

Pranda Jewelry Public Company Limited
and its subsidiaries
Review report and interim financial information
For the three-month and six-month periods ended
30 June 2022

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Pranda Jewelry Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Pranda Jewelry Public Company Limited and its subsidiaries as at 30 June 2022, the related consolidated statements of income and comprehensive income for the three-month and six-month periods then ended, and the related consolidated statement of changes in shareholders' equity and cash flows for the six-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate interim financial information of Pranda Jewelry Public Company Limited for the same period (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

Chonlaros Suntiasvaraporn
Certified Public Accountant (Thailand) No. 4523

EY Office Limited
Bangkok: 11 August 2022

Pranda Jewelry Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2022

(Unit: Thousand Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>30 June 2022</u>	<u>31 December 2021</u>	<u>30 June 2022</u>	<u>31 December 2021</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		314,568	397,820	162,812	252,950
Trade and other receivables	2, 3	416,767	328,010	374,757	275,042
Inventories	4	1,674,254	1,563,296	1,179,237	1,066,890
Other current financial assets		11,231	5,751	5,215	-
Other current assets		<u>38,559</u>	<u>35,525</u>	<u>13,159</u>	<u>10,640</u>
Total current assets		<u>2,455,379</u>	<u>2,330,402</u>	<u>1,735,180</u>	<u>1,605,522</u>
Non-current assets					
Restricted bank deposits	5	32,117	32,317	26,948	26,948
Other non-current financial assets		21,457	19,301	13,779	12,046
Investments in subsidiaries	6	-	-	478,084	483,251
Investment in associated company		12,645	12,566	-	-
Investment properties	7	586,455	586,624	577,552	577,552
Property, plant and equipment	8	625,953	644,891	449,031	451,997
Other intangible assets		53,985	55,378	50,033	51,973
Deferred tax assets		89,456	101,345	70,255	82,740
Other non-current assets		<u>12,457</u>	<u>5,976</u>	<u>2,576</u>	<u>1,697</u>
Total non-current assets		<u>1,434,525</u>	<u>1,458,398</u>	<u>1,668,258</u>	<u>1,688,204</u>
Total assets		<u>3,889,904</u>	<u>3,788,800</u>	<u>3,403,438</u>	<u>3,293,726</u>

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

Pranda Jewelry Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2022

(Unit: Thousand Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>30 June 2022</u>	<u>31 December 2021</u>	<u>30 June 2022</u>	<u>31 December 2021</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	9	298,000	289,183	298,000	287,000
Trade and other payables	2	969,891	831,227	653,791	541,409
Current portion of long-term liabilities					
- Long-term loans	10	33,011	87,096	-	37,500
- Lease liabilities	11	25,202	25,476	-	-
Income tax payable		154	80	-	-
Other current liabilities		34,954	46,312	22,478	28,854
Total current liabilities		<u>1,361,212</u>	<u>1,279,374</u>	<u>974,269</u>	<u>894,763</u>
Non-current liabilities					
Long-term liabilities, net current portion					
- Long-term loans	10	2,666	-	-	-
- Lease liabilities	11	59,482	73,747	-	-
Provision for long-term employee benefits		304,890	295,334	286,775	278,160
Other non-current liabilities		2,847	3,641	-	-
Total non-current liabilities		<u>369,885</u>	<u>372,722</u>	<u>286,775</u>	<u>278,160</u>
Total liabilities		<u>1,731,097</u>	<u>1,652,096</u>	<u>1,261,044</u>	<u>1,172,923</u>

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

Pranda Jewelry Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2022

(Unit: Thousand Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>30 June 2022</u>	<u>31 December 2021</u>	<u>30 June 2022</u>	<u>31 December 2021</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity					
Share capital	12				
Registered					
539,026,606 ordinary shares of Baht 1 each					
(2021: 634,769,950 ordinary shares of Baht 1 each)		<u>539,027</u>	<u>634,770</u>	<u>539,027</u>	<u>634,770</u>
Issued and fully paid up					
539,026,606 ordinary shares of Baht 1 each		539,027	539,027	539,027	539,027
Share premium		817,979	817,979	817,979	817,979
Capital reserve for share-based payment transactions		3,669	3,669	3,669	3,669
Retained earnings					
Appropriated - statutory reserve		60,418	60,418	49,418	49,418
Unappropriated		843,232	828,936	816,501	796,643
Other components of shareholders' equity		<u>(58,211)</u>	<u>(64,134)</u>	<u>(84,200)</u>	<u>(85,933)</u>
Equity attributable to owners of the Company		2,206,114	2,185,895	2,142,394	2,120,803
Non-controlling interests of the subsidiaries		<u>(47,307)</u>	<u>(49,191)</u>	-	-
Total shareholders' equity		<u>2,158,807</u>	<u>2,136,704</u>	<u>2,142,394</u>	<u>2,120,803</u>
Total liabilities and shareholders' equity		<u>3,889,904</u>	<u>3,788,800</u>	<u>3,403,438</u>	<u>3,293,726</u>
		-	-	-	-

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

Directors

(Unaudited but reviewed)

Pranda Jewelry Public Company Limited and its subsidiaries

Income statement

For the three-month period ended 30 June 2022

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues				
Sales	877,571	542,559	739,573	458,086
Other income				
Gain on exchange	15,026	27,844	25,799	-
Others	6,629	5,321	7,370	6,951
Total revenues	899,226	575,724	772,742	465,037
Expenses				
Cost of sales	671,706	462,459	612,709	430,233
Selling and distribution expenses	66,657	57,499	15,677	10,848
Administrative expenses	81,113	82,464	60,757	54,509
Impairment loss on financial assets	-	4,681	12,457	10,044
Loss on exchange	-	-	-	2,889
Total expenses	819,476	607,103	701,600	508,523
Operating profit (loss)	79,750	(31,379)	71,142	(43,486)
Finance income	15,015	-	83	85
Finance cost	(7,102)	(20,047)	(3,111)	(3,947)
Profit (loss) before income tax expenses	87,663	(51,426)	68,114	(47,348)
Tax expenses	13 (13,658)	(8,564)	(13,644)	(13,817)
Profit (loss) for the period	74,005	(59,990)	54,470	(61,165)
Profit (loss) attributable to:				
Equity holders of the Company	73,026	(56,850)	54,470	(61,165)
Non-controlling interests of the subsidiaries	979	(3,140)		
	<u>74,005</u>	<u>(59,990)</u>		
Earnings per share				
Basic earnings per share				
Profit (loss) attributable to equity holders of the Company	<u>0.1355</u>	<u>(0.1029)</u>	<u>0.1011</u>	<u>(0.1108)</u>

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

(Unaudited but reviewed)

Pranda Jewelry Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 June 2022

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Profit (loss) for the period	74,005	(59,990)	54,470	(61,165)
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	(14,976)	(35,658)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods	(14,976)	(35,658)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>				
Gain (loss) on investments in equity designated at fair value through other comprehensive income	(2,634)	11,065	(2,634)	11,065
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	(2,634)	11,065	(2,634)	11,065
Other comprehensive income for the period	(17,610)	(24,593)	(2,634)	11,065
Total comprehensive income for the period	56,395	(84,583)	51,836	(50,100)
Total comprehensive income attributable to:				
Equity holders of the Company	55,673	(79,707)	51,836	(50,100)
Non-controlling interests of the subsidiaries	722	(4,876)		
	56,395	(84,583)		

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

(Unaudited but reviewed)

Pranda Jewelry Public Company Limited and its subsidiaries**Income statement (continued)****For the six-month period ended 30 June 2022**

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

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues					
Sales		1,622,204	1,048,428	1,348,259	849,633
Other income					
Gain on exchange		-	69,773	20,907	9,438
Others		14,259	16,271	14,387	18,405
Total revenues		<u>1,636,463</u>	<u>1,134,472</u>	<u>1,383,553</u>	<u>877,476</u>
Expenses					
Cost of sales		1,229,374	830,694	1,123,767	758,158
Selling and distribution expenses		132,374	125,581	33,147	22,281
Administrative expenses		163,570	168,959	118,943	106,278
Impairment loss on financial assets		3,287	4,681	15,744	41,584
Loss on exchange		13,318	-	-	-
Total expenses		<u>1,541,923</u>	<u>1,129,915</u>	<u>1,291,601</u>	<u>928,301</u>
Operating profit (loss)		94,540	4,557	91,952	(50,825)
Share of profit (loss) from investment in associated company		78	(1,120)	-	-
Finance income		1,080	23,220	83	85
Finance cost		(14,306)	(19,475)	(5,790)	(9,180)
Profit (loss) before income tax expenses		81,392	7,182	86,245	(59,920)
Tax expenses	13	(11,890)	(19,062)	(12,485)	(18,709)
Profit (loss) for the period		<u>69,502</u>	<u>(11,880)</u>	<u>73,760</u>	<u>(78,629)</u>
Profit (loss) attributable to:					
Equity holders of the Company		68,198	(5,977)	<u>73,760</u>	<u>(78,629)</u>
Non-controlling interests of the subsidiaries		1,304	(5,903)		
		<u>69,502</u>	<u>(11,880)</u>		
Earnings per share					
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company		<u>0.1265</u>	<u>(0.0110)</u>	<u>0.1368</u>	<u>(0.1448)</u>

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

(Unaudited but reviewed)

Pranda Jewelry Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the six-month period ended 30 June 2022

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Profit (loss) for the period	69,502	(11,880)	73,760	(78,629)
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	4,989	(69,827)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods	4,989	(69,827)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>				
Gain on investments in equity designated at fair value through other comprehensive income	1,733	19,673	1,733	19,673
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	1,733	19,673	1,733	19,673
Other comprehensive income for the period	6,722	(50,154)	1,733	19,673
Total comprehensive income for the period	76,224	(62,034)	75,493	(58,956)
Total comprehensive income attributable to:				
Equity holders of the Company	74,121	(52,379)	75,493	(58,956)
Non-controlling interests of the subsidiaries	2,103	(9,655)		
	76,224	(62,034)		

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

Statement of changes in shareholders' equity

For the six-month period ended 30 June 2022

(Unit: Thousand Baht)

Consolidated financial statements

	Equity attributable to owners of the Company										
						Other components of shareholders' equity					
						Other comprehensive income					
	Issued and paid-up share capital	Share premium	Capital reserve for share-based payment transactions	Retained earnings Appropriated - Statutory reserve	Unappropriated	Exchange differences on translation of financial statements in foreign currency	Deficit on change in investments in equity designated at fair value	Total 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
Balance as at 1 January 2021	491,156	817,979	3,127	54,418	787,845	111,007	(85,970)	25,037	2,179,562	(55,384)	2,124,178
Loss for the period	-	-	-	-	(5,977)	-	-	-	(5,977)	(5,903)	(11,880)
Other comprehensive income for the period	-	-	-	-	-	(66,075)	19,673	(46,402)	(46,402)	(3,752)	(50,154)
Total comprehensive income for the period	-	-	-	-	(5,977)	(66,075)	19,673	(46,402)	(52,379)	(9,655)	(62,034)
Ordinary shares issuance from exercised warrants to purchase new ordinary shares	47,871	-	-	-	-	-	-	-	47,871	-	47,871
Share-based payment transactions	-	-	434	-	-	-	-	-	434	-	434
Decrease from capital decrease in subsidiary	-	-	-	-	-	-	-	-	-	(5,950)	(5,950)
Dividend payment	-	-	-	-	(53,902)	-	-	-	(53,902)	-	(53,902)
Balance as at 30 June 2021	539,027	817,979	3,561	54,418	727,966	44,932	(66,297)	(21,365)	2,121,586	(70,989)	2,050,597
Balance as at 1 January 2022	539,027	817,979	3,669	60,418	828,936	21,799	(85,933)	(64,134)	2,185,895	(49,191)	2,136,704
Profit for the period	-	-	-	-	68,198	-	-	-	68,198	1,304	69,502
Other comprehensive income for the period	-	-	-	-	-	4,190	1,733	5,923	5,923	799	6,722
Total comprehensive income for the period	-	-	-	-	68,198	4,190	1,733	5,923	74,121	2,103	76,224
Decrease from capital decrease in subsidiary (Note 6)	-	-	-	-	-	-	-	-	-	(219)	(219)
Dividend payment (Note 15)	-	-	-	-	(53,902)	-	-	-	(53,902)	-	(53,902)
Balance as at 30 June 2022	539,027	817,979	3,669	60,418	843,232	25,989	(84,200)	(58,211)	2,206,114	(47,307)	2,158,807

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

Statement of changes in shareholders' equity (continued)

For the six-month period ended 30 June 2022

(Unit: Thousand Baht)

	Separate financial statements						Total shareholders' equity
	Issued and paid-up share capital	Share premium	Capital reserve for share - based payment transactions	Retained earnings		Other components of shareholders' equity	
				Appropriated - Statutory reserve	Unappropriated	Deficit on changes in investments in equity designated at fair value	
Balance as at 1 January 2021	491,156	817,979	3,127	43,418	737,113	(85,970)	2,006,823
Loss for the period	-	-	-	-	(78,629)	-	(78,629)
Other comprehensive income for the period	-	-	-	-	-	19,673	19,673
Total comprehensive income for the period	-	-	-	-	(78,629)	19,673	(58,956)
Ordinary shares issuance from exercised warrants to purchase new ordinary shares	47,871	-	-	-	-	-	47,871
Share-based payment transactions	-	-	434	-	-	-	434
Dividend payment	-	-	-	-	(53,902)	-	(53,902)
Balance as at 30 June 2021	<u>539,027</u>	<u>817,979</u>	<u>3,561</u>	<u>43,418</u>	<u>604,582</u>	<u>(66,297)</u>	<u>1,942,270</u>
Balance as at 1 January 2022	539,027	817,979	3,669	49,418	796,643	(85,933)	2,120,803
Profit for the period	-	-	-	-	73,760	-	73,760
Other comprehensive income for the period	-	-	-	-	-	1,733	1,733
Total comprehensive income for the period	-	-	-	-	73,760	1,733	75,493
Dividend payment (Note 15)	-	-	-	-	(53,902)	-	(53,902)
Balance as at 30 June 2022	<u>539,027</u>	<u>817,979</u>	<u>3,669</u>	<u>49,418</u>	<u>816,501</u>	<u>(84,200)</u>	<u>2,142,394</u>

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

(Unaudited but reviewed)

Pranda Jewelry Public Company Limited and its subsidiaries**Cash flow statement****For the six-month period ended 30 June 2022**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cash flows from operating activities				
Profit (loss) before tax	81,392	7,182	86,245	(59,920)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	34,979	44,985	16,359	18,797
Write-off machinery and equipment	7	460	5	20
Write-off other intangible assets	-	199	-	199
Impairment loss on financial assets (reversal)	3,287	(5,644)	15,744	20,712
Reduce cost to net realisable value of inventories (reversal)	(6,063)	(7,570)	(5,566)	2,541
Share of loss (gain) from investment in associated company	(78)	1,120	-	-
Gain on revaluation of investment in equity	(244)	(224)	-	-
Loss (gain) from contract termination	275	(51)	-	-
Gain on sales of equipment and vehicle	(435)	(80)	(164)	(80)
Long-term employee benefit expenses	10,299	10,465	9,195	9,281
Gain on convertible debentures redemption	-	(3,354)	-	(3,354)
Unrealised loss on exchange	62,705	39,844	32,820	23,986
Unrealised gain on revaluation of derivative financial instruments	(5,215)	(11,185)	(5,215)	(11,185)
Amortisation of deferred financial service fee of long-term loan	95	94	-	-
Share-based payment transactions	-	434	-	434
Finance income	(1,080)	(592)	(83)	-
Finance cost	14,306	14,279	5,790	7,576
Profit from operating activities before changes in operating assets and liabilities	194,230	90,362	155,130	9,007
Operating assets (increase) decrease				
Trade and other receivables	(124,483)	118,181	(126,485)	36,854
Inventories	(104,895)	(260,467)	(106,781)	(333,198)
Other current financial assets	(21)	5,064	-	-
Other current assets	(3,034)	(13,031)	(2,519)	(12,023)
Other non-current assets	(6,904)	5,838	(879)	5
Operating liabilities increase (decrease)				
Trade and other payables	108,273	176,366	96,299	306,946
Other current liabilities	(11,358)	18,155	(6,376)	13,359
Cash paid for long-term employee benefits	(743)	(1,446)	(579)	(1,266)
Other non-current liabilities	(2,820)	(3,437)	-	-
Cash flows from operating activities	48,245	135,585	7,810	19,684
Cash paid for interest expenses	(14,321)	(10,774)	(6,335)	(8,742)
Cash paid for corporate income tax	-	(100)	-	(236)
Net cash flows from operating activities	33,924	124,711	1,475	10,706

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

(Unaudited but reviewed)

Pranda Jewelry Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the six-month period ended 30 June 2022

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cash flows from investing activities				
Decrease in restricted bank deposits	200	-	-	-
Cash receipt from capital decrease in subsidiary	-	-	-	29,050
Cash paid for capital increase in subsidiary	-	-	-	(15,675)
Acquisition of machinery and equipment	(13,367)	(15,549)	(11,186)	(7,473)
Acquisition of other intangible assets	(1,180)	(1,770)	(272)	(1,177)
Proceeds from sales of equipment and vehicle	435	80	164	80
Cash receipt from interest income	1,080	1,095	83	-
Net cash flows from (used in) investing activities	<u>(12,832)</u>	<u>(16,144)</u>	<u>(11,211)</u>	<u>4,805</u>
Cash flows from financing activities				
Increase in bank overdrafts and short-term loans from financial institutions	8,817	79,454	11,000	71,000
Cash receipt from long-term loan	2,666	-	-	-
Repayment of bills of exchange	-	(50,000)	-	-
Cash paid for convertible debentures redemption	-	(35,000)	-	(35,000)
Repayment of long-term loans	(54,180)	(32,596)	(37,500)	(15,000)
Proceeds from ordinary shares issuance from exercised warrants	-	47,871	-	47,871
Repayment of liabilities under lease agreements	(14,277)	(17,866)	-	-
Cash paid for dividend	(53,902)	(53,902)	(53,902)	(53,902)
Net cash flows from (used in) financing activities	<u>(110,876)</u>	<u>(62,039)</u>	<u>(80,402)</u>	<u>14,969</u>
Increase (decrease) in translation adjustment	<u>6,532</u>	<u>(77,742)</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>(83,252)</u>	<u>(31,214)</u>	<u>(90,138)</u>	<u>30,480</u>
Cash and cash equivalents at beginning of period	<u>397,820</u>	<u>443,484</u>	<u>252,950</u>	<u>185,953</u>
Cash and cash equivalents at end of period	<u>314,568</u>	<u>412,270</u>	<u>162,812</u>	<u>216,433</u>
	-	-	-	-
Supplemental cash flow information				
Non-cash transactions				
Increase in right-of-use assets	5,284	-	-	-

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

Pranda Jewelry Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month and six-month periods ended 30 June 2022

1. General information

1.1 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company operates. The Company's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

1.2 Basis of preparation of interim financial statements

These interim financial statements have been prepared in accordance with Thai Accounting Standards No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, income statement, comprehensive income, changes in shareholders' equity and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language interim financial statements.

1.3 Basis of consolidation

The interim consolidated financial statements include the financial statements of Pranda Jewelry Public Company Limited ("the Company") and its subsidiary companies ("the subsidiaries") (collectively as "the Group") and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2021, with no change in shareholding structure of subsidiaries during the current period.

1.4 Significant accounting policies

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2021.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2022, do not have any significant impact on the Group's financial statements.

2. Related party transactions

During the periods, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and based agreed upon between the Group and those related parties. There were no significant changes in the transfer pricing policy of transactions with related parties during the current period.

Summaries significant business transactions with related parties as follows.

	(Unit: Million Baht)			
	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>Transactions with subsidiaries</u>				
(eliminated from the consolidated financial statements)				
Sales of goods	-	-	71	55
Purchases of goods and raw materials	-	-	57	14
Guarantee fee income	-	-	1	1
Service income	-	-	1	2
<u>Transactions with associated company</u>				
Purchases of raw materials	35	38	35	38
<u>Transactions with the Company's directors/related companies</u>				
Sales of goods	9	-	-	-
Purchases of goods	19	4	-	-
Service income	-	1	-	-

(Unaudited but reviewed)

(Unit: Million Baht)

For the six-month periods ended 30 June

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>Transactions with subsidiaries</u>				
(eliminated from the consolidated financial statements)				
Sales of goods	-	-	167	146
Purchases of goods and raw materials	-	-	106	107
Guarantee fee income	-	-	2	2
Service income	-	-	3	3
<u>Transactions with associated company</u>				
Purchases of raw materials	62	68	62	68
<u>Transactions with the Company's directors/related companies</u>				
Sales of goods	16	2	1	2
Purchases of goods	33	10	-	-
Service income	-	1	-	-

As at 30 June 2022 and 31 December 2021, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
				(Audited)
<u>Trade accounts receivable - related parties (Note 3)</u>				
Subsidiaries	-	-	556	545
Related companies (related by common directors)	52	49	51	48
Total	52	49	607	593
Less: Allowance for expected credit losses	(52)	(49)	(589)	(576)
Total trade accounts receivable - related parties, net	-	-	18	17

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2022	2021	2022	2021
		(Audited)		(Audited)
<u>Other receivables - related parties (Note 3)</u>				
Subsidiaries	-	-	42	62
Less: Allowance for expected credit losses	-	-	(39)	(45)
Total other receivables - related parties, net	-	-	3	17
<u>Accrued interest income - related parties (Note 3)</u>				
Subsidiaries	-	-	7	7
Less: Allowance for expected credit losses	-	-	(7)	(7)
Total accrued interest income - related parties, net	-	-	-	-
<u>Trade and other payables - related parties</u>				
Subsidiaries	-	-	32	42
Associated company	-	-	2	-
Total trade and other payables - related parties	-	-	34	42

Loans to related parties

As at 30 June 2022 and 31 December 2021, the balances of loans between the Company and those related parties and the movement are as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2022	2021	2022	2021
		(Audited)		(Audited)
<u>Short-term loan to related party</u>				
<u>Subsidiary</u>				
Short-term loan	-	-	27	28
Less: Allowance for expected credit losses	-	-	(27)	(28)
Total short-term loan to related party, net	-	-	-	-
<u>Long-term loans to related parties</u>				
<u>Subsidiaries</u>				
Long-term loans	-	-	514	536
Less: Allowance for expected credit losses	-	-	(514)	(536)
Total long-term loans to related parties, net	-	-	-	-

(Unaudited but reviewed)

During the current period, movements of loans to related parties were as follow:

(Unit: Million Baht)

		Separate financial statements			
		Balance as at 31 December 2021	Increase (decrease) during the period	Unrealised loss on exchange rate	Balance as at 30 June 2022
Short-term loan	Related by				
H. GRINGOIRE s.a.r.l.	Subsidiary	28	-	(1)	27
Total short-term loan		28	-	(1)	27

The short-term loan to an overseas subsidiary, H.GRINGOIRE s.a.r.l., was unsecured and subject to interest at rate of 7.5 percent per annum. However, the Company has considered to fully record allowance for expected credit losses for short-term loan and accrued interest income to subsidiary because of the uncertainty in receiving repayment.

(Unit: Million Baht)

		Separate financial statements			
		Balance as at 31 December 2021	Increase (decrease) during the period	Unrealised loss on exchange rate	Balance as at 30 June 2022
Long-term loans	Related by				
Pranda UK Ltd.	Subsidiary	346	-	(18)	328
H. GRINGOIRE s.a.r.l.	Subsidiary	190	-	(4)	186
Total long-term loans		536	-	(22)	514

The long-term loans to two subsidiaries were unsecured and carries interest at 7.5 percent per annum. However, the Company has considered to fully record allowance for expected credit losses for long-term loans and accrued interest income to subsidiaries because of the uncertainty in receiving repayments.

(Unaudited but reviewed)

Directors and management's benefits

(Unit: Million Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Short-term employee benefits	6.5	9.0	5.6	5.1
Post-employment benefits	0.3	0.3	0.3	0.2
Total	<u>6.8</u>	<u>9.3</u>	<u>5.9</u>	<u>5.3</u>

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Short-term employee benefits	12.7	19.6	10.2	12.0
Post-employment benefits	0.5	0.6	0.5	0.5
Total	<u>13.2</u>	<u>20.2</u>	<u>10.7</u>	<u>12.5</u>

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 16.2.1 to the interim consolidated financial statements.

(Unaudited but reviewed)

3. Trade and other receivables

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2022	2021	2022	2021
		(Audited)		(Audited)
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	159	6	1,257	10,796
Past due				
Up to 3 months	559	209	4,798	20,792
3 - 6 months	-	-	13,498	23,857
6 - 12 months	25	177	40,109	58,573
Over 12 months	51,612	48,696	546,978	478,893
Total	52,355	49,088	606,640	592,911
Less: Allowance for expected credit losses	(51,560)	(49,082)	(588,854)	(576,398)
Total trade accounts receivable - related parties, net (Note 2)	795	6	17,786	16,513
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	324,346	274,596	269,674	186,948
Past due				
Up to 3 months	58,488	53,542	57,971	53,254
3 - 6 months	10,331	1,227	10,261	1,144
6 - 12 months	16,924	1,083	16,877	316
Over 12 months	29,884	28,031	27,168	25,984
Total	439,973	358,479	381,951	267,646
Less: Allowance for expected credit losses	(45,170)	(48,937)	(43,659)	(41,956)
Total trade accounts receivable - unrelated parties, net	394,803	309,542	338,292	225,690
Total trade accounts receivable, net	395,598	309,548	356,078	242,203
<u>Other receivables</u>				
Other receivables - related parties (Note 2)	310	296	42,444	61,920
Other receivables - unrelated parties	23,139	20,722	16,951	16,120
Accrued interest income - related parties (Note 2)	-	-	6,834	7,027
Accrued interest income - unrelated parties	6,886	5,923	6,881	5,896
Accrued income	735	292	735	292
Total	31,070	27,233	73,845	91,255
Less: Allowance for expected credit losses	(9,901)	(8,771)	(55,166)	(58,416)
Total other receivables, net	21,169	18,462	18,679	32,839
Total trade and other receivables, net	416,767	328,010	374,757	275,042

4. Inventories

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2022	2021	2022	2021
		(Audited)		(Audited)
Inventories - cost	1,842,515	1,737,620	1,343,076	1,236,295
Less: Reduce cost to net realisable value	(168,261)	(174,324)	(163,839)	(169,405)
Inventories - net	<u>1,674,254</u>	<u>1,563,296</u>	<u>1,179,237</u>	<u>1,066,890</u>

As at 30 June 2022, the Company has pledged most of the Company's inventories to secure credit facilities from commercial banks amounting to Baht 477 million. In addition, a local subsidiary, Primagold International Co., Ltd., has pledged inventories of Baht 219 million to secure credit facilities from commercial banks as described in Note 9 and Note 10 to the interim consolidated financial statements.

5. Restricted bank deposits

The outstanding balances represented the Company's deposits with bank pledged to secure its credit facilities, and the subsidiary, Pranda Lodging Co., Ltd.,'s deposits with banks, pledged to secure its bank overdraft.

6. Investments in subsidiaries

On 27 May 2022, the Extraordinary General Meeting of the shareholders of a local subsidiary, Crystalline Co.,Ltd., passed a resolution approving the reduction of Baht 5.48 million in its registered share capital, from Baht 7.5 million (1 million ordinary shares with a par value of Baht 7.5 per share) to Baht 2.03 million (0.27 million ordinary shares with a par value of Baht 7.5 per share). The subsidiary registered the reduction in registered share capital with the Department of Business Development, Ministry of Commerce, on 30 June 2022.

7. Investment properties

The Company has mortgaged investment properties of the Company with a total net book value as at 30 June 2022 of approximately Baht 577 million (31 December 2021: Baht 577 million) as collateral against credit facilities which the Company received from commercial banks.

(Unaudited but reviewed)

8. Property, plant and equipment

Movements of the property, plant and equipment account during the six-months period ended 30 June 2022 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2022	644,891	451,997
Acquisitions during the period - at cost	13,367	11,186
Increase during the period - right of use	5,284	-
Contract termination during the period net book value - as at terminate date	(6,056)	-
Write-off during the period - net book value as at write-off date	(7)	(5)
Depreciation for the period	(32,256)	(14,147)
Translation adjustment	730	-
Net book value as at 30 June 2022	<u>625,953</u>	<u>449,031</u>

The Group has mortgaged its property, plant and equipment with a total net book value as at 30 June 2022 amounting to approximately Baht 342 million (31 December 2021: Baht 383 million) as collateral against credit facilities received from commercial banks (The Company only: Baht 328 million (31 December 2021: Baht 335 million)).

9. Bank overdrafts and short-term loans from financial institutions

	(Unit: Thousand Baht)					
	Interest rate		Consolidated		Separate	
	(percent per annum)		financial statements		financial statements	
30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021	
		(Audited)		(Audited)		
Bank overdrafts	-	9.10	-	2,183	-	-
Short-term loans from financial institutions	2.50 - 2.95	2.50 - 2.75	298,000	287,000	298,000	287,000
Total			<u>298,000</u>	<u>289,183</u>	<u>298,000</u>	<u>287,000</u>

Short-term loans from financial institutions of the Company are secured by pledges most of inventories of the Company, mortgage of the Company's land with structures thereon, and investment properties and guaranteed by the Company's directors.

(Unaudited but reviewed)

Short-term loans from financial institutions of a local subsidiary company, Primagold International Co., Ltd., are guaranteed by the Company and some inventories of that subsidiary company.

Bank overdraft of a local subsidiary company, Pranda Lodging Co., Ltd., are secured by fixed deposits pledged with the bank.

10. Long-term loans

Movements in the long-term loans account during the six-month period ended 30 June 2022 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2022	87,096	37,500
Add: Addition of long-term loan	2,666	-
Amortisation of deferred financial service fee	95	-
Less: Repayment	(54,180)	(37,500)
Balance as at 30 June 2022	<u>35,677</u>	<u>-</u>

Loans of the Company

In 2019, the Company entered into a long-term loan agreement with a local commercial bank for credit facility of Baht 90 million, with a term of 3 years. This loan is subjected to an interest at a rate of MLR - 0.5 percent per annum and the principal is repayable every 3 months and the interest is payable monthly.

The long-term loans of the Company are secured by pledges most of inventories of the Company, mortgage of land with structures, and investment properties and by fixed deposits pledged with the bank and the guarantee of the Company's directors. During the current period, the Company repayment of long-term loan and currently asking for the redemption.

Loans of the subsidiary

Long-term loan of a local subsidiary company, Primagold International Co., Ltd., was granted by a local commercial bank. Such loan is secured by the mortgage of its office condominium units, and by the guarantees of the Company. The loan agreement contains covenants as specified in the agreement that, among other things, require the subsidiary to maintain certain debt to equity according to the agreement.

(Unaudited but reviewed)

As at 31 December 2021, the subsidiary was unable to maintain a debt to equity ratio in accordance with the agreements. As a result, the lender has the right to call the loans on demand and the subsidiary has classified the full balance as current portion of long-term loans in the statement of financial position as at 31 December 2021. Subsequently in February 2022, the subsidiary obtained a letter granting a waiver for some conditions from the lender. In the current period, the subsidiary therefore classified the loan in accordance with terms specified in the agreement.

During the current period, an overseas subsidiary, Pranda Jewelry Private Limited, entered into a loan agreement with a financial institution for a credit facility of INR 6.1 million, or approximately Baht 2.6 million.

11. Lease liabilities

Movements of the lease liability account for the six-month period ended 30 June 2022 are summarised below:

	(Unit: Thousand Baht)
	Consolidated financial statements
	<hr/>
Net book value as at 1 January 2022	99,223
Additions	3,258
Accretion of interest	2,039
Repayment	(14,277)
Contract termination during the period	(5,703)
Translation adjustment	144
	<hr/>
Net book value as at 30 June 2022	<u><u>84,684</u></u>

12. Share capital

On 20 April 2022, the Annual General Meeting of the Company's shareholders passed a resolution of the reduction of the Company's registered share capital from Baht 634,769,950 to Baht 539,026,606 by cancellation of 95,743,344 unissued ordinary shares with a par value of Baht 1 each, and the amendment of the Memorandum of Association to be consistent with the capital decrease. The Company registered the decrease in its registered capital with Ministry of Commerce on 3 May 2022.

(Unaudited but reviewed)

13. Income tax

Tax expenses for the three-month and six-month periods ended 30 June 2022 and 2021 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current income tax:				
Interim corporate income tax charge	-	(5,176)	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	13,658	13,740	13,644	13,817
Tax expenses reported in the profit or loss	<u>13,658</u>	<u>8,564</u>	<u>13,644</u>	<u>13,817</u>

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current income tax:				
Interim corporate income tax charge	-	637	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	11,890	18,425	12,485	18,709
Tax expenses reported in the profit or loss	<u>11,890</u>	<u>19,062</u>	<u>12,485</u>	<u>18,709</u>

(Unaudited but reviewed)

14. Segment information

The Group is organised into business units based on its business activities. During the current period, the Group has not changed the organisation of their reportable segments.

The following table presents revenues and loss information regarding the Group's operating segments for the three-month and six-month periods ended 30 June 2022 and 2021.

(Unit: Million Baht)

For the three-month periods ended 30 June

	Production		Distribution		Retail		Others		Total Segments		Eliminations		Consolidated	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenues														
Revenues from external customers	673	404	39	24	165	114	-	-	877	542	-	-	877	542
Revenues from intersegment	71	55	-	3	56	11	-	-	127	69	(127)	(69)	-	-
Total revenues	<u>744</u>	<u>459</u>	<u>39</u>	<u>27</u>	<u>221</u>	<u>125</u>	<u>-</u>	<u>-</u>	<u>1,004</u>	<u>611</u>	<u>(127)</u>	<u>(69)</u>	<u>877</u>	<u>542</u>
Results														
Segment profit (loss)	53	(33)	6	(6)	(4)	(20)	(1)	(2)	54	(61)	4	3	58	(58)
Unallocated revenues and expenses														
Gain on exchange													15	28
Other income													7	5
Impairment loss on financial assets													-	(5)
Finance income													15	-
Finance cost													(7)	(21)
Profit (loss) before income tax expenses													88	(51)
Tax expenses													(14)	(9)
Profit (loss) for the period													<u>74</u>	<u>(60)</u>

(Unaudited but reviewed)

(Unit: Million Baht)

For the six-month periods ended 30 June

	Production		Distribution		Retail		Others		Total Segments		Eliminations		Consolidated	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues														
Revenues from external customers	1,188	705	66	48	368	295	-	-	1,622	1,048	-	-	1,622	1,048
Revenues from intersegment	166	146	-	57	106	50	-	-	272	253	(272)	(253)	-	-
Total revenues	<u>1,354</u>	<u>851</u>	<u>66</u>	<u>105</u>	<u>474</u>	<u>345</u>	<u>-</u>	<u>-</u>	<u>1,894</u>	<u>1,301</u>	<u>(272)</u>	<u>(253)</u>	<u>1,622</u>	<u>1,048</u>
Results														
Segment profit (loss)	73	(40)	6	(11)	8	(23)	(3)	(4)	84	(78)	12	1	96	(77)
Unallocated revenues and expenses														
Gain (loss) on exchange													(13)	70
Other income													14	16
Impairment loss on financial assets													(3)	(5)
Share of loss from investment in associated company													-	(1)
Finance income													1	23
Finance cost													(14)	(19)
Profit before income tax expenses													81	7
Tax expenses													(12)	(19)
Profit (loss) for the period													<u>69</u>	<u>(12)</u>

15. Dividend

On 20 April 2022, the Annual General Meeting of the Company's shareholders passed a resolution to pay a dividend of Baht 0.10 per share, or a total of Baht 53.9 million, to the shareholders in respect of 2021 earnings derived from net profit from corporate income tax exemption under promotional privileges received from the Board of Investment. Such dividend was paid on 17 May 2022.

16. Commitments and contingent liabilities

16.1 Capital commitments

As at 30 June 2022, the Group had capital commitments of Baht 2.8 million, relating to acquisition of computer software and building improvements (The Company only: None).

16.2 Guarantees

16.2.1 The Company has issued guarantees to secure bank overdrafts and credit facilities of its subsidiary. As at 30 June 2022, there were outstanding guarantees of Baht 252.5 million and USD 14.5 million totaling of Baht 763.6 million.

16.2.2 As at 30 June 2022, there were outstanding bank guarantees of Baht 5.8 million issued by banks on behalf of the Company to guarantee purchase of goods, electricity use, among others.

16.2.3 As at 30 June 2022, the Group has outstanding standby-letters of credit of USD 28.5 million, or approximately Baht 1,005 million (The Company only: USD 17 million, totaling of Baht 599 million).

16.3 Litigation

16.3.1 Litigation of an overseas subsidiary

During the current period, Appeal court confirmation of the judgment of the Trial Court as disclosed in Notes 38.3.1 to the consolidated financial statements for the year 2021. The management of the subsidiary believes that no damages will affect the subsidiary. The subsidiary has therefore not record any provision for damages in its account.

16.3.2 Tax assessments of an overseas subsidiary

During the current period, there have been no significant changes with respect to the tax assessments as disclosed in Notes 38.3.2 to the consolidated financial statements for the year 2021.

17. Financial Instrument**17.1 Fair value of financial instrument**

Most of the Group's financial instruments are classified as short-term or have interest rates that are close to market rate. Therefore, the carrying amounts of these financial instruments is estimated to approximate their fair value.

17.2 Foreign currency risk

As at 30 June 2022, the Group had balance of financial assets and liabilities denominated in foreign currencies as below.

(Unit: Million)

Foreign currencies	Consolidated financial statements		Separate financial statements		Average exchange rate as at 30 June 2022 (Baht per 1 foreign currency unit)
	Financial assets	Financial liabilities	Financial assets	Financial liabilities	
US dollar	13	22	26	15	35.25
Euro	-	-	8	-	36.81
Pound Sterling	-	-	12	-	42.73

Foreign exchange contracts outstanding are summarised below.

Foreign currencies	Separate financial statements as at 30 June 2022		
	Amount (Million)	Contractual exchange rate (Baht per US dollar)	Contractual maturity date
<u>Forward contracts to "Sell"</u>			
US dollar	3.8	33.23 - 34.56	August - October 2022
<u>Forward contracts to "Buy"</u>			
US dollar	7.4	32.33 - 35.42	July - December 2022

In addition, the Group is exposed to foreign exchange risk on its investments in overseas subsidiaries. These investments are currently not hedged by derivative financial instruments.

18. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 11 August 2022.