,291,000,000</u>	<u>58,291,000,000</u>

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

Bank name	30/6/2016	Interest % annum	Maturity date	Collateral
Dong A Joint Stock Commercial Bank	18,030,000,000	6%	2018	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	40,261,000,000	8.8% - 9.1%	2020	Land use rights at 07 An Duong Vuong Street, 8th Ward, District 5, Ho Chi Minh City and 6A Tran Nhan Tong Street, Bui Thi Xuan Ward, Hai Ba Trung District, Ha Noi City

Long-term loans are repayable as follows:

	30/6/2016 VND	31/12/2015 VND
Within one year	26,804,000,000	26,804,000,000
In the second year	28,194,000,000	28,194,000,000
In the third to fifth year inclusive	30,097,000,000	44,194,000,000
	<u>85,095,000,000</u>	<u>99,192,000,000</u>
Less: Amount due for settlement within 12 months (Note 22)	26,804,000,000	26,804,000,000
<b>Amount due for settlement after 12 months</b>	<u><b>58,291,000,000</b></u>	<u><b>72,388,000,000</b></u>



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
<i>For the 6-month period ended 30 June 2015</i>						
As at 01/01/2015	755,970,350,000	105,021,650,000	(7,090,000)	232,805,050,783	172,920,709,701	1,266,710,670,484
Profit for the period	-	-	-	-	110,857,608,696	110,857,608,696
Dividend declared	-	-	-	-	(98,275,227,800)	(98,275,227,800)
Profit appropriation	-	-	-	33,000,000,000	(33,000,000,000)	-
Transfer to bonus and welfare fund	-	-	-	-	(30,587,181,000)	(30,587,181,000)
<b>As at 30/6/2015</b>	<b>755,970,350,000</b>	<b>105,021,650,000</b>	<b>(7,090,000)</b>	<b>265,805,050,783</b>	<b>121,915,909,597</b>	<b>1,248,705,870,380</b>
<i>For the 6-month period ended 30 June 2016</i>						
As at 01/01/2016	982,745,770,000	-	(7,090,000)	219,647,610,783	170,676,962,249	1,373,063,253,032
Profit for the period	-	-	-	-	245,271,057,165	245,271,057,165
Dividend declared	-	-	-	-	(147,410,802,000)	(147,410,802,000)
Transfer to bonus and welfare fund	-	-	-	-	(15,230,000,000)	(15,230,000,000)
Other funds	-	-	-	-	(4,500,000,000)	(4,500,000,000)
<b>As at 30/6/2016</b>	<b>982,745,770,000</b>	<b>-</b>	<b>(7,090,000)</b>	<b>219,647,610,783</b>	<b>248,807,217,414</b>	<b>1,451,193,508,197</b>

According to the Resolution of the Annual General Meeting of Shareholders No. 580/2016/NQ-ĐHĐCĐ-CTY dated 02 April 2016, the Board of Management approved the plan to distribute 2015 profit as below:

- 2015 dividends of VND 147.410.802.000. The declared dividends were paid in cash with an amount of VND 49,136,934,000 during the period.
- Distribution to Board of Management and Board of Supervisors funds, Bonus and welfare funds and Board of Directors funds with the amounts of 2,000,000,00 VND; VND 15,230,000,000; VND 2,500,000,000 respectively.



**Share – Ordinary shares**

	30/6/2016	31/12/2015
	Number of shares	Number of shares
Shares issued to the public	98,274,577	98,274,577
<i>Ordinary shares</i>	<i>98,274,577</i>	<i>98,274,577</i>
Treasury shares	(709)	(709)
<i>Ordinary shares</i>	<i>(709)</i>	<i>(709)</i>
Shares in circulation	98,273,868	98,273,868
<i>Ordinary shares</i>	<u><i>98,273,868</i></u>	<u><i>98,273,868</i></u>

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

**Owner's contributed capital**

As at 30 June 2016, the owner's contributed capital detailed at the interim balance sheet date as follows:

	30/6/2016		31/12/2015	
	VND	%	VND	%
Ms. Cao Thi Ngoc Dung	99,667,140,000	10.14%	99,667,140,000	10.14%
Vietnam Azalea Funds (*)	64,568,210,000	6.57%	64,568,210,000	6.57%
Other shareholders	818,510,420,000	83.29%	818,510,420,000	83.29%
	<u><b>982,745,770,000</b></u>	<u><b>100%</b></u>	<u><b>982,745,770,000</b></u>	<u><b>100%</b></u>

(\*) From 08 July 2016 to 11 July 2016, Vietnam Azalea Funds withdrew capital by selling 3,000,000 PNJ common stocks. Consequently, Vietnam Azalea Fund's stock ownership falls down from 6,456,821 stocks (6.57% of PNJ's authorized capital) to 3,456,821 stocks (3.56% of PNJ's authorized capital).

**25. LONG-TERM PROVISION**

Long-term provision is the severance allowance for employees accrued at the end of each reporting period; this severance allowance is paid to all employees working at the Company before 31 December 2008.

**26. OFF BALANCE SHEET ITEMS**

**Foreign currencies**

	Unit	30/6/2016	31/12/2015
United States Dollar	USD	33,734	68,831
Euro	EUR	35,958	1,194
Australia Dollar	AUD	504	519
Singapore Dollar	SGD	174	174

**Pledged, mortgaged goods**

Phu Nhuan Jewelry Joint Stock Company is receiving the pledged, mortgaged gold jewelry and precious stones as at 30 June 2016 with the value of VND 3,786,900,000 (as at 31 December 2015: VND 3,302,900,000).





27. REVENUE

	From 01/01/2016 to 30/6/2016 VND	From 01/01/2015 to 30/6/2015 VND
Sales of goods, silver and jewelry	4,002,470,819,636	3,890,562,976,604
Sales of accessories	9,668,539,198	9,388,936,803
Rendering services	5,690,770,409	4,289,594,699
Value added tax applying direct method	(76,100,248,655)	(57,784,526,446)
	<b><u>3,941,729,880,588</u></b>	<b><u>3,846,456,981,660</u></b>
Sales returned	(22,388,800,218)	(13,580,767,891)
	<b><u>3,919,341,080,370</u></b>	<b><u>3,832,876,213,769</u></b>

28. COST OF GOOD SOLD AND SERVICES RENDERED

	From 01/01/2016 to 30/6/2016 VND	From 01/01/2015 to 30/6/2015 VND
Cost of goods, silver and jewelry sold and services rendered	3,212,967,738,376	3,286,403,942,378
Cost of accessories sold	6,682,827,016	6,459,345,276
	<b><u>3,219,650,565,392</u></b>	<b><u>3,292,863,287,654</u></b>

29. PRODUCTION COST BY NATURE

	From 01/01/2016 to 30/6/2016 VND	From 01/01/2015 to 30/6/2015 VND
Raw materials	3,375,998,082,624	3,192,466,468,108
Labour cost	211,160,486,960	175,032,278,679
Depreciation and amortisation	16,344,382,622	14,524,205,793
Out-sourced services expenses	60,228,762,219	51,272,088,591
Other monetary expenses	110,515,415,732	93,560,994,424
	<b><u>3,774,247,130,157</u></b>	<b><u>3,526,856,035,595</u></b>

30. FINANCIAL INCOME

	From 01/01/2016 to 30/6/2016 VND	From 01/01/2015 to 30/6/2015 VND
Dividends received	5,000,000,000	10,000,000,000
Foreign exchange gain	461,684,716	353,321,629
Interest income	450,440,492	52,684,494
Others	3,769,856	1,753,821
	<b><u>5,915,895,064</u></b>	<b><u>10,407,759,944</u></b>

31. FINANCIAL EXPENSES

	From 01/01/2016 to 30/6/2016 VND	From 01/01/2015 to 30/6/2015 VND
Interest expense	38,237,408,560	36,777,505,139
Provision for impairment of financial investments	84,691,750,000	130,887,250,000
Foreign exchange loss	194,417,882	4,179,140,713
Others	1,127,310,458	595,043,574
	<b><u>124,250,886,900</u></b>	<b><u>172,438,939,426</u></b>

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32. SELLING EXPENSES

	From 01/01/2016 to 30/6/2016 VND	From 01/01/2015 to 30/6/2015 VND
Management materials	8,352,571,832	7,882,946,270
Management staff	111,643,529,376	86,751,831,086
Office equipment	17,052,872,555	12,394,110,352
Depreciation and amortisation	2,513,696,533	1,835,681,605
Out-sourced services	55,608,237,031	39,938,322,281
Other monetary expenses	62,718,099,122	36,125,558,670
	<b>257,889,006,449</b>	<b>184,928,450,264</b>

33. GENERAL AND ADMINISTRATION EXPENSES

	From 01/01/2016 to 30/6/2016 VND	From 01/01/2015 to 30/6/2015 VND
Management materials	20,137,500	93,519,660
Management staff	36,024,202,438	25,053,051,256
Office supplies	2,476,855,251	2,692,484,164
Depreciation and amortisation	4,715,381,186	5,021,882,637
Taxes , fees and charges	115,500,000	169,000,000
Out-sourced services	2,349,798,960	2,100,935,266
Other monetary expenses	14,994,038,312	13,933,424,694
	<b>60,695,913,647</b>	<b>49,064,297,677</b>

34. OTHER INCOME AND EXPENSES

	From 01/01/2016 to 30/6/2016 VND	From 01/01/2015 to 30/6/2015 VND
Sale, disposal of fixed assets (*)	43,641,947,529	154,545,455
Penalties	31,798,000	-
Others	812,743,579	656,132,728
	<b>44,486,489,108</b>	<b>810,678,183</b>
Disposal of tools and supplies	1,435,582,842	15,830,913
Penalties	3,918,703	3,597,238,847
Others	168,888,064	221,934,850
	<b>1,608,389,609</b>	<b>3,835,004,610</b>

(\*) These are income arising from the difference between the transfer value of land use rights , house ownership and land-attached assets with the cost value VND 164,944,000,00 with residual value of the property is VND 121,306,552,471 at 16-18-20-24/ 2 Thu Khoa Huan , Ben Thanh ward , District 1, Ho Chi Minh City.



35. CORPORATE INCOME TAX EXPENSE

	From 01/01/2016 to 30/6/2016 VND	From 01/01/2015 to 30/6/2015 VND
<b>Current corporate income tax expense</b>		
Corporate income tax based on taxable income in the current year	60,377,645,380	30,582,395,611
Total corporate income tax expenses	<u>60,377,645,380</u>	<u>30,582,395,611</u>
<b>Deferred corporate tax income</b>		
- Deferred corporate tax income incurred from taxable temporary differences	-	(475,332,042)
	<u>-</u>	<u>(475,332,042)</u>

The Company is obliged to pay corporate income tax at the rate of 20% (2015: 22%) of its taxable income.

36. OPERATING LEASE COMMITMENTS

	From 01/01/2016 to 30/6/2016 VND	From 01/01/2015 to 30/6/2015 VND
Minimum lease payments under operating leases recognised in the interim income statement for the year	48,455,994,851	33,596,316,949

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

	30/06/2016 VND	31/12/2015 VND
Within one year	63,636,580,883	61,519,354,281
In the second to fifth year inclusive	156,663,707,268	162,681,151,732
After five years	100,089,734,000	84,933,286,000
	<u>320,390,022,151</u>	<u>309,133,792,013</u>

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

37. 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 cash equivalents) and shareholders' equity (comprising owner's contributed capital, treasury shares, investment and development fund and retained earnings).



*Gearing ratio*

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

	30/06/2016	31/12/2015
	<u>VND</u>	<u>VND</u>
Borrowings	1,144,425,791,153	1,267,648,458,896
Less: Cash and cash equivalent	(110,943,710,719)	(34,348,296,246)
Net debt	1,033,482,080,434	1,233,300,162,650
Equity	<u>1,451,193,508,197</u>	<u>1,373,063,253,032</u>
<b>Net debt to equity ratio</b>	<b><u>0.71</u></b>	<b><u>0.90</u></b>

**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>	
	30/06/2016	31/12/2015
	<u>VND</u>	<u>VND</u>
Cash and cash equivalent	110,943,710,719	34,348,296,246
Trade and other receivables	85,970,455,166	65,015,339,034
Short-term financial investments	50,065,000,000	65,000,000
Long-term financial investments	<u>81,392,635,537</u>	<u>166,084,385,537</u>
	<b><u>328,371,801,422</u></b>	<b><u>265,513,020,817</u></b>
Borrowings	1,144,425,791,153	1,267,648,458,896
Trade and other payables	349,934,216,876	220,677,549,543
Accrued expenses	<u>19,981,025,096</u>	<u>4,909,222,768</u>
	<b><u>1,514,341,033,125</u></b>	<b><u>1,493,235,231,207</u></b>

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 acceptable 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.



*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 period/year are as follows:

	Assets		Liabilities	
	30/6/2016	31/12/2015	30/6/2016	31/12/2015
	VND	VND	VND	VND
United States Dollar (USD)	11,145,698,905	11,523,520,447	100,991,810,450	27,715,094,254
Australia Dollar (AUD)	884,626,047	8,459,304	-	1,469,232,815
Euro (EUR)	4,504,628,991	817,969,786	1,662,100,895	258,738,849
Singapore Dollar (SGD)	19,020,499	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 period-end by the management. For a 5% increase/decrease in the USD and EUR against VND, the profit before tax for the period from 01 January 2016 to 30 June 2016 would have decreased/increased by the amounts of VND 4,350,179,172 (2015: VND 781,617,144) 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. 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 period from 1 January 2016 to 30 June 2016 would have decreased/increased by VND 19,888,515,823 (2015: VND 19,352,969,178).

*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.

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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.

30/6/2016	Less than 1 year	From 1- 5 years	Total
	<u>VND</u>	<u>VND</u>	<u>VND</u>
Cash and cash equivalents	110,943,710,719	-	110,943,710,719
Trade and other receivables	63,433,342,781	22,537,112,385	85,970,455,166
Short-term financial investments	50,065,000,000	-	50,065,000,000
Long-term financial investments	-	81,392,635,537	81,392,635,537
	<b>224,442,053,500</b>	<b>103,929,747,922</b>	<b>328,371,801,422</b>
Borrowings	1,086,134,791,153	58,291,000,000	1,144,425,791,153
Trade and other payables	346,530,548,876	3,403,668,000	349,934,216,876
Accrued expenses	19,981,025,096	-	19,981,025,096
	<b>1,452,646,365,125</b>	<b>61,694,668,000</b>	<b>1,514,341,033,125</b>
<b>Net liquidation gap</b>	<b>(1,228,204,311,625)</b>	<b>42,235,079,922</b>	<b>(1,185,969,231,703)</b>

31/12/2015	Less than 1 year	From 1- 5 years	Total
	<u>VND</u>	<u>VND</u>	<u>VND</u>
Cash and cash equivalents	34,348,296,246	-	34,348,296,246
Trade and other receivables	44,173,863,994	20,841,475,040	65,015,339,034
Short-term financial investments	65,000,000	-	65,000,000
Long-term financial investments	-	166,084,385,537	166,084,385,537
	<b>78,587,160,240</b>	<b>186,925,860,577</b>	<b>265,513,020,817</b>
Borrowings	1,195,260,458,896	72,388,000,000	1,267,648,458,896
Trade and other payables	217,273,881,543	3,403,668,000	220,677,549,543
Accrued expenses	4,909,222,768	-	4,909,222,768
	<b>1,417,443,563,207</b>	<b>75,791,668,000</b>	<b>1,493,235,231,207</b>
<b>Net liquidation gap</b>	<b>(1,338,856,402,967)</b>	<b>111,134,192,577</b>	<b>(1,227,722,210,390)</b>

The Board of Directors assessed the liquidity risk at low level because the Company has a quantity of inventory of gold and jewelry 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.

### 38. RELATED PARTY TRANSACTIONS AND BALANCES

List of related parties:

<u>Relayed 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



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

	From 01/01/2016 to 30/06/2016 <u>VND</u>	From 01/01/2015 to 30/06/2015 <u>VND</u>
<b>Sale of goods and service rendered</b>		
CAO Fashion Company Limited	7,384,303,570	11,293,747,075
PNJ Laboratory Company Limited	360,000,000	-
Dong A Joint Stock Commercial Bank	<u>177,272,726</u>	<u>-</u>
	<u>7,921,576,296</u>	<u>11,293,747,075</u>
<b>Purchase of goods and services</b>		
Dong A Joint Stock Commercial Bank	-	423,080,075
Dong A Land Joint Stock Company	-	3,499,947,727
PNJ Laboratory Company Limited	456,115,000	748,735,003
CAO Fashion Company Limited	<u>5,300,881,905</u>	<u>-</u>
	<u>5,756,996,905</u>	<u>4,671,762,805</u>
<b>Dividends paid</b>		
PNJ Laboratory Company Limited	4,000,000,000	6,000,000,000
CAO Fashion Company Limited	<u>1,000,000,000</u>	<u>4,000,000,000</u>
	<u>5,000,000,000</u>	<u>10,000,000,000</u>

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

	30/6/2016 <u>VND</u>	31/12/2015 <u>VND</u>
<b>Trade receivables</b>		
CAO Fashion Company Limited	<u>1,307,104,297</u>	<u>-</u>
<b>Other receivables</b>		
CAO Fashion Company Limited	12,720,000,000	8,000,000,000
PNJ Laboratory Company Limited	<u>2,157,449,794</u>	<u>-</u>
<b>Trade payables</b>		
PNJ Laboratory Company Limited	<u>-</u>	<u>1,146,450,000</u>
<b>Advances from customers</b>		
CAO Fashion Company Limited	<u>-</u>	<u>603,340,214</u>
<b>Other payables</b>		
PNJ Laboratory Company Limited	<u>3,000,000,000</u>	<u>3,113,260,274</u>
<b>Loans</b>		
Dong A Joint Stock Commercial Bank	33,320,000,000	41,660,000,000
PNJ Laboratory Company Limited	<u>8,000,000,000</u>	<u>6,000,000,000</u>

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

	From 01/01/2016 to 30/06/2016 <u>VND</u>	From 01/01/2015 to 30/06/2015 <u>VND</u>
Salaries and bonus	<u>3,032,738,037</u>	<u>3,761,985,000</u>

39. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Interest paid during the period includes an amount of VND 4,247,179,715, representing the interest expense incurred in 2015 and excludes VND 6,671,560,038, representing the interest expense incurred during the period that has not yet been paid. Consequently, changes in accounts payable have been adjusted by the same amount.

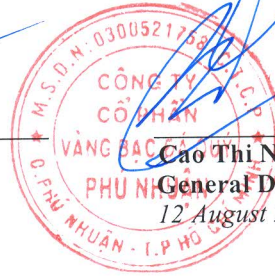
Cash outflows for purchases of fixed assets during the period include VND 1,389,114,319, representing the purchases of fixed assets and construction in progress incurred in 2015. Consequently, changes in accounts payable have been adjusted by the same amount.

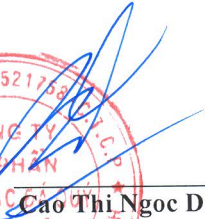


Nguyen Thanh Dat  
Preparer



Dang Thi Lai  
Chief Accountant



  
Cao Thi Ngoc Dung  
General Director  
12 August 2016

