

Pranda Jewelry Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2019

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2019 (Unaudited but reviewed)	31 December 2018 (Audited)	30 September 2019 (Unaudited but reviewed)	31 December 2018 (Audited)
Assets					
Current assets					
Cash and cash equivalents		394,554	396,848	260,560	255,160
Current investments - deposits with financial institutions		4,118	2,514	-	-
Trade and other receivables	4	455,674	430,961	772,557	685,072
Short-term loans to related parties	3	37,883	41,929	36,016	43,166
Inventories	5	1,801,399	1,694,832	917,456	755,566
Other current assets		46,705	54,102	11,776	28,026
Total current assets		2,740,333	2,621,186	1,998,365	1,766,990
Non-current assets					
Restricted bank deposits	7	31,838	31,573	26,469	26,204
Investments in subsidiaries	8	-	-	667,572	667,572
Investment in associated company	9	10,344	10,147	-	-
Other long-term investments	11	20,648	13,266	19,508	12,126
Amounts due from related parties	3	1,609	4,928	1,609	4,928
Long-term loans to related parties	3	-	-	165,106	322,468
Investment properties	12	587,395	589,186	577,552	577,552
Property, plant and equipment	13	605,161	644,572	508,899	535,396
Leasehold rights		13,821	31,431	-	-
Other intangible assets		27,279	28,460	21,754	21,473
Deferred tax assets		59,867	54,621	55,479	43,458
Other non-current assets		23,118	24,578	353	383
Total non-current assets		1,381,080	1,432,762	2,044,301	2,211,560
Total assets		4,121,413	4,053,948	4,042,666	3,978,550

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 30 September 2019

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements			
	30 September 2019 (Unaudited but reviewed)	31 December 2018 (Audited)	30 September 2019 (Unaudited but reviewed)	31 December 2018 (Audited)		
Liabilities and shareholders' equity						
Current liabilities						
Bank overdrafts and short-term loans						
	from financial institutions	14	369,000	349,800	288,000	261,307
	Bills of exchange	15	48,509	116,934	-	87,636
	Trade and other payables	16	951,953	714,130	764,300	504,895
	Short-term loan from related party	3	-	50,000	-	50,000
	Current portion of long-term loans	17	64,142	101,085	30,000	65,248
	Income tax payable		156	4,674	-	-
	Other current liabilities		131,163	86,201	76,888	22,082
	Total current liabilities		1,564,923	1,422,824	1,159,188	991,168
Non-current liabilities						
	Long-term loans - net of current portion	17	121,758	95,484	52,500	-
	Convertible debentures	18	40,198	52,486	40,198	52,486
	Options	18	4,889	6,667	4,889	6,667
	Provision for long-term employee benefits	19	255,602	195,495	240,652	182,151
	Other non-current liabilities		1,450	1,118	-	-
	Total non-current liabilities		423,897	351,250	338,239	241,304
	Total liabilities		1,988,820	1,774,074	1,497,427	1,232,472

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 30 September 2019

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2019 (Unaudited but reviewed)	31 December 2018 (Audited)	30 September 2019 (Unaudited but reviewed)	31 December 2018 (Audited)
Shareholders' equity					
Share capital	21				
Registered					
634,769,950 ordinary shares of Baht 1 each		634,770	634,770	634,770	634,770
Issued and fully paid up					
458,805,195 ordinary shares of Baht 1 each					
(31 December 2018: 424,639,788 ordinary shares of Baht 1 each)		458,805	424,640	458,805	424,640
Share premium	21	819,080	811,966	819,080	811,966
Capital reserve for share-based payment transactions		1,687	580	1,687	580
Deficit from change in shareholding of subsidiary		(58,428)	(58,428)	-	-
Retained earnings					
Appropriated - statutory reserve		52,000	52,000	41,000	41,000
Unappropriated		931,042	1,220,573	1,303,138	1,553,745
Other components of shareholders' equity		123,501	21,302	(78,471)	(85,853)
Equity attributable to owners of the Company		2,327,687	2,472,633	2,545,239	2,746,078
Non-controlling interests of the subsidiaries		(195,094)	(192,759)	-	-
Total shareholders' equity		2,132,593	2,279,874	2,545,239	2,746,078
Total liabilities and shareholders' equity		4,121,413	4,053,948	4,042,666	3,978,550
		-	-	-	-

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

Directors

Pranda Jewelry Public Company Limited and its subsidiaries**Income statement****For the three-month period ended 30 September 2019**

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

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Revenues					
Sales		819,404	716,073	743,617	561,860
Other income					
Interest income		(138)	1,600	758	1,438
Others		5,935	7,830	11,190	13,460
Total revenues		825,201	725,503	755,565	576,758
Expenses					
Cost of sales		565,398	500,607	555,606	448,352
Selling and distribution expenses		91,947	98,182	18,473	17,446
Administrative expenses		124,046	110,280	79,853	50,497
Other expenses					
Loss on exchange		41,678	44,607	31,370	32,288
Doubtful accounts for loans to subsidiary		-	-	137,847	-
Total expenses		823,069	753,676	823,149	548,583
Profit (loss) before share of profit (loss) from investment in associated company, finance cost and income tax expenses					
Share of profit (loss) from investment in associated company		(11)	458	-	-
Profit (loss) before finance cost and income tax expenses					
Finance cost		(13,400)	(16,033)	(9,887)	(10,526)
Profit (loss) before income tax expenses		(11,279)	(43,748)	(77,471)	17,649
Tax income (expenses)	23	966	(12,253)	1,033	(8,724)
Profit (loss) for the period		(10,313)	(56,001)	(76,438)	8,925
Profit (loss) attributable to:					
Equity holders of the Company (loss)		(5,506)	(44,687)	(76,438)	8,925
Non-controlling interests of the subsidiaries (loss)		(4,807)	(11,314)		
		<u>(10,313)</u>	<u>(56,001)</u>		
Earnings per share					
24					
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company		(0.0121)	(0.1029)	(0.1673)	0.0205
Diluted earnings per share					
Profit (loss) attributable to equity holders of the Company		(0.0121)	(0.1029)	(0.1673)	0.0121

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 30 September 2019

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Profit (loss) for the period	<u>(10,313)</u>	<u>(56,001)</u>	<u>(76,438)</u>	<u>8,925</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	34,650	30,751	-	-
Profit (loss) on change in value of available-for-sale investments	<u>4,774</u>	<u>(609)</u>	<u>4,774</u>	<u>(609)</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods	<u>39,424</u>	<u>30,142</u>	<u>4,774</u>	<u>(609)</u>
Other comprehensive income for the period	<u>39,424</u>	<u>30,142</u>	<u>4,774</u>	<u>(609)</u>
Total comprehensive income for the period	<u>29,111</u>	<u>(25,859)</u>	<u>(71,664)</u>	<u>8,316</u>
Total comprehensive income attributable to:				
Equity holders of the Company (loss)	28,485	(20,222)	<u>(71,664)</u>	<u>8,316</u>
Non-controlling interests of the subsidiaries (loss)	<u>626</u>	<u>(5,637)</u>		
	<u>29,111</u>	<u>(25,859)</u>		

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

(Unaudited but reviewed)

Pranda Jewelry Public Company Limited and its subsidiaries**Income statement (continued)****For the nine-month period ended 30 September 2019**

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

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Revenues					
Sales		1,894,884	2,039,671	1,518,807	1,525,349
Other income					
Interest income		3,462	3,475	2,795	3,490
Gain on liquidation of subsidiary company	8	-	1,832	-	-
Gain on sales of assets held for sales	6	-	334,574	-	334,574
Others		25,625	24,891	36,585	41,263
Total revenues		1,923,971	2,404,443	1,558,187	1,904,676
Expenses					
Cost of sales		1,389,559	1,436,633	1,235,532	1,275,598
Selling and distribution expenses		273,934	296,188	60,541	51,861
Administrative expenses		419,869	372,800	263,433	207,491
Other expenses					
Loss on exchange		101,850	65,142	95,350	28,899
Doubtful accounts for loans to subsidiary		-	-	137,847	-
Total expenses		2,185,212	2,170,763	1,792,703	1,563,849
Profit (loss) before share of profit from investment in associated company, finance cost and income tax expenses					
Share of profit from investment in associated company		197	312	-	-
Profit (loss) before finance cost and income tax expenses					
Finance cost		(43,636)	(56,922)	(29,618)	(40,420)
Profit (loss) before income tax expenses					
Tax income (expenses)	23	6,402	(68,599)	13,527	(59,217)
Profit (loss) for the period		(298,278)	108,471	(250,607)	241,190
Profit (loss) attributable to:					
Equity holders of the Company (loss)		(286,618)	138,931	(250,607)	241,190
Non-controlling interests of the subsidiaries (loss)		(11,660)	(30,460)		
		(298,278)	108,471		
Earnings per share					
24					
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company		(0.6343)	0.3247	(0.5546)	0.5637
Diluted earnings per share					
Profit (loss) attributable to equity holders of the Company		(0.6343)	0.2574	(0.5546)	0.4489

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 (continued)

For the nine-month period ended 30 September 2019

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Profit (loss) for the period	<u>(298,278)</u>	<u>108,471</u>	<u>(250,607)</u>	<u>241,190</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	105,140	40,592	-	-
Profit (loss) on change in value of available-for-sale investments	<u>7,382</u>	<u>(10,495)</u>	<u>7,382</u>	<u>(10,495)</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods	<u>112,522</u>	<u>30,097</u>	<u>7,382</u>	<u>(10,495)</u>
Other comprehensive income for the period	<u>112,522</u>	<u>30,097</u>	<u>7,382</u>	<u>(10,495)</u>
Total comprehensive income for the period	<u>(185,756)</u>	<u>138,568</u>	<u>(243,225)</u>	<u>230,695</u>
Total comprehensive income attributable to:				
Equity holders of the Company (loss)	(184,419)	160,765	<u>(243,225)</u>	<u>230,695</u>
Non-controlling interests of the subsidiaries (loss)	<u>(1,337)</u>	<u>(22,197)</u>		
	<u>(185,756)</u>	<u>138,568</u>		

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

Statement of changes in shareholders' equity

For the nine-month period ended 30 September 2019

(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	Capital reserve for share-based payment transactions	Deficit from change in shareholding of subsidiary	Appropriated		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 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
Profit (loss) for the period	-	-	-	-	-	-	138,931	-	-	-	-	138,931	(30,460)	108,471
Other comprehensive income for the period	-	-	-	-	-	-	-	-	32,329	(10,495)	21,834	21,834	8,263	30,097
Total comprehensive income for the period	-	-	-	-	-	-	138,931	-	32,329	(10,495)	21,834	160,765	(22,197)	138,568
Transferred convertible debentures to ordinary shares and share premium (Note 21)	15,111	25,111	-	-	-	-	-	-	-	-	-	40,222	-	40,222
Sold treasury shares (Note 22)	-	-	-	-	-	-	(5,933)	49,415	-	-	-	43,482	-	43,482
Transferred treasury shares reserve to unappropriated retained earnings (Note 22)	-	-	-	-	-	(49,415)	49,415	-	-	-	-	-	-	-
Decrease in non-controlling interests of the subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	(246)	(246)
Balance as at 30 September 2018	424,640	811,966	-	(58,428)	52,000	-	1,189,984	-	102,340	(72,797)	29,543	2,449,705	(198,617)	2,251,088
Balance as at 1 January 2019 - as previously reported	424,640	811,966	580	(58,428)	52,000	-	1,220,573	-	107,155	(85,853)	21,302	2,472,633	(192,759)	2,279,874
Cumulative effect of change in accounting policy for revenue from contracts with customers (Note 2)	-	-	-	-	-	-	(2,913)	-	-	-	-	(2,913)	-	(2,913)
Balance as at 1 January 2019 - as restated	424,640	811,966	580	(58,428)	52,000	-	1,217,660	-	107,155	(85,853)	21,302	2,469,720	(192,759)	2,276,961
Loss for the period	-	-	-	-	-	-	(286,618)	-	-	-	-	(286,618)	(11,660)	(298,278)
Other comprehensive income for the period	-	-	-	-	-	-	-	-	94,817	7,382	102,199	102,199	10,323	112,522
Total comprehensive income for the period	-	-	-	-	-	-	(286,618)	-	94,817	7,382	102,199	(184,419)	(1,337)	(185,756)
Ordinary shares issuance from exercised warrants to purchase new ordinary shares (Note 21)	24,586	-	-	-	-	-	-	-	-	-	-	24,586	-	24,586
Transferred convertible debentures to ordinary shares and share premium (Note 21)	9,579	7,114	-	-	-	-	-	-	-	-	-	16,693	-	16,693
Share-based payment transactions	-	-	1,107	-	-	-	-	-	-	-	-	1,107	-	1,107
Decrease in non-controlling interests of the subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	(998)	(998)
Balance as at 30 September 2019	458,805	819,080	1,687	(58,428)	52,000	-	931,042	-	201,972	(78,471)	123,501	2,327,687	(195,094)	2,132,593

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

Statement of changes in shareholders' equity (continued)

For the nine-month period ended 30 September 2019

(Unit: Thousand Baht)

	Separate financial statements							Other components of equity	
				Retained earnings				Other comprehensive	
				Appropriated				income	
	Issued and paid-up	Capital reserve		Treasury shares				Deficit on change	
share capital	Share premium	for share-based	Statutory reserve	reserve	Unappropriated	Treasury shares	available-for-sale	Total shareholders'	
		payment transactions					investments	equity	
Balance as at 1 January 2018	409,529	786,855	-	41,000	49,415	1,460,289	(49,415)	(62,302)	2,635,371
Profit for the period	-	-	-	-	-	241,190	-	-	241,190
Other comprehensive income for the period	-	-	-	-	-	-	-	(10,495)	(10,495)
Total comprehensive income for the period	-	-	-	-	-	241,190	-	(10,495)	230,695
Transferred convertible debentures to ordinary shares									
and share premium (Note 21)	15,111	25,111	-	-	-	-	-	-	40,222
Sold treasury shares (Note 22)	-	-	-	-	-	(5,933)	49,415	-	43,482
Transferred treasury shares reserve to									
unappropriated retained earnings (Note 22)	-	-	-	-	(49,415)	49,415	-	-	-
Balance as at 30 September 2018	424,640	811,966	-	41,000	-	1,744,961	-	(72,797)	2,949,770
Balance as at 1 January 2019	424,640	811,966	580	41,000	-	1,553,745	-	(85,853)	2,746,078
Loss for the period	-	-	-	-	-	(250,607)	-	-	(250,607)
Other comprehensive income for the period	-	-	-	-	-	-	-	7,382	7,382
Total comprehensive income for the period	-	-	-	-	-	(250,607)	-	7,382	(243,225)
Ordinary shares issuance from exercised warrants									
to purchase new ordinary shares (Note 21)	24,586	-	-	-	-	-	-	-	24,586
Transferred convertible debentures to ordinary shares									
and share premium (Note 21)	9,579	7,114	-	-	-	-	-	-	16,693
Share-based payment transactions	-	-	1,107	-	-	-	-	-	1,107
Balance as at 30 September 2019	458,805	819,080	1,687	41,000	-	1,303,138	-	(78,471)	2,545,239

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 nine-month period ended 30 September 2019**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cash flows from operating activities				
Profit (loss) before tax	(304,680)	177,070	(264,134)	300,407
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	54,814	55,469	34,300	37,047
Amortisation of leasehold rights	1,863	1,863	-	-
Write-off machinery and equipment	37	92	10	78
Doubtful accounts (reversal)	(3,591)	(5,832)	161,530	(160,523)
Write-off bad debts	833	235	604	156,723
Write-off other assets	2,862	1,584	2,862	1,547
Reduce cost to net reliable value of inventories (reversal)	(5,322)	(3,623)	7,703	(542)
Gain on sales of asset held for sale	-	(334,574)	-	(334,574)
Share of profit from investment in associated company	(197)	(312)	-	-
Gain on liquidation of subsidiary company	-	(1,832)	-	-
Gain on sales of machinery and equipment	(217)	(2,203)	(217)	(10)
Gain on sales of investment property	(90)	-	-	-
Loss on sales of leasehold right	11,407	-	-	-
Provision for long-term employee benefits expenses	70,501	12,857	68,785	11,435
Unrealised loss (gain) on exchange	(5,611)	2,061	97,343	32,863
Amortisation of financial service fee for long-term loans	651	225	429	-
Amortisation of transaction costs of convertible debentures	1,175	2,543	1,175	2,543
Share-based payment transactions	1,107	-	1,107	-
Interest income	(3,462)	(3,475)	(2,795)	(3,490)
Interest expenses	34,673	46,060	25,192	34,556
Profit (loss) from operating activities before changes in operating assets and liabilities	(143,247)	(51,792)	133,894	78,060
Operating assets (increase) decrease				
Trade and other receivables	(28,103)	12,640	(188,152)	(171,217)
Inventories	(95,727)	97,965	(169,593)	69,226
Other current assets	7,052	(458)	15,929	4,503
Other non-current assets	1,460	71	30	31
Operating liabilities increase (decrease)				
Trade and other payables	256,144	128,804	273,454	102,229
Other current liabilities	36,531	35,019	54,806	12,867
Cash paid for long-term employee benefits	(10,394)	(2,172)	(10,284)	-
Other non-current liabilities	332	(65)	-	-
Cash flows from operating activities	24,048	220,012	110,084	95,699
Cash paid for interest expenses	(30,848)	(37,092)	(21,796)	(26,542)
Cash paid for corporate income tax	(5,879)	(34,970)	(1,035)	(29,548)
Net cash flows from (used in) operating activities	(12,679)	147,950	87,253	39,609

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 nine-month period ended 30 September 2019**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cash flows from investing activities				
Increase in current investments - deposits				
with financial institutions	(1,604)	(1,098)	-	-
Increase in restricted bank deposits	(265)	(548)	(265)	(547)
Decrease (increase) in short-term loans to related parties	3,000	(15,819)	(4,965)	(15,745)
Proceeds from sales of assets held for sale	-	357,408	-	357,408
Acquisition of property, plant and equipment	(16,108)	(12,688)	(5,583)	(4,233)
Acquisition of other intangible assets	(2,664)	(1,980)	(2,511)	(1,162)
Proceeds from sales of machinery and equipment	220	2,487	217	10
Proceeds from sales of intangible assests	-	31	-	-
Proceeds from sales of investment property	1,327	-	-	-
Proceeds from sales of leasehold right	3,512	-	-	-
Cash receipt from interest income	1,986	2,633	3,152	819
Net cash flows from (used in) investing activities	(10,596)	330,426	(9,955)	336,550
Cash flows from financing activities				
Increase in bank overdrafts and				
short-term loans from financial institutions	19,200	41,564	26,693	89,692
Cash receipt from bills of exchange	48,481	86,987	-	38,508
Repayment of bills of exchange	(120,000)	(230,000)	(90,000)	(180,000)
Repayment of short-term loans from related individuals	(50,000)	-	(50,000)	-
Repayment of short-term loans from unrelated individuals	-	(50,000)	-	(50,000)
Cash receipt from long-term loan	90,000	-	90,000	-
Repayment of long-term loans	(101,320)	(417,273)	(73,177)	(388,223)
Cash receipt from issuance of convertible debentures	-	100,000	-	100,000
Cash paid for transaction costs of convertible debentures	-	(5,230)	-	(5,230)
Cash receipt from sales of treasury shares	-	43,482	-	43,482
Proceeds from ordinary shares issuance from exercised warrants	24,586	-	24,586	-
Payment to non-controlling interests of the subsidiary	(998)	(246)	-	-
Net cash flows used in financing activities	(90,051)	(430,716)	(71,898)	(351,771)
Increase in translation adjustment	111,032	47,794	-	-
Net increase (decrease) in cash and cash equivalents	(2,294)	95,454	5,400	24,388
Cash and cash equivalents at beginning of period	396,848	218,027	255,160	107,986
Cash and cash equivalents at end of period	394,554	313,481	260,560	132,374

Supplemental cash flow information

Non-cash transactions

Transferred convertible debentures to ordinary shares and

share premium

16,693	40,222	16,693	40,222
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The accompanying notes are an integral part of the financial statements.