

Pranda Jewelry Public Company Limited
and its subsidiaries
Report and interim consolidated financial statements
For the three-month period ended 31 March 2019

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 31 March 2019, the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Pranda Jewelry Public Company Limited for the same periods. 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*.

Siraporn Ouaanunkun
Certified Public Accountant (Thailand) No. 3844

EY Office Limited
Bangkok: 14 May 2019

Pranda Jewelry Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2019

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2019	31 December 2018	31 March 2019	31 December 2018
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		417,139	396,848	252,706	255,160
Current investments - deposits with financial institutions		2,514	2,514	-	-
Trade and other receivables	4	309,125	430,961	615,704	685,072
Short-term loans to related parties	3	41,929	41,929	41,814	43,166
Inventories	5	1,699,043	1,694,832	781,196	755,566
Other current assets		40,140	54,102	7,840	28,026
Total current assets		2,509,890	2,621,186	1,699,260	1,766,990
Non-current assets					
Restricted bank deposits	7	31,573	31,573	26,204	26,204
Investments in subsidiaries	8	-	-	667,572	667,572
Investment in associated company	9	10,151	10,147	-	-
Other long-term investments	11	19,023	13,266	17,883	12,126
Amounts due from related parties	3	3,253	4,928	3,253	4,928
Long-term loans to related parties	3	-	-	319,693	322,468
Investment properties	12	589,103	589,186	577,552	577,552
Property, plant and equipment	13	631,086	644,572	525,913	535,396
Leasehold rights		30,211	31,431	-	-
Other intangible assets		28,653	28,460	21,980	21,473
Deferred tax assets		51,194	54,621	42,253	43,458
Other non-current assets		24,360	24,578	353	383
Total non-current assets		1,418,607	1,432,762	2,202,656	2,211,560
Total assets		3,928,497	4,053,948	3,901,916	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 31 March 2019

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2019 (Unaudited but reviewed)	31 December 2018 (Audited)	31 March 2019 (Unaudited but reviewed)	31 December 2018 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	14	351,555	349,800	283,048	261,307
Bills of exchange	15	88,497	116,934	58,888	87,636
Trade and other payables	16	700,048	714,130	501,915	504,895
Short-term loan from related party	3	50,000	50,000	50,000	50,000
Current portion of long-term loans	17	60,404	101,085	25,098	65,248
Income tax payable		7,385	4,674	-	-
Other current liabilities		86,329	86,201	21,963	22,082
Total current liabilities		1,344,218	1,422,824	940,912	991,168
Non-current liabilities					
Long-term loans, net of current portion	17	86,821	95,484	-	-
Convertible debentures	18	46,133	52,486	46,133	52,486
Options	18	5,778	6,667	5,778	6,667
Provision for long-term employee benefits	19	189,273	195,495	175,606	182,151
Other non-current liabilities		3,946	1,118	-	-
Total non-current liabilities		331,951	351,250	227,517	241,304
Total liabilities		1,676,169	1,774,074	1,168,429	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 31 March 2019

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	31 March 2019	31 December 2018	31 March 2019	31 December 2018
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity					
Share capital	21				
Registered					
634,769,950 ordinary shares of Baht 1 each		<u>634,770</u>	<u>634,770</u>	<u>634,770</u>	<u>634,770</u>
Issued and fully paid up					
453,392,391 ordinary shares of Baht 1 each					
(31 December 2018: 424,639,788 ordinary shares of Baht 1 each)		453,392	424,640	453,392	424,640
Share premium		816,088	811,966	816,088	811,966
Capital reserve for share-based payment transactions		956	580	956	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		1,146,281	1,220,573	1,502,147	1,553,745
Other components of shareholders' equity		<u>36,309</u>	<u>21,302</u>	<u>(80,096)</u>	<u>(85,853)</u>
Equity attributable to owners of the Company		2,446,598	2,472,633	2,733,487	2,746,078
Non-controlling interests of the subsidiaries		<u>(194,270)</u>	<u>(192,759)</u>	-	-
Total shareholders' equity		<u>2,252,328</u>	<u>2,279,874</u>	<u>2,733,487</u>	<u>2,746,078</u>
Total liabilities and shareholders' equity		<u>3,928,497</u>	<u>4,053,948</u>	<u>3,901,916</u>	<u>3,978,550</u>
		-	-	-	-

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

Directors

(Unaudited but reviewed)

Pranda Jewelry Public Company Limited and its subsidiaries**Cash flow statement****For the three-month period ended 31 March 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				
Loss before tax	(71,062)	(87,623)	(51,899)	(55,999)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	16,859	19,154	11,634	12,554
Amortisation of leasehold rights	622	622	-	-
Write-off equipment	52	42	39	28
Doubtful accounts (reversal)	(3,460)	(5,662)	10,494	(16,093)
write-off bad debts	127	-	-	-
Write-off other assets	2,862	37	2,862	-
Reduce cost to net realisable value of inventories (reversal)	(7,543)	1,797	3,247	756
Gain on sales of machinery and equipment	-	(31)	-	(10)
Share of profit from investment in associated company	(4)	(554)	-	-
Long-term employee benefits expenses	4,107	4,269	3,739	3,812
Unrealised (gain) loss on exchange	4,069	(8,242)	25,401	39,468
Amortisation of deferred financial service fee of long-term loans	58	83	-	-
Amortisation of transaction costs of convertible debentures	524	1,074	524	1,074
Share-based payment transactions	376	-	376	-
Interest income	(971)	(569)	(776)	(893)
Interest expenses	11,775	19,983	8,672	15,953
Profit (loss) from operating activities before changes in operating assets and liabilities	(41,609)	(55,620)	14,313	650
Operating assets (increase) decrease				
Trade and other receivables	123,831	55,662	40,212	(20,393)
Inventories	8,850	78,019	(28,878)	60,492
Other current assets	12,852	(1,254)	19,073	6,319
Other non-current assets	218	(585)	30	32
Operating liabilities increase (decrease)				
Trade and other payables	(15,030)	25,699	(6,270)	5,447
Other current liabilities	(8,303)	45,823	(119)	18,705
Provision for long-term employee benefits	(10,329)	(485)	(10,284)	-
Other non-current liabilities	2,828	(344)	-	-
Cash flows from operating activities	73,308	146,915	28,077	71,252
Cash paid for interest expenses	(9,341)	(15,142)	(6,356)	(11,284)
Cash paid for corporate income tax	(269)	(267)	(242)	(240)
Net cash flows from operating activities	63,698	131,506	21,479	59,728

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 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 investing activities				
Increase in short-term loans to related parties	-	(15,819)	-	(15,745)
Acquisition for property, plant and equipment	(3,654)	(5,690)	(1,398)	(1,588)
Acquisition of other intangible assets	(1,361)	(243)	(1,299)	(71)
Proceeds from sales of machinery and equipment	-	48	-	10
Cash receipt from interest income	514	317	2,587	49
Net cash flows used in investing activities	(4,501)	(21,387)	(110)	(17,345)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	1,755	(36,431)	21,741	(3,058)
Cash receipt from bills of exchange	-	58,108	-	9,630
Repayment of bills of exchange	(30,000)	(60,000)	(30,000)	(10,000)
Repayment of long-term loans	(49,402)	(36,104)	(40,150)	(26,050)
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
Proceeds from ordinary shares issuance				
from exercised warrants	24,586	-	24,586	-
Payment to non-controlling interest of the subsidiary	(45)	(105)	-	-
Net cash flows from (used in) financing activities	(53,106)	(33,660)	(23,823)	11,394
Increase in translation adjustment	14,200	20,133	-	-
Net increase (decrease) in cash and cash equivalents	20,291	96,592	(2,454)	53,777
Cash and cash equivalents at beginning of period	396,848	218,027	255,160	107,986
Cash and cash equivalents at end of period	417,139	314,619	252,706	161,763
	-	-	-	-
Supplemental cash flow information				
Non-cash transactions				
Transferred convertible debentures to ordinary shares and share premium	8,000	20,000	8,000	20,000

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

(Unaudited but reviewed)

Pranda Jewelry Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the three-month period ended 31 March 2019

(Unit: Thousand Baht)

	Separate financial statements							Other components of equity	
	Issued and paid-up share capital	Share premium	Capital reserve for share - based payment transactions	Retained earnings			Treasury shares	Other comprehensive income	
				Statutory reserve	Appropriated			Deficit on change in value of available-for-sale investments	Total shareholders' equity
					Treasury shares reserve	Unappropriated			
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 21)	7,153	12,847	-	-	-	-	-	-	20,000
Sold treasury shares (Note 21)	-	-	-	-	-	(5,933)	49,415	-	43,482
Transferred treasury shares reserve to unappropriated retained earnings (Note 22)	-	-	-	-	(49,415)	49,415	-	-	-
Balance as at 31 March 2018	416,682	799,702	-	41,000	-	1,448,227	-	(64,938)	2,640,673
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	-	-	-	-	-	(51,598)	-	-	(51,598)
Other comprehensive income for the period	-	-	-	-	-	-	-	5,757	5,757
Total comprehensive income for the period	-	-	-	-	-	(51,598)	-	5,757	(45,841)
Ordinary shares issuance from exercised warrants (Note 21)	24,586	-	-	-	-	-	-	-	24,586
Transferred convertible debentures to ordinary shares and share premium (Note 21)	4,166	4,122	-	-	-	-	-	-	8,288
Share-based payment transactions	-	-	376	-	-	-	-	-	376
Balance as at 31 March 2019	453,392	816,088	956	41,000	-	1,502,147	-	(80,096)	2,733,487

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

(Unaudited but reviewed)

Pranda Jewelry Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the three-month period ended 31 March 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		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 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 21)	7,153	12,847	-	-	-	-	-	-	-	-	-	20,000	-	20,000
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 subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(105)	(105)
Balance as at 31 March 2018	416,682	799,702	-	(58,428)	52,000	-	965,810	-	82,554	(64,938)	17,616	2,193,382	(180,171)	2,013,211
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	-	-	-	-	-	-	(71,379)	-	-	-	-	(71,379)	(4,338)	(75,717)
Other comprehensive income for the period	-	-	-	-	-	-	-	-	9,250	5,757	15,007	15,007	2,872	17,879
Total comprehensive income for the period	-	-	-	-	-	-	(71,379)	-	9,250	5,757	15,007	(56,372)	(1,466)	(57,838)
Ordinary shares issuance from exercised warrants (Note 21)	24,586	-	-	-	-	-	-	-	-	-	-	24,586	-	24,586
Transferred convertible debentures to ordinary shares and share premium (Note 21)	4,166	4,122	-	-	-	-	-	-	-	-	-	8,288	-	8,288
Share-based payment transactions	-	-	376	-	-	-	-	-	-	-	-	376	-	376
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(45)	(45)
Balance as at 31 March 2019	453,392	816,088	956	(58,428)	52,000	-	1,146,281	-	116,405	(80,096)	36,309	2,446,598	(194,270)	2,252,328

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

(Unaudited but reviewed)

Pranda Jewelry Public Company Limited and its subsidiaries**Income statement****For the three-month period ended 31 March 2019**

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

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Revenues					
Sales		569,326	707,099	390,744	523,747
Other income					
Interest income		971	569	776	893
Others		8,396	7,535	13,044	14,387
Total revenues		578,693	715,203	404,564	539,027
Expenses					
Cost of sales		420,568	516,237	338,320	463,815
Selling and distribution expenses		95,951	101,067	22,583	18,992
Administrative expenses		101,831	127,751	70,433	56,398
Other expenses					
Loss on exchange		16,872	36,123	15,256	39,265
Total expenses		635,222	781,178	446,592	578,470
Loss before share of profit from investment in associated company, finance cost and income tax expenses					
Share of profit from investment in associated company		4	554	-	-
Loss before finance cost and income tax expenses					
tax expenses		(56,525)	(65,421)	(42,028)	(39,443)
Finance cost		(14,537)	(22,202)	(9,871)	(16,556)
Loss before income tax expenses					
Tax income (expenses)	23	(4,655)	(4,908)	301	455
Loss for the period		(75,717)	(92,531)	(51,598)	(55,544)
Loss attributable to:					
Equity holders of the Company		(71,379)	(85,243)	(51,598)	(55,544)
Non-controlling interests of the subsidiaries		(4,338)	(7,288)		
		(75,717)	(92,531)		
Earnings per share					
24					
Basic earnings per share					
Loss attributable to equity holders of the Company		(0.1603)	(0.2094)	(0.1159)	(0.1365)

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 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>
Loss for the period	<u>(75,717)</u>	<u>(92,531)</u>	<u>(51,598)</u>	<u>(55,544)</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	12,122	15,939	-	-
Profit (loss) on change in value of available-for-sale investments	<u>5,757</u>	<u>(2,636)</u>	<u>5,757</u>	<u>(2,636)</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods	<u>17,879</u>	<u>13,303</u>	<u>5,757</u>	<u>(2,636)</u>
Other comprehensive income for the period	<u>17,879</u>	<u>13,303</u>	<u>5,757</u>	<u>(2,636)</u>
Total comprehensive loss for the period	<u>(57,838)</u>	<u>(79,228)</u>	<u>(45,841)</u>	<u>(58,180)</u>
Total comprehensive loss attributable to:				
Equity holders of the Company	(56,372)	(75,336)	(45,841)	(58,180)
Non-controlling interests of the subsidiaries	<u>(1,466)</u>	<u>(3,892)</u>	<u>-</u>	<u>-</u>
	<u>(57,838)</u>	<u>(79,228)</u>	<u>(45,841)</u>	<u>(58,180)</u>

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

Pranda Jewelry Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month period ended 31 March 2019

1. General information

1.1 Corporate information

Pranda Jewelry Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the manufacture and distribution of jewelry and its registered address is 28 Soi Bangna-Trad 28, Bangna Tai Subdistrict, Bangna District, Bangkok. The Company has factories located in Bangkok and Nakhonratchasima.

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

These interim consolidated financial statements include the financial statements of the Company and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2018. There were no changes in the composition of the group during the current period.

1.4 New financial reporting standards

(a) Financial reporting standards that became effective in the current period

During the period, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2018) which are effective for fiscal periods beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries' financial statements. However, the new standard involves changes to key principles, which are summarised below:

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The Company and its subsidiaries adopted TFRS 15 using the modified retrospective method of adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2019, and the comparative information was not restated.

-Not restate completed contracts as at 1 January 2019 for which the entity has transferred all of the goods or services identified in accordance with the previous accounting policy;

-Not restate the contracts that were modified before 1 January 2019 but reflect the aggregate effect of all of the modifications that occur before such date when identifying the performance obligations, determining the transactions price and allocating the transaction price to the performance obligations.

The cumulative effect of the change is described in Note 2.

(b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These new standards involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Company and its subsidiaries is currently evaluating the impact of this standard on the financial statements in the year when it is adopted.

1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2018, except for the change in the accounting policies due to the adoption of TFRS 15, *Revenue from Contracts with Customers*, as follow:

Revenue recognition

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, allowances and price promotions to customers.

When a contract provided a customer with a right to return the goods within a specified period, the Company and its subsidiaries recognise the amount ultimately expected they will have to return to customers as a refund liability and recognise the right to recover the goods expected to be returned by customers as a right of return asset in the statement of financial position. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods.

Rental and service income

Rental income is recognized based on an accrual basis on straight-line basis over the lease term.

Service revenue is recognized at a point in time upon completion of the service.

(Unaudited but reviewed)

2. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standard

As described in Note 1.4 to the financial statements, during the current period, the Company and its subsidiaries have adopted TFRS 15 using the modified retrospective method of adoption. The cumulative effect of initially applying TFRS 15 is recognised as an adjustment to retained earnings as at 1 January 2019. Therefore, the comparative information was not restated.

The effect of the changes in accounting policies due to the adoption of TFRS 15 on the beginning balance of retained earnings for 2019 comprises:

	(Unit: Million Baht)	
	Consolidated	Separate
	financial statements	financial statements
Impact on retained earnings as at 1 January 2019		
Rights of return	3	-
Total	<u>3</u>	<u>-</u>

The amounts of adjustments affecting the statements of financial position as at 31 March 2019 and the statements of comprehensive income for the three-month period ended 31 March 2019 are summarised below.

	(Unit: Million Baht)		
	Consolidated financial statements		
	Previous	Increase	
	accounting policy	(decrease)	TFRS 15
Statement of financial position			
Assets			
Trade and other receivables	312	(3)	309
Inventories	1,692	7	1,699
Liabilities			
Trade and other payables	701	(1)	700
Other current liabilities	78	8	86
Shareholders' equity			
Retained earnings	1,201	(3)	1,198

	(Unit: Million Baht)		
	Consolidated financial statements		
	Previous	Increase	
	accounting policy	(decrease)	TFRS 15
Statement of comprehensive income			
Profit or loss:			
Sales of goods	576	(7)	569
Cost of sales	423	(2)	421
Selling and distribution expenses	100	(4)	96

The nature of these adjustments are describe below:

-Rights of return - The Company and its subsidiaries have recognised the amount ultimately expected they will have to return to customers as a refund liability and recognise the right to recover the goods expected to be returned by customers as a right of return asset in the statement of financial position.

However, this standards does not have any significant impact on the Company's separate financial statement.

3. Related party transactions

During the periods, the Company and its subsidiaries 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 bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	For the three-month		For the three-month		
	periods ended		periods ended		
	31 March		31 March		
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	137	190	Normal business price close to those charged to other customers
Purchases of goods and raw materials	-	-	62	65	With reference to market price
Loan interest income	-	-	1	1	Per loan agreements
Guarantee fee income	-	-	1	1	1 percent per annum
Service income	-	-	2	2	Agreed between the parties
Management income	-	-	5	6	Agreed between the parties
Service expenses	-	-	1	2	Agreed between the parties

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	For the three-month		For the three-month		
	periods ended		periods ended		
	31 March		31 March		
	2019	2018	2019	2018	
<u>Transactions with associated company</u>					
Purchases of raw materials	24	17	24	17	With reference to market price
<u>Transactions with related companies</u>					
Sales of goods	3	2	2	2	Normal business price close to those charged to other customers
Purchases of goods	14	9	-	-	With reference to market price
Loan interest income	1	1	-	-	Per loan agreements
Loan interest expenses	1	1	1	1	Per loan agreements
Purchases of machinery					
and equipment	1	-	-	-	Agreed between the parties

As at 31 March 2019 and 31 December 2018, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
		(Audited)		(Audited)
<u>Trade accounts receivable - related parties (Note 4)</u>				
Subsidiaries	-	-	702	681
Related companies (related by common directors)	42	45	41	44
Total	42	45	743	725
Less: Allowance for doubtful accounts	(32)	(33)	(291)	(274)
Total trade accounts receivable - related parties, net	10	12	452	451

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
		(Audited)	(Audited)	
<u>Other receivables - related parties (Note 4)</u>				
Subsidiaries	-	-	55	54
Related companies (related by common directors)	3	2	2	2
Subsidiary and related company's directors	13	13	9	8
Total	16	15	66	64
Less: Allowance for doubtful accounts	(2)	(2)	(26)	(26)
Total other receivables - related parties, net	14	13	40	38
<u>Accrued interest income - related parties (Note 4)</u>				
Subsidiaries	-	-	28	30
Related companies (related by common directors)	1	1	-	-
Total	1	1	28	30
Less: Allowance for doubtful accounts	-	-	(24)	(27)
Total accrued interest income - related parties, net	1	1	4	3
<u>Amounts due from related parties</u>				
Subsidiary and related company's directors	3	5	3	5
Total amounts due from related parties, net	3	5	3	5
<u>Trade and other payables - related parties (Note 16)</u>				
Subsidiaries	-	-	28	32
Related companies (related by common directors)	26	23	-	-
The Company's directors	1	-	1	-
Total trade and other payables - related parties	27	23	29	32

(Unaudited but reviewed)

Loans to related parties

As at 31 March 2019 and 31 December 2018, 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	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
		(Audited)		(Audited)
<u>Short-term loans to related parties</u>				
Subsidiaries	-	-	60	62
Related companies (related by common directors)	42	42	-	-
Total	42	42	60	62
Less: Allowance for doubtful accounts	-	-	(18)	(19)
Total short-term loans to related parties, net	42	42	42	43
<u>Long-term loans to related parties</u>				
<u>Subsidiaries</u>				
Long-term loans	-	-	524	527
Less : Allowance for doubtful accounts	-	-	(204)	(205)
Long-term loans, net of current portion	-	-	320	322

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

(Unit: Million Baht)

		Consolidated financial statements				
Short-term loans	Related by	Balance as at	Increase	Decrease	Unrealised	Balance as at
		31 December	during	during	gain (loss) on	31 March
		2018	the period	the period	exchange	2019
A-List Corporate Co., Ltd.	The Director related to					
	the Company's director	23	-	-	-	23
Supree Holding Co., Ltd.	Shareholders related to					
	the Company's director	3	-	-	-	3
PT sumberkreasi	The Director is the Subsidiary's					
Ciptalogam	director	16	-	-	-	16
Total short-term loans		42	-	-	-	42

(Unaudited but reviewed)

In 2018, the Company granted a short-term loan to a subsidiary, PT Pranda Marketing Indonesia amounting to USD 0.5 million or approximately Baht 16 million and the subsidiary granted a short-term loan to related company, PT Sumberkreasi Ciptalogam. The loan granted to the subsidiary and related company is unsecured and subject to interest at rate of 7.5 percent per annum. This loan is repayable within December 2019.

(Unit: Million Baht)

		Separate financial statements				
		Balance as at	Increase	Decrease	Unrealised	Balance as at
		31 December	during	during	loss on	31 March
Short-term loans	Related by	2018	the period	the period	exchange	2019
Pranda & Kroll GmbH & Co. KG	Subsidiary	19	-	-	(1)	18
H.GRINGOIRE s.a.r.l	Subsidiary	27	-	-	(1)	26
PT Pranda Marketing Indonesia	Subsidiary	16	-	-	-	16
Total short-term loans		62	-	-	(2)	60

(Unit: Million Baht)

		Separate financial statements				
		Balance as at	Increase	Decrease	Unrealised	Balance as at
		31 December	during	during	gain (loss) on	31 March
Long-term loans	Related by	2018	the period	the period	exchange	2019
Pranda & Kroll GmbH & Co. KG	Subsidiary	26	-	-	(1)	25
Pranda UK Ltd.	Subsidiary	315	-	-	4	319
H.GRINGOIRE s.a.r.l	Subsidiary	186	-	-	(6)	180
Total long-term loans		527	-	-	(3)	524

Long-term loans to its three subsidiaries were subjected to interest rate of 7.5 percent per annum. In 2016, the Company ceased to calculate the said interest income of long-term loans because of the uncertainty in receiving repayments. The Company considered recording the allowance to be at the anticipated repayment amount of long-term loans and accrued interest income. (A total of Baht 116 million of interest income under the long-term loan agreements were not recognised as income. Interest income for the three-month periods ended 31 March 2019 and 2018 amounting to Baht 9 million and Baht 10 million, respectively).

In 2018, the Company and its subsidiary, Pranda & Kroll GmbH & Co. KG, made an agreement to cease interest calculation of all loans which the Company granted to the subsidiary. This agreement became effective since 1 April 2018 onwards.

Short-term loans from related parties

As at 31 March 2019, The Company had short-term loans from the Company's directors amounting to Baht 50 million. These loans are unsecured and subject to interest at rate of 7.5 percent per annum. These loans are repayable within June 2019

Directors and management's benefits

During the three-month periods ended 31 March 2019 and 2018, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

(Unit: Million Baht)

	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Short-term employee benefits	14.6	17.0	7.1	6.7
Post-employment benefits	15.1	0.3	15.1	0.1
Total	<u>29.7</u>	<u>17.3</u>	<u>22.2</u>	<u>6.8</u>

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 26.3.1 to the financial statements.

(Unaudited but reviewed)

4. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
		(Audited)		(Audited)
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	1,734	902	44,530	37,903
Past due				
Up to 3 months	115	6,201	42,121	81,386
3 - 6 months	3,368	778	80,384	84,447
6 - 12 months	3,365	2,899	170,749	188,640
Over 12 months	33,923	34,618	405,558	332,656
Total	42,505	45,398	743,342	725,032
Less: Allowance for doubtful debts	(32,352)	(32,811)	(291,465)	(273,641)
Total trade accounts receivable - related parties, net (Note 3)	10,153	12,587	451,877	451,391
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	210,577	246,553	101,164	104,644
Past due				
Up to 3 months	38,766	122,630	16,846	87,977
3 - 6 months	10,341	4,381	1,145	64
6 - 12 months	17,535	23,070	44	-
Over 12 months	28,885	28,252	22,119	22,793
Total	306,104	424,886	141,318	215,478
Less: Allowance for doubtful debts	(34,483)	(36,564)	(22,119)	(23,873)
Total trade accounts receivable - unrelated parties, net	271,621	388,322	119,199	191,605
Total trade accounts receivable, net	281,774	400,909	571,076	642,996

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
		(Audited)		(Audited)
<u>Other receivables</u>				
Other receivables - related parties (Note 3)	16,493	15,317	66,181	64,101
Other receivables - unrelated parties	12,626	16,889	348	572
Accrued interest income - related parties (Note 3)	1,371	1,011	27,524	29,868
Accrued interest income	2,417	2,321	2,157	2,177
Total	32,907	35,538	96,210	96,718
Less: Allowance for doubtful debts	(5,556)	(5,486)	(51,582)	(54,642)
Total other receivables, net	27,351	30,052	44,628	42,076
Total trade and other receivables, net	309,125	430,961	615,704	685,072

5. Reduce cost to net realisable value of inventories

Movements in the reduce cost to net realisable value of inventories account for the three-month period ended 31 March 2019 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2019	210,694	162,023
Add: Reduce cost to net realisable value of inventories	3,314	3,247
Less: Reversal of reduce cost to net realisable value of inventories	(10,857)	-
Balance as at 31 March 2019	203,151	165,270

As at 31 March 2019, the Company has pledged most of the Company's inventories to secure credit facilities from commercial banks amounting to Baht 500 million. In addition, an overseas subsidiary has pledged inventories of IDR 3,000 million or approximately Baht 7 million to secure credit facilities from an overseas commercial bank as described in Note 14 and Note 17 to the financial statements.

6. Assets held for sale

On 7 November 2017, the Company's Board of Directors passed a resolution for the Company to enter into a sale and purchase agreement for certain land held for development with an unrelated party. The Company received deposits on the same date. The management expects to transfer the ownership of the land held for development within 6 months from the agreement date.

Subsequently on 8 May 2018, the Company sold, transferred ownership of totaling of Baht 443 million and redeemed the land held for development pledged to secure credit facility from a commercial bank.

7. Restricted bank deposits

The outstanding balances represented the Company's deposits with bank pledged to secure the credit facilities, and the subsidiaries' deposits with banks, pledged to secure the bank overdraft, and the letter of guarantee issued by bank on behalf of subsidiary for electricity use.

8. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Cost	
	31 March 2019	31 December 2018
		(Audited)
Pranda North America, Inc.	120,283	120,283
H.GRINGOIRE s.a.r.l.	344,423	344,423
Pranda UK Ltd.	28,973	28,973
Pranda Vietnam Co., Ltd.	48,180	48,180
Primagold International Co., Ltd.	200,000	200,000
Crystalline Co., Ltd.	96,000	96,000
Pranda Lodging Co., Ltd.	41,125	41,125
Pranda & Kroll GmbH & Co. KG	573,303	573,303
Pranda Jewelry Private Limited	213,439	213,439
Pranda Trading (Shenzhen) Limited	17,437	17,437
Total	1,683,163	1,683,163
Less: Allowance for impairment of investments	(1,015,591)	(1,015,591)
Investments in subsidiaries, net	667,572	667,572

Subsidiary - Pranda & Kroll GmbH & Co. KG

On 13 February 2018, a meeting of the Company's Board of Directors passed a resolution to dissolve a subsidiary, Pranda & Kroll GmbH & Co. KG, since 13 February 2018 onwards. At present, the subsidiary is in the process of liquidation. This subsidiary is not a significant segment of the Group, therefore, there is no significant impact on the consolidated financial statements.

Subsidiary - Pranda Jewelry Private Limited

On 27 December 2018, an Indian subsidiary, Pranda Jewelry Private Limited, issued and offered to the Company 34,000,000 units of fully compulsorily convertible debentures, unsubordinated and unsecured, with a par value of Indian Rupee 10 each, or a total of Indian Rupee 340 million. All Debentures are to be converted into fully paid up equity shares of the subsidiary on the expiry of 5 years from the date of issue of debenture. The conversion ratio will be calculated in accordance with related regulations in India.

Under the debentures agreement, the subsidiary will pay interest on a quarterly basis at rates of 7.5 percent per annum. Moreover, the subsidiary has the right, under the agreement, to buy back the converted equity shares from the Company on or after the conversion date. In any case, if the subsidiary is unable to buy back such shares from the Company, the Company will offer some of the converted equity shares to the minority shareholder of the subsidiary in order to maintain the holding structure of the Company and the minority shareholder of the subsidiary.

However, the Company has considered to record this transaction for investments in subsidiaries because the debentures held by the investors shall automatically be converted into equity shares on the conversion date.

9. Investment in associated company

Company's name	(Unit: Thousand Baht)	
	Consolidated financial statements	
	Investment value - equity method	
	31 March 2019	31 December 2018
	(Audited)	
KZ-Pranda Co., Ltd.		
- Cost	3,600	3,600
- Accumulated share of profit	6,551	6,547
Total carrying amounts based on equity method	<u>10,151</u>	<u>10,147</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company's name	Separate financial statements					
	Cost		Allowance for impairment of investment		Carrying amounts based on cost method - net	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018
		(Audited)		(Audited)		(Audited)
KZ-Pranda Co., Ltd.	3,600	3,600	(3,600)	(3,600)	-	-

The share of profit from investment in associated company included in the consolidated income statements have been calculated from the financial statement prepared by management of this company but is not reviewed by its auditor. However, the Company's management believes that there would be no material difference if this financial statement had been reviewed by its auditor.

10. Other receivables

The outstanding balances as at 31 March 2019 and 31 December 2018 are presented below.

	(Unit: Thousand Baht)	
	Consolidated / Separate financial statements	
	31 March 2019	31 December 2018
Promissory note	49,202	50,191
Less: Allowance for devaluation	(49,202)	(50,191)
Other receivable, net	-	-

11. Other long-term investments

Other long-term investments as at 31 March 2019 and 31 December 2018 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements			
	31 March 2019		31 December 2018	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
	(Audited)			
Available-for-sale securities				
Overseas marketable equity securities	97,979	17,883	97,979	12,126
Less: Deficit on changes in value of investments in securities available for sales	(80,096)		(85,853)	
	<u>17,883</u>		<u>12,126</u>	
Other investments				
Overseas non-marketable equity securities	14,490		14,490	
Less: Impairment loss on other long-term investments	(13,350)		(13,350)	
	<u>1,140</u>		<u>1,140</u>	
Total other long-term investments	<u>19,023</u>		<u>13,266</u>	

(Unit: Thousand Baht)

	Separate financial statements			
	31 March 2019		31 December 2018	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
	(Audited)			
Available-for-sale securities				
Overseas marketable equity securities	97,979	17,883	97,979	12,126
Less: Deficit on changes in value of investments in securities available for sales	(80,096)		(85,853)	
	<u>17,883</u>		<u>12,126</u>	
Other investments				
Overseas non-marketable equity securities	13,350		13,350	
Less: Impairment loss on other long-term investments	(13,350)		(13,350)	
	<u>-</u>		<u>-</u>	
Total other long-term investments	<u>17,883</u>		<u>12,126</u>	

(Unaudited but reviewed)

12. Investment properties

Movements of the investment properties account during the three-month period ended 31 March 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2019	589,186	577,552
Less: Depreciation for the period	(83)	-
Net book value as at 31 March 2019	<u>589,103</u>	<u>577,552</u>

The Company has mortgaged investment properties of the Company and a local subsidiary with a total net book value as at 31 March 2019 of approximately Baht 587 million (31 December 2018: Baht 587 million) as collateral against credit facilities which the Company received from commercial banks (The Company only: Baht 577 million (31 December 2018: Baht 577 million)).

13. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2019	644,572	535,396
Acquisitions during the period - at cost	3,654	1,398
Write-off during the period - net book value as at write-off date	(52)	(39)
Depreciation for the period	(15,599)	(10,842)
Translation adjustment during the period	(1,489)	-
Net book value as at 31 March 2019	<u>631,086</u>	<u>525,913</u>

The Company and its subsidiaries have mortgaged their property, plant and equipment with a total net book value as at 31 March 2019 of approximately Baht 425 million (31 December 2018: Baht 431 million) as collateral against credit facilities received from commercial banks (The Company only: Baht 369 million (31 December 2018: Baht 374 million)).

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	Interest rate		Consolidated		Separate	
	(percent per annum)		financial statements		financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018
		(Audited)		(Audited)		(Audited)
Bank overdrafts	-	3.35	-	1,498	-	-
Short-term loans from financial institutions	MLR - 2.75, 2.75 - 3.00, 5.50, 14.40	MLR - 2.75, 2.80 - 3.00, 5.25, 10.25	351,555	348,302	283,048	261,307
Total			351,555	349,800	283,048	261,307

Bank overdrafts and 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.

Bank overdrafts and short-term loans from financial institutions of a local subsidiary company are guaranteed by the Company.

Bank overdrafts of a local subsidiary company are secured by fixed deposits pledged with the bank.

Short-term loan from financial institution of an overseas subsidiary is secured by pledges of some inventories of the subsidiary company, some assets of the subsidiary's director and a building of the non-controlling interest of the subsidiary company.

15. Bills of exchange

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2019	116,934	87,636
Add: Amortisation of prepaid interest expenses	1,563	1,252
Less: Repayment	(30,000)	(30,000)
Balance as at 31 March 2019	88,497	58,888

(Unaudited but reviewed)

As at 31 March 2019, bills of exchange of the Company are subject to interest at rate of 7.75 percent to 8.25 percent per annum (31 December 2018: 7.75 percent to 8.25 percent per annum) and mature in April to July 2019. Bills of exchange are secured by mortgage of the Company's land and a local subsidiary's investment properties, and the guarantee of the Company's director.

Bills of exchange of a local subsidiary company are subject to interest rate at 4.30 percent per annum (31 December 2018: 4.30 per annum) and mature in July 2019. There are no collateral on the bills of exchange.

16. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
		(Audited)		(Audited)
Trade and other payables - related parties (Note 3)	26,754	23,005	29,283	31,847
Trade payables - unrelated parties	617,161	610,847	446,192	442,869
Other payables - unrelated parties	8,522	17,151	3,861	4,305
Accrued expenses	47,611	63,127	22,579	25,874
Total trade and other payables	<u>700,048</u>	<u>714,130</u>	<u>501,915</u>	<u>504,895</u>

17. Long-term loans

The outstanding balances of long-term loans as at 31 March 2019 and 31 December 2018 are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
		(Audited)		(Audited)
Long-term loans - net of deferred financial service fee	147,225	196,569	25,098	65,248
Less: Current portion - net	(60,404)	(101,085)	(25,098)	(65,248)
Long-term loans - net of current portion - net	<u>86,821</u>	<u>95,484</u>	<u>-</u>	<u>-</u>

(Unaudited but reviewed)

Movements in the long-term loans account during the three-month period ended 31 March 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Balance as at 1 January 2019	196,569	65,248
Less: Repayment	(49,402)	(40,150)
Add: Amortisation of deferred financial service fee	58	-
Balance as at 31 March 2019	<u>147,225</u>	<u>25,098</u>

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. The loan agreements contain covenants as specified in the agreements that, among other things, require the Company to maintain certain debt to equity ratio and debt service coverage ratio (DSCR) prescribed in the agreements.

Since 31 December 2018, the Company was unable to maintain a debt service coverage ratio (DSCR) in accordance with the agreements. As a result, the lender has the right to call the loans on demand.

However, the long-term loan is mature in July 2019.

Long-term loan of a local subsidiary company 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, requires the subsidiary to maintain certain debt to equity according to the agreement.

Long-term loan of an overseas subsidiary company (Pranda Jewelry Private Limited) was granted by an Indian financial institution. Such loan is secured by a building of this subsidiary.

Long-term loan of an overseas subsidiary company was granted by an overseas commercial bank for credit facilities. Such loan is secured by pledges of some inventories of the subsidiary company, some assets of the director of the subsidiary company, and a building of non-controlling interest of the subsidiary company.

18. Convertible debentures/Options

On 29 January 2018, the Extraordinary Shareholder's Meeting of the Company passed a resolution to approve on issuance and offering of the convertible debentures on a private placement basis in the amount of not exceeding Baht 500 million to Advance Opportunities Fund I. Details of the Company's convertible debentures are as follows:

Issuer of convertible debentures	Pranda Jewelry Public Company Limited
Total Principal amount of convertible debentures	Not exceeding Baht 500 million divided into 3 tranches as follows: 1) Tranche 1 Convertible debentures in the amount of not exceeding Baht 100 million divided into 20 equal sub-tranches, each of which is Baht 5 million. 2) Tranche 2 Convertible debentures in the amount of not exceeding Baht 200 million divided into 40 equal sub-tranches, each of which is Baht 5 million. 3) Tranche 3 Convertible debentures in the amount of not exceeding Baht 200 million divided into 20 equal sub-tranches, each of which is Baht 10 million.
Issuance of convertible debentures	The period to issue the convertible debentures pursuant to the relevant rules is one year from the date the shareholders' meeting approves to issue the convertible debentures. The Company will issue the convertible debentures when the Company has sold the redeemed shares not having been sold under the share redemption project disseminated by the Company on 14 October 2015 or upon expiration of the period of sale of the said redeemed shares.
Interest rate	1 percent per annum.
Maturity	Each tranche of the convertible debentures will have the period of 3 years upon the issuing date of the convertible debentures or any other period as determined by the Chairman of the Executive Committee or the person assigned by the Chairman of the Executive Committee depending on the market conditions at the time of issuing and offering of the convertible debentures each time.

(Unaudited but reviewed)

Principal Repayment	Repayment in installments or in one installment upon maturity in accordance with the terms and conditions of the convertible debentures.
Conversion Price	90 percent of weighted average price per share of the Company shares for not less than 7 consecutive business days but not exceeding 15 consecutive business days immediately preceding the relevant exercise date.

In 2018, the Company issued and offered the Convertible Debentures to Advance Opportunities Fund I and Advance Credit Fund SPC - Golden Fund SP in the amount of Baht 50 million and Baht 50 million, respectively. These funds exercised the conversion rights under the Convertible in the amount of Baht 40 million. The number of shares to be issued for the exercise of conversion rights is 15,110,788 shares at the par value of Baht 1 each, so the total paid up capital to be increased for exercises of conversion rights is Baht 15,110,788 and the Company has registered the increase of the paid-up capital with the Ministry of Commerce.

During the current period, Advance Opportunities Fund I exercised the conversion rights under the Convertible in the amount of Baht 8 million. The number of shares to be issued for the exercise of conversion rights is 4,166,338 shares at the par value of Baht 1 each, so the total paid up capital to be increased for exercises of conversion rights is Baht 4,166,338.

The convertible debentures and options are summarised below.

(Unit: Thousand Baht)

Nominal value of issue of convertible debentures	
as at 1 January 2019	52,486
Less: Exercise of conversion rights	(7,399)
Add: Amortised - transaction cost	1,046
Balance as at 31 March 2019	<u>46,133</u>

(Unit: Thousand Baht)

Nominal value of options as at 1 January 2019	6,667
Less: Exercise of conversion rights	(889)
Balance as at 31 March 2019	<u>5,778</u>

On 23 April 2019, the Annual General Meeting of the Company's Shareholders passed a solution approving issuance and offering of the convertible debentures on a private placement basis in the amount of not exceeding Baht 115 million to Advance Opportunities Fund I.

19. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 March 2019 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		
	Post-employment benefits from employee's retirement	Other long-term employee benefits plan	Total
Balances as at 1 January 2019	183,396	12,099	195,495
Current service cost	2,592	245	2,837
Interest cost	1,199	71	1,270
Benefits paid during the period	(10,284)	(45)	(10,329)
Balances as at 31 March 2019	176,903	12,370	189,273

(Unit: Thousand Baht)

	Separate financial statements		
	Post-employment benefits from employee's retirement	Other long-term employee benefits plan	Total
Balances as at 1 January 2019	170,881	11,270	182,151
Current service cost	2,331	208	2,539
Interest cost	1,133	67	1,200
Benefits paid during the period	(10,284)	-	(10,284)
Balances as at 31 March 2019	164,061	11,545	175,606

The cumulative amount of actuarial gains recognised in other comprehensive income and taken as part of retained earnings of the Company and its subsidiaries as at 31 March 2019 amounted to Baht 40 million (The Company only: Baht 30 million) (31 December 2018: Baht 40 million, the Company only Baht 30 million).

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional long-term employee benefit liabilities of Baht 46 million (The Company only: Baht 43 million) as a result. The Company and its subsidiaries will reflect the effect of the change by recognising past service costs as expenses in the income statement of the period in which the law is effective, which is the second quarter of 2019.

20. Warrants to purchase new ordinary shares of the Company

20.1 Warrants to purchase new ordinary shares to existing shareholders

On 29 January 2018, the Extraordinary Shareholder's Meeting of the Company passed a resolution to approve the following matters.

- 1) Approval on issuance and offering of the warrants to purchase ordinary shares of the Company No.2 (PDJ-W2) to the existing shareholders at the total number of 25,595,562 units to maintain the shareholding proportion of the existing shareholders at the ratio of 16 existing ordinary shares to 1 unit of warrant at no cost, with the exercise price of Baht 1 per share. Subsequently on 8 February 2018, the Company issued the 25,594,557 units of PDJ-W2 to the existing shareholders of the Company. The warrants have an exercise period of 1 year from the date of issue, and are exercisable for one time on the date of the first anniversary of the issuance of the warrants. The first and the last exercise dates are on 7 February 2019.
- 2) Approval on issuance and offering of the warrants to purchase ordinary shares of the Company No.3 (PDJ-W3) to the existing shareholders at the total number of 25,595,563 units to maintain the shareholding proportion of the existing shareholders at the ratio of 16 existing ordinary shares to 1 unit of warrant at no cost and with the exercise price of Baht 1 per share. Subsequently on 8 February 2018, the Company issued the 25,594,557 units of PDJ-W3 to the existing shareholders of the Company. The warrants have an exercise period of 2 years from the date of issue, and are exercisable for one time on the date of the second anniversary of the issuance of the warrants. The first and the last exercise dates are on 7 February 2020.
- 3) Approval issuance and offering of the warrants to purchase ordinary shares of the Company No.4 (PDJ-W4) to the existing shareholders at the total number of 51,191,125 units to maintain the shareholding proportion of the existing shareholders at the ratio of 8 existing ordinary shares to 1 unit of warrant at no cost and with the exercise price of Baht 1 per share. Subsequently on 8 February 2018, the Company issued the 51,190,390 units of PDJ-W4 to the existing shareholders of the Company. The warrants have an exercise period of 3 years from the date of issue, and are exercisable for one time on the date of the third anniversary of the issuance of the warrants. The first and the last exercise dates are on 7 February 2021.

(Unaudited but reviewed)

On 7 February 2019, PDJ-W2 warrant holders exercised 24,586,765 warrants to purchase 24,586,765 newly issued ordinary shares with a par value of Baht 1, at an exercise price of Baht 1 per share. The Company received the cash of Baht 24,586,765 from the exercise of the warrants, and the Company registered the corresponding increase in its paid-up capital with the Ministry of Commerce on 15 February 2019.

Presented below is a summary of movement in the number of warrants as at 31 March 2019.

	Unit
Outstanding as at 1 January 2019	102,382,250
Exercised during the period	(24,586,765)
Expired during the period	(1,008,797)
Outstanding as at 31 March 2019	<u>76,786,688</u>

20.2 Warrants to purchase new ordinary shares of the Company issued to the directors and employees of the Company (ESOP)

On 29 January 2018, the Extraordinary Shareholder's Meeting of the Company passed a resolution to approve issuance and offering of the warrants to purchase ordinary shares of the Company to its directors and employees of the Company No.2 at the total number of 20,476,450 units at no cost and with the exercise price of Baht 4 per share and with the term not exceeding 3 years from issuance date of the warrants.

On 14 August 2018, the Board of Director Meeting of the Company passed a resolution to approve the allocation and determine any other detail regarding the issuance of the warrants to purchase ordinary shares of the Company to its directors and employees of the Company (PDJ ESOP-2). Details of the warrants are summarised below.

Warrants issuing date	14 August 2018
Term of warrants	3 years from the issuance date
Warrants expiring date	14 August 2021
Amount of warrants (Units)	20,476,450
Exercise ratio	One unit of the Warrants for one ordinary share
Exercise price	Baht 4 per share unless the exercise ratio is otherwise adjusted pursuant to the conditions concerning the right adjustment.
Exercise period	Once a year on the date of each anniversary of the issuance of the Warrants.
First Exercise date	14 August 2019
Last Exercise date	14 August 2021

Proportion for Exercise	<p>The First Exercise: To exercise the accrued right not exceeding 25 percent of the Warrants which allocated to each holder by the Company.</p> <p>The Second Exercise: To exercise the accrued right not exceeding 50 percent of the Warrants which allocated to each holder by the Company (inclusive of first and second exercises).</p> <p>The Third Exercise: To exercise the accrued right not exceeding 100 percent of the Warrants which allocated to each holder by the Company. (inclusive of first to third exercises)</p>
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The average estimated fair value of each warrant granted is Baht 0.153. This was calculated by applying the Black-Scholes-Merton formula. The model inputs were the share price at price determination date of Baht 2.803, exercise price of Baht 4, expected volatility of 28.065 percent, contractual life of three years, and a risk-free interest rate of 1.578 - 1.961 percent.

As at 31 March 2019, the Company has the unissued warrants of ESOP totaling 927,500 units.

21. Share capital

On 29 January 2018, the Extraordinary Shareholder's Meeting of the Company passed a resolution to approve on the increase of the registered capital from the existing registered capital of Baht 409,529,000 to the new registered capital of Baht 634,769,950 by issuing 225,240,950 newly issued ordinary shares at the par value of Baht 1 per share for offering of the convertible debentures, warrants No.2, No.3, No.4 and warrants for its directors and employees No.2. The Company registered to increase the registered capital with the Ministry of Commerce on 7 February 2018.

Reconciliation of number of ordinary shares

During the current period, the movements of number of ordinary shares, paid-up capital and premium on ordinary shares of the Company are as follows:

(Unit: Thousand Baht)

	Issued and paid-up share capital		Share premium	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Balance as at 1 January	424,640	409,529	811,699	786,855
Increase in capital from exercising of the warrants to purchase ordinary shares to existing shareholders	24,586	-	-	-
Increase in capital from exercising of the rights of the convertible debenture	4,166	7,153	4,122	12,847
Total	<u>28,752</u>	<u>7,153</u>	<u>4,122</u>	<u>12,847</u>
Balance as at 31 March	<u><u>453,392</u></u>	<u><u>416,682</u></u>	<u><u>816,088</u></u>	<u><u>799,702</u></u>

22. Treasury shares/ appropriated retained earnings for treasury shares reserve

On 14 October 2015, the Board of Directors of the Company approved a program with a budget of up to Baht 50 million, to repurchase no more than 10,600,000 shares (par value of Baht 1 each), which accounts for not more than 2.59 percent of the total number of shares in issue, for financial management purposes. The shares are to be repurchased on the Stock Exchange of Thailand from 28 October 2015 to 27 April 2017. The share resale period is determined after 6 months from the completion date of share repurchase but no later than 3 years. The Company has purchased of treasury shares since 28 October 2015. Until 27 April 2017, the end of the share repurchase period, treasury shares have been purchased back by the Company was 10,581,800 shares (par value of Baht 1 each), or 2.58 percent of total number of shares in issue, a total of Baht 49 million and the Company has already appropriated the required amount of retained earnings to a reserve for the treasury shares amounting to Baht 49 million.

According to letter No. Gor Lor Tor. Chor Sor. (Vor) 2/2548 of the Office of the Securities and Exchange Commission, dated 14 February 2005, concerning the acquisition of treasury shares, a public limited company may buy back treasury shares in an amount not exceeding the amount of its retained earnings and is to appropriate an equal amount of retained earnings to a reserve for treasury shares, which must be maintained until the

Company either sells the treasury shares or reduces its paid up share capital by an amount equal to the value of the treasury shares which it could not sell.

During 24 January 2018 to 1 February 2018, the Company has sold all of the treasury shares, amounting to Baht 43 million and recognised deficit on treasury shares of Baht 6 million.

23. Income tax

Part of the Company's operations has been granted promotional privileges from the Board of Investment, including exemption from corporate income tax on profits for a period of eight years, commencing as from the date of first earnings operating income. The Company has started to receive privileges of certificate No. 1616 (2)/2553 on 4 January 2011.

Interim corporate income tax of the Company was calculated on profit (loss) before income tax from operations without BOI promotional privileges for the periods, after adding back expenses and deducting income which are disallowable for tax computation purposes, using the estimated effective tax rate for the year.

Interim corporate income tax of the local subsidiaries were calculated on profit (loss) before income tax for the periods, after adding back expenses and deducting income which are disallowable for tax computation purposes, using the estimated effective tax rate for the year.

Interim corporate income tax of the overseas subsidiaries were calculated in accordance with the accounting standards and/or tax law of that company's country of domicile.

Tax expenses (income) for the three-month periods ended 31 March 2019 and 2018 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current income tax:				
Interim corporate income tax charge	2,733	3,595	-	-
Adjustment in respect of income tax of previous year	(1,506)	-	(1,506)	-
Deferred tax:				
Relating to origination and reversal of temporary differences	3,427	1,313	1,205	(455)

Tax expenses (income) reported in the**statements of income**

4,654

4,908

(301)

(455)

24. Earnings per share

Basic earnings per share is calculated by dividing profit (loss) for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing profit (loss) for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

The following tables set forth the computation of basic and diluted earnings per share:

	For the three-month periods ended 31 March			
	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Basic earnings per share				
Loss attributable to equity holders of the Company (Thousand Baht)	(71,379)	(85,243)	(51,589)	(55,544)
Weighted average number of ordinary shares (Thousand shares)	445,154	406,989	445,154	406,989
Loss per share (Baht per share)	(0.1603)	(0.2094)	(0.1159)	(0.1365)

However, no calculation of diluted earnings per share for the three-month periods ended 31 March 2019 and 2018 since the effect of diluted earnings per share is antidilutive.

(Unaudited but reviewed)

25. Segment information

The Company and its subsidiaries are organised into business units based on its business activities. During the current period, the Company and its subsidiaries have not changed the organisation of their reportable segments.

The following table presents revenues and profit (loss) information regarding the Company's and its subsidiaries' operating segments for the three-month periods ended 31 March 2019 and 2018.

(Unit: Million Baht)

For the three-month periods ended 31 March

	Production		Distribution		Retail		Others		Total Segments		Eliminations		Consolidated	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenues														
Revenues from external customers	265	342	71	113	233	252	-	-	569	707	-	-	569	707
Revenues from intersegment	134	188	-	-	59	62	-	-	193	250	(193)	(250)	-	-
Total revenues	399	530	71	113	292	314	-	-	762	957	(193)	(250)	569	707
Results														
Segment profit (loss)	(30)	(28)	(24)	(38)	12	11	(2)	(3)	(44)	(58)	(5)	20	(49)	(38)
Unallocated revenues and expenses														
Interest income													1	-
Other income													8	7
Loss on exchange rate													(17)	(36)
Share of profit from investment in associated company													-	1
Finance cost													(14)	(22)
Loss before income tax expenses													(71)	(88)
Tax expenses													(5)	(5)
Loss for the period													(76)	(93)

26. Commitments and contingent liabilities

26.1 Capital commitments

As at 31 March 2019, the Company and its oversea subsidiary had capital commitments of Baht 1 million and INR 12 million, totaling of Baht 6 million, relating to acquisition of computer software, building construction and building improvements (The Company only: Baht 1 million).

26.2 Operating lease commitments

The subsidiaries have entered into several operating lease and service agreements in respect of the lease of office building space, factories, department store space, motor vehicles, and equipment. The terms of the agreements are generally between 1 and 30 years.

Future minimum lease payments required under these operating lease contracts were as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	As at			
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Payable:				
In up to 1 year	55	63	-	-
In over 1 and up to 5 years	160	163	-	-
In over 5 years	422	43	-	-

26.3 Guarantees

26.3.1 The Company has issued guarantees to secure bank overdrafts and credit facilities of its subsidiaries. As at 31 March 2019, there were outstanding guarantees of Baht 281 million and USD 6 million (31 December 2018: Baht 281 million, USD 6 million), totaling of Baht 472 million (31 December 2018: Baht 475 million).

26.3.2 As at 31 March 2019, there were outstanding bank guarantees of Baht 7.9 million, (31 December 2018: Baht 7.9 million) issued by banks on behalf of the Company and its subsidiaries to guarantee purchase of goods, electricity use, among others. (The Company only: Baht 7.7 million (31 December 2018: Baht 7.7 million)).

26.3.3 As at 31 March 2019, the Company and its subsidiaries have outstanding standby-letters of credit of USD 19 million, or approximately Baht 604 million (31 December 2018: USD 17.5 million or totaling Baht 566 million) (The Company only: USD 13 million, totaling of Baht 413 million (31 December 2018: USD 12.5 million, or approximately Baht 405 million)).

26.4 Litigation

26.4.1 Litigation of an overseas subsidiary

In December 2015, an overseas subsidiary company in France was jointly sued for infringement of models and unfair competition by two companies incorporated in Switzerland, claiming compensation of EUR 1.02 million, or approximately Baht 40 million.

In March 2018, the Court in France issued a judgement that the subsidiary was guilty of unfair competition and dismissing the lawsuit relating to infringement of models, ordering the subsidiary to pay Euro 50,000 or approximately Baht 2 million in compensatory damages to the two companies incorporated in Switzerland. The subsidiary recorded provision for these damages in its accounts.

Later, in September 2018, the subsidiary paid the compensatory damages ordered by the French court. Two companies incorporated in Switzerland have submitted an appeal to the French court, to order prohibited the subsidiary to cease commercial activities and destroy all jewelry, production equipment and drawings which relate to disputed models and ordered the insertion of the judgement to come in publication.

During the current period, this case is under the consideration of the Court in France. The management of the subsidiary believes that no material damages will affect the subsidiary. The subsidiary has therefore not record any provision for damages in its accounts.

26.4.2 Tax assessments of an overseas subsidiary

In 2017, the Indian tax authorities assessed sale tax of approximately INR 31 million or approximately Baht 14 million (including interest), covering the years 2010 - 2011, against the subsidiary company in India. The subsidiary appealed this assessment.

On 30 October 2017, Deputy Commissioner rejected the subsidiary's appeal against the official's assessment, and ordered the subsidiary to pay the tax and interest to the Indian tax authorities. Later, on 7 December 2017, the subsidiary therefore filed an appeal with the Tribunal petitioning to revoke this assessment, on the basis of a legal advisory's opinion to explain the tax assessments. However, the subsidiary placed a bond of 10 percent of the assessed sale tax amounting to INR 1.5 million or approximately Baht 0.8 million. The appeal is currently under the consideration of the Tribunal.

(Unaudited but reviewed)

In 2018, Indian tax authorities assessed sales tax of approximately INR 2 million or approximately Baht 0.9 million (including penalty and interest), covering the years 2014 - 2016 against the subsidiary in India. The management of the subsidiary is in the process of filing an appeal with the Tribunal.

The management of the subsidiary believes that no material damages will affect the subsidiary. The subsidiary has therefore not recorded any provision for these tax assessments.

27. Fair value hierarchy

As at 31 March 2019 and 31 December 2018, the Company and its subsidiaries had the assets and liabilities that were measured or disclosed at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated Financial Statements		
	As at 31 March 2019		
	Level 1	Level 2	Total
Assets measured at fair value			
Held for trade investments			
Equity instruments	17	-	17
Assets for which fair value are disclosed			
Investment property	-	708	708
Liabilities measured at fair value			
Options	6	-	6

(Unit: Million Baht)

	Consolidated Financial Statements		
	As at 31 December 2018		
	Level 1	Level 2	Total
Assets measured at fair value			
Held for trade investments			
Equity instruments	12	-	12
Assets for which fair value are disclosed			
Investment property	-	708	708
Liabilities measured at fair value			
Options	7	-	7

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate Financial Statements		
	As at 31 March 2019		
	Level 1	Level 2	Total
Assets measured at fair value			
Held for trade investments			
Equity instruments	17	-	17
Assets for which fair value are disclosed			
Investment property	-	654	654
Liabilities measured at fair value			
Options	6	-	6

(Unit: Million Baht)

	Separate Financial Statements		
	As at 31 December 2018		
	Level 1	Level 2	Total
Assets measured at fair value			
Held for trade investments			
Equity instruments	12	-	12
Assets for which fair value are disclosed			
Investment property	-	654	654
Liabilities measured at fair value			
Options	7	-	7

During the current period, there was no transfer within the fair value hierarchy.

28. Financial instruments

The outstanding balances of the Company and its subsidiaries' financial assets and liabilities denominated in foreign currencies are organisation below.

(Unit: Million)

Foreign currencies	Consolidated financial statements				Separate financial statements			
	Financial assets		Financial liabilities		Financial assets		Financial liabilities	
	31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 December
	2019	2018	2019	2018	2019	2018	2019	2018
US Dollar	9	9	17	17	28	28	13	12
Euro	-	-	-	-	10	10	-	-
Pound Sterling	-	-	-	-	10	10	-	-

(Unaudited but reviewed)

Foreign currencies	Average exchange rate as at	
	31 March 2019	31 December 2018
	(Baht per 1 foreign currency unit)	
US Dollar	31.77	32.40
Euro	35.66	37.07
Pound Sterling	41.54	41.00

The Company and its subsidiaries had no outstanding balance of forward contract to hedged foreign exchange risk.

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

29. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 14 May 2019.