

Pranda Jewelry Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2018

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2018 (Unaudited but reviewed)	31 December 2017 (Audited)	30 September 2018 (Unaudited but reviewed)	31 December 2017 (Audited)
Assets					
Current assets					
Cash and cash equivalents		313,481	218,027	132,374	107,986
Current investments - deposits with financial institutions		2,514	1,416	-	-
Trade and other receivables	4	394,080	401,630	940,514	780,704
Short-term loans to related parties	3	42,422	26,000	43,581	28,472
Inventories	5	1,773,449	1,867,791	812,106	880,790
Other current assets		44,213	41,023	12,687	14,316
Total current assets		2,570,159	2,555,887	1,941,262	1,812,268
Assets held for sale	6	-	90,429	-	90,429
		2,570,159	2,646,316	1,941,262	1,902,697
Non-current assets					
Restricted bank deposits	7	31,566	31,018	26,197	25,650
Investments in subsidiaries	8	-	-	651,265	651,265
Investment in associated company	9	9,291	8,979	-	-
Other long-term investments	10	39,672	50,167	38,532	49,027
Other receivable	11	-	-	-	-
Amounts due from related parties	3	4,921	8,208	4,921	8,208
Long-term loans to related parties	3	-	-	330,520	342,553
Investment properties	12	589,273	589,573	577,552	577,552
Property, plant and equipment	13	654,421	699,767	545,758	576,398
Leasehold rights		33,722	36,192	-	-
Other intangible assets		30,521	32,678	25,228	26,318
Deferred tax assets		56,225	91,466	46,643	80,733
Other non-current assets		22,160	22,231	386	417
Total non-current assets		1,471,772	1,570,279	2,247,002	2,338,121
Total assets		4,041,931	4,216,595	4,188,264	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 30 September 2018

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements			
	30 September 2018 (Unaudited but reviewed)	31 December 2017 (Audited)	30 September 2018 (Unaudited but reviewed)	31 December 2017 (Audited)		
Liabilities and shareholders' equity						
Current liabilities						
Bank overdrafts and short-term loans						
	from financial institutions	15	352,732	311,168	284,652	194,960
	Bills of exchange	16	79,138	213,816	29,307	163,985
	Trade and other payables	17	716,341	593,091	501,656	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	126,934	515,264	91,184	479,407
	Income tax payable		4,890	2,186	-	-
	Deposit of sale and purchase agreement for land held for development	6	-	67,595	-	67,595
	Other current liabilities		86,472	51,038	25,308	12,026
	Total current liabilities		1,416,507	1,853,468	982,107	1,418,864
Non-current liabilities						
	Long-term loans, net of current portion	19	103,981	132,699	-	-
	Convertible debentures	20	51,702	-	51,702	-
	Options	20	6,667	-	6,667	-
	Provision for long-term employee benefits	21	210,871	200,186	198,018	186,583
	Other non-current liabilities		1,115	1,180	-	-
	Total non-current liabilities		374,336	334,065	256,387	186,583
	Total liabilities		1,790,843	2,187,533	1,238,494	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 30 September 2018

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2018 (Unaudited but reviewed)	31 December 2017 (Audited)	30 September 2018 (Unaudited but reviewed)	31 December 2017 (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					
424,639,788 ordinary shares of Baht 1 each (31 December 2017: 409,529,000 ordinary shares of Baht 1 each)		424,640	409,529	424,640	409,529
Share premium		811,966	786,855	811,966	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		1,189,984	1,007,571	1,744,961	1,460,289
Treasury shares	24	-	(49,415)	-	(49,415)
Other components of shareholders' equity		29,543	7,709	(72,797)	(62,302)
Equity attributable to owners of the Company		2,449,705	2,205,236	2,949,770	2,635,371
Non-controlling interests of the subsidiaries		(198,617)	(176,174)	-	-
Total shareholders' equity		2,251,088	2,029,062	2,949,770	2,635,371
Total liabilities and shareholders' equity		4,041,931	4,216,595	4,188,264	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 30 September 2018**

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

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues					
Sales		716,073	627,233	561,860	479,304
Other income					
Interest income		1,600	781	1,438	1,130
Gain on exchange		-	4,048	-	1,005
Others		7,830	10,368	13,460	20,488
Total revenues		<u>725,503</u>	<u>642,430</u>	<u>576,758</u>	<u>501,927</u>
Expenses					
Cost of sales		500,607	440,604	448,352	411,532
Selling expenses		98,182	110,806	17,446	22,484
Administrative expenses		110,280	114,127	50,497	66,086
Other expenses					
Loss on exchange		44,607	-	32,288	-
Total expenses		<u>753,676</u>	<u>665,537</u>	<u>548,583</u>	<u>500,102</u>
Profit (loss) before share of profit from investment in associated company, finance cost and income tax expenses					
		(28,173)	(23,107)	28,175	1,825
Share of profit from investment in associated company		458	15	-	-
Profit (loss) before finance cost and income tax expenses					
		(27,715)	(23,092)	28,175	1,825
Finance cost		(16,033)	(19,330)	(10,526)	(13,657)
Profit (loss) before income tax expenses					
		(43,748)	(42,422)	17,649	(11,832)
Tax income (expenses)	14	(12,253)	(877)	(8,724)	362
Profit (loss) for the period					
		<u>(56,001)</u>	<u>(43,299)</u>	<u>8,925</u>	<u>(11,470)</u>
Profit (loss) attributable to:					
Equity holders of the Company (loss)		(44,687)	(35,423)	8,925	(11,470)
Non-controlling interests of the subsidiaries (loss)		(11,314)	(7,876)		
		<u>(56,001)</u>	<u>(43,299)</u>		
Earnings per share					
25					
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company		(0.1059)	(0.0888)	0.0212	(0.0288)
Diluted earnings per share					
Profit (loss) attributable to equity holders of the Company		(0.1059)	(0.0888)	0.0124	(0.0288)

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 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>
Profit (loss) for the period	<u>(56,001)</u>	<u>(43,299)</u>	<u>8,925</u>	<u>(11,470)</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	30,751	(5,333)	-	-
Profit (loss) on change in value of available-for-sale investments	<u>(609)</u>	<u>6,557</u>	<u>(609)</u>	<u>6,557</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods	<u>30,142</u>	<u>1,224</u>	<u>(609)</u>	<u>6,557</u>
Other comprehensive income for the period	<u>30,142</u>	<u>1,224</u>	<u>(609)</u>	<u>6,557</u>
Total comprehensive income for the period	<u>(25,859)</u>	<u>(42,075)</u>	<u>8,316</u>	<u>(4,913)</u>
Total comprehensive income attributable to:				
Equity holders of the Company (loss)	(20,222)	(34,960)	8,316	(4,913)
Non-controlling interests of the subsidiaries (loss)	<u>(5,637)</u>	<u>(7,115)</u>	<u>-</u>	<u>-</u>
	<u>(25,859)</u>	<u>(42,075)</u>	<u>8,316</u>	<u>(4,913)</u>

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

Pranda Jewelry Public Company Limited and its subsidiaries

Income statement (continued)

For the nine-month period ended 30 September 2018

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

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Revenues					
Sales		2,039,671	2,199,064	1,525,349	1,715,051
Other income					
Interest income		3,475	2,804	3,490	3,745
Gain on liquidation of subsidiary company	8	1,832	-	-	-
Gain on sales of assets held for sales	6	334,574	-	334,574	-
Others		24,891	24,493	41,263	48,794
Total revenues		<u>2,404,443</u>	<u>2,226,361</u>	<u>1,904,676</u>	<u>1,767,590</u>
Expenses					
Cost of sales		1,436,633	1,623,236	1,275,598	1,475,029
Selling expenses		296,188	318,000	51,861	57,056
Administrative expenses		372,800	366,349	207,491	199,224
Other expenses					
Loss on exchange		65,142	1,949	28,899	13,921
Total expenses		<u>2,170,763</u>	<u>2,309,534</u>	<u>1,563,849</u>	<u>1,745,230</u>
Profit (loss) before share of profit from investment in associated company, finance cost and income tax expenses					
		233,680	(83,173)	340,827	22,360
Share of profit from investment in associated company		312	1,714	-	-
Profit (loss) before finance cost and income tax expenses					
		233,992	(81,459)	340,827	22,360
Finance cost		(56,922)	(63,602)	(40,420)	(46,736)
Profit (loss) before income tax expenses		<u>177,070</u>	<u>(145,061)</u>	<u>300,407</u>	<u>(24,376)</u>
Tax income (expenses)	14	(68,599)	1,266	(59,217)	2,477
Profit (loss) for the period		<u>108,471</u>	<u>(143,795)</u>	<u>241,190</u>	<u>(21,899)</u>
Profit (loss) attributable to:					
Equity holders of the Company (loss)		138,931	(127,723)	241,190	(21,899)
Non-controlling interests of the subsidiaries (loss)		(30,460)	(16,072)		
		<u>108,471</u>	<u>(143,795)</u>		
Earnings per share					
25					
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company		<u>0.3343</u>	<u>(0.3202)</u>	<u>0.5804</u>	<u>(0.0549)</u>
Diluted earnings per share					
Profit (loss) attributable to equity holders of the Company		<u>0.2635</u>	<u>(0.3202)</u>	<u>0.4594</u>	<u>(0.0549)</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 (continued)

For the nine-month period ended 30 September 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>
Profit (loss) for the period	108,471	(143,795)	241,190	(21,899)
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	40,592	1,245	-	-
Loss on change in value of available-for-sale investments	(10,495)	(11,310)	(10,495)	(11,310)
Other comprehensive income to be reclassified to profit or loss in subsequent periods	30,097	(10,065)	(10,495)	(11,310)
Other comprehensive income for the period	30,097	(10,065)	(10,495)	(11,310)
Total comprehensive income for the period	138,568	(153,860)	230,695	(33,209)
Total comprehensive income attributable to:				
Equity holders of the Company (loss)	160,765	(137,672)	230,695	(33,209)
Non-controlling interests of the subsidiaries (loss)	(22,197)	(16,188)	-	-
	138,568	(153,860)	230,695	(33,209)

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 2018**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash flows from operating activities				
Profit (loss) before tax	177,070	(145,061)	300,407	(24,376)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	55,469	63,704	37,047	40,746
Amortisation of leasehold rights	1,863	1,863	-	-
Write-off machinery and equipment	92	2,264	78	2,192
Amortisation of discounted value of government bond	-	(18)	-	(18)
Reversal doubtful accounts	(5,832)	(6,649)	(160,523)	(6,163)
Write-off bad debts	235	1,550	156,723	1,550
Write-off other assets	1,584	34	1,547	-
Reversal cost to net reliable value of inventories	(3,623)	(794)	(542)	(1,347)
Gain on sales of asset held for sale	(334,574)	-	(334,574)	-
Share of gain from investment in associated company	(312)	(1,714)	-	-
Gain on liquidation of subsidiary company	(1,832)	-	-	-
Gain on sales of machinery and equipment	(2,203)	(490)	(10)	(4)
Provision for long-term employee benefits expenses	12,857	12,185	11,435	11,129
Unrealised loss (gain) on exchange	2,061	(2,703)	32,863	25,832
Amortisation of financial service fee for long-term loans	225	221	-	-
Amortisation of transaction costs of convertible debentures	2,543	-	2,543	-
Interest income	(3,475)	(2,804)	(3,490)	(3,745)
Interest expenses	<u>46,060</u>	<u>57,674</u>	<u>34,556</u>	<u>44,944</u>
Profit (loss) from operating activities before changes in operating assets and liabilities	(51,792)	(20,738)	78,060	90,740
Operating assets (increase) decrease				
Trade and other receivables	12,640	134,786	(171,217)	55,968
Inventories	97,965	86,674	69,226	82,727
Other current assets	(458)	7,768	4,503	4,729
Other non-current assets	71	2,480	31	1,475
Operating liabilities increase (decrease)				
Trade and other payables	128,804	(17,435)	102,229	(11,862)
Other current liabilities	35,019	(10,762)	12,867	(5,872)
Provision for long-term employee benefits	(2,172)	(1,812)	-	(1,769)
Other non-current liabilities	<u>(65)</u>	<u>(109)</u>	<u>-</u>	<u>-</u>
Cash flows from operating activities	220,012	180,852	95,699	216,136
Cash paid for interest expenses	(37,092)	(42,713)	(26,542)	(35,788)
Cash paid for corporate income tax	(34,970)	(7,061)	(29,548)	(984)
Cash receipt for corporate income tax	-	48	-	-
Net cash flows from operating activities	<u>147,950</u>	<u>131,126</u>	<u>39,609</u>	<u>179,364</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 (continued)****For the nine-month period ended 30 September 2018**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash flows from investing activities				
Decrease (increase) in current investments - deposits				
with financial institutions	(1,098)	130	-	-
Decrease (increase) in restricted bank deposits	(548)	3,355	(547)	-
Increase in short-term loans to related parties	(15,819)	-	(15,745)	-
Proceeds from sales of assets held for sale	357,408	-	357,408	-
Acquisition of property, plant and equipment	(12,688)	(32,348)	(4,233)	(18,198)
Acquisition of other intangible assets	(1,980)	(3,034)	(1,162)	(2,100)
Proceeds from sales of machinery and equipment	2,487	1,309	10	6
Proceeds from sales of intangible assests	31	-	-	-
Cash receipt from interest income	2,633	2,243	819	612
Net cash flows from (used in) investing activities	<u>330,426</u>	<u>(28,345)</u>	<u>336,550</u>	<u>(19,680)</u>
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and				
short-term loans from financial institutions	41,564	(164,708)	89,692	(164,661)
Cash receipt from bills of exchange	86,987	154,694	38,508	106,217
Repayment of bills of exchange	(230,000)	(365,000)	(180,000)	(315,000)
Increase in short-term loan from related parties	-	22,792	-	20,000
Cash receipt from short-term loans from unrelated individuals	-	49,125	-	49,125
Cash receipt from long-term loans	-	3,861	-	-
Repayment of long-term loans	(417,273)	(101,613)	(388,223)	(75,750)
Repayment of short-term loans from unrelated individuals	(50,000)	-	(50,000)	-
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	-
Payment to non-controlling interests of the subsidiary	(246)	(156)	-	-
Net cash flows used in financing activities	<u>(430,716)</u>	<u>(401,005)</u>	<u>(351,771)</u>	<u>(380,069)</u>
Increase in translation adjustment	<u>47,794</u>	<u>2,477</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>95,454</u>	<u>(295,747)</u>	<u>24,388</u>	<u>(220,385)</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>313,481</u>	<u>159,618</u>	<u>132,374</u>	<u>85,810</u>

Supplemental cash flow information

Non-cash transactions

Transferred convertible debentures to ordinary shares and
share premium

40,222	-	40,222	-
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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 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	-	-	-	-	-	(127,723)	-	-	-	-	(127,723)	(16,072)	(143,795)
Other comprehensive income for the period	-	-	-	-	-	-	-	1,361	(11,310)	(9,949)	(9,949)	(116)	(10,065)
Total comprehensive income for the period	-	-	-	-	-	(127,723)	-	1,361	(11,310)	(9,949)	(137,672)	(16,188)	(153,860)
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(156)	(156)
Balance as at 30 September 2017	409,529	786,855	(58,428)	52,000	49,415	1,041,188	(49,415)	58,543	(57,126)	1,417	2,232,561	(182,193)	2,050,368
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 23)	15,111	25,111	-	-	-	-	-	-	-	-	40,222	-	40,222
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	-	-	-	-	-	-	-	-	-	-	-	(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

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 2018

(Unit: Thousand Baht)

	Separate financial statements						Other components of equity	
			Retained earnings			Other comprehensive		Total shareholders'
			Appropriated			income		
	Issued and paid-up			Treasury shares			Deficit on change	in value of
share capital	Share premium	Statutory reserve	reserve	Unappropriated	Treasury shares	available-for-sale	investments	equity
Balance as at 1 January 2017	409,529	786,855	41,000	49,415	1,879,537	(49,415)	(45,816)	3,071,105
Loss for the period	-	-	-	-	(21,899)	-	-	(21,899)
Other comprehensive income for the period	-	-	-	-	-	-	(11,310)	(11,310)
Total comprehensive income for the period	-	-	-	-	(21,899)	-	(11,310)	(33,209)
Balance as at 30 September 2017	<u>409,529</u>	<u>786,855</u>	<u>41,000</u>	<u>49,415</u>	<u>1,857,638</u>	<u>(49,415)</u>	<u>(57,126)</u>	<u>3,037,896</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
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 23)	15,111	25,111	-	-	-	-	-	40,222
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 30 September 2018	<u>424,640</u>	<u>811,966</u>	<u>41,000</u>	<u>-</u>	<u>1,744,961</u>	<u>-</u>	<u>(72,797)</u>	<u>2,949,770</u>

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