

Pranda Jewelry Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2018

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2018	31 December 2017	31 March 2018	31 December 2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		314,619	218,027	161,763	107,986
Current investments - deposits with financial institutions		1,416	1,416	-	-
Trade and other receivables	4	345,287	401,630	773,244	780,704
Short-term loans to related parties	3	41,819	26,000	43,508	28,472
Inventories	5	1,787,975	1,867,791	819,542	880,790
Other current assets		42,488	41,023	8,237	14,316
Total current assets		2,533,604	2,555,887	1,806,294	1,812,268
Assets held for sale	6	90,429	90,429	90,429	90,429
		2,624,033	2,646,316	1,896,723	1,902,697
Non-current assets					
Restricted bank deposits	7	31,018	31,018	25,650	25,650
Investments in subsidiaries	8	-	-	651,265	651,265
Investment in associated company	9	9,533	8,979	-	-
Other long-term investments	10	47,531	50,167	46,391	49,027
Other receivable	11	-	-	-	-
Amounts due from related parties	3	6,290	8,208	6,290	8,208
Long-term loans to related parties	3	-	-	339,270	342,553
Investment properties	12	589,444	589,573	577,552	577,552
Property, plant and equipment	13	683,812	699,767	566,054	576,398
Leasehold rights		35,293	36,192	-	-
Other intangible assets		31,565	32,678	25,739	26,318
Deferred tax assets		90,153	91,466	81,188	80,733
Other non-current assets		22,816	22,231	385	417
Total non-current assets		1,547,455	1,570,279	2,319,784	2,338,121
Total assets		4,171,488	4,216,595	4,216,507	4,240,818

The accompanying notes are an integral part of the financial statements.

Pranda Jewelry Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2018

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2018 (Unaudited but reviewed)	31 December 2017 (Audited)	31 March 2018 (Unaudited but reviewed)	31 December 2017 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	15	274,737	311,168	191,902	194,960
Bills of exchange	16	215,557	213,816	166,740	163,985
Trade and other payables	17	602,483	593,091	396,580	401,581
Short-term loan from related party	3	50,000	50,000	50,000	50,000
Short-term loans from unrelated individuals	18	-	49,310	-	49,310
Current portion of long-term loans	19	489,170	515,264	453,357	479,407
Income tax payable		5,762	2,186	-	-
Deposit of sale and purchase agreement for					
land held for development	6	67,595	67,595	67,595	67,595
Other current liabilities		96,861	51,038	30,731	12,026
Total current liabilities		1,802,165	1,853,468	1,356,905	1,418,864
Non-current liabilities					
Long-term loans, net of current portion	19	122,772	132,699	-	-
Convertible debentures	20	25,201	-	25,201	-
Options	20	3,333	-	3,333	-
Provision for long-term employee benefits	21	203,970	200,186	190,395	186,583
Other non-current liabilities		836	1,180	-	-
Total non-current liabilities		356,112	334,065	218,929	186,583
Total liabilities		2,158,277	2,187,533	1,575,834	1,605,447

The accompanying notes are an integral part of the financial statements.

Pranda Jewelry Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2018

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2018	31 December 2017	31 March 2018	31 December 2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity					
Share capital	23				
Registered					
634,769,950 ordinary shares of Baht 1 each (31 December 2017: 409,529,000 ordinary shares of Baht 1 each)		634,770	409,529	634,770	409,529
Issued and fully paid up					
416,682,336 ordinary shares of Baht 1 each (31 December 2017: 409,529,000 ordinary shares of Baht 1 each)		416,682	409,529	416,682	409,529
Share premium		799,702	786,855	799,702	786,855
Deficit from change in shareholding of subsidiary		(58,428)	(58,428)	-	-
Retained earnings					
Appropriated - statutory reserve		52,000	52,000	41,000	41,000
Appropriated - treasury shares reserve	24	-	49,415	-	49,415
Unappropriated		965,810	1,007,571	1,448,227	1,460,289
Treasury shares	23	-	(49,415)	-	(49,415)
Other components of shareholders' equity		17,616	7,709	(64,938)	(62,302)
Equity attributable to owners of the Company		2,193,382	2,205,236	2,640,673	2,635,371
Non-controlling interests of the subsidiaries		(180,171)	(176,174)	-	-
Total shareholders' equity		2,013,211	2,029,062	2,640,673	2,635,371
Total liabilities and shareholders' equity		4,171,488	4,216,595	4,216,507	4,240,818
		-	-	-	-

The accompanying notes are an integral part of the financial statements.

Directors

(Unaudited but reviewed)

Pranda Jewelry Public Company Limited and its subsidiaries**Income statement****For the three-month period ended 31 March 2018**

(Unit: Thousand Baht except earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Revenues					
Sales		707,099	945,385	523,747	748,770
Other income					
Interest income		569	814	893	1,113
Others		7,535	6,038	14,387	18,340
Total revenues		<u>715,203</u>	<u>952,237</u>	<u>539,027</u>	<u>768,223</u>
Expenses					
Cost of sales		516,237	734,041	463,815	667,256
Selling expenses		101,067	106,841	18,992	20,130
Administrative expenses		127,751	127,892	56,398	53,645
Other expenses					
Loss on exchange		36,123	29,368	39,265	40,763
Total expenses		<u>781,178</u>	<u>998,142</u>	<u>578,470</u>	<u>781,794</u>
Loss before share of profit from investment in associated company, finance cost and income tax expenses					
Share of profit from investment in associated company		554	1,161	-	-
Loss before finance cost and income tax expenses					
tax expenses		(65,421)	(44,744)	(39,443)	(13,571)
Finance cost		(22,202)	(33,812)	(16,556)	(17,781)
Loss before income tax expenses					
Tax income (expenses)	14	(4,908)	1,390	455	1,340
Loss for the period		<u>(92,531)</u>	<u>(77,166)</u>	<u>(55,544)</u>	<u>(30,012)</u>
Loss attributable to:					
Equity holders of the Company		(85,243)	(75,780)	<u>(55,544)</u>	<u>(30,012)</u>
Non-controlling interests of the subsidiaries		(7,288)	(1,386)		
		<u>(92,531)</u>	<u>(77,166)</u>		
Earnings per share					
25					
Basic earnings per share					
Loss attributable to equity holders of the Company		<u>(0.2094)</u>	<u>(0.1900)</u>	<u>(0.1365)</u>	<u>(0.0752)</u>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Pranda Jewelry Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 31 March 2018

(Unit: Thousand Baht)

Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Loss for the period	<u>(92,531)</u>	<u>(77,166)</u>	<u>(55,544)</u>	<u>(30,012)</u>
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of financial statements in foreign currency	15,939	21,272	-	-
Loss on change in value of available-for-sale investments	<u>(2,636)</u>	<u>(21,379)</u>	<u>(2,636)</u>	<u>(21,379)</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods	<u>13,303</u>	<u>(107)</u>	<u>(2,636)</u>	<u>(21,379)</u>
Other comprehensive income for the period	<u>13,303</u>	<u>(107)</u>	<u>(2,636)</u>	<u>(21,379)</u>
Total comprehensive income for the period	<u>(79,228)</u>	<u>(77,273)</u>	<u>(58,180)</u>	<u>(51,391)</u>
Total comprehensive income attributable to:				
Equity holders of the Company (loss)	(75,336)	(77,365)	(58,180)	(51,391)
Non-controlling interests of the subsidiaries (loss)	<u>(3,892)</u>	<u>92</u>	<u>-</u>	<u>-</u>
	<u>(79,228)</u>	<u>(77,273)</u>	<u>(58,180)</u>	<u>(51,391)</u>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Pranda Jewelry Public Company Limited and its subsidiaries**Cash flow statement****For the three-month period ended 31 March 2018**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash flows from operating activities				
Loss before tax	(87,623)	(78,556)	(55,999)	(31,352)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	19,154	21,165	12,554	13,415
Amortisation of leasehold rights	622	621	-	-
Write-off equipment	42	2,065	28	2,031
Reversal of doubtful accounts	(5,662)	(1,491)	(16,093)	(16,543)
Write-off other assets	37	-	-	-
Reduce cost to net realisable value of inventories	1,797	3,684	756	2,831
Gain on sales of machinery and equipment	(31)	(9)	(10)	(6)
Share of profit from investment in associated company	(554)	(1,161)	-	-
Long-term employee benefits expenses	4,269	3,780	3,812	3,710
Unrealised (gain) loss on exchange	(8,242)	(2,732)	39,468	45,955
Amortisation of deferred financial service fee of long-term loans	83	74	-	-
Amortisation of transaction costs of convertible debentures	1,074	-	1,074	-
Interest income	(569)	(814)	(893)	(1,113)
Interest expenses	19,983	21,243	15,953	16,941
Profit (loss) from operating activities before changes in operating assets and liabilities	(55,620)	(32,131)	650	35,869
Operating assets (increase) decrease				
Trade and other receivables	55,662	26,999	(20,393)	(80,559)
Inventories	78,019	110,843	60,492	75,509
Other current assets	(1,254)	3,647	6,319	3,408
Other non-current assets	(585)	1,586	32	984
Operating liabilities increase (decrease)				
Trade and other payables	25,699	(19,703)	5,447	(6,357)
Other current liabilities	45,823	(3,766)	18,705	11,390
Provision for long-term employee benefits	(485)	(11)	-	-
Other non-current liabilities	(344)	(78)	-	-
Cash flows from operating activities	146,915	87,386	71,252	40,244
Cash paid for interest expenses	(15,142)	(19,553)	(11,284)	(15,633)
Cash paid for corporate income tax	(267)	(2,094)	(240)	(358)
Net cash flows from operating activities	131,506	65,739	59,728	24,253

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Pranda Jewelry Public Company Limited and its subsidiaries**Cash flow statement (continued)**

For the three-month period ended 31 March 2018

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash flows from investing activities				
Decrease in current investments - deposits				
at financial institutions	-	130	-	-
Decrease in restricted bank deposits	-	2,429	-	-
Increase in short-term loans to related parties	(15,819)	-	(15,745)	(39)
Acquisition for property, plant and equipment	(5,690)	(13,108)	(1,588)	(9,198)
Acquisition of other intangible assets	(243)	(1,032)	(71)	(648)
Proceeds from sales of machinery and equipment	48	9	10	6
Cash receipt from interest income	317	421	49	86
Net cash flows used in investing activities	<u>(21,387)</u>	<u>(11,151)</u>	<u>(17,345)</u>	<u>(9,793)</u>
Cash flows from financing activities				
Decrease in bank overdrafts and				
short-term loans from financial institutions	(36,431)	(207,966)	(3,058)	(136,985)
Cash receipt from bills of exchange	58,108	-	9,630	-
Repayment of bills of exchange	(60,000)	(30,000)	(10,000)	(30,000)
Decrease in short-term loan from related party	-	(640)	-	-
Repayment of long-term loans	(36,104)	(32,928)	(26,050)	(24,450)
Repayment of short-term loans from unrelated individuals	(50,000)	-	(50,000)	-
Cash receipt from issuance of convertible debentures	50,000	-	50,000	-
Cash paid for transaction costs of convertible debentures	(2,610)	-	(2,610)	-
Cash receipt from sales of treasury shares	43,482	-	43,482	-
Payment to non-controlling interest of the subsidiary	(105)	(144)	-	-
Net cash flows from (used in) financing activities	<u>(33,660)</u>	<u>(271,678)</u>	<u>11,394</u>	<u>(191,435)</u>
Increase in translation adjustment	<u>20,133</u>	<u>22,983</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>96,592</u>	<u>(194,107)</u>	<u>53,777</u>	<u>(176,975)</u>
Cash and cash equivalents at beginning of period	<u>218,027</u>	<u>455,365</u>	<u>107,986</u>	<u>306,195</u>
Cash and cash equivalents at end of period	<u>314,619</u>	<u>261,258</u>	<u>161,763</u>	<u>129,220</u>
	-	-	-	-
Supplemental cash flow information				
Non-cash transactions				
Transferred convertible debentures to ordinary shares and				
share premium	20,000	-	20,000	-

The accompanying notes are an integral part of the financial statements.

Statement of changes in shareholders' equity

For the three-month period ended 31 March 2018

(Unit: Thousand Baht)

Consolidated financial statements													
Equity attributable to owners of the Company													
	Retained earnings						Other components of shareholders' equity			Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
	Issued and paid-up share capital	Share premium	Deficit from change in shareholding of subsidiary	Appropriated		Unappropriated	Treasury shares	Exchange differences on translation of financial statements in foreign currency	Deficit on change in value of available-for-sale investments				Total other components of shareholders' equity
			Statutory reserve	Treasury shares reserve									
Balance as at 1 January 2017	409,529	786,855	(58,428)	52,000	49,415	1,168,911	(49,415)	57,182	(45,816)	11,366	2,370,233	(165,849)	2,204,384
Loss for the period	-	-	-	-	-	(75,780)	-	-	-	-	(75,780)	(1,386)	(77,166)
Other comprehensive income for the period	-	-	-	-	-	-	-	19,794	(21,379)	(1,585)	(1,585)	1,478	(107)
Total comprehensive income for the period	-	-	-	-	-	(75,780)	-	19,794	(21,379)	(1,585)	(77,365)	92	(77,273)
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(144)	(144)
Balance as at 31 March 2017	<u>409,529</u>	<u>786,855</u>	<u>(58,428)</u>	<u>52,000</u>	<u>49,415</u>	<u>1,093,131</u>	<u>(49,415)</u>	<u>76,976</u>	<u>(67,195)</u>	<u>9,781</u>	<u>2,292,868</u>	<u>(165,901)</u>	<u>2,126,967</u>
Balance as at 1 January 2018	409,529	786,855	(58,428)	52,000	49,415	1,007,571	(49,415)	70,011	(62,302)	7,709	2,205,236	(176,174)	2,029,062
Loss for the period	-	-	-	-	-	(85,243)	-	-	-	-	(85,243)	(7,288)	(92,531)
Other comprehensive income for the period	-	-	-	-	-	-	-	12,543	(2,636)	9,907	9,907	3,396	13,303
Total comprehensive income for the period	-	-	-	-	-	(85,243)	-	12,543	(2,636)	9,907	(75,336)	(3,892)	(79,228)
Transferred convertible debentures to ordinary shares and share premium (Note 23)	7,153	12,847	-	-	-	-	-	-	-	-	20,000	-	20,000
Sold treasury shares (Note 24)	-	-	-	-	-	(5,933)	49,415	-	-	-	43,482	-	43,482
Transferred treasury shares reserve to unappropriated retained earnings (Note 24)	-	-	-	-	(49,415)	49,415	-	-	-	-	-	-	-
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(105)	(105)
Balance as at 31 March 2018	<u>416,682</u>	<u>799,702</u>	<u>(58,428)</u>	<u>52,000</u>	<u>-</u>	<u>965,810</u>	<u>-</u>	<u>82,554</u>	<u>(64,938)</u>	<u>17,616</u>	<u>2,193,382</u>	<u>(180,171)</u>	<u>2,013,211</u>

The accompanying notes are an integral part of the financial statements.

Statement of changes in shareholders' equity (continued)

For the three-month period ended 31 March 2018

(Unit: Thousand Baht)

	Separate financial statements						Other components of equity	
				Retained earnings		Other comprehensive income		Total shareholders' equity
				Appropriated		Deficit on change in value of		
	Issued and paid-up share capital	Share premium	Statutory reserve	Treasury shares reserve	Unappropriated	Treasury shares	available-for-sale investments	
Balance as at 1 January 2017	409,529	786,855	41,000	49,415	1,879,537	(49,415)	(45,816)	
Loss for the period	-	-	-	-	(30,012)	-	-	(30,012)
Other comprehensive income for the period	-	-	-	-	-	-	(21,379)	(21,379)
Total comprehensive income for the period	-	-	-	-	(30,012)	-	(21,379)	(51,391)
Balance as at 31 March 2017	<u>409,529</u>	<u>786,855</u>	<u>41,000</u>	<u>49,415</u>	<u>1,849,525</u>	<u>(49,415)</u>	<u>(67,195)</u>	<u>3,019,714</u>
Balance as at 1 January 2018	409,529	786,855	41,000	49,415	1,460,289	(49,415)	(62,302)	2,635,371
Loss for the period	-	-	-	-	(55,544)	-	-	(55,544)
Other comprehensive income for the period	-	-	-	-	-	-	(2,636)	(2,636)
Total comprehensive income for the period	-	-	-	-	(55,544)	-	(2,636)	(58,180)
Transferred convertible debentures to ordinary shares and share premium (Note 23)	7,153	12,847	-	-	-	-	-	20,000
Sold treasury shares (Note 24)	-	-	-	-	(5,933)	49,415	-	43,482
Transferred treasury shares reserve to unappropriated retained earnings (Note 24)	-	-	-	(49,415)	49,415	-	-	-
Balance as at 31 March 2018	<u>416,682</u>	<u>799,702</u>	<u>41,000</u>	<u>-</u>	<u>1,448,227</u>	<u>-</u>	<u>(64,938)</u>	<u>2,640,673</u>

The accompanying notes are an integral part of the financial statements.