

JSC "Rīgas juvelierizstrādājumu rūpnīca"

Unified registration Nr. 40003044420

Address : Terēzes street 1, Rīga LV-1012

Main activities:

NACE code red .

3212 processing of precious metals

4777 retail jewellery trade in specialised stores

6820 renting and operating of leased real estate

Unit: euro

Financial report
of the period from 01.01.2016 to 31.03.2016

that has been prepared according to the legislation standards of the Republic of Latvia

Riga, 2016.

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Management Report

Information about the Company

AS „Rīgas juvelierizstrādājumu rūpnīca” registered office is at 1 Terezes Street, Riga, LV-1012. On 28.05.2015 the Company had denomination of the fixed capital. As a result of denomination, the equity capital of the company is 6 640 172 EUR that is divided into 4742980 shares with share's nominal value of 1,40 EUR. The residual value in the amount of EUR 108480,54 was transferred to the reserve fund.

Chairman of the Company's Board is Vladimirs Cadovičs, other Members of the Board: Aleksandrs Struļevičs and Aleksandrs Ančevskis.

The Company's Auditor is Certified Auditor Aivars Rutkis (Certificate No. 18).

The Company's major shareholders are:

Marija Ančevska – 1 540 000 shares

Valentins Istomins – 1 160 000 shares

Vladimirs Cadovičs – 531 785 shares

SIA "MALEKS S" - 310 279 shares

Others - 744 people with shares 5% or less of the total number of shares - 1'200'916 shares

The Company has no operative and financial leasing, or bank's credits, loans or borrowings. Assets set out on the Company's balance sheet are not encumbered.

The Company's business for the accounting year

AS „Rīgas juvelierizstrādājumu rūpnīca” business is processing of precious metals, production and repairs of jewelry.

Name, address, telephone of the structural unit for economic activity:

workshop: 1 Terezes Street, Riga, LV-1012, tel. 67277365

workshop: 27 Lidoņu Street, Riga

AS „Rīgas juvelierizstrādājumu rūpnīca” has no holding and subsidiary companies.

The Company was focusing on enhancing the effectiveness of its business. It has activated its wholesale business, tightened control over RJR goods delivered to clients "for sale".

	31.03. 2016.	31.03.2015.
Result before extraordinary items and taxes is:	(13 067)	2 907
Real Property Tax:	(1 455)	(1 455)
Net result:	(14 522)	1 452

Net turnover for 01.01.2016- 31.03.2016 was equal to 214 294 EUR. It has decreased for 6,84 % compared with the previous accounting period.

Events for developing the Company

The Company will continue researching the local and foreign markets for the purpose of increasing jewelry sales.

The Company will look for new opportunities for developing shops.

In 2016 it is planned to continue to search for new corporate orders and participate in government tenders.

The Company plans to renovate the assortment, cooperating with new partners from the European Union and other countries. It is planned to use available Internet resources for brand and product promotion.

It is planned to analyze product sales, and in accordance with results of analysis adjust the selection of new assortment.

The Company also plans to activate work with wholesale clients in order to provide with the goods in accordance with demand.

Chairman of the Board

Vladimirs Cadovičs

Member of the Board

Aleksandrs Struļevičs

Member of the Board

Aleksandrs Ančevskis

Statement on the Company management responsibility

The Company management shall be held responsible for development of financial statements, based on the initial bookkeeping records concerning each accounting period, which is true and impartial reflection of financial condition of the Company at the 31.03.2016

Hereby it is confirmed by the Company managers that upon drawing the present report for period, 01.01.2016- 31.03.2016, appropriate accounting methods were used, the same were applied on consistent basis, and reasonable and cautious decisions are made.

The Company management shall be held responsible for conducting of appropriate bookkeeping accounts, for maintenance of the Company funds, as well as for prevention of fraudulent activities and other on other ignominies.

Hereby it is confirmed by the Company management that data and explanations requisite for the audit have been provided thereby.

Chairman of the Board

Vladimirs Cadovičs

Member of the Board

Aleksandrs Struļevičs

Member of the Board

Aleksandrs Ančevskis

INFORMATION about the COMPANY

Name of the Company	<i>JSC "Rīgas juvelierizstrādājumu rūpnīca"</i>	
Legal Status of the Company	<i>Joint Stock company</i>	
Unified Registration №, place and date of incorporation	<i>40003044420 10 th December 1991</i>	
Legal address	<i>Terēzes 1, Rīga, LV-1012</i>	
Mailing address	<i>Terēzes 1, Rīga, LV-1012</i>	
Name of the Bank and bank accounts of the company	<i>JSC "SEB banka"</i> <i>LV62UNLA 0001000243901 EUR</i> <i>LV29UNLA0050020330171 USD</i>	

Shareholders and their shares %

Vladimirs Cadovičs	11,21%
Valentins Istomins	24,46%
Marija Ančevska	32,47%
"MALEKS S" SIA	6,54%
Others	25,32%

Composition of the Council members

Vidis Zakis
Igors Istomins
Jelena Vasuļa
Svetlana Tolkačova
Tatjana Reznigskā

Composition of the Board of Directors members

Chairman of the Board	<i>Vladimirs Cadovičs</i>
Member of the Board	<i>Aleksandrs Struļevičs</i>
Member of the Board	<i>Aleksandrs Ančevskis</i>

For the period *from* 01.01.2016 *to* 31.03.2016.

Average number of employees	20
Information about off-balance liabilities and pledged assets	Off-balance assets/liabilities are formed as reserves of the doubtful debtors. there are no pledged assets
Auditor	Aivars Rutkis certified auditor (LZRA sertif.Nr.18)

BALANCE SHEET

ASSETS	Appendixes	31.03.2016. EUR	31.03.2015. EUR
<i>I. Long-term investments</i>			
<i>I Intangible investments</i>			
Concessions,licenses and similar rights		541	421
<i>Nemateriālie ieguldījumi kopā</i>	1	541	421
<i>I Fixed assets</i>			
Land, buildings, constructions and perenial plantations		136 501	112 860
Long-term investments in rented fixed assets		1 788	
Other fixed assets and inventory		31 763	35 482
<i>Total fixed assets</i>	2	170 052	148 342
<i>II Investment property</i>		-	33 757
<i>Total investment property</i>	2	-	33 757
Total long-term investments		170 593	182 520
<i>2. Current assets</i>			
<i>III Inventory</i>			
Raw materials, direct materials and auxiliary materials	3	347 368	412 765
Unfinished products	4	11 532	63 406
Finished products and products for sale	5	346 058	276 881
Advance payments for goods	6	654	95
<i>Total inventory</i>		705 612	753 147
<i>IV Indebtedness of the debtors</i>			
Debts of the customers and clients	7	645 988	514 194
Other debtors	8	2 416	142
Expenses of the subsequent period	9	1 213	3 454
<i>Total debtors</i>		649 617	517 790
<i>Funds (total)</i>	10	108 299	106 919
<i>Total current assets</i>		1 463 528	1 377 856
<i>Grand total assets</i>		1 634 121	1 560 376

BALANCE SHEET

Liabilities	Appendixes	31.03.2016. EUR	31.03.2015. EUR
I Equity capital			
Stock or share capital (fixed capital)	11	6 640 172	6 748 653
Revaluation reserves of long-term investments		124 380	132 894
Rezerves:			
d) rezerves from denomination of fixed capital		108 481	
Undistributed profit			
a) undistributed profit from previous year		(5 376 981)	(5 360 986)
b) undistributed profit for the reporting year		(14 522)	1 452
<i>Total undistributed profit</i>		(5 391 503)	(5 359 534)
Total equity capital		1 481 530	1 522 013
II Reserves			
<i>Total reserves</i>		-	-
III Creditors			
1 Long-term debts			
Other borrowings	12	508	-
Total long-term debts		508	-
2 Short-term debts			
Other borrowings	12	584	-
Customers advanced payments	13	3 335	-
Indebtedness to suppliers and contractors	14	106 640	12 978
Taxes and social security liabilities	15	22 146	10 551
Other creditors	16	9 880	7 939
Accrued liabilities	17	9 498	6 895
Total short-term debts		152 083	38 363
Total creditors		152 083	38 363
Grand total liabilities		1 634 121	1 560 376

* re-classification from reserves to accrued liabilities in accordance with the law of the Republic of Latvia the Annual Accounts and the consolidated annual accounts law

Appendix from Page 12 to 17 is an integral part to the present financial statement

Chairman of the Board

Vladimirs Cadovičs

Member of the Board

Aleksandrs Struļevičs

Member of the Board

Aleksandrs Ančevskis

PROFIT or LOSS STATEMENT'S CALCULATIONS

(by turnover expenditure method)

Parameters	Appendixes	31.03.2016. EUR	31.03.2015. EUR
1. Net turnover	18	214 294	230 038
2. Manufacturing expenditures of sold products	19	(153 302)	(161 287)
3. Gross profit or loss		60 992	68 751
4. Selling expenses	20	(59 086)	(48 336)
5. Administrative expenses	21	(31 966)	(34 220)
6. Other operating revenue	22	18 171	17 762
7. Other operating expenses	23	(1 178)	(1 050)
8. Profit or loss before extraordinary items and taxes		(13 067)	2 907
9. Profit or loss before taxation		(13 067)	2 907
10. Deferred tax		-	
11. Other taxes	24	(1 455)	(1 455)
12. Profit or loss in the reporting year		(14 522)	1 452
13. Profit or loss per one stock in a year		-0,002	0,000
14. Profit or loss per one stock from the beginning		-0,812	-0,794

Report on changes in the equity capital in 31.03.2016. and 31.03.2015.

	Stock or share capital (fixed)	Revaluation reserves of long- term investments	Reserves	Undistributed profit from the previous year	Profit or loss in the reporting period	Total equity capital
	EUR	EUR		EUR	EUR	EUR
Remaining amount on 31.03.2015.	6 748 653	132 894		(5 360 986)	1452	1 522 013
Remaining amount on 31.03.2016.	6 640 172	124 380	108 481	(5 376 981)	(14 522)	1 481 530

CASH FLOW STATEMENT
(by direct method)

	Appendixes	31.03.2016.	31.03.2015.
		EUR	EUR
I. Cash flow from main activities			
Revenue from the sales of the products and provided services		101 503	150 537
Payments to suppliers, staff, other expenditures on main activities		(129 364)	(149 679)
Other revenues and expenditures on main activities		27 786	27 458
Gross cash flow of the main activities		(75)	28 316
Expenditures on tax payments for the real property (-)	24	(1 455)	(1 455)
Cash flow before extraordinary items		(1 530)	26 861
Net cash flow of the main activities		(1 530)	26 861
II. Cash flow of investment activities			
Acquisition of fixed assets and intangible investments	1,2		-
Income of the auto sales(+)			
Net cash flow of investment operations		-	-
III. Cash flow of business			
Expenses of borrowing fixed assets		(65)	
Net cash flow of business		(65)	
IV. Result of foreign currency change			
V. Net cash flow in the reporting year		(1 595)	26 861
VI. Cash and its equivalents at the beginning of the period	10	109 894	80 058
VII. Cash and its equivalents at the end of the period	10	108 299	106 919

Appendixes to the annual report

1.Explanatory notes to the items of the balance sheet

1.Intangible assets

	Licenses	Total EUR
Initial Value		
31.03.2015.	562	562
31.03.2016.	862	862
Depreciation		
31.03.2015.	141	141
31.03.2016.	321	321
Residual value		
31.03.2015.	421	421
31.03.2016.	541	541

2.Fixed assets

	Investment property	Buildings, constructions	Other fixed assets	Equipment and machinery	Long-term investments in leased fixed assets	Total EUR
Initial Value						
31.03.2015.	83 523	118 800	114 360	91 570	105 330	513 583
Re-classification *	(83 523)	83 523				-
31.03.2016.	-	202 323	104 586	90 576	107 548	513 583
Depreciation						
31.03.2015.	49 766	5 940	78 878	91 570	105 330	331 484
Re-classification	(49 766)	59 882				
31.03.2016.	-	65 822	72 823	90 576	105 760	334 981
Residual value						
31.03.2015.	33 757	112 860	35 482	-	-	182 099
31.03.2016.	-	136 501	31 763	-	1 788	170 052

* 83523 re-classification from investment property to building, in accordance with law of the Republic of Latvia the Annual Accounts and the consolidated annual accounts law

Appendixes to the balance sheet (continued)

387 969 EUR Real Estate property includes buildings:

- Cadastre Nr. 0100 035 0142 004, Riga, property assessed value - 74 642 EUR; fixed
- Cadastre Nr.0100 035 0142 006, Riga, property assessed value - 181 027 EUR; fixed
- Cadastre Nr.0100 035 0143 003, Riga, property assessed value - 113 415 EUR; fixed
- Cadastre Nr.0100 035 0144 002, Riga, property assessed value - 10 930 EUR; fixed
- Cadastre Nr.0100 035 0146 001, Riga, property assessed value - 7 955 EUR; fixed

3. Raw materials, direct materials and auxiliary materials

	31.03.2016. EUR	31.03.2015. EUR
gold	268 942	331 171
silver	8 856	9 456
precious stones, semiprecious stones	63 066	65 199
low-value materials and inventory	644	913
Fuel (a/m)	34	77
Instruments	5 826	5 949
Total	347 368	412 765

4.Unfinished products

Unfinished products and orders	11 532	63 406
Total	11 532	63 406

5. Finished production and goods for sale

	346 058	276 881
Total	346 058	276 881

6. Advance payments for products

To LLC/SIA/ NESTE for fuel	654	95
Total	654	95

7. Debts of customers and clients

Payments for jewellery	611 668	483 743
Purification of gold	11 420	15 785
Payments for lease	23 751	16 437
Accumulation for doubtful debtors	(851)	(1 771)
Total net debts of customers and clients	645 988	514 194

Appendixes to the balance sheet (continued)

	31.03.2016.	31.03.2015.
	EUR	EUR
8.Other debtors		
Creditcard	303	105
Garanty (workshop Lidoņu)	1 900	-
Tax of risk of the business activity	18	6
overpayment VAT	164	-
Security sum VENDEN	31	31
Total	2 416	142

9. Expenditures for the subsequent period

Insurance of the transport	605	570
Insurance of the workshop Lidoņu	189	-
Laws of the Republic of Latvia	419	451
Engineering design (RJR reconstrucion)	-	2 433
Total	1 213	3 454

10. Money resources

Money in cash	25 690	12 355
Money in operating accounts	82 609	94 564
Total	108 299	106 919

11. Information on the aggregate own stocks and shares of the company.

On 28.05.2015 the Company had denomination of the fixed capital. As a result of denomination ,the equity capital of the company is 6 640 172 EUR that is divided into 4742980 shares with share's nominal value of 1,40 EUR. The residual value in the amount of EUR 108 480,54 was transferred to the reserve fund.

All the stocks are ordinary stocks with voting rights.

From the totality of Company stocks 4 493 700 stocks are bearer stocks in dematerialized form.

From the totality of Company stocks 249 280 are registered stocks in dematerialized form.

Data regarding restrictions on the alienation of shares

Neither restrictions on the alienation of shares are determined, nor a special authorization for the alienation of shares is required.

Shareholders' rights and agreements

Regulated by the laws of the Republic of Latvia. No special restrictions or requirements pertaining to voting rights are determined in the Articles of Association of the Company.

Board members' authorities and special agreements

As prescribed in the JSC Articles of Association, chairman of the Board has the right to represent the Company individually, and the Board member - together with at least 1 Board member.

There is no agreement between the Company and the Board members regarding resignation compensations.

Appendixes to the balance sheet (continued)

12. Other borrowings

Mobile Phones

Long-term debts (2017)

Short-term debts (2016)

31.03.2016.	31.03.2015.
EUR	EUR
508	
584	
1 092	-

13. Customers advanced payments

3 335	-
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14. Debts to suppliers and contractors (short-term)

Debts for goods

Debts for goods (to other countries)

Debts for services

16 315	-
89 133	11 590
1 192	1 388
Total 106 640	12 978

15. Taxes and social security payments

Personal Income Tax

State social security obligatory payments

Value added tax

2 611	2 174
4 459	3 721
15 076	4 656
Total 22 146	10 551

16. Other creditors (short-term)

Salaries

Payments to workers (advance payments)

9 640	7 845
240	94
Total 9 880	7 939

17. Accrued liabilities

Accumulation for unused vacations

* re-classification from reserves

	*
9 498	6 895

Appendixes to the annual report

2.Explanatory notes to the items of the profit or loss calculation

18.Net turnover	31.03.2016. EUR	31.03.2015. EUR
Income from wholesale trade	149 007	193 657
Discount	(273)	-
Income from retail trade	41 506	34 567
Sales in the EU	24 054	1 814
Total	214 294	230 038
19. Manufacturing expenditures of sold products		
Purchasing and manufacturing expenses of the sold jewels	153 302	151 050
Assaying of jewellery at the LPB*	-	6
Changes in stock and value of the unfinished products	-	10 231
* State Assay Supervision Inspection Total	153 302	161 287
20. Selling costs		
Workers' salary	24 534	17 991
Obligatory social payments for workers	5 514	4 056
Advertising expenses	-	83
Residential services (water, electricity, gas)	16 132	15 302
Rent of the land and premises	7 260	5 472
Depreciation of fixed assets	5 524	4 938
Low-value inventory	115	494
Other selling costs	7	-
Total	59 086	48 336
21. Administrative expenditures		
Communication expenditures	936	1 245
Bank services	351	225
To "NASDAQ OMX Riga" for shares and other	1 780	3 557
Office costs	1 077	455
Depreciation of the fixed assets (administrative building)	456	456
Travelling allowances	174	1 400
Salary of the administration	18 303	17 130
Obligatory social payments for the administration	3 955	3 674
Payment for the risk of the business activity	22	18

Appendixes to the profit or loss calculation (continued)

Administrative expenditures (continued)

Security services	2 629	3 126
Expenditures on insurance of motor transport	237	258
Expenditures on motor transport for administration (fuel, repair)	1 865	2 005
Expenditures on represantion	181	23
Other administrative expenditures, including expenses on lawyers	-	648
Total	31 966	34 220

22. Other income of the business activities

	31.03.2016.	31.03.2015.
	EUR	EUR
Thermal energy for leasing(heating)	9 517	9 885
Leasing out premises ¹	8 654	7 877
Income from clients for residential service	4 730	4 946
Expenses from clients for residential service	(4 730)	(4 946)
Total	18 171	17 762

23. Other expenditures from the business activities

Other expenditures (economic)	1 178	1 050
Total	1 178	1 050

24. Real property tax

1 455	1 455
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