

Separate Interim Financial Statements

For the three month period ended 31 March 2018

PHU NHUAN JEWELRY JOINT STOCK COMPANY
(Incorporated in the Socialist Republic of Vietnam)

SEPARATE INTERIM FINANCIAL STATEMENTS
For the three month period ended 31 March 2018

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1. GENERAL INFORMATION

The company

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") with PNJ code from 23 March 2009 pursuant to Decision No.129/DKNY issued by the General Director of HOSE on 26 December 2008.

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

The Parent Company's head office is located at 170E Phan Dang Luu Street, Ward 3, Phu Nhuan District, Ho Chi Minh City, Vietnam. In addition, the Company also has two hundred and seventy-five (275) stores retail shops located in various provinces and cities in Vietnam.

THE BOARDS OF MANAGEMENT, SUPERVISORS AND DIRECTORS

The members of the Boards of Management and Directors and Supervisors 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. Le Tri Thong	Vice Chairman
Mr. Nguyen Vu Phan	Member
Ms. Nguyen Thi Cuc	Member
Ms. Pham Vu Thanh Giang	Member
Mr. Le Huu Hanh	Member
Ms. Pham Thi My Hanh	Member
Mr. Le Quang Phuc	Member

Board of Supervisors

Mr. Nguyen Thanh Du	Head of Board of Supervisors
Ms. Nguyen Ngoc Hue	Member
Mr. Le Anh Duc	Member

Board of Executives

Ms. Cao Thi Ngoc Dung	General Director
Mr. Le Huu Hanh	Director of Jewelry Factory
Ms. Dang Thi Lai	Director of Finance-Accounting
Ms. Tran Thi Thu Ha	Director of Retail
Ms. Nguyen Hoang Anh	Director of Marketing
Mr. Nguyen Hoang Chau	Director of Supply Chain
Mr. Dao Trung Kien	Director of Strategy
Mr. Nguyen Ngoc Tran	Director of Information Technology
Mr. Nguyen Anh Hung	Director of Human Resources
Mr. Duong Quang Hai	Chief Accountant

LEGAL REPRESENTATIVE

The legal representative of the Company during the period and at the date of this report is Ms Cao Thi Ngoc Dung.

BALANCE SHEET
As at 31 March 2018

Unit: VND

	ASSETS	Code	Notes	31/03/2018	31/12/2017
A	CURRENT ASSETS	100		3,862,041,220,545	3,887,420,813,235
I	Cash and cash equivalents	110	(1)	76,930,774,375	167,814,376,098
1	Cash	111		76,930,774,375	103,764,376,098
2	Cash equivalents	112		0	64,050,000,000
II	Current financial investment	120		65,000,000	160,065,000,000
3	Held to maturity investments	123	(2)	65,000,000	160,065,000,000
III	Current accounts receivable	130		126,173,963,401	103,698,291,895
1	Trade receivables	131	(3)	56,522,608,416	43,171,219,149
2	Advances to suppliers	132		44,291,796,830	32,814,615,983
6	Other receivables	136	(4)	25,303,735,184	27,577,078,743
8	Shortage of assets pending resolution	139		55,822,971	135,378,020
IV	Inventories	140	(5)	3,587,110,381,775	3,383,605,076,098
1	Inventories	141		3,587,110,381,775	3,383,605,076,098
V	Other current assets	150		71,761,100,994	72,238,069,144
1	Short-term prepaid expenses	151	(6)	61,255,088,363	67,127,740,474
2	Value-added tax deductible	152	(7)	134,675,684	20,455,201
3	Tax and other receivables from the State	153	(7)	10,371,336,947	5,089,873,469
B	NON-CURRENT ASSETS	200		828,940,640,990	608,883,714,734
I	Non-current account receivables	210		45,201,826,733	41,746,375,257
6	Other non-current receivables	216	(4)	45,201,826,733	41,746,375,257
II	Fixed assets	220		666,124,201,987	484,699,732,543
1	Tangible fixed assets	221	(8)	205,455,564,695	203,204,284,453
	- Cost	222		402,718,916,338	391,425,135,871
	- Accumulated depreciation (*)	223		(197,263,351,643)	(188,220,851,418)
3	Intangible fixed assets	227	(9)	460,668,637,292	281,495,448,090
	- Cost	228		466,255,407,873	286,740,907,873
	- Accumulated depreciation (*)	229		(5,586,770,581)	(5,245,459,783)
IV	Non-current assets in progress	240	(10)	34,585,310,216	9,665,078,966
2	Construction in progress	242		34,585,310,216	9,665,078,966
V	Long-term investments	250	(2)	20,000,000,000	20,000,000,000
1	Investments in subsidiaries	251		20,000,000,000	20,000,000,000
3	Other long-term investments	253		395,271,613,400	395,271,613,400
4	Provision for long-term investments	254		(395,271,613,400)	(395,271,613,400)
VI	Other long-term assets	260		63,029,302,054	52,772,527,968
1	Long-term prepaid expenses	261	(6)	60,590,282,630	50,333,508,544
2	Deferred tax assets	262		2,439,019,424	2,439,019,424
	TOTAL ASSETS (270=100+200)	270		4,690,981,861,535	4,496,304,527,969

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

BALANCE SHEET (Continued)
As at 31 March 2018

Unit: VND

	RESOURCES	Code	Notes	31/03/2018	31/12/2017
C	LIABILITIES	300		1,496,431,432,256	1,549,664,382,047
I	Current liabilities	310		1,410,542,775,256	1,495,725,175,047
1	Trade payables	311	(12)	275,885,544,489	279,319,406,605
2	Advances from customers	312		44,227,906,145	37,742,598,354
3	Statutory obligations	313	(7)	128,628,800,724	116,383,358,330
4	Payables to employees	314		69,542,496,536	97,064,244,559
5	Accrued expenses	315		90,815,991,970	4,629,017,766
8	Unrealized turnover	318		1,368,436,364	0
9	Other payables	319	(13)	51,486,953,576	51,847,439,279
10	Short-term loans	320	(11)	711,313,899,131	857,278,850,200
12	Bonus and welfare fund	322		37,272,746,321	51,460,259,954
II.	Non-current liabilities	330		85,888,657,000	53,939,207,000
7	Other long-term liabilities	337	(13)	628,026,000	628,026,000
8	Long-term loans	338	(11)	78,184,314,000	46,234,864,000
12	Long-term provisions	342		7,076,317,000	7,076,317,000
D	EQUITY	400		3,194,550,429,279	2,946,640,145,922
I	Owner's equity	410	(14)	3,194,550,429,279	2,946,640,145,922
1	Owner's contributed capital	411		1,081,020,340,000	1,081,020,340,000
2	Share premium	412		876,761,282,458	876,761,282,458.00
5	Treasury shares (*)	415		(7,090,000)	(7,090,000)
8	Investment and development fund	418		220,087,556,918	220,087,556,918
11	Retained earnings	421		1,016,688,339,903	768,778,056,546
	- Retained profits brought forward	421a		682,296,996,546	153,436,032,604
	- Retained profits for the current period	421b		334,391,343,357	615,342,023,942
	TOTAL RESOURCES (440=300+400)	440		4,690,981,861,535	4,496,304,527,969

OFF BALANCE SHEET ITEM

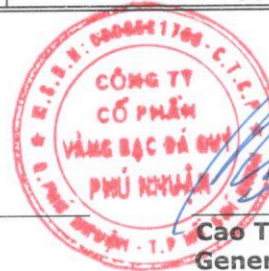
	31/03/2018	31/12/2017
Foreign currencies:		
- United States dollar (USD)	35,735	83,539
- Gold taels (taels)	9,270	6,170
- Australian Dollar (AUD)	473	477
- Euro Dollar (EUR)	505	7,670



Nguyen Thanh Dat
Preparer



Duong Quang Hai
Chief Accountant



Cao Thi Ngoc Dung
General Director
18 April 2018

PHU NHUAN JEWELRY JOINT STOCK COMPANY
170E Phan Dang Luu Street, Ward 3, Phu Nhuan District
Ho Chi Minh City, Vietnam

FORM B 01-DN

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

INCOME STATEMENT

For the three- month period ended 31 March 2018

Unit: VND

No	ITEMS	Code	Notes	Three-month period ended		Accumulated year	
				31/01/2018	31/01/2017	Current year	Period year
1	Gross revenue from sale of goods and services rendered	01		4,152,187,401,452	3,134,931,371,565	4,152,187,401,452	3,134,931,371,565
2	Deductions	02		26,999,709,850	17,673,134,699	26,999,709,850	17,673,134,699
3	Net revenue from sale of goods and services rendered	10	(15)	4,125,187,691,602	3,117,258,236,866	4,125,187,691,602	3,117,258,236,866
4	Cost of goods sold and services rendered	11	(17)	3,364,545,666,630	2,575,627,300,009	3,364,545,666,630	2,575,627,300,009
5	Gross profit from sale of goods and services rendered	20		760,642,024,972	541,630,936,857	760,642,024,972	541,630,936,857
6	Finance income	21	(16)	5,990,816,429	1,941,614,976	5,990,816,429	1,941,614,976
7	Finance expenses	22	(18)	14,148,533,182	19,134,863,796	14,148,533,182	19,134,863,796
	- In which: Interest expense	23		13,718,171,796	18,419,684,099	13,718,171,796	18,419,684,099
8	Selling expenses	25		276,429,668,418	178,732,679,586	276,429,668,418	178,732,679,586
9	General and administrative expenses	26		58,782,765,348	37,525,778,232	58,782,765,348	37,525,778,232
10	Operating profit	30		417,271,874,453	308,179,230,219	417,271,874,453	308,179,230,219
11	Other income	31		1,057,572,840	230,801,025	1,057,572,840	230,801,025
12	Other expenses	32		130,418,904	396,224,952	130,418,904	396,224,952
13	Other profit	40		927,153,936	(165,423,927)	927,153,936	(165,423,927)
14	Accounting profit before tax	50		418,199,028,389	308,013,806,292	418,199,028,389	308,013,806,292
15	Current corporate income tax expense	51	(21.1)	83,807,685,032	61,712,888,724	83,807,685,032	61,712,888,724
17	Net profit after corporate income tax	60		334,391,343,357	246,300,917,568	334,391,343,357	246,300,917,568
18	Earning per share	70		3,093	2,506	3,093	2,506



Nguyen Thanh Dat
Preparer



Duong Quang Hai
Chief Accountant




Cao Thi Ngoc Dung
General Director
18 April 2018

CASH FLOW STATEMENT

For the three- month period ended 31 March 2018

Unit: VND

No.	ITEMS	Code	Three - month period ended	
			31/03/2018	31/03/2017
I	CASH FLOWS FROM OPERATING ACTIVITIES			
1	Profit before tax	01	418,199,028,389	308,013,806,292
2	Adjustment for			
	- Depreciation and amortization	02	9,720,871,023	9,410,430,908
	- (Gain)/loss from investing activities	05	(5,892,954,659)	(1,348,212,636)
	- Interest expense	06	13,718,171,796	18,419,684,099
3	Operating profit before changes in working capital	08	435,745,116,549	334,495,708,663
	- (Increase)/Decrease in receivables	09	(31,212,586,460)	(23,126,678,958)
	- Increase in inventories	10	(203,505,305,677)	(9,831,797,326)
	- Increase in payables	11	61,925,751,715	(16,741,995,277)
	- Increase in prepaid expenses	12	(4,384,121,975)	(2,910,504,305)
	- Interest paid	14	(13,621,293,461)	(19,024,102,234)
	- Corporate income tax paid	15	(86,982,268,924)	(58,219,724,983)
	- Other cash inflows from operating activities	16		57,025,230
	- Other cash outflows from operating activities	17	(658,586,465)	
	Net cash flows (used in) from operating activities	20	157,306,705,302	204,697,930,810
II	CASH FLOWS FROM INVESTING ACTIVITIES			
1	Acquisition and construction of fixed assets	21	(216,065,571,717)	(8,651,620,479)
2	Proceeds from sale, disposals of fixed assets	22	100,000,000	4,000,000
4	Receipt from collection loans from other entities	24	160,000,000,000	
7	Interest earned and dividends received	27	5,892,954,659	1,348,212,636
	Net cash flows from (used in) investing activities	30	(50,072,617,058)	(7,299,407,843)
III	CASH FLOWS FROM FINANCING ACTIVITIES			
3	Drawdown of borrowings	33	1,147,089,495,620	740,096,780,632
4	Repayment of borrowings	34	(1,261,451,068,707)	(966,994,299,794)
6	Dividends paid	36	(83,756,116,880)	
	Net cash flows used in financing activities	40	(198,117,689,967)	(226,897,519,162)
	Net decrease in cash and cash equivalents	50	(90,883,601,723)	(29,498,996,195)
	Cash and cash equivalents at beginning of period	60	167,814,376,098	150,275,926,525
	Effect of exchange rate fluctuations on cash and cash equivalents	61		-
	Cash and cash equivalents at end of period	70	76,930,774,375	120,776,930,330


Nguyen Thanh Dat
Preparer


Duong Quang Hai
Chief Accountant




Cao Thi Ngoc Dung
General Director
18 April 2018

I. CORPORATE INFORMATION

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.

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 170E Phan Dang Luu Street, Ward 3, Phu Nhuan District, Ho Chi Minh City, Vietnam. In addition, the Company also has two hundred and seventy-five (275) retail shops located in various provinces and cities in Vietnam.

The number of employees as at 31 March 2018 was 5,113 (as at 31 December 2017: 5,004).

As at 31 March 2018, the Company's subsidiaries were:

- CAO Fashion Company Limited – Subsidiary
- PNJ Laboratory Company Limited – Subsidiary

As at 31 March 2018, the Company also fifty (50) 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- 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

II. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

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

The accompanying separate financial statements are presented to reflect the balance sheet as at 31 March 2018, the income statement and separate cash flow statements for the period then ended. Therefore, the Company does not consolidate the investments in subsidiaries in the separate financial statements. The Company's investments are recognized under the accounting policies presented on Note 5 below.

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

Financial year

The Company's financial year begins on 01 January and ends on 31 December.

III. 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 No.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. The Board of Directors has adopted Circular 53 in the preparation and presentation of the Company's financial statements for the period ended 31 March 2018.

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Estimates

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

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

Held-to-maturity investments

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

Held-to-maturity investments are recognised at acquisition date and initially stated at cost and any directly attributable costs. Interests in held-to-maturity investments after acquisition is recognised in the income statement based on accrual basis. Other interests received before acquisition date are deducted from the cost of the investments.

Held-to-maturity investments are carried at cost less provision for impairment.

Provisions for impairment of held-to-maturity investments are 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 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 balance sheet at cost less provision for impairment of such investments (if any).

Equity investments in other entities

Equity investments in other entities represent the Company's investments in ordinary shares of the entities over which the Company has no control, joint control, or significant influence.

Equity investments in other entities are carried at cost less provision for impairment.

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.

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:

	Current year <hr style="width: 100px; margin: 0 auto;"/> (Years)
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 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 amortization

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

Land use rights are recorded as an intangible asset on the balance sheet when the Company received the certificate of land use rights. Historical cost of land use rights 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 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 which are amortized over the lease term;
- Tools and consumables with large value issued in use which can be used for more than one year, and others which are amortized to the income statement over 2 to 3 years.

Borrowing costs

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

Revenue recognition

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

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

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

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

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

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

Severance allowance payable

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

Foreign currencies

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the balance sheet date are retranslated at the exchange rates on the same date. Exchange differences arising from the translation of these accounts are recognised in the income statement.

Payable provisions

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

Taxation

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

Current income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the balance sheet date.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for interim financial reporting purposes.

V. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. CASH AND CASH EQUIVALENTS

	VND	
	31/03/2018	31/12/2017
Cash on hand	48,711,219,618	61,156,455,977
Cash at banks	23,039,935,639	35,281,922,078
Cash in transit	5,179,619,118	7,325,998,043
Cash equivalents	-	64,050,000,000
TOTAL	76,930,774,375	167,814,376,098

2. FINANCIAL INVESTMENTS

	VND	
	31/03/2018	31/12/2017
a. Current		
Deposit	65,000,000	160,065,000,000
_An Binh Commercial Joint Stock Bank	65,000,000	65,000,000
_Orient Commercial Joint Stock Bank	-	40,000,000,000
_Viet Capital Commercial Joint Stock Bank	-	80,000,000,000
_Southeast Asia Commercial Joint Stock Bank	-	40,000,000,000
Total	65,000,000	160,065,000,000
b. Non - current		
The Company's subsidiaries	20,000,000,000	20,000,000,000
_CAO Fashion Company Limited	10,000,000,000	10,000,000,000
_PNJ Laboratory Company Limited	10,000,000,000	10,000,000,000
Other long term investments	-	-
_Dong A Joint Stock (EAB)	395,271,613,400	395,271,613,400
_Provision for long-term investments (EAB) (*)	(395,271,613,400)	(395,271,613,400)
Total	20,000,000,000	20,000,000,000

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.

As at 31 March 2018, Dong A Joint Stock Commercial Bank was still under special control by State Bank of Vietnam and shares are not transferable.

3. SHORT-TERM TRADE RECEIVABLES

	31/03/2018	VND 31/12/2017
FH Trautz GmbH	6,206,721,213	6,579,765,533
DC&D Company	9,099,027,968	3,934,729,248
CAO Fashion Company Limited	3,852,596,671	3,721,391,377
Others	37,364,262,564	28,935,332,991
TOTAL	56,522,608,416	43,171,219,149

4. OTHER RECEIVABLES

	31/03/2018	VND 31/12/2017
a. Current		
_Advances to employees	3,625,607,779	764,280,291
_Due from pawnshop	3,400,000,000	-
_Due from a related party (Note 21)	14,024,882,422	16,759,580,292
_Others	4,253,244,983	10,053,218,160
Total	25,303,735,184	27,577,078,743
b. Non- Current		
Long term deposit for renting stores	45,201,826,733	41,746,375,257
Total	45,201,826,733	41,746,375,257

5. INVENTORIES

	31/03/2018	VND 31/12/2017
Goods in transit	61,869,083,354	74,485,287,071
Raw materials	247,241,753,921	195,479,212,962
Tools and supplies	35,474,102,921	37,395,279,155
Work in process	269,636,918,379	241,475,582,475
Finished goods	215,034,130,675	336,815,539,305
Merchandise goods	2,685,845,114,890	2,446,952,563,390
Goods on consignment	72,009,277,635	51,001,611,740
TOTAL	3,587,110,381,775	3,383,605,076,098

As at 31 March 2018, inventories of VND 642,916,000,000, was used as collaterals for short-term loans obtained from commercial banks (Note 11).

6. PREPAYMENTS

	VND	
Current	31/03/2018	31/12/2017
Tools and supplies	44,672,584,521	45,887,075,745
Stores rental	9,003,403,416	10,582,202,902
Uniform expense	120,143,422	3,021,579,248
Office and store renovation expenses	3,794,365,158	3,854,695,805
Others	3,664,591,846	3,782,186,774
TOTAL	61,255,088,363	67,127,740,474

	VND	
Non current	31/03/2018	31/12/2017
Tools and supplies	28,620,295,653	23,339,302,147
Stores rental	2,101,220,000	1,213,200,000
Office and store renovation expenses	27,752,139,862	24,269,615,250
Others	2,116,627,115	1,511,391,147
TOTAL	60,590,282,630	50,333,508,544

7. TAXES AND OTHER RECEIVABLES FROM PAYABLES TO THE STATE BUDGET

	Opening balance	Receivable/Payable during the year	Received/Paid during the year	Closing balance
a.Receivables	VND	VND	VND	VND
Value added tax from import	5,040,800,081	37,173,550,496	31,960,140,013	10,254,210,564
Deductible value added tax	20,455,201	120,158,551	5,938,068	134,675,684
Import- Export tax	46,573,388	1,368,430,755	1,299,877,760	115,126,383
Others	2,500,000	2,000,000	2,500,000	2,000,000
Total	5,110,328,670	38,664,139,802	33,268,455,841	10,506,012,631
b. Payables				
Value added tax	24,264,332,943	74,898,691,045	61,569,204,240	37,593,819,748
Corporate income tax	86,605,166,561	83,807,685,032	86,982,268,924	83,430,582,669
Personal income tax	917,431,555	15,176,128,618	13,085,589,137	3,007,971,036
Others	4,596,427,271	240,615,000	240,615,000	4,596,427,271
Total	116,383,358,330	174,123,119,695	161,877,677,301	128,628,800,724

8. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Motor vehicles	Office equipment	Total
					VND
Cost:					
31/12/2017	135,768,102,826	188,951,888,481	23,459,146,196	43,245,998,368	391,425,135,871
Additions	1,985,500,000	8,085,192,692	337,060,000	1,560,147,775	11,630,840,467
Disposal					337,060,000
31/03/2018	137,753,602,826	197,037,081,173	23,122,086,196	44,806,146,143	402,718,916,338
<i>In which:</i>					
Fully depreciated	523,216,400	58,256,952,335	2,519,324,126	29,608,676,702	90,908,169,563
Accumulated depreciation:					
31/12/2017	31,462,829,253	116,599,727,522	8,044,030,482	32,114,264,161	188,220,851,418
Depreciation for the year	1,473,936,798	6,030,622,238	653,193,652	1,221,807,537	9,379,560,225
Disposal			337,060,000		337,060,000
31/03/2018	32,936,766,051	122,630,349,760	8,360,164,134	33,336,071,698	197,263,351,643
Net carrying amount:					
31/12/2017	104,305,273,573	72,352,160,959	15,415,115,714	11,131,734,207	203,204,284,453
31/03/2018	104,816,836,775	74,406,731,413	14,761,922,062	11,470,074,445	205,455,564,695

Buildings and machineries pledged to obtain loans from commercial banks (Note 10).

9. INTANGIBLE FIXED ASSETS

	VND			
	<i>Indefinite land use rights</i>	<i>Brand</i>	<i>Computer software</i>	<i>Total</i>
Cost:				
31/12/2017	279,662,657,290	96,000,000	6,982,250,583	286,740,907,873
Additions	179,514,500,000			179,514,500,000
Disposal				
31/03/2018	459,177,157,290	96,000,000	6,982,250,583	466,255,407,873
Accumulated amortization:				
31/12/2017	-	96,000,000	5,149,459,783	5,245,459,783
Amortization for the year	-		341,310,798	341,310,798
Disposal				
31/03/2018	-	96,000,000	5,490,770,581	5,586,770,581
Net carrying amount:				
31/12/2017	279,662,657,290		1,832,790,800	281,495,448,090
31/03/2018	459,177,157,290		1,491,480,002	460,668,637,292

As presented in Note 10 Land use rights were pledged to obtain loans from commercial banks.

10. OTHER NON CURRENT RECEIVABLES

	VND	
	31/03/2018	31/12/2017
Store at Vincom Thanh Hoa	9,468,078,966	9,468,078,966
House and land use right Nguyen An Ninh, Binh Duong	24,920,231,250	-
Others	197,000,000	197,000,000
TOTAL	34,585,310,216	9,665,078,966

11. SHORT-TERM LOANS

	31/03/2018	VND 31/12/2017
a. Short term		
Loans from commercial banks	513,179,255,721	636,302,797,462
Loans from individuals	194,434,643,410	217,276,052,738
Current portion of long term liabilities	3,700,000,000	3,700,000,000
Total	711,313,899,131	857,278,850,200
b. Long term		
Loans from commercial banks	11,100,000,000	11,100,000,000
Loans from individuals	67,084,314,000	35,134,864,000
Total	78,184,314,000	46,234,864,000

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

BANK	31/03/2018	MATURITY DATE	INTEREST RATE	COLLATERAL
Short term loans in VND	404,190,797,660			
CTBC Bank Company Limited - HCM Branch	67,000,000,000	From 05 June to 19 July 2018	4.5%	Inventories
Vietnam Joint Stock Commercial Bank for Industry and Trade - Branch 1	195,016,931,134	From 19 June to 02 July 2018	From 5.2% to 5.3%	Inventories
Shinhan Bank Vietnam Limited - HCM Branch	40,000,000,000	From 16 April to 07 May 2018	From 5.0% to 5.3%	Unsecured
Joint Stock Company Bank for Foreign trade of Vietnam	93,166,158,526	From 04 May to 07 May 2018	5.0%	Land use right at 46 Ngo Quyen, 359 Phan Chu Trinh and machinery with amount of VND
Military Commercial Joint Stock Bank	9,007,708,000	06 May 2018	5.2%	Unsecured
Short term loans in USD	108,988,458,061			
Joint Stock Company Bank for Foreign trade of Vietnam (USD 1,800,331)	41,083,560,722	From 07 May to 27 May 2018	2.8%	Land use right at 46 Ngo Quyen, 359 Phan Chu Trinh and machinery with amount of VND 50,000,000,000
Bank for Investment and Development of Vietnam Jsc- Hoc Mon Branch (USD 625,475)	14,279,516,418	From 06 May to 07 May 2018	2.6%	Inventories
Orient Commercial Joint Stock Bank(USD1.522.852)	34,751,486,519	From 12 July to 19 July 2018	3.0%	Unsecured
Southeast Asia Commercial Joint Stock Bank - Tan Binh Branch (USD 827.076)	18,873,894,402	From 29 April to 08 May 2018	3.0%	House at 123 Hung Vuong, Da nang and inventories
Other individuals	194,434,643,410		7.6%	Unsecured
Current portion of long term liabilities	3,700,000,000			
Total short term loans	711,313,899,131			

Details of the long-term loans with floating rates obtained from commercial banks to finance its working capital requirements are as follows:

BANK	31/03/2018	MATURITY DATE	INTEREST RATE	COLLATERAL
Long term loans in VND	14,800,000,000			
Vietnam bank for Agriculture and Rural Development - Branch 4	14,800,000,000	22 January 2021	9.0%	02 Shop House No.PG1-05 and PG1-05A at No.209, 30/4 Street, Xuan Khanh Ward, Ninh Kieu District, Can Tho City
In which:	3,700,000,000			
Vietnam bank for Agriculture and Rural Development - Branch 4	3,700,000,000			
Other individuals	67,084,314,000		7.6%	Unsecured
Long term loans	78,184,314,000			

12. SHORT-TERM TRADE PAYABLES

	VND	
	31/03/2018	31/12/2017
Forte Jewellery (HK) Ltd Co.	39,927,795,290	65,477,465,822
Lien Nguyen Ltd Co.	93,481,820	40,143,266,820
Quang Vinh Nguyen Import - Export Ltd Co.	6,640,446,777	39,082,098,777
Shrenuj Fareast Ltd Co.	33,039,223,092	27,539,371,113
Others	196,184,597,510	107,077,204,073
TOTAL	275,885,544,489	279,319,406,605

13. OTHER PAYABLES

	VND	
	31/03/2018	31/12/2017
a. Current		
_Trade Union fees	2,394,415,327	1,148,661,431
_Payables to the Board of Management and the Board of Directors bonus	12,200,000,000	12,200,000,000
_Payables to Board of Management fund	3,198,939,568	3,208,939,568
_Payables to Board of Director fund	1,170,901,517	1,198,901,517
_Payables to Trade Union fund	6,102,599,314	6,062,859,444
_Dividends payable	3,665,926,645	2,876,064,645
_Tuan Ngan Jewelry Private Enterprise	4,827,162,635	10,281,582,283
_Others	17,927,008,570	14,870,430,391
TOTAL	51,486,953,576	51,847,439,279
b. Non current		
_ Long term deposit	628,026,000	628,026,000
TOTAL	628,026,000	628,026,000

PHU NHUAN JEWELRY JOINT STOCK COMPANY
NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

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14. OWNERS' EQUITY

	Share capital	Share premium	Treasury shares	Investment and development fund	Undistributed earnings	Total	VND
Prior period's opening balance	982,745,770,000		(7,090,000)	144,087,556,918	372,005,127,004	1,498,831,363,922	
Capital increase	98,274,570,000	876,761,282,458	-	-	-	975,035,852,458	
Profit for the year	-	-	-	-	723,443,348,942	723,443,348,942	
Dividends declared	-	-	-	-	(186,720,419,400)	(186,720,419,400)	
Profit appropriation	-	-	-	76,000,000,000	(139,950,000,000)	(63,950,000,000)	
Investment and development fund appropriation	-	-	-	76,000,000,000	(76,000,000,000)	-	
Transfer to bonus and welfare funds	-	-	-	-	(45,000,000,000)	(45,000,000,000)	
Board of Management fund	-	-	-	-	(6,750,000,000)	(6,750,000,000)	
Board of Directors fund	-	-	-	-	(12,200,000,000)	(12,200,000,000)	
Board of Management and Board of Directors bonus	-	-	-	-	-	-	
Current period's opening balance	1,081,020,340,000	876,761,282,458	(7,090,000)	220,087,556,918	768,778,056,546	2,946,640,145,922	
Profit for the year	-	-	-	-	334,391,343,357	334,391,343,357	
Dividends declared	-	-	-	-	(86,481,060,000)	(86,481,060,000)	
Profit appropriation	-	-	-	-	-	-	
Current period's closing balance	1,081,020,340,000	876,761,282,458	(7,090,000)	220,087,556,918	1,016,688,339,903	3,194,550,429,279	

According to resolution No.1607/2017/NQ-HDQT-CTY dated 24 November 2017 of Board of Management 's meeting, PNJ paid the cash for the second time of dividend distribution of in 2017 with payment rate of 8% per share.

15. REVENUE FROM GOOD SOLD AND SERVICES RENDERED

	VND	
	<i>Current period</i>	<i>Previous period</i>
Gross revenue	4,152,187,401,452	3,134,931,371,565
<i>Of which:</i>		
<i>Sale of gold, silver and jewelry</i>	4,141,843,041,88	3,126,129,401,813
<i>Sale of accessories</i>	7,269,210,718	6,621,607,288
<i>Rendering services</i>	3,075,148,851	2,180,362,464
Less:	(26,999,709,850)	(17,673,134,699)
<i>Goods returned</i>	(26,999,709,850)	(17,673,134,699)
Net revenue	<u>4,125,187,691,602</u>	<u>3,117,258,236,866</u>
<i>Of which:</i>		
<i>Sale of gold, silver and jewelry</i>	4,114,843,332,033	3,108,461,878,932
<i>Sale of accessories</i>	7,269,210,718	6,615,995,470
<i>Rendering services</i>	3,075,148,851	2,180,362,464

16. FINANCIAL INCOME

	VND	
	<i>Current period</i>	<i>Previous period</i>
Dividends earned	-	-
Foreign exchange gain	97,861,769	593,402,340
Interest	42,737,261	38,999,480
Interest from deposit	5,850,217,399	1,309,213,156
Others	-	-
TOTAL	<u>5,990,816,429</u>	<u>1,941,614,976</u>

17. COST OF GOODS SOLD AND SERVICES RENDERED

	VND	
	<i>Current period</i>	<i>Previous period</i>
Cost of gold, silver and jewelry and services rendered	3,359,378,740,910	2,571,009,799,258
Cost of accessories	5,166,925,720	4,617,500,751
TOTAL	<u>3,364,545,666,630</u>	<u>2,575,627,300,009</u>

18. FINANCIAL EXPENSES

	VND	
	<i>Current period</i>	<i>Previous period</i>
Interest expense	13,718,171,796	18,419,684,099
Foreign exchange losses	421,562,177	715,179,697
Others	8,799,209	-
TOTAL	<u>14,148,533,182</u>	<u>19,134,863,796</u>

19. PRODUCTION COST BY NATURE

	VND	
	<i>Current period</i>	<i>Previous period</i>
Raw materials	8,070,436,602	3,933,182,202
Labor costs	161,693,692,818	97,005,636,962
Tools and supplies	18,948,587,448	10,416,112,012
Depreciation and amortization	3,727,125,144	3,871,846,191
Expenses for external services	50,980,651,480	35,306,628,814
Other expenses	91,791,940,274	65,725,051,637
TOTAL	<u>335,212,433,766</u>	<u>216,258,457,818</u>

20. CORPORATE INCOME TAX

The Company has the obligation to pay corporate income tax ("CIT") at the rate of 20% of taxable profits.

The tax returns filed by Company are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the separate interim financial statements could change at a later date upon final determination by the tax authorities.

21.1 Current CIT

The current tax payable is based on taxable profit for the period. The taxable profit of the Company for the period differs from the profit as reported in the separate interim income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are not taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted at balance sheet date.

A reconciliation between the profit before tax and taxable profit is presented below:

	VND	
	<i>Current period</i>	<i>Previous period</i>
Profit before tax	418,199,028,389	308,013,806,292
<i>Adjustments:</i>		
Non-deductible expenses	839,396,774	550,637,328
Taxable temporary differences		
Dividends earned		
Estimated current taxable profit	<u>419,038,425,163</u>	<u>308,564,443,620</u>
Estimated current CIT	83,807,685,032	61,712,888,725

21.2 Deferred CIT

The following are the deferred tax assets recognized by the Company, and the movements thereon, during the current and prior reporting period.

	Separate balance sheet		Separate income statement	
	31/03/2018	31/12/2017	Current period	Previous period
	VND			
Deductible temporary differences				
Accrued expenses	12,195,097,119	12,195,097,119	2,439,019,424	2,439,019,424
Deferred CIT incurred				

21. RELATED PARTY TRANSACTIONS AND BALANCES

Significant transactions with related parties during the period were as follows:

Related parties	Relationship	Nature of transaction	VND	
			Amount	
CAO Fashion Company Limited	Subsidiary	Sale of goods	4,889,879,456	
		Purchase of goods	1,618,067,138	
PNJ Laboratory Company Limited	Subsidiary	Services rendered	-	
		Purchase of service	641,634,950	
		Interest expenses	165,041,098	

The outstanding balances due from and due to related parties as at 31 March 2018 as follows:

Related parties	Relationship	Nature of transaction	VND	
			Receivable (Payable)	
1. RECEIVABLE				17,877,479,093
Trade receivable				3,852,596,671
CAO Fashion Company Limited	Subsidiary	Sale of goods	3,852,596,671	
Others receivable				14,024,882,422
CAO Fashion Company Limited	Subsidiary		14,024,882,422	
PNJ Laboratory Company Limited	Subsidiary	Dividends in 2017	-	
2. PAYABLE				(11,806,676,048)
Trade payable				(309,415,770)
PNJ Laboratory Company Limited	Subsidiary	Service	(309,415,770)	
Others payable				(11,497,260,278)
PNJ Laboratory Company Limited	Subsidiary	Borrowing	(11,000,000,000)	
		Interest	(497,260,278)	

22. OPERATING LEASE COMMITMENTS

The Company leases outlets under operating lease arrangements. Future rental amounts due under such operating leases after 31 March 2018 were as follows:

	31/03/2018	VND 31/12/2017
Within 1 year	116,593,146,753	82,501,812,273
From 1 to 5 years	238,952,485,781	206,394,790,510
Over 5 years	97,976,912,908	107,251,092,000
TOTAL	<u>453,522,545,442</u>	<u>396,147,694,783</u>

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise loans, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company has trade and other receivables, cash, cash equivalents, short-term deposits that arise directly from its operations. The Company does not hold or issue any derivative financial instruments

The Company is exposed to market risk, credit risk and liquidity risk.

Management reviews and agrees policies for managing each of these risks which are summarized below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and available-for-sale investments.

The sensitivity analyses in the following sections relate to the position as at 31 March 2018 and 31 December 2017.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rate relates primarily to the Company's loans with floating interest rates.

The Company manages its interest rate risk by keeping close watch on relevant market situation, in order to contemplate and adapt its leverage level as well as financing strategies to the prevailing situation.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans.

With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities.

The Company does not employ any derivative financial instruments to hedge its foreign currency exposure.

Foreign currency sensitivity

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue and expense are applied with other accounting currency)

The Company does not employ any derivative financial instruments to hedge its foreign currency exposure for the first quarter of 2018 because changes in foreign exchange rates in the period is immaterial.

Equity price risk

The Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainty about future values of the investment securities. The Company manages equity price risk by placing a limit on equity investments. The Company's Board of Directors reviews and approves all equity investment decisions.

At 31 March 2018, PNJ recorded 100% provision for Dong A Bank's investment with amount of VND 395,271,613,400.

Commodity price risk

The Company exposes to commodity price risk in relation to purchase of certain commodities. The Company manages its commodity prices risk by keeping close watch on relevant information and situation of commodity market in order to properly manage timing of purchases, production plans and inventories level. The Company does not employ any derivative financial instruments to hedge its commodity price risk.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks.

Trade receivables

Customer credit risk is managed by the Company based on its established policy, procedures and control. The Company's exposure to credit risk in relation with receivables is mainly influenced by the individual characteristics of each customer. The Company mostly has cash sale which are not exposed to the credit risk.

Outstanding customer receivables are regularly monitored. The requirement for impairment is analyzed at each reporting date on an individual basis for major clients. In view of the aforementioned and the fact that the Company's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

Bank deposits

The Company's bank balances are mainly maintained with well-known banks in Vietnam. Credit risk from balances with banks is managed in accordance with the Company's policy. The Company's maximum exposure to credit risk for the components of the separate balance sheet at each reporting dates are the carrying amounts as illustrated in Note 1. The Company evaluates the concentration of credit risk in respect to bank deposit as low.

Liquidity risk

The liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligation due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of maturities of financial assets and liabilities.

The Company monitors its liquidity risk by maintaining a level of cash, cash equivalents and bank loans deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

Collateral

The Company has pledged its fixed assets, inventories in order to fulfil the collateral requirements for loans obtained from commercial banks (Notes 10).

The Company did not hold any collateral at 31 March 2018 and 31 December 2017.

25. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below is a comparison by class of the carrying amounts and fair values of the Company's financial instruments that are carried in the separate financial statements.

	Carrying amount			Fair value			VND
	31/03/2018	31/12/2017	31/03/2018	31/03/2018	31/12/2016	31/12/2016	
Financial assets							
Other long-term investments	395,271,613,400	(395,271,613,400)	395,271,613,400	(395,271,613,400)	-	-	-
Trade receivables	52,670,011,745	-	39,449,827,772	-	52,670,011,745	39,449,827,772	39,449,827,772
Receivables from a related party	17,877,479,093	-	20,480,971,669	-	17,877,479,093	20,480,971,669	20,480,971,669
Other receivables	11,278,852,762	-	10,817,498,451	-	11,278,852,762	10,817,498,451	10,817,498,451
Cash and cash equivalents	76,930,774,375	-	167,814,376,098	-	76,930,774,375	167,814,376,098	167,814,376,098
TOTAL	554,028,731,375	(395,271,613,400)	633,834,287,390	(395,271,613,400)	158,757,117,975	238,562,673,990	238,562,673,990
Financial liabilities							
Loans							
Trade payables	778,498,213,131	892,513,714,200	892,513,714,200	778,498,213,131	892,513,714,200	892,513,714,200	892,513,714,200
Payables to related parties	275,576,128,719	293,224,925,923	293,224,925,923	275,576,128,719	293,224,925,923	293,224,925,923	293,224,925,923
Other payables and accrued expense	11,806,676,048	12,064,904,430	12,064,904,430	11,806,676,048	12,064,904,430	12,064,904,430	12,064,904,430
	141,805,685,268	56,144,237,865	56,144,237,865	141,805,685,268	56,144,237,865	56,144,237,865	56,144,237,865
TOTAL	1,207,686,703,166	1,253,947,782,418	1,207,686,703,166	1,207,686,703,166	1,253,947,782,418	1,253,947,782,418	1,253,947,782,418

25. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values of the financial assets and liabilities has not assessed and determined official at 31 March 2018 and 31 December 2017. However, the management assessed that the fair values of these financial assets and liabilities were not materially different from their carrying values as at balance sheet date.

26. FACTORS EFFECT TO FINANCIAL INCOME IN THE PERIOD

Continuing the growth from the previous year, business performance in the first quarter 2018 as the following:

Profit before tax was VND 418.2 billion up 36% to the same period, completing 38% of the plan, as reasons:

Net revenue was VND 4,152 billion up 32% to the same period because of mainly contribution from retail gold revenue.

Gross profit margin significantly increased by 18.4% compared to 1QFY2017 by 17.3%.

In 1QFY2018, PNJ's interest income was VND 5.8 billion from deposit. However, interest expense decreased VND 4.6 billion compared to the same period last year due to significantly decreased short term loan outstanding and interest rate.

In addition, with the PNJ's strategy to expand retail network and develop resources, SG & A expenses were VND 335 billion and increased by 55% compared to 1QFY2017.



Nguyen Thanh Dat
Preparer



Duong Quang Hai
Chief Accountant




Cao Thi Ngoc Dung
General Director
18 April 2018