

PHU NHUAN JEWELRY JOINT STOCK COMPANY

(Incorporated in the Socialist Republic of Vietnam)

**REVIEWED INTERIM CONSOLIDATED
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 “Parent Company”) and subsidiaries (the Parent Company and its subsidiaries are collectively referred to as the “Company”) presents this report together with the Company’s interim consolidated 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 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 (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 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 Supervisors

Mr. Tran Van Dan	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 consolidated financial statements , which give a true and fair view of the consolidated financial position of the Company and of its consolidated results and consolidated cash flows for the period in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim financial reporting. In preparing these interim consolidated 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 consolidated financial statements ;
- Prepare the interim consolidated 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 consolidated 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 consolidated financial position of the Company and that the interim consolidated financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim 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.



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 consolidated financial statements .

For and on behalf of the Board of Directors,



Cao Thi Ngọc Dung
General Director
12 August 2016



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No. *110* /VNIA-HC-BC

A JOURNEY TO EXCELLENCE

REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

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

Board of Directors's Responsibility for the interim consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of these interim consolidated financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim consolidated financial reporting, and for such internal control as the Board of Directors determines is necessary to enable the preparation of interim consolidated 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 consolidated financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements (VSRE) 2410 - Review of Interim consolidated financial Information Performed by the Independent Auditor of the Entity.

A review of interim consolidated 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 consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company as at 30 June 2016, and of its consolidated financial performance and its consolidated 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 consolidated 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 CONSOLIDATED BALANCE SHEET

As at 30 June 2016

FORM B 01a-DN/HN

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

Unit: VND

ASSETS	Codes	Notes	30/6/2016	31/12/2015
A. CURRENT ASSETS	100		2,600,942,303,205	2,265,184,856,056
I. Cash and cash equivalents	110	5	114,026,739,688	37,884,639,212
1. Cash	111		34,026,739,688	37,884,639,212
2. Cash equivalents	112		80,000,000,000	-
II. Short-term financial investments	120	6	50,065,000,000	65,000,000
1. Held-to-maturity investments	123		50,065,000,000	65,000,000
III. Short-term receivables	130		74,362,675,325	47,171,239,844
1. Short-term trade receivables	131	7	38,807,044,473	29,214,405,782
2. Short-term advances to suppliers	132		25,722,745,208	9,292,551,705
3. Other short-term receivables	136	8	9,148,792,386	8,138,613,714
4. Short-term doubtful debts	137		(35,327,600)	(35,327,600)
5. Deficits in assets awaiting solution	139	9	719,420,858	560,996,243
IV. Inventories	140	10	2,323,127,119,809	2,135,224,563,617
1. Inventories	141		2,323,127,119,809	2,135,224,563,617
V. Other short-term assets	150		39,360,768,383	44,839,413,383
1. Short-term prepayments	151	11	38,036,683,311	43,731,216,274
2. Value added tax deductibles	152		10,586,363	-
3. Taxes and other receivables from the State budget	153	12	1,313,498,709	1,108,197,109
B. NON-CURRENT ASSETS	200		511,508,624,962	710,104,580,011
I. Long-term receivables	210		23,406,927,807	21,217,170,462
1. Other long-term receivables	216	8	23,406,927,807	21,217,170,462
II. Fixed assets	220		362,734,232,626	486,102,562,173
1. Tangible fixed assets	221	13	183,773,239,200	193,732,606,001
- Cost	222		331,463,671,149	326,471,653,080
- Accumulated depreciation	223		(147,690,431,949)	(132,739,047,079)
2. Intangible assets	227	14	178,960,993,426	292,369,956,172
- Cost	228		183,019,025,421	295,745,366,571
- Accumulated amortization	229		(4,058,031,995)	(3,375,410,399)
III. Long-term assets in progress	240		14,275,846,287	6,279,408,722
1. Long-term construction in progress	242	15	14,275,846,287	6,279,408,722
IV. Long-term financial investments	250		81,060,572,614	166,666,261,924
1. Investments in associates	252	16	81,060,572,614	81,974,511,924
2. Equity investments in other entities	253	17	395,271,613,400	395,271,613,400
3. Provision for impairment of long-term financial investments	254	6	(395,271,613,400)	(310,579,863,400)
V. Other long-term assets	260		30,031,045,628	29,839,176,730
1. Long-term prepayments	261	11	27,534,093,558	27,342,224,660
2. Deferred tax assets	262	18	2,496,952,070	2,496,952,070
TOTAL ASSETS (270=100+200)	270		3,112,450,928,167	2,975,289,436,067

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

INTERIM CONSOLIDATED BALANCE SHEET (Continued)


As at 30 June 2016

FORM B 01a-DN/HN


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

Unit: VND

RESOURCES	Codes		30/6/2016	31/12/2015
C. LIABILITIES	300		1,640,709,328,764	1,580,939,890,550
I. Current liabilities	310		1,575,589,572,520	1,501,707,663,181
1. Short-term trade payables	311	19	225,469,153,864	191,247,911,541
2. Short-term advances from customers	312		14,464,834,492	20,139,296,256
3. Taxes and amounts payable to the State budget	313	12	45,875,840,522	30,738,737,942
4. Payables to employees	314		25,587,976,476	17,885,744,572
5. Short-term accrued expenses	315		20,152,342,870	5,022,483,042
6. Other current payables	319	20	123,972,283,154	29,031,191,004
7. Short-term loans	320	21	1,078,134,791,153	1,189,260,458,896
8. Bonus and welfare funds	322		41,932,349,989	18,381,839,928
II. Long-term liabilities	330		65,119,756,244	79,232,227,369
1. Other long-term payables	337	20	433,668,000	403,668,000
2. Long-term loans	338	22	58,291,000,000	72,388,000,000
3. Long-term provisions	342	23	6,395,088,244	6,440,559,369
D. EQUITY	400		1,471,741,599,403	1,394,349,545,517
I. Owners' equity	410	24	1,471,741,599,403	1,394,349,545,517
1. Owners' 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		269,355,308,620	191,963,254,734
- Retained earnings accumulated to the prior year end	421a		24,822,452,734	39,660,441,986
- Retained earnings of the current period/year	421b		244,532,855,886	152,302,812,748
TOTAL RESOURCES (440=300+400)	440		3,112,450,928,167	2,975,289,436,067


Duong Quang Hai
Preparer


Dang Thi Lai
Chief Accountant


Cao Thi Ngoc Dung
General Director
12 August 2016



INTERIM CONSOLIDATED INCOME STATEMENT

For the 6-month period ended 30 June 2016

FORM B 02a-DN/HN

(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		3,961,065,706,770	3,868,684,344,728
2. Deductions	02		22,859,299,218	13,778,057,891
3. Net revenue from goods sold and services rendered (10=01-02)	10	27	3,938,206,407,552	3,854,906,286,837
4. Cost of goods sold and services rendered	11	28	3,225,623,323,075	3,299,667,673,824
5. Gross profit from goods sold and services rendered (20=10-11)	20		712,583,084,477	555,238,613,013
6. Financial income	21	30	1,105,897,732	413,558,927
7. Financial expenses	22	31	124,250,886,900	172,438,939,426
<i>In which: Interest expense</i>	23		38,237,408,560	36,777,505,139
8. Selling expenses	25	32	263,427,519,872	189,891,127,628
9. General and administration expenses	26	33	61,764,205,963	50,104,459,441
10. Operating profit (30=20+(21-22)-(25+26))	30		264,246,369,474	143,217,645,445
11. Other income	31	34	44,489,211,739	810,738,183
12. Other expenses	32	34	1,608,488,130	3,855,170,775
13. Profit/(Loss) from other activities (40=31-32)	40		42,880,723,609	(3,044,432,592)
14. (Loss)/Profit from associates	45	16	(913,939,310)	542,475,054
15. Accounting profit before tax (50=30+40+45)	50		306,213,153,773	140,715,687,907
16. Current corporate income tax expense	51	35	61,680,297,887	32,529,947,397
17. Deferred corporate income tax	52	18	-	(475,332,042)
18. Profit after corporate income tax (60=50-51-52)	60		244,532,855,886	108,661,072,552
<i>Attributable to:</i>				
- The Parent Company's shareholders	62		244,532,855,886	108,661,072,552
19. Basic earnings per share	70	36	2,082	925

Duong Quang Hai
Preparer

Dang Thi Lai
Chief Accountant



Cao Thi Ngoc Dung
General Director
12 August 2016

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INTERIM CONSOLIDATED CASH FLOW STATEMENT

For the 6-month period ended 30 June 2016

FORM B 03a-DN/HN

(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 to 30/6/2016	From 01/01/2015 to 30/6/2015
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	01	306,213,153,773	140,715,687,907
2. Adjustments for:			
Depreciation and amortization	02	16,540,953,146	14,615,112,401
Provisions	03	84,691,750,000	123,135,031,341
Foreign exchange (gain)/loss arising from translating foreign currency items	04	(208,462,157)	647,492,581
Gain from investing activities	05	(44,647,739,799)	(749,705,003)
Interest expense	06	38,237,408,560	36,777,505,139
3. Operating profit before movements in working capital	08	400,827,063,523	315,141,124,366
(Increase)/Decrease in account receivables	09	(12,710,141,227)	4,338,345,163
Increase in inventories	10	(187,902,556,192)	(588,973,032,632)
Increase in account payables	11	35,179,802,763	64,538,274,733
Decrease/(Increase) in prepaid expenses	12	5,502,664,065	(1,634,843,967)
Interest paid	14	(34,538,028,237)	(35,453,096,521)
Corporate income tax paid	15	(41,028,708,514)	(48,884,570,196)
Other cash inflows/(outflows)	17	8,320,510,061	(26,377,882,405)
Net cash generated by/(used in) operating activities	20	173,650,606,242	(317,305,681,459)
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition of fixed assets and other long-term assets	21	(21,630,589,516)	(35,279,492,703)
2. Proceeds from disposal of fixed assets	22	150,000,000,000	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	456,516,056	52,684,494
Net cash generated by/(used in) investing activities	30	78,825,926,540	(35,072,262,754)
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from borrowings	33	1,372,047,879,893	2,514,991,456,230
2. Repayments of borrowings	34	(1,497,270,547,636)	(2,154,829,264,953)
3. Dividends paid	36	(49,136,934,000)	(18,831,507,285)
Net cash (used in)/generated by financing activities	40	(174,359,601,743)	341,330,683,992
Net increase/(decrease) in cash (50=20+30+40)	50	78,116,931,039	(11,047,260,221)
Cash at the beginning of the period	60	37,884,639,212	37,706,071,196
Effect of changes in foreign exchange rates	61	25,169,437	-
Cash and cash equivalents at the end of the period (70=50+60+61)	70	116,026,739,688	26,658,810,975



Duong Quang Hai
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 consolidated financial statements

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FORM B 09a-DN/HN
*(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 consolidated financial statements

1. GENERAL INFORMATION

Phu Nhuan Jewelry Joint Stock Company (the “Parent Company”) was incorporated as a joint stock company under the Business Registration Certificate No. 0300521758 dated 2 January 2004 issued by the Department of Planning and Investment of Ho Chi Minh City, as amended.

The Company has been listed on the Ho Chi Minh City Stock Exchange (“HOSE”) since 23 March 2009 pursuant to the Decision No.129/ĐKNY 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 was 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 Parent Company’s head office is located at 170 Phan Dang Luu Street, Ward 3, 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 associates 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 consolidated financial statements

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



2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

The accompanying interim consolidated 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 interim financial reporting.

The accompanying interim consolidated financial statements are not intended to present the consolidated financial position, consolidated results of operations and consolidated 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 review interim consolidated 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 consolidated 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 consolidated financial statements, are as follows:

Estimates

The preparation of interim consolidated financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim financial reporting requires the Board of Directors 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Although these accounting estimates are based on the Board of Directors’ best knowledge, actual results may differ from those estimates.

Basis of consolidation

The interim consolidated financial statements incorporate the interim financial statements of the Parent Company and enterprises controlled by the Parent Company (its subsidiaries) up to 31 December each year. 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.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the interim financial statements of subsidiaries to bring the accounting policies used in line with those used by the Company.

Intragroup transactions and balances are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the parent’s ownership interests in them. Non-controlling interests consist of the amount of those non-controlling interests at the date of the original business combination (see below) and the non-controlling interests’ share of changes in equity since the date of the combination. Losses in subsidiaries are respectively attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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Business combinations

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired is credited to profit and loss in the period of acquisition.

The non-controlling interests are initially measured at the non-controlling shareholders' proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Investments in associates

An associate is an entity over which the Parent 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.

The results and assets and liabilities of associates are incorporated in these interim consolidated financial statements using the equity method of accounting. Interests in associates are carried in the consolidated balance sheet at cost as adjusted by post-acquisition changes in the Parent Company's share of the net assets of the associate. Losses of an associate in excess of the Parent Company's interest in that associate (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate) are not recognised.

Where a group entity transacts with an associate of the Parent Company, unrealised profits and losses are eliminated to the extent of the Parent Company's interest in the relevant associate.

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, deposits, 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 trade and other payables, accrued expenses and borrowings.

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 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 consolidated income statement on accrual basis. Pre-acquisition interest is deducted from the cost of such investments at the acquisition date.

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. 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 years, the other long-term investments are determined at cost less the impairment 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 consolidated 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

Loss or gain 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 consolidated 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 represents the value of computer software that is stated at cost less accumulated amortisation and is amortized on the straight-line basis over their estimated useful lives of 3 years.

Land use rights are recorded as an intangible asset in the consolidated balance sheet when the Company received the certificate of land use rights. The history cost of the land use rights comprises all directly attributable costs of bringing the land lot to the condition available for intended use and is not amortized because the 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 is applied on the same basis as other assets, commences when the assets are ready for their intended use.

Prepayments

Prepayments include short-term prepayments or long-term prepayments in the interim consolidated balance sheet and are amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

Long-term prepaid expenses comprise:

- Prepaid rental which includes land and shop rental prepaid for many years under operating leases 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 consolidated 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 period, revenue is recognised in each period by reference to the percentage of completion of the transaction at the consolidated balance sheet date of that year. 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 consolidated 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 interim consolidated 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) "Effects of changes in foreign exchange rates" and Circular 53/2016/TT-BTC ("Circular 200") guiding 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 consolidated 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 consolidated income statement. Unrealised exchange gains as at the consolidated balance sheet date are not treated as part of distributable profit to shareholders.

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's 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 period. Taxable profit differs from net profit as reported in the consolidated 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 consolidated 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	22,247,026,176	25,879,052,458
Cash in bank	10,574,341,512	9,926,639,754
Cash in transit	1,205,372,000	2,078,947,000
Cash equivalents (*)	80,000,000,000	-
	<u><u>114,026,739,688</u></u>	<u><u>37,884,639,212</u></u>

(*) Cash and cash equivalents comprise the time deposits with a term of 1 month and an interest rate of 5.5%/year.

6. FINANCIAL INVESTMENTS

	30/6/2016			31/12/2015		
	<u>VND</u>			<u>VND</u>		
	Cost	Provision	Fair value	Cost	Provision	Fair value
a. Held-to-maturity investments	50,065,000,000	-	50,065,000,000	65,000,000	-	65,000,000
- Time deposit	50,065,000,000	-	50,065,000,000	65,000,000	-	65,000,000
<i>Viet A Commercial Joint Stock Bank ("VAB") (*)</i>	50,000,000,000	-	50,000,000,000	-	-	-
<i>An Binh Commercial Joint Stock Company ("AB Bank")</i>	65,000,000	-	65,000,000	65,000,000	-	65,000,000
b. Investments in other entities						
- Investments in other entities	395,271,613,400	(395,271,613,400)	-	395,271,613,400	(310,579,863,400)	84,691,750,000
<i>Dong A Joint Stock Commercial Bank ("DAB") (**)</i>	395,271,613,400	(395,271,613,400)	-	395,271,613,400	(310,579,863,400)	84,691,750,000
	<u>445,336,613,400</u>	<u>(395,271,613,400)</u>	<u>50,065,000,000</u>	<u>395,336,613,400</u>	<u>(310,579,863,400)</u>	<u>84,756,750,000</u>

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

(**) 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 consolidated balance sheet date.

7. SHORT-TERM TRADE RECEIVABLES

	30/6/2016	31/12/2015
	<u>VND</u>	<u>VND</u>
ToTal Gaz Vietnam Limited	362,078,769	362,078,769
FH Trautz GmbH	5,014,543,632	6,531,852,825
DC&D Company	3,859,686,045	-
Mr. Le The Hoat (*)	14,944,000,000	-
Others	14,626,736,027	22,320,474,188
	<u><u>38,807,044,473</u></u>	<u><u>29,214,405,782</u></u>

(*) 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.

8. OTHER RECEIVABLES

	30/6/2016	31/12/2015
	<u>VND</u>	<u>VND</u>
a. Short-term receivables		
- Advances to employees	2,584,448,830	1,050,979,825
- Others	6,564,343,556	7,087,633,889
	<u>9,148,792,386</u>	<u>8,138,613,714</u>
b. Long-term receivables		
- Long-term deposits to rent the stores	23,406,927,807	21,217,170,462
	<u>23,406,927,807</u>	<u>21,217,170,462</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	161.83	485,490,600
Others		341,785,898		75,505,643
	<u>114.00</u>	<u>719,420,858</u>	<u>161.83</u>	<u>560,996,243</u>

10. INVENTORIES

	30/6/2016	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	23,874,195,265	20,813,328,324
Works in progress	108,402,452,053	131,664,308,110
Finished goods	108,277,059,222	134,240,935,308
Merchandise	1,940,460,742,731	1,736,881,061,410
Goods on consignment	17,888,461,258	10,457,381,768
	<u>2,323,127,119,809</u>	<u>2,135,224,563,617</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 21).

11. PRREPAYMENTS

	30/6/2016	31/12/2015
	<u>VND</u>	<u>VND</u>
a. Short-term prepayments		
- Stores rental	4,476,341,150	4,854,961,022
- Tools and supplies	22,567,507,072	32,298,885,139
- Others	10,992,835,089	6,577,370,113
	<u>38,036,683,311</u>	<u>43,731,216,274</u>
b. Long-term prepayments		
- Office and Stores renovation cost	15,045,081,163	12,193,523,193
- Stores rental	2,203,809,469	3,341,918,467
- Tools and supplies	7,871,566,263	9,231,231,710
- Marketing expense	2,413,636,663	2,575,551,290
	<u>27,534,093,558</u>	<u>27,342,224,660</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
	VND	VND	VND	VND
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
Corporate income tax	-	-	64,794,612	64,794,612
Others	36,815,968	(300,408,829)	277,030,611	13,437,750
	<u>1,108,197,109</u>	<u>(21,983,651,366)</u>	<u>22,188,952,966</u>	<u>1,313,498,709</u>
b. Payables				
Value added tax	18,719,466,614	79,859,301,256	(85,923,310,895)	12,655,456,975
Corporate income tax	11,036,880,958	61,680,297,887	(40,963,913,902)	31,753,264,943
Personal income tax	874,884,534	4,994,524,081	(4,485,887,190)	1,383,521,425
Others	107,505,836.00	1,660,125,940	(1,684,034,597)	83,597,179.00
	<u>30,738,737,942</u>	<u>148,194,249,164</u>	<u>(133,057,146,584)</u>	<u>45,875,840,522</u>

13. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Office equipment	Motor vehicles	Total
	VND	VND	VND	VND	VND
COST					
As at 01/01/2016	125,446,320,504	151,843,046,642	34,746,394,609	14,435,891,325	326,471,653,080
Additions	-	11,505,461,890	782,146,180	2,191,568,000	14,479,176,070
Disposals (*)	(9,423,420,273)	(63,737,728)	-	-	(9,487,158,001)
As at 30/6/2016	<u>116,022,900,231</u>	<u>163,284,770,804</u>	<u>35,528,540,789</u>	<u>16,627,459,325</u>	<u>331,463,671,149</u>
ACCUMULATED DEPRECIATION					
As at 01/01/2016	21,605,908,634	85,546,479,087	20,018,423,208	5,568,236,150	132,739,047,079
Charge for the period	2,640,430,679	9,009,695,525	3,576,766,614	631,438,732	15,858,331,550
Disposals	(843,208,952)	(63,737,728)	-	-	(906,946,680)
As at 30/6/2016	<u>23,403,130,361</u>	<u>94,492,436,884</u>	<u>23,595,189,822</u>	<u>6,199,674,882</u>	<u>147,690,431,949</u>
NET BOOK VALUE					
As at 30/6/2016	<u>92,619,769,870</u>	<u>68,792,333,920</u>	<u>11,933,350,967</u>	<u>10,427,784,443</u>	<u>183,773,239,200</u>
As at 01/01/2016	<u>103,840,411,870</u>	<u>66,296,567,555</u>	<u>14,727,971,401</u>	<u>8,867,655,175</u>	<u>193,732,606,001</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 is VND 9,423,420,273 (Note 34).

The cost of tangible fixed assets as at 30 June 2016 comprises fully depreciated fixed assets which are still in use with the total amount of VND 66,559,269,833 (as at 31 December 2015: VND 61,407,021,450).

14. INTANGIBLE FIXED ASSETS

	Land use rights VND	Computer software VND	Total VND
COST			
As at 01/01/2016	287,806,678,988	7,938,687,583	295,745,366,571
Eliminated on disposal of a subsidiary (*)	(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>
ACCUMULATED AMORTIZATION			
As at 01/01/2016	-	3,375,410,399	3,375,410,399
Charge for the period	-	682,621,596	682,621,596
As at 30/6/2016	-	<u>4,058,031,995</u>	<u>4,058,031,995</u>
NET BOOK VALUE			
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 01/01/2016	<u>287,806,678,988</u>	<u>4,563,277,184</u>	<u>292,369,956,172</u>

(*) 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).

As presented in Note 21 and 22, 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).

The cost of intangible assets as at 30 June 2016 comprises fully depreciated fixed assets which are still in use with the total amount of VND 1,112,471,613 (as at 31 December 2015: 1,112,471,613).

15. CONSTRUCTION IN PROGRESS

	30/6/2016 VND	31/12/2015 VND
Store at Sunrise city mall	8,991,664,487	5,540,318,522
Store in Tay Ninh Province	4,509,000,000	-
Construction expense of stores	775,181,800	739,090,200
	<u>14,275,846,287</u>	<u>6,279,408,722</u>

16. INVESTMENTS IN ASSOCIATES

	30/6/2016 VND	31/12/2015 VND
Investments in associates	91,866,300,000	91,866,300,000
Share of post-acquisition loss	(10,805,727,386)	(9,891,788,076)
	<u>81,060,572,614</u>	<u>81,974,511,924</u>

Dong A Land Joint Stock Company ("DAL") was established in Ho Chi Minh City with the charter capital of VND 300,000,000,000 according to the Business Registration Certificate No. 4103001739 issued by the Department of Planning and Investment of Ho Chi Minh City dated 24 July 2003. Total contributed capital of the Company is VND 91,866,300,000, equivalent to 30.62% of total charter capital. The principal activities of DAL are providing design services, project management, building service, providing advisory services and real estate agents, business and home decoration.

Summary of financial information about associates is as follow:

	30/6/2016	31/12/2015
	<u>VND</u>	<u>VND</u>
Total assets	1,114,357,749,356	1,191,136,152,238
Total liabilities	925,209,000,667	915,363,429,773
Net assets	<u>189,148,748,689</u>	<u>275,772,722,465</u>
Parent Company's share of associates' net assets	<u>57,917,346,849</u>	<u>84,441,607,619</u>
	From 01/01/2016	From 01/01/2015
	to 30/6/2016	to 30/6/2015
	<u>VND</u>	<u>VND</u>
Net revenue	-	25,346,629,466
Net (loss)/profit	(2,984,574,248)	1,771,636,361
Parent Company's share of associates' loss/net profit	(913,939,310)	542,475,054

17. EQUITY INVESTMENTS IN OTHER ENTITIES

Detailed information about the company as at 30 June 2016 was as follow:

<u>Company name</u>	<u>Place of Incorporation and operation</u>	<u>Proportion of ownership interest (%)</u>	<u>Proportion of voting power held (%)</u>	<u>Principal activity</u>
Dong A Joint Stock Commercial Bank ("DAB")	Ho Chi Minh City	7.69	7.69	Business operations related to financial activities, banking

18. DEFERRED TAX

The deferred tax assets recorded by the Company and changes of these items in this period and prior years are as follow:

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

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19. SHORT-TERM TRADE PAYABLES

	30/6/2016		31/12/2015	
	Amount VND	Amount able to be paid off VND	Amount VND	Amount able to be paid off VND
Forte Jewellery (HK) Limited	52,366,404,951	52,366,404,951	13,580,648,775	13,580,648,775
Sherenuj Fareast Limited Company	46,892,667,311	46,892,667,311	12,596,607,000	12,596,607,000
Other suppliers	126,210,081,602	126,210,081,602	165,070,655,766	165,070,655,766
	225,469,153,864	225,469,153,864	191,247,911,541	191,247,911,541

20. OTHER PAYABLES

	30/6/2016 VND	31/12/2015 VND
a. Current payables	138,849,732,948	29,031,191,004
- <i>Surpluses in assets awaiting solution</i>	479,221,503	666,637,223
- <i>Trade union fee</i>	2,071,670,155	2,679,311,205
- <i>Social insurance</i>	3,046,284	8,131,384
- <i>Health insurance</i>	-	309,565
- <i>Unemployment insurance</i>	-	615,766
- <i>Payables to Board of Management fund</i>	1,390,029,644	803,029,644
- <i>Payables to Board of Directors fund</i>	3,832,150,092	6,071,220,092
- <i>Payables to Trade union fund</i>	5,017,575,641	4,241,530,139
- <i>Dividends payable</i>	113,470,673,739	8,318,214,645
- <i>Others</i>	12,585,365,890	6,242,191,341
b. Long-term payables	433,668,000	403,668,000
- <i>Others</i>	433,668,000	403,668,000
	139,283,400,948	29,434,859,004

21. SHORT-TERM LOANS

	01/01/2015		In the period		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	-	-	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	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
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
Other individuals	265,572,301,515	265,572,301,515	147,680,168,177	(174,292,069,515)	238,960,400,177	238,960,400,177
Current portion of bond liabilities (see Note 22)	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>1,189,260,458,896</u>	<u>1,189,260,458,896</u>	<u>1,372,047,879,893</u>	<u>(1,483,173,547,636)</u>	<u>1,078,134,791,153</u>	<u>1,078,134,791,153</u>

Details of short-term loans at commercial banks with floating interest rates to accommodate the Company's working capital are presented as follows:

Bank name	30/6/2016 VND	Maturity date	Interest % p.a	Collateral
Asia Commercial Joint Stock Bank	20,000,000,000	27 September 2016	6%	Inventories
Vietnam Joint Stock Commercial Bank for Industry and Trade	190,782,875,453	From 05 July 2016 to 29 September 2016	5%	Inventories
Joint Stock Company Bank for Foreign trade	252,973,305,154	From 29 July 2016 to 22 December 2016	6%	Unsecured loan
Southeast Asia Commercial Joint Stock Bank	30,000,000,000	27 August 2016		Inventories, Land use rights and land-based assets at 123 Hung Vuong, Hai Chau II Ward, Hai Chau District, Da Nang Inventories
CTBC Bank Company Limited - Ho Chi Minh Branch	39,050,000,000	From 2 November 2016 to 13 December 2016	6%-6.4%	Inventories
Shinhan Bank Vietnam Limited	60,000,000,000	From 13 October 2016 to 12 January 2017	5.3%-5.5%	Inventories
Military Commercial Joint Stock Bank	28,880,070,566	From 05 July 2016 to 30 August 2016	5%	Unsecured loan
Vietnam International Commercial Joint Stock Bank	34,672,139,803	27 January 2017	2%	Inventories
China Construction Bank - Ho Chi Minh Branch	6,012,000,000	From 27 January 2016 to 17 December 2016	3%	Unsecured loan
Orient Commercial Joint Stock Bank	150,000,000,000	12 November 2016	9%	PNJ stocks (***)
Other individuals	238,960,400,177	From 1 July 2016 to 30 June 2016	3%-3.9%	Unsecured loan
Current portion of long-term loans (see Note 22)	<u>26,804,000,000</u>			
	<u>1,078,134,791,153</u>			

(*) At 09 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 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 a 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.

22. LONG-TERM LOANS

	31/12/2015		In the period		30/6/2016	
	<u>VND</u>	<u>VND</u>	<u>VND</u>	<u>VND</u>	<u>VND</u>	<u>VND</u>
	Amount	Amount able to be paid off	Increase	Decrease	Amount	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 are detailed as follows:

Bank	30/6/2015	Interest %	Maturity date	Collateral
Dong A Joint Stock Commercial Bank	18,030,000,000	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, District 1, HCMC
Asia Commercial Joint Stock Bank	40,261,000,000	8.8% - 9.1%	2017	Land use rights at 07 An Duong Vuong Street, Ward 8, District 5, Ho Chi Minh City and 6A Tran Nhan Tong Street, Bui Thi Xuan Ward, Hai Ba Trung District. Ha Noi City
	<u>58,291,000,000</u>			

Long-term liabilities are repayable as the following schedule:

	30/6/2016 <u>VND</u>	31/12/2015 <u>VND</u>
On demand or 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	<u>30,097,000,000</u>	<u>44,194,000,000</u>
	85,095,000,000	99,192,000,000
Less: Amount due for settlement within 12 months (shown under Note 21)	<u>26,804,000,000</u>	<u>26,804,000,000</u>
Amount due for settlement after 12 months	<u>58,291,000,000</u>	<u>72,388,000,000</u>

23. LONG-TERM PROVISION

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

24. OWNERS' EQUITY

Movement in owners' equity

	Owners' contributed capital <u>VND</u>	Share premium <u>VND</u>	Treasury shares <u>VND</u>	Investment and development fund <u>VND</u>	Retained earnings <u>VND</u>	Total <u>VND</u>
<i>For the 6-month period ended 30 June 2015</i>						
Balance as at 31/12/2014	755,970,350,000	105,021,650,000	(7,090,000)	232,805,050,783	202,732,850,786	1,296,522,811,569
Profit for the year	-	-	-	-	108,661,072,552	108,661,072,552
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 funds	-	-	-	-	(25,587,181,000)	(25,587,181,000)
Other funds	-	-	-	-	(5,000,000,000)	(5,000,000,000)
As at 30/6/2015	755,970,350,000	105,021,650,000	(7,090,000)	265,805,050,783	149,531,514,538	1,276,321,475,321
<i>For the 6-month period ended 30 June 2016</i>						
Balance as at 31/12/2015	982,745,770,000	-	(7,090,000)	219,647,610,783	191,963,254,734	1,394,349,545,517
Profit for the period	-	-	-	-	244,532,855,886	244,532,855,886
Dividend declared	-	-	-	-	(147,410,802,000)	(147,410,802,000)
Funds to Board of management and Board of Supervision	-	-	-	-	(2,000,000,000)	(2,000,000,000)
Profit appropriation	-	-	-	-	(2,000,000,000)	(2,000,000,000)
Transfer to bonus and welfare funds	-	-	-	-	(15,230,000,000)	(15,230,000,000)
Funds to Board of Directors	-	-	-	-	(2,500,000,000)	(2,500,000,000)
Balance as at 30/6/2016	982,745,770,000	-	(7,090,000)	219,647,610,783	267,355,308,620	1,469,741,599,403

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

- 2015 dividends of VND 170,676,962,249 .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 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.

Shares - Ordinary shares

	30/06/2016	31/12/2015
	Number of shares	Number of shares
Shares issued and fully paid	98,274,577	98,274,577
<i>Ordinary shares</i>	98,274,577	98,274,577
Treasury shares	(709)	(709)
<i>Ordinary shares</i>	(709)	(709)
Shares in circulation	98,273,868	98,273,868
<i>Ordinary shares</i>	<u>98,273,868</u>	<u>98,273,868</u>

The Company's ordinary share has the par value of VND 10,000 per share. The shareholders of ordinary shares are entitled to receive dividends as declared and have one vote per share at the Company's Shareholders meetings. All shares rank equally with regard to the Company's residual assets.

Details of the major shareholders as at balance sheet date as follows:

	30/6/2016		31/12/2015	
	VND	%	VND	%
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>982,745,770,000</u>	<u>100%</u>	<u>982,745,770,000</u>	<u>100%</u>

(*) From 08 July 2016 to 11 July 2016, Vietnam Azalea Funds withdrew capital by selling 3,000,000 PNJ stocks. Consequently, Vietnam Azalea Funds'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. 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	<u>174</u>	<u>174</u>

Consignment goods for sale, goods held under trust, pledged, mortgaged goods

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

26. BUSINESS AND GEOGRAPHICAL SEGMENTS

The principal activity of the Company is to trade gold, silver, jewelry and gemstones. Additionally, the other activities mainly are trading accessories, jewellery inspection services. Revenue from the other operating activities merely accounts for an immaterial rate in the total revenue, from 01 January 2016 to 30 June 2016 it is 1% (for the 6-month period ended 30 June 2015: 1%). Revenue and cost of sales from operating activities are presented in Note 27 and Note 28 of the Notes to the interim consolidated financial statements. In respect of geographical segments, the Company merely operates within Vietnam (export activities take up 0.01% of total revenue). Accordingly, the Board of Directors assessed and believed that no segment reporting in the interim consolidated financial statements for the 6-month period ended 30 June 2016 was in accordance with Vietnamese Accounting Standard No. 28 - "Segment Reporting" and the Company's current operating situation.

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27. NET REVENUE FROM GOODS SOLD AND SERVICES RENDERED	From 01/01/2016 to 30/6/2016 VND	From 01/01/2015 to 30/6/2015 VND
Sales of gold, silver and jewelry	4,022,598,809,540	3,906,811,572,658
Rendering services	5,693,043,137	11,974,069,083
Sales of accessories	9,715,675,561	9,388,936,803
Value added tax applying direct method	(76,941,821,468)	(59,490,233,816)
	<u>3,961,065,706,770</u>	<u>3,868,684,344,728</u>
Sales returned	(22,859,299,218)	(13,778,057,891)
	<u>3,938,206,407,552</u>	<u>3,854,906,286,837</u>
28. COST OF GOODS SOLD AND SERVICES RENDERED	From 01/01/2016 to 30/6/2016 VND	From 01/01/2015 to 30/6/2015 VND
Cost of gold, silver and jewelry	3,216,669,466,261	3,291,395,535,748
Cost of services rendered	2,233,174,913	1,812,792,800
Cost of accessories	6,720,681,901	6,459,345,276
	<u>3,225,623,323,075</u>	<u>3,299,667,673,824</u>
29. PRODUCTION AND OPERATING 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	3,180,812,721,033
Labour cost	213,410,808,526	178,776,724,934
Depreciation and amortisation	16,540,953,146	14,615,112,401
Outside services expenses	63,708,286,565	51,795,770,278
Other monetary expenses	111,392,375,559	97,017,591,802
	<u>3,781,050,506,420</u>	<u>3,523,017,920,448</u>
30. FINANCIAL INCOME	From 01/01/2016 to 30/6/2016 VND	From 01/01/2015 to 30/6/2015 VND
Interest income	640,443,160	52,684,494
Realized foreign exchange gain	461,684,716	353,321,629
Others	3,769,856	7,552,804
	<u>1,105,897,732</u>	<u>413,558,927</u>
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 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
	<u>124,250,886,900</u>	<u>172,438,939,426</u>

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	112,906,022,392	88,212,070,432
Office supplies	17,228,845,794	12,394,110,352
Depreciation and amortisation	2,513,696,533	1,835,681,605
Out-sourced services	59,081,743,257	42,201,565,090
Other monetary expenses	63,344,640,064	37,364,753,879
	<u>263,427,519,872</u>	<u>189,891,127,628</u>

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	37,012,030,988	26,036,690,485
Office supplies	2,484,261,162	2,692,484,164
Depreciation and amortisation	4,715,381,186	5,021,882,637
Taxes , fees and charges	117,500,000	169,000,000
Out-sourced services	2,355,817,080	2,100,935,266
Other monetary expenses	15,059,078,047	13,989,947,229
	<u>61,764,205,963</u>	<u>50,104,459,441</u>

34. OTHER INCOME AND OTHER EXPENSES

	From 01/01/2016 to 30/6/2016 VND	From 01/01/2015 to 30/6/2015 VND
Proceeds from disposals of fixed assets (*)	43,641,947,529	154,545,455
Other income	847,264,210	656,192,728
	<u>44,489,211,739</u>	<u>810,738,183</u>
Expense for disposals of tools	1,435,582,842	15,830,913
Other expenses	172,905,288	3,839,339,862
	<u>1,608,488,130</u>	<u>3,855,170,775</u>
Profit/(loss) from other activities	<u>42,880,723,609</u>	<u>(3,044,432,592)</u>

(*) 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 under contract date 02 April 2016.

35. CURRENT CORPORATE INCOME TAX EXPENSE

	From 01/01/2016 to 30/6/2016 VND	From 01/01/2015 to 30/6/2015 VND
Current corporate income tax expense		
- Corporate income tax based on taxable income in the current year	61,680,297,887	32,529,947,397
Total current corporate income tax expense	<u>61,680,297,887</u>	<u>32,529,947,397</u>

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

36. BASIC EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Parent Company is based on the following data:

	From 01/01/2016 to 30/6/2016	From 01/01/2015 to 30/6/2015
	<u>VND</u>	<u>VND</u>
Earnings for the purposes of calculating basic earnings per share	244,532,855,886	108,661,072,552
Estimated management bonus and welfare fund; funds for Board of Management	(44,400,751,192)	(19,730,000,000)
Earnings for the purpose of calculating basic earnings per share	<u>200,132,104,694</u>	<u>88,931,072,552</u>
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	<u>98,273,868</u>	<u>98,273,868</u>
Basis earnings per share	<u>2,036</u>	<u>905</u>

37. OPERATING LEASE COMMITMENTS

	From 01/01/2016 to 30/6/2016	From 01/01/2015 to 30/6/2015
	<u>VND</u>	<u>VND</u>
Minimum lease payments under operating leases recognised in the interim consolidated income statement for the period	<u>51,528,951,225</u>	<u>35,438,955,374</u>

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

	30/6/2016	31/12/2015
	<u>VND</u>	<u>VND</u>
Within one year	70,503,111,792	61,519,354,281
In the second to fifth year inclusive	181,478,798,177	162,681,151,732
After five years	100,089,734,000	84,933,286,000
	<u>352,071,643,969</u>	<u>309,133,792,013</u>

Operating lease mainly includes rental related to 204 stores which are currently operating in Vietnam.

38. 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 21 and 22, offset by cash and cash equivalents) and shareholders' equity (comprising owners' contributed capital, investment and development fund and retained earnings).

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Gearing ratio

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

	30/6/2016	31/12/2015
	<u>VND</u>	<u>VND</u>
Borrowings	1,136,425,791,153	1,261,648,458,896
Less: Cash and cash equivalents	<u>(114,026,739,688)</u>	<u>(37,884,639,212)</u>
Net debt	1,022,399,051,465	1,223,763,819,684
Equity	<u>1,471,741,599,403</u>	<u>1,394,349,545,517</u>
Net debt to equity ratio	<u>0.69</u>	<u>0.88</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

	Carrying amounts	
	30/6/2016	31/12/2015
	<u>VND</u>	<u>VND</u>
Financial assets		
Cash and cash equivalents	114,026,739,688	37,884,639,212
Trade and other receivables	47,920,509,259	37,317,691,896
Short-term financial investments	50,065,000,000	65,000,000
Long-term financial investments	-	84,691,750,000
Deposits	<u>23,406,927,807</u>	<u>21,217,170,462</u>
	<u>235,419,176,754</u>	<u>181,176,251,570</u>
Financial liabilities		
Borrowings	1,136,425,791,153	1,261,648,458,896
Trade and other payables	236,404,431,279	212,364,555,900
Accrued expenses	<u>20,152,342,870</u>	<u>5,022,483,042</u>
	<u>1,392,982,565,302</u>	<u>1,479,035,497,838</u>

The Company has not assessed fair value of its financial assets and liabilities as at the interim consolidated 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 year are as follows:

	Assets		Liabilities	
	30/6/2016 VND	31/12/2015 VND	30/6/2016 VND	31/12/2015 VND
United States Dollar (USD)	11,059,069,175	11,531,962,091	135,663,950,253	27,715,094,254
Australia Dollar (AUD)	897,665,761	17,660	-	1,469,232,815
Hong Kong Dollar (HKD)	-	-	-	-
Euro (EUR)	4,517,668,705	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 Board of Directors.

For a 5% increase/decrease in the USD and EUR against VND, the profit before tax for for the 6-month period ended 30 June 2016 would have decreased/increased by the amounts of VND 6,373,022,445 (2015: VND 854,510,801) 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.

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.

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 VND	From 1- 5 years VND	Total VND
Cash and cash equivalents	114,026,739,688	-	114,026,739,688
Trade and other receivables	47,920,509,259	-	47,920,509,259
Short-term financial investments	50,065,000,000	-	50,065,000,000
Deposits	-	23,406,927,807	23,406,927,807
	212,012,248,947	23,406,927,807	235,419,176,754
Borrowings	1,078,134,791,153	58,291,000,000	1,136,425,791,153
Trade and other payables	235,970,763,279	433,668,000	236,404,431,279
Accrued expenses	20,152,342,870	-	20,152,342,870
	1,334,257,897,302	58,724,668,000	1,392,982,565,302
Net liquidity gap	(1,122,245,648,355)	(35,317,740,193)	(1,157,563,388,548)
31/12/2015	Less than 1 year VND	From 1- 5 years VND	Total VND
Cash	37,884,639,212	-	37,884,639,212
Trade and other receivables	37,317,691,896	-	37,317,691,896
Short-term financial investments	65,000,000	-	65,000,000
Long-term financial investments	-	84,691,750,000	84,691,750,000
Deposits	-	21,217,170,462	21,217,170,462
	75,267,331,108	105,908,920,462	181,176,251,570
Borrowings	1,189,260,458,896	72,388,000,000	1,261,648,458,896
Trade and other payables	211,960,887,900	403,668,000	212,364,555,900
Accrued expenses	5,022,483,042	-	5,022,483,042
	1,406,243,829,838	72,791,668,000	1,479,035,497,838
Net liquidity gap	(1,330,976,498,730)	33,117,252,462	(1,297,859,246,268)

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

39. RELATED PARTY TRANSACTIONS AND BALANCES

List of related parties:

<u>Related parties</u>	<u>Relationship</u>
Dong A Land Joint Stock Company	Associate
Dong A Joint Stock Commercial Bank	Related party



