

Power of Integration

Annual Report 2011



PRANDA JEWELRY PUBLIC COMPANY LIMITED

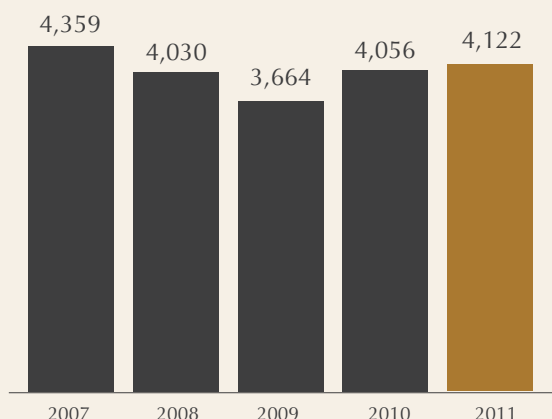
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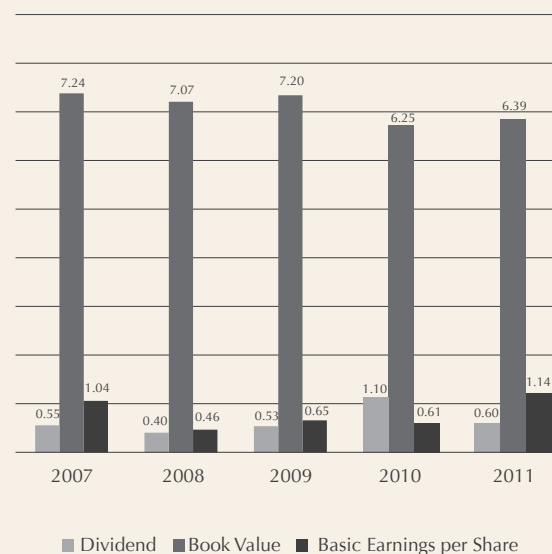
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World Class Jewelry Brand Company

Sales Revenues (Million Baht)



Data Per Share (Baht)



38
Years since
Pranda Jewelry's
establishment

More than
8
Million pieces
production
capacity annually

12
Own brands
and licensed
brands

More than
5,000
Points of sale
of Company's own
brands and licensed
brands worldwide

The Company's balanced management structure

1) Production

With focus on quality and affordable jewelry products, the Company have eight manufacturing facilities in five countries.

2) Distribution

The Company, through its subsidiaries and representatives, distributes its product worldwide. With 6 offices covering Europe, North America and Asia.

3) Retail

The Company, through its subsidiaries, manages retail operations in Thailand, China, Vietnam, and Indonesia.

4) Brand management

The Company develops and manages own and licensed brands which are marketed worldwide under the Company's registered trademarks.







Discover the Power *of* Integration

The journey of creating PRANDA's unique products starts with our partners and consumers. Our designs are born from their desires. Together, we create jewelry that is imaginative, unique, and coveted all around the world. We strive to create beauty that truly brings joy to consumers.

PRANDA GROUP





It Starts with a Dream

At PRANDA we bring dreams to life.

Every year our representatives travel around the world looking at the latest trends in jewelry. Then, we work with our partners to develop pieces that capture the essence of their dreams.

The drive to satisfy our partners along with our ability to recognize and fulfill their desires has earned us recognition as one of the top names in the jewelry trade.







Turning a Dream into Reality

PRANDA's product development center is where ideas materialize. Our more than 300 employees are skilled artisans with the unique gift to craft pieces that fulfill the visions of designers and consumers alike.

Using cutting edge technology – a drawing becomes a prototype. After rigorous quality assurance measures, it becomes something more than just a piece of jewelry. It is the embodiment of creative vision – a dream brought to life.





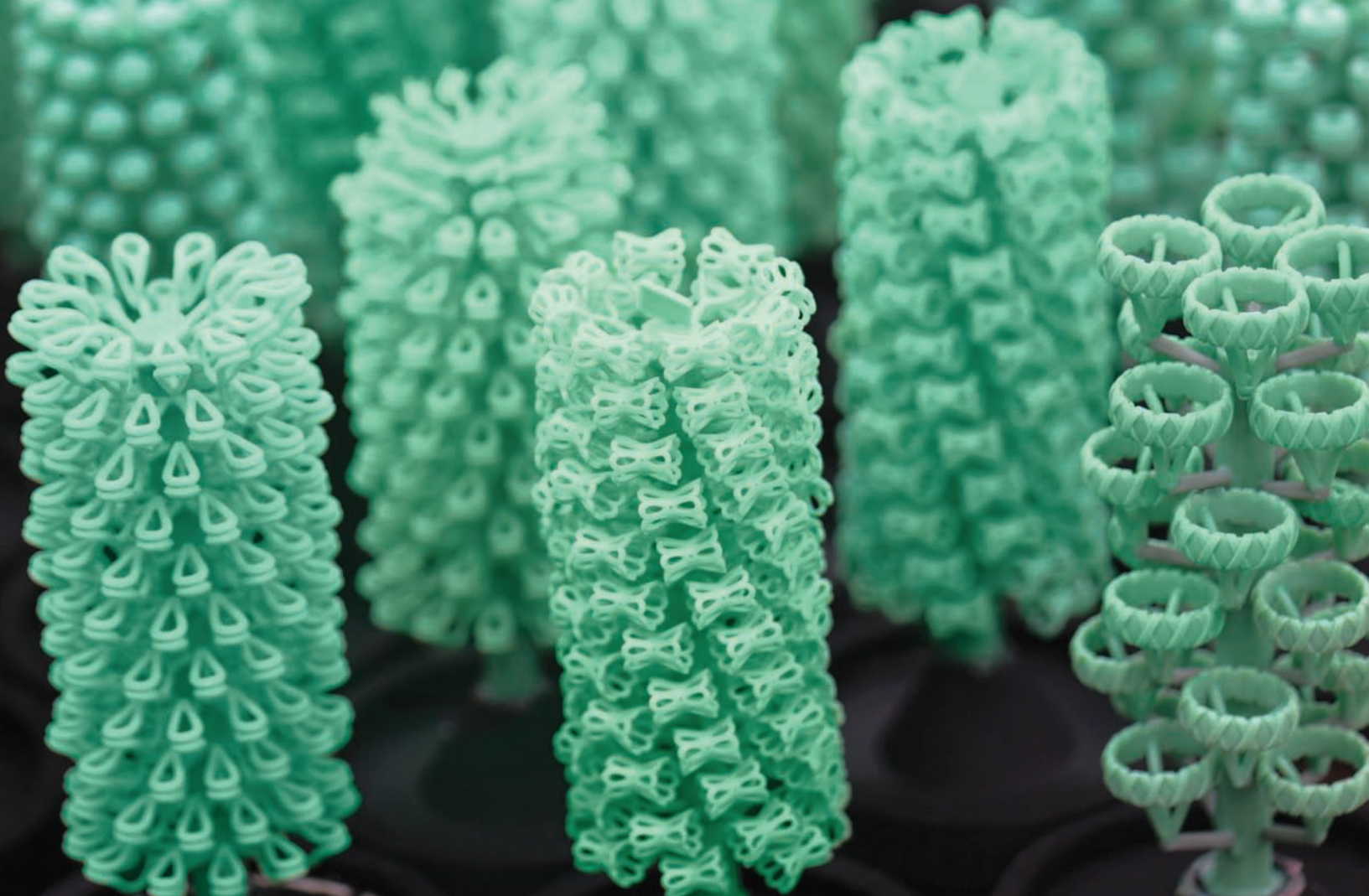


Quality Components

PRANDA uses high quality materials and we work closely with our suppliers to ensure the excellence of our products. Every component of our jewelry is tediously selected according to exacting specifications. Consistency is paramount in our pieces and we use materials that meet the high standards of our partners.

We produce large quantities of consistently high quality pieces from natural materials that have passed a stringent selection process. Not just any gemstone is worthy for a PRANDA piece.





Capacity for the World

PRANDA has pioneered the jewelry manufacturing process while maintaining superior standards. We produce more than 8 million high quality pieces of jewelry every year. Over 500 kilograms of gold, 20 tons of silver, and 50 million pieces of gemstones go into our creations annually.

Our 3,500 skilled employees in 8 factories across 5 countries have helped us to become one of the preeminent manufacturers of jewelry in terms of both capacity and quality.



Quality and Perfection

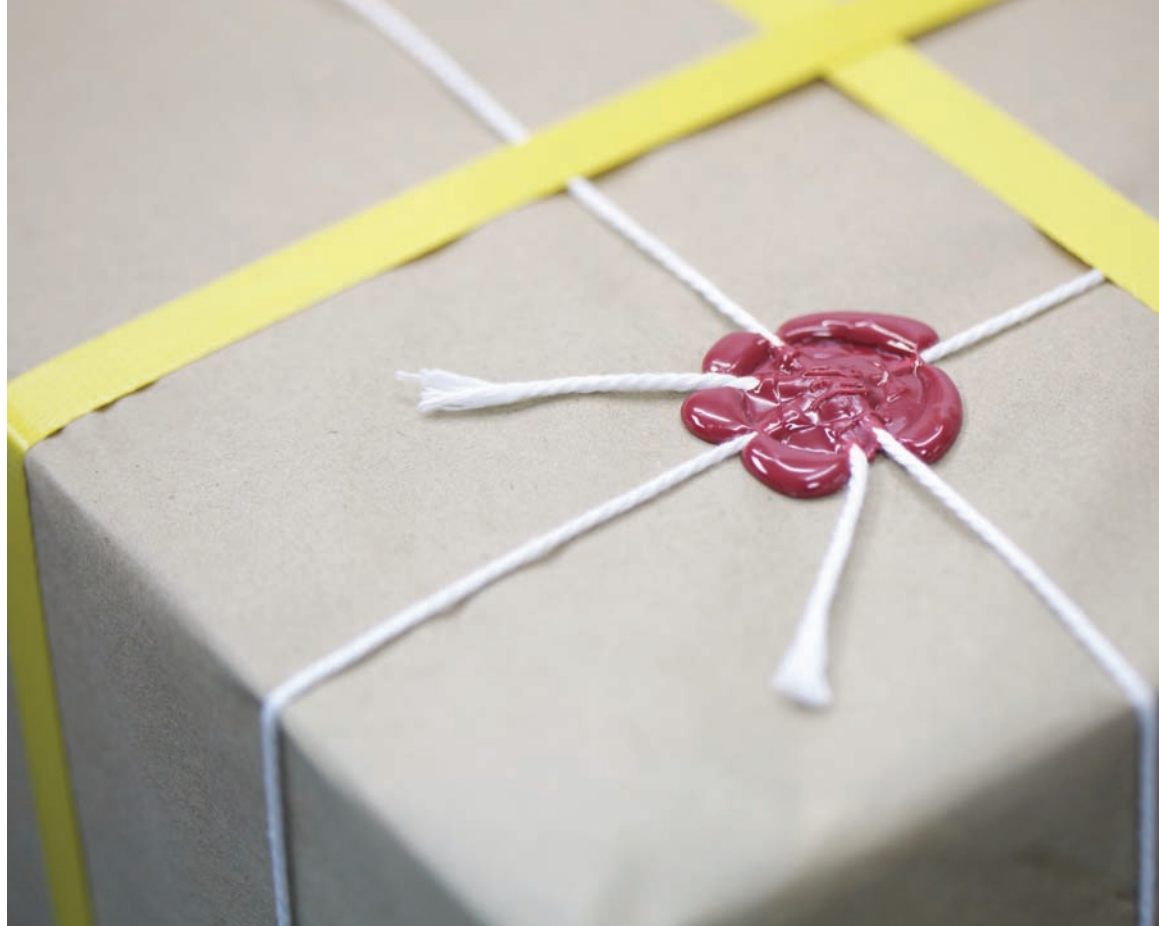
PRANDA's creations are made by hand, but our strict quality control measures ensure that every piece of jewelry that leaves our doors is exactly to the specification of its designer. Consumers expect consistency in their products and we have developed methods to guarantee the perfection of our pieces.

Once a piece is completed our highly trained quality control personnel will inspect it and determine if it is fit to be sold. This process has helped the PRANDA name gain recognition for reliability and consistency.









Integrated Business Network

PRANDA has optimized the process of shipping products around the world. Not only are we fully capable of producing jewelry, but we are also vertically integrated with a global business network. Our distribution networks span the globe with offices in the United States, United Kingdom, France, Germany, and India along with partners throughout Asia and the Middle East.

We are a reliable and efficient supplier – ensuring the best services and market insights to our trade partners – with global reach.





A Dream Come True

The journey of PRANDA products ends with the consumer. Perhaps they do not realize that the piece they are holding took hours of dedication and meticulous attention to detail.

The power of integration with our partners empowers us to produce remarkable products that consumers adore. Together, we create exceptional jewelry for everyone in the world to enjoy.

Financial Highlights

Consolidated Financial Statements

For the years ended

2011

2010

2009

2008

2007

FINANCIAL PERFORMANCE (Million Baht)

Sales Revenues	4,122	4,056	3,664	4,030	4,359
Gross Margin	1,379	1,337	1,296	1,303	1,307
EBITDA ^{/1}	491	553	402	414	515
Earnings Before Interest and Tax (EBIT) ^{/2}	408	470	329	346	449
Profit to Equity	456	243	256	184	406

FINANCIAL POSITION (Million Baht)

Total Assets	4,320	4,022	4,268	4,244	4,431
Total Liabilities	1,779	1,517	1,402	1,436	1,552
Total Equity	2,541	2,505	2,866	2,808	2,879

DATA PER SHARE (Baht)

Book Value Per Share	6.39	6.25	7.20	7.07	7.24
Earnings Per Share to Equity	1.14	0.61	0.65	0.46	1.04
Dividend Per Share ^{/3}	0.60	0.50	0.53	0.40	0.55
Extra Dividend Per Share	–	0.60	–	–	–

RATIO ANALYSIS

Gross Profit Margin	33.46%	32.96%	35.36%	32.33%	29.98%
EBITDA Margin	11.92%	13.40%	10.98%	10.27%	11.81%
EBIT Margin	9.91%	11.59%	8.98%	8.58%	10.08%
Profit Margin to Equity	11.07%	6.00%	7.00%	4.56%	9.30%
ROA	10.56%	6.05%	6.01%	4.33%	9.15%
ROCE	10.06%	13.19%	8.20%	9.12%	10.90%
ROE	17.76%	9.76%	8.98%	6.57%	14.34%
Times Interest Earned (Times)	10.65	13.25	7.53	6.16	8.77
Debt to Equity Ratio (Times)	0.70	0.61	0.49	0.51	0.54
Current Ratio (Times)	2.11	2.15	2.53	2.74	2.84

Note :

^{/1} EBITDA : EBIT Includes with Depreciation and Amortization

^{/2} EBIT: Calculated as sales less cost of sales, selling and administrative expenses

^{/3} For operation result of year 2011, the Company's Board of Directors had a resolution to approve the dividend payment in the rate of Baht 0.60 per share, which deduct the interim dividend payment for the nine-month period ended 30 September 2011 at the rate of Baht 0.10 per share, and paid to the shareholders on December 9th, 2011. Therefore, the remaining dividend payment in the rate of Baht 0.50 per share will pay to shareholders after the Annual General Shareholders' Meeting had a resolution to approve on April 19th, 2012.





Gross Profit Margin
33.5%

EBITDA Margin
11.9%

Profit Margin to Equity
11.1%

Dividend Yield
9.4%

Chart of Profitability

(Million Baht)

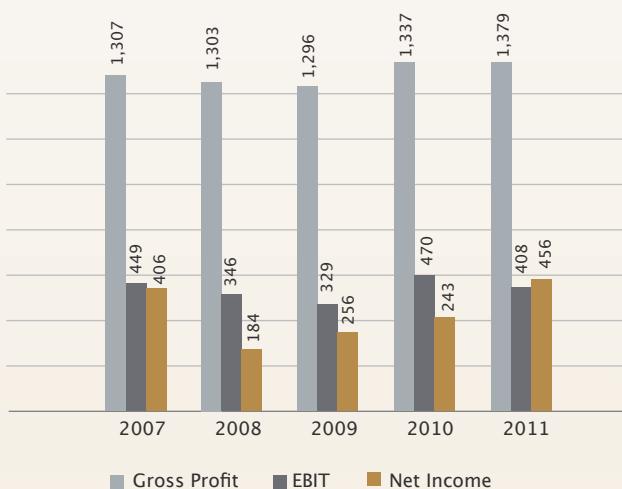


Chart of Profit Margin

(%)

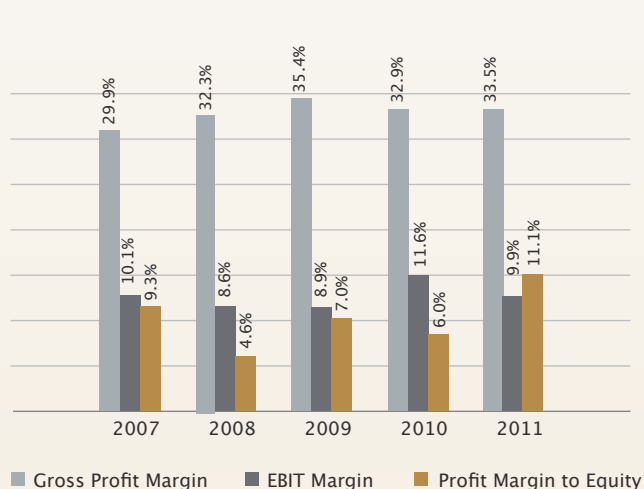


Chart of Liabilities and Equity

(Million Baht)

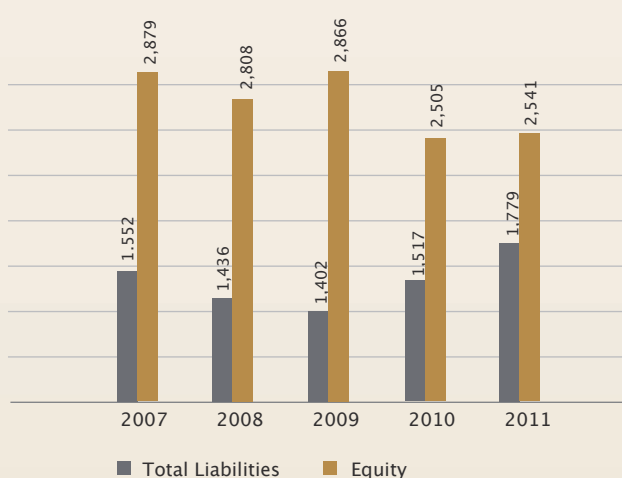
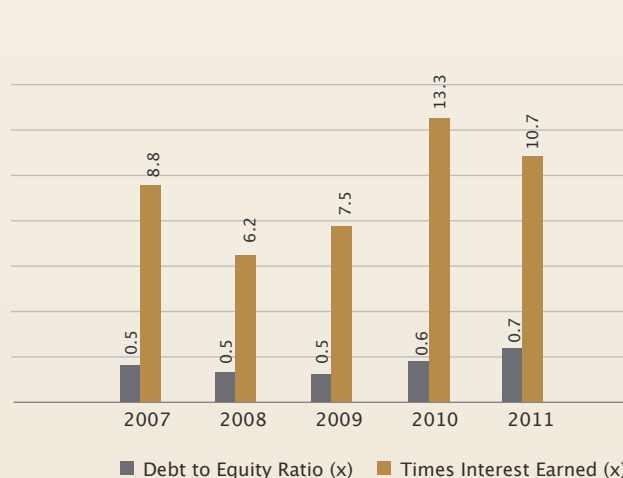


Chart of Capital Structure

(Times: X)



A portrait of a middle-aged man with dark hair, wearing a dark suit, white shirt, and a patterned tie. He is smiling slightly and looking towards the camera. The background is a blurred outdoor setting with a brick wall and a yellow object.

Message from Chairman

To Shareholders

With regard to 2011 global economic situation, European Union has been subject to more violently financial crisis beginning from near bankruptcy of Greece due to the debts are much higher than Gross Domestic product (GDP). The crisis was spread to Italy, having the third largest economy in European countries and may continue to affect Spain which is now subject to the most severe unemployment problem among European countries. Moreover, the United State of America's economy has recovered at much slower speed than forecast and the nation's unemployment rate has still been at a very high level. These two factors together with continuous trade and budget deficits led to the announcement to cut USA credit rating. In the mean time, Asian countries have also faced with economic problem where the real estate sector and credit expansion in China have been subject to an economic bubble, affecting non-performing loans and bank system's financial status, as well as inflation as a result, China government needed to apply

strictly financial measures. Earthquake and Tsunami in Japan have also caused a significant economic shrink resulted from the decrease in export sector and the slowdown of domestic consumption.

As for Thailand, we encountered the most severe flood crisis in 50 years last year, resulting in a significant shrink in the economic growth due to considerable decrease in export value in the fourth quarter of the year. The situation may continue to adversely affect the economy until the mid of 2012 during which the country will be under recovery period. Moreover, the government's increase in minimum wages has significantly affected the business sectors which may negatively affect the country's competitiveness with competing countries which produce products of the same kinds in global market and may cause foreign investors to move and change their production bases from Thailand permanently.

Despite the aforementioned negative factors towards global and domestic economy, the export of gems and jewelry industry in Thailand has continued to grow from last year which well emphasizes our competitiveness. In 2010, the export of gems and jewelry ranked no. 4 of Thailand export, amounting to approximately 12,301 million US dollars per year or representing 5.6% growth rate.

Pranda Jewelry Public Company Limited has been organized for 38 years during which it has put in place

With our Teamwork, Continuous Improvement and Stakeholder Focus will lead the Company “World Class Jewelry Brand Company”

business strategy and stable fundamental ranging from building the production base with an aim to be a World Class Mass Brand Production Base, comprising 8 manufacturers in 5 countries, i.e., Thailand, Vietnam, China, Indonesia and Germany, building variety of Global Distribution Base, covering 9 important markets worldwide in 9 countries, i.e., Thailand, the United State of America, England, France, Germany, India, Indonesia, Vietnam and China; and finally building its own Retail Base and Brand Management with 12 brands spread through its retail bases in Thailand, India, China, Vietnam and Indonesia.

The Company assures that the manufacturing to marketing and core values of the organization, consisting of the human resources with teamwork efficiency, continuous improvement and stakeholder focus, will play an important key to lead the Company to be “World Class Jewelry Brand Company” in the future.

As a result from its past successful operating result, the Company has a continuous profit and stable financial status which led the Company to make

dividend payments for 11 consecutive years, representing an average dividend yield of 10.22% per year over 11 years. In 2011, the dividend payment from the net profit of 2010 was a total of approximate Baht 200 million, or 0.50 Baht per share which represented a dividend yield of approximately 7.77% per year. The dividend payment represented 58.33% of the net profit which is in accordance with the dividend policy setting the maximum of 60% of a net profit.

In 2011, the Board of Directors considered to pay dividend at the rate of 0.60 Baht per share, totaling Baht 242 million, or representing a dividend yield of 9.35% per year. The dividend payment represented 54.90% of the net profit which is in accordance with the dividend policy which sets the maximum of 60% of a net profit. On 11 November 2011, the Board of Directors resolved its resolution to pay an interim dividend from the profit of ninth-month period, ended 30 September 2011 at the rate of 0.10 Baht per share, totaling Baht 40 million in approximate. The remaining dividend payment is therefore Baht 0.50 per share or total amount of Baht 202

million to the shareholders upon the approval of the Annual General Meeting of Shareholders to be held on 19 April 2012.

As a consequence of the continuous financial crisis and slowdown of global economy for more than 4 years, consumers' confidence dropped considerably. However, the Company still maintains its sales at baht 4,122 million similar to that of the last year. While material costs, including gold and silver prices are very volatile, the Company has the gross profit of Baht 1,379 million, operating profit of Baht 408 million and the Profit to Equity of Baht 456 million, increasing from last year by 87.47%. These figures show that the Company has well managed its risks and well maintained its competitiveness despite several negative factors as mentioned.

The Company's financial position is still strength, evidenced by the debt to equity ratio of only 0.70 times and the Times Interest Earned which is as high as 10.65 times. The Company can also maintain its liquidity well as evidenced

The Company always believes that a sustainable growth of the business must involve social responsibility

by its high current ratio at 2.11 times. Year 2012 is another challenging year against global economic growth and many risk factors in the business operation which include a higher competition as a result from the shrink of market demands where as market supplies are excessive. Therefore, the business direction must be affirmed and the investment expansion must create economic value added to the business. The Company's annual operating plan aims to maintain its markets in the United State and adjust its management structure in the European Union by focusing primarily on Germany markets. Business growth is expected to come from the countries with speedy economic development, namely, India, China, Vietnam and Indonesia by using the strategy to expand own brands through its retail network primarily.

Another important factor for business operation is the Corporate Social Responsibility. The Company always believes that a sustainable growth of the business must involve social responsibility awareness towards internal and external organization. The Company aims to commit to 3 social supports as follows:

1) Support on education and knowledge development: Bilateral education program was jointly organized for the 11th year with the Office of Her Royal Highness Princess Maha Chakri Sirindhorn, the

Golden Jubilee Royal Goldsmith College and the Bangkok Arts and Crafts College to provide education at the level of vocational certificate of gems and jewelry to the disadvantaged students in upcountry provinces. The pilot project called "Career Project for the Disabled" in cooperation with School for the Deaf aims to build and improve skills for people who wish to become technicians in gems and jewelry. This project provides career opportunity to people with hearing problem.

2) Support on volunteer to society: The Company creates volunteer awareness to executives and employees so that they are willing to give assistance to society in various forms, especially during crisis time of the country. Last year, the Company provided assistance and donated consumer products and cash to various funds in order to recover the country from the flood crisis. The Company's personnel also donated their blood to the Thai Red Cross Society regularly.

3) Support on staff quality of life: This support has been continuously given, i.e., nursery center, staff saving cooperative and various campaigns aiming to improve staff quality of life. Yet, there are several activities such as debt reduction project, employee sufficiency awareness creation, recycle bank which is to create the awareness of resource values and health support project etc. The Company is one of the Thai organizations that complies with UN Global Compact under which it commits to operate the business under 4 principles, i.e., human right, labour standard, environmental preservation and anti-corruption.

Lastly, I, on behalf of the Board of Directors and management team, would like to thank to all shareholders, all level of staff and related parties for continuous reliability and support, whether directly or indirectly, to the business operation. The Board of Directors and management team will apply the sufficiency economy principles, consisting of sufficiency, reasonableness and building up of immunity in accordance with the royal initiative as a standard for business operation and will comply with the Good Corporate Governance principles by taking into consideration transparency, accountability, business ethic as well as social responsibility principle. We truly hope to receive continuous support from you.



(Mr. Prida Tiasuwan)
Board Chairman



Vision

World Class Jewelry Brand Company

Mission

- Develop the Company's own brand identity to become Internationally acclaimed jewelry products.
- Establish production bases for jewelry in international quality.
- Retain competitive edge in distribution bases which span throughout the key regions of the world.
- Maintain financial strength and appropriate risk management.
- Build job security to the Company's employees, trade partners and consistently reasonable returns to the shareholders.
- Comply with the Good Corporate Governance, the principles of Corporate Social Responsibility and the UN Global Compact.

Core Values

- Teamwork
- Continuous Improvement
- Stakeholder Focus



Our Business

Pranda Jewelry Public Company Limited (PRANDA) was founded in 1973 initially as Pranda Design Company Limited which was later officially renamed to Pranda Jewelry Limited on April 27, 1984. It listed its ordinary shares on the Stock Exchange of Thailand on July 6, 1990 and converted into a Public Company Limited on June 3, 1994. Currently, PRANDA Jewelry Public Company Limited has registered capital of 410 million baht with 403.33 million baht paid up. The Company headquarters is located at No. 28 Soi Bangna – Trad 28, Bangna District, Bangkok 10260.

The Company's a main activity is in manufacturing and distribution of genuine jewelry products and has become one of Thailand's leading jewelry exporters with a customer base spanning key regions of the world as follows; North America, Europe and Asia.

Pranda Jewelry Public Company Limited has set a vision to become the **“World Class Jewelry Brand Company.”** The Company has established solid foundations to achieve such vision as is evident by the Company’s balanced management structure as follows:

1) Production

With focus on quality and affordable jewelry products, the company can achieve economies of scale the generate the best value appropriate to the production cost and product quality. The Company has also diversified production risks to cover almost wide range of product prices, with strategic production base to include eight manufacturing facilities in five countries. With this number and wide spread of production facilities, the Company has currently production capacity of over eight million pieces of jewelry products a year.

2) Distribution

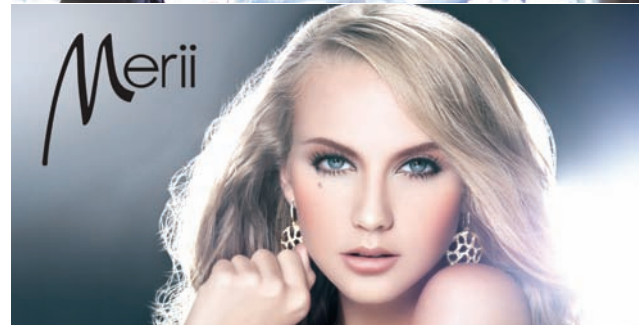
As part of marketing risk diversification and market base expansion, the Company currently operated its own distribution subsidiaries and sales representatives both in Thailand and overseas. These distribution bases are strategically located in the key regions of the world including the United States, The United Kingdom, Germany, France, Italy, Spain, Indonesia, Japan, China, Vietnam, India and Thailand. The Company’s distribution channels main focus is in wholesaling to major trade customers. To date, the Company has six subsidiaries which function as the Company’s main distribution base.

3) Retail

The Company has subsidiaries which are versatile in retail management both for own retail outlets and franchise enabling the Company to gain access to consumers. Currently, the Company operated its retail business mainly through four subsidiaries.

4) Brand Management

The Company has currently managed not only its own brands and those of its subsidiaries but also a number of International Licensed brands which the Company and subsidiaries have obtained distribution rights in a bid to develop and create values to the brand portfolio of the Group.



Our Brands



PRIMA GOLD

The everlasting essence of the absolute 24K gold jewelry – 99.9% purity in the endless pursuit of unique design and excellent craftsmanship



CENTURY GOLD

Creative design on 96.5% gold jewelry with an exclusive refinement of both affluence and class of elegance for modern lifestyle



Joellier attitude
Paris 1880

Established in Paris since 1880 and has ever since been the landmark for the finest expressions of designed 18K gold jewelry with premium quality gemstones



PRIMA DIAMOND

Superior diamond jewelry with a distinctive statement of luxury through unique and highly concentrated expression for modern working women



International fashion jewelry brand for women of all ages who love to emphasize feminine touch and are fashion conscious, mix and match style



PRIMA ART

The Art of gold, handcrafted from the finest 24K gold – 99.9% purity of superior gold content, created by professional artisans to become an extraordinary artwork

At present, the Company's well-known brands in each targeted market consist of major 12 brands which are distributed in many countries across the world, In 2011, there were 2,577 points of sales in Europe, 3,062 points of sales in Asia Pacific, 74 points of sales in the Middle East, 41 points of sales in the Australia, 11 points of sales in U.S.A. and 7 points of sales in Africa, totaling 5,772 points of sales worldwide.



cai JEWELS

International trend-oriented collection in 925 sterling silver for sophisticated women who prefer non-standard, extravagant jewellery, high-class design far from mainstream fashion



esse

Timeless collection of marcasite jewelry finely handcrafted for today's women, inspired by well-known design period from Victorian through Art Deco



V&A

Timeless jewelry collection inspired by artifacts from Victoria & Albert Museum, London, the world's leading museum of art and design (Licensed Brand)

BALDESSARINI

Exclusive high-end luxury menswear and men's accessories brand, for modern smart achievers who are full with passion for individuality and great attention to details (Licensed Brand)



Julia JEWELRY

Modern, innovative and sensible 18K gold jewelry with diamond and in distinctive design, highlighting class and taste for casual and today's lifestyle



KROLL hearts

A unique line of wedding bands in gold and platinum from classic to sophisticated designs, offered for custom-made service-made in Germany

The Board of Directors and Executive Directors

1. **Mr. Prida Tiasuwan**
Board Chairman
2. **Mrs. Prapee Sorakraikitikul**
Chair of Group Executive Committee / Finance Director /
Nomination and Remuneration Director
3. **Mrs. Sunanta Tiasuwan**
Chair of Group Finance Committee /
Nomination and Remuneration Director
4. **Mr. Pramote Tiasuwan**
Managing Director (Manufacturing) / Chair of Group
Corporate Values Committee / Finance Director /
Nomination and Remuneration Director
5. **Mrs. Pranee Khunprasert**
Managing Director (Marketing) / Finance Director /
Nomination and Remuneration Director
6. **Mrs. Panidda Tiasuwan**
Director / Nomination and Remuneration Director



7. Lt. Jg. Anan Panananda R.T.N.

Independent Director / Chair of the Audit Committee /
Chair of Nomination and Remuneration Director Committee

8. Mr. Verachai Tantikul

Independent Director / Audit Committee

9. Mrs. Sarita Bunnag

Independent Director / Audit Committee

10. Ms. Pittaya Tiasuwan

Deputy Managing Director (Manufacturing) /
Finance Director

11. Mr. Decha Nuntanjaroenkul

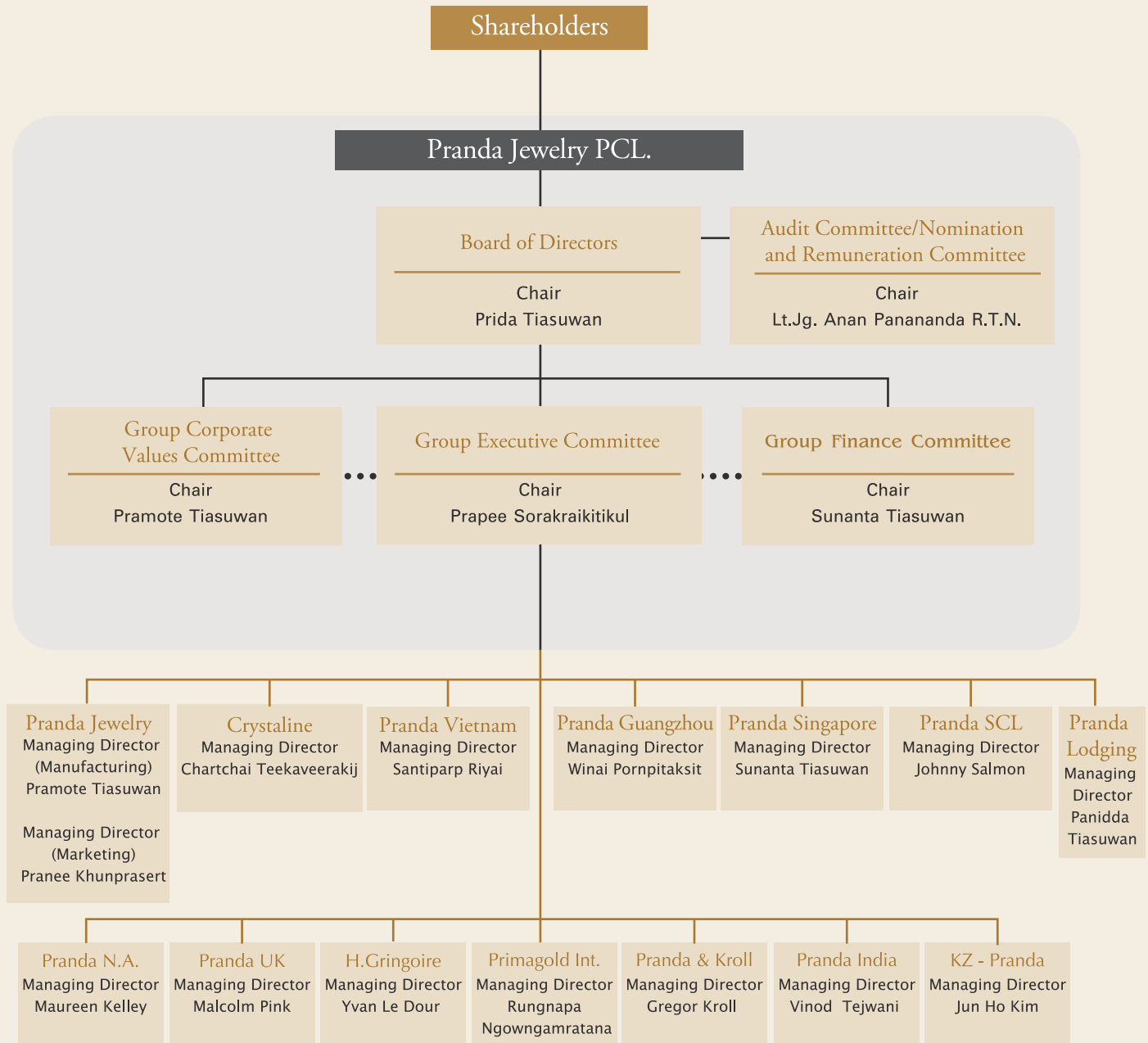
Deputy Managing Director (Marketing) / Finance Director

12. Mr. Chartchai Teekaveerakit

Executive Director / Group Corporate Values Director



Group Organization Chart



Managing Directors



1. Mr. Promote Tiasuwan

Managing Director (Manufacturing) – Pranda Jewelry Pcl.

2. Mrs. Pranee Khunprasert

Managing Director (Marketing) – Pranda Jewelry Pcl.

3. Mr. Chartchai Teekaveerakit

Managing Director – Crystalline Co., Ltd.

4. Mr. Santiparp Riyai

Managing Director – Pranda Vietnam Co., Ltd.

5. Ms. Maureen Kelley

Managing Director – Pranda North America, Inc.

6. Mr. Gregor Kroll

Managing Director – Pranda & Kroll GmbH & Co. KG

7. Mr. Yvan Le Dour

Managing Director – H.GRINGOIRE s.a.r.l

8. Mr. Malcolm Pink

Managing Director – Pranda UK Limited

9. Ms. Runnapa Ngowngamratana

Managing Director – Primagold Internation Co., Ltd.

10. Mr. Winai Pornpitaksit

Managing Director – Pranda Guangzhou Co., Ltd.

11. Mr. Johnny Salmon

Managing Director – P.T. Pranda SCL Indonesia

12. Mr. Vinod Tejwani

Managing Director – Pranda Jewelry Private Limited

13. Mrs. Sunanta Tiasuwan

Managing Director – Pranda Singapore Pte. Limited

14. Mrs. Panidda Tiasuwan

Managing Director – Pranda Lodging Co., Ltd.

15. Mr. Jun Ho Kim

Managing Director – KZ-Pranda Co., Ltd.

Executives

1. Mr. Chanat Sorakraikitikul

Assistant Managing Director (Marketing) / Finance Director

2. Ms. Sasisopa Wattakeecharoen

Assistant Managing Director (Marketing) / Group Corporate Values Director

3. Mrs. Nirarat Tanalekhat

Assistant Managing Director (Marketing) / Group Corporate Values Director

4. Mr. Somsak Srirueangmon

Assistant Managing Director (Manufacturing) /
Group Corporate Values Director

5. Mrs. Chawee Jarukornvasin

Assistant Managing Director (Manufacturing) / Group Corporate Values Director

6. Ms. Suporn Rungpitayatorn

Assistant Managing Director (Manufacturing) / Group Corporate Values Director

7. Mr. Dusit Chongsutthanamane

Finance Director / Corporate Secretary

8. Mr. Thanet Panjakrid

Accounting and Finance Department Manager



1



2



3



4



5



6



7



8

CSR and CoreValues

In 2011, the Board of Directors appointed 8 Directors to the Group Corporate Values Committee to replace the former Committee whose period was ended. The Committee is responsible for supporting, promoting, and creating share value on the social responsibility basis. The role includes responsibility toward the corporate and external society in order to create the share value among the group of companies and staff. In addition, the Committee is to systematically improve share value activities as well as to apply the activities, projects to the operation and way of life, following the share value.

In 2011, the Committee had appointed the new Sub-Committee of which Mr. Pramote Tiasuwarn was the Chair of Group Corporate Values Committee. The policy of supporting, promoting, and creating share value among the group of companies remains PRANDA's core which consists of 3 hearts:



Teamwork

Cooperative effort to enhance motivation which leads to mutual cooperation of all levels of employees in order to achieve the Company's goal

Continuous Improvement

To build up opportunity and see the importance of improvement, continuous improvement which always lead to better thing in terms of the level of personnel, units, and the Company in order to customers' needs and ever changing environment.

Stakeholder Focus

Attention, fairness, transparency must be performed during the operation by focusing on the mutual benefit of stakeholders, namely, shareholders, employees, customers, trading partners, creditors, competitors, communities, and the society.

In order to follow PRANDA's core, the Board had set up projects and activities for staff to take part. In 2011, the projects consisted of 10 projects a follows:

Corporate in-house projects



Learning Center of PRANDA Group

It aims to increase development of skill, knowledge, and capability of Executives and staff to work with efficiency, visions, and be able to follow the ever changing world. The project was organized by the Academic Committee. There was a training called "Mini Master of Management" provided to 35 department managers and assistant to, held by National Institute of Development Administration (NIDA) from January to April of which is planned to be held in following years.

In addition, there were more than 120 courses from in-house training and external courses organized for all levels of employees with the training budget of more than Baht 1 million. Also, the library is opened for the staff with more than new books in this year with more than 400 staffs borrowing books from the library. In addition, there are more than 10 computers with high-speed internet provided for services in the library.



Innovation Creation Project

The project aims to support employees' creativity, modification of equipment or utensil and to support productivity process and reduction of production cost. In this year, there were 44 works submitted for the contest. The awarded works were extended to the Company's affiliated companies within Thailand and overseas.



Pranda Jewelry Group Saving and Credit Cooperative Limited

Pranda Jewelry Group Saving and Credit Cooperative Limited has been continuously performed to encourage the staff to save their income with the loan service of low interest rate. As of today, there are 2,173 members with

the working capital of Baht 69 million. In 2011, the Saving Cooperative received the standard of "excellent" from the Cooperative Office in Bangkok, area 2.

In addition, the Cooperative provided 58 scholarships, totaling Baht 79,000 to staff's children who were attending secondary level, vocational level, and bachelor's degree. Also, due to the flood, the Cooperative decreased interested for staff who borrowed the money from the Cooperative by 2% for 6 months as well as to extend the debt payment for 2 months to the flood affected staff.



Nursery Center

The Company has operated Nursery Center for 23 consecutive years. It is to help taking care of children of the Company's employees. As of today, there are 80 children under the care of the center.



Enhancement of quality of Life Standard for Staff

Exercise activities are organized every day at 15.00 hrs with the aerobics exercise in every week. Also, the market activity is organized to increased income to the staff. In addition, there are activities to promote relationship within the family such as photo contest on Mother's or Father's Days.



Reduction of traveling expense project

The Company also helps the staff with a bus service after work and after the over time without any charge. The Company supports the staff to ride the bicycles as an exercise and creating awareness of global warming reduction. The parking places for bicycles are prepared with shower and changing rooms for staffs who ride the bicycles.

Debt solving and legal consultancy project

The debt solving and legal consultancy project has helped 317 staffs, accounting for more than Baht 55 million with the support of various financial institutions such as Islamic Bank of Thailand.

The 7 standards and energy saving project

The project aims to make use of natural resources with the utmost value, promote safety, protect environmental problem, and to develop cleanliness and neatness of working place. The project starts with the 7 standards which consist of clearing up, cleaning, convenience, hygienic condition, creating habits, environment, and beauty. The 7 standards are divided into 2 levels, namely, normal standard manual and area standard manual which are distributed to some companies

within PRANDA group such as PRANDA Korat and PRANDA Vietnam. The inspection is performed every 3 months. The project will stimulate the monitoring and improvement of every area which helps reduce and prevent any loss.

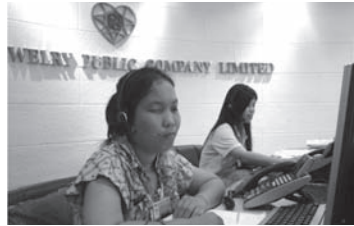


In terms of energy saving, the recycle bank is established to reduce global warming. The bank is operating by an additional working team to revise the recycle bank manual and promote the bank in order to encourage the staff to take part in the activity. In 2011, there were the deposits of more than 50,000 kilograms of recycling materials which worth more than Baht 500,000. The 3 highest sales volume recycling materials were plastic, PET, and glass bottles.

In addition, the Company had taken part in activities helping the society outside the Company such as the donation of UHT cartons of more than 1,500 kilograms to the Beverage Carton producer club to reproduce those cartons as Eco-board to use as roof, and boat. The Company also helped those who were affected by natural calamity. Also, the recycle bank helped the flood affected people by donating empty bottles to several organizations for the filling of Effective Microorganisms which were distributed to the flood affected people, etc

External projects

The dual education system and professional encouragement for the disabled



- The dual education system

The project was established in 2000 with the students of 11 classes with the total students of 706 students, 8 classes with the students of 513 students had already graduated, and there are 31 students who will graduate in 2011. The dual education system has extended to other schools in general and provided an opportunity for children and relatives of the staff and the Brothers and Sisters projects of the dual education students to enter the field of gems and jewelry. In the education year of 2011, the Company signed the MOU with the Golden Jubilee Royal Goldsmith College under the project for personnel development of gems and jewelry by providing the money of Baht 54 million for 7 years, and offering scholarship for the bachelor's degree with the major in gems and jewelry design to the dual system students, children of the staff, and schools under the Royal Patronage of His Majesty the King (Rachaprachanukrogh) and of Her Royal Highness Princess Maha Chakri Sirindhorn. (Suksa Nukrogh), totaling 7 classes.

In addition, the Company had encourage education among the staff by utilizing the Company's area as classes to study in the gems and jewelry in the level of Certificate of Technical Vocation, the management in the level of Higher Vocational Certificate. There were 3 classes with 87 students, with 57 students had already graduated. The Company also promoted innovation contest. In 2011, there were 44 works submitted for the contest. The works also increased productivity and work efficiency.

- Professional Encouragement to the Disabled

The Company opens an opportunity for the disabled to join the Company. At present, there are more than 30 disabled, accounting for 60:1 which are more than the legal stipulation of 100:1. In this year, the Company received the honorable award of "the private sector company of professional encouragement to the disabled" from the Ministry of Social Development and Human Security.

Sharing and returning to the society

The Company provided help to the flood affected staff by offering staying places during the flood, and setting up donation center. The Company had helped with the money of Baht 5,000 and Baht 10,000 to 70 flood affected staff and life saving bags worth Baht 700 to 70 staffs.

As for the external help, the Company donated money of Baht 1 million to the flood affected people through Her Royal Highness Princess Maha Chakri Sirindhorn Foundation and another Baht 1 million through the Thai Listed Companies Association, and drinking water of 200 packs and others worth Baht 3,000 to teachers and students from the Golden Jubilee Royal Goldsmith College, Salaya, Nakorn Pathom.

In addition, the Company supported with volunteer staffs to join the flood assisting such as the Big Cleaning Day at Mahachulalongkorn Rajavidhalaya University and to provide blood donation to the Thai Red Cross for 4 times, totaling 391 units or 175,950 / cubic centimeters.



To help the flood affected people through Her Royal Highness Princess Maha Chakri Sirindhorn Foundation



Money donation to the "stock market helps the flood victim" fund



PRANDA's help to the flood affected staffs



Big Cleaning Day in Ayudhaya province



Blood Donation with the Thai Red Cross



To help the flood affected teachers and students from the Golden Jubilee Royal Goldsmith College



Brief History and Honorary Rewards of PRANDA Group

2011

- The Company received a recognition of being “Excellent and being a good example” from the Securities and Exchange Commission, in cooperation with the Thai Listed Companies Association, and the Thai Investors Association which held an Annual General Meeting (AGM) checklist to assess the AGM held in 2011.
- The Company received “very good” recognition (four stars) of Corporate Governance Report of Thai Listed Companies 2011 from the Thai Institute of Directors (IOD).
- The Company received an honor trophy of the business sector which provided career support to the disabled from the Office of Welfare Promotion, Protection and Empowerment of Vulnerable Groups, the National Office for Empowerment for Persons with Disability, in cooperation with the Council of Persons with Disabilities of Thailand Association. Today, PRANDA has supported all persons with all kinds of disabilities, totaling 31 persons, accounting for 60 to 1 which is higher than the regulated law of 100 to 1.
- The Company had signed an (MOU) of “The gems and jewelry personnel development project” with the Golden Jubilee Royal Goldsmith College, King Mongkut’s University of Technology North Bangkok to support project operation with the fund of Baht 54 million for 7 years from 2011 – 2017 in order to provide an opportunity for poor students to pursue the Bachelor of Fine Art program in Royal Goldsmith, majoring in gems and jewelry design
- The Company received the CREATIVE AWARD 2011 from the contest of “The Extreme colors of Ploi” which was organized by the Department of

Export Promotion, the Ministry of Commerce and the Thai Gem and Jewelry Traders Association.

- PRIMA GOLD received the PM's Creative Award's Function Creations as it produced products from creativity and variety of components which include culture and innovation to increase product value and services, leading to economic growth development with sustainability.
- The Company's Nakorn Raschasrma plant received the Excellent Labor Relation and Welfare Award 2011. It was the second time that the Company received such an honorable award.
- Saving cooperative of the employees of PRANDA received recognition of "A" in terms of administration standard following 7 standard indices from Cooperative Promotion Department.

2010

- The Company received a recognition of being "Excellent" from the Securities and Exchange Commission, in cooperation with the Thai Listed Companies Association, and the Thai Investors Association which held an AGM checklist to assess the AGM held in 2010.
- The Company received "very good" recognition (four stars) of Corporate Governance Report of Thai Listed Companies 2010 from the Thai Institute of Directors.
- The Company received the logo of The Buy with Confidence project from the Gem and Jewelry Business Development Committee of Thailand, the Ministry of Commerce which emphasized the standard and confidence of Thailand's gems and jewelry business toward local and foreign buyers.

2009

- The Company received a shield of honor at International Day of Persons with Disabilities for the private ventures which support occupational opportunities for the disabled

from Prime Minister Abhisit Vejjajiva who has also presided over the event.

- Scoring "Excellent" rating for AGM Assessment Program for two years in a row in 2008 and 2009. The assessment program has been held by the office of Securities and Exchange Commission (SEC), Thai Investors Association, and Thai Listed Companies Association. The AGM is one of many components reflecting listed companies' awareness of good corporate governance implementation.
- Scoring "Very Good" (four stars) rating in the Corporate Governance Report of Thai Listed Companies 2009 prepared by the Thai Institute of Directors Association (IOD), which evaluates the good corporate governance practices of the listed companies.
- Having been nominated among one of the four listed companies in the Stock Exchange of Thailand with market capitalization of not over 10,000 million baht (Group 2) in contest for Corporate Social Responsibility Awards 2009.
- Pranda & Kroll GmbH & Co. KG the Company's subsidiary has entered into a license agreement with Baldessarini GmbH, the leader in men's jewelry and accessories from Germany under Baldessarini brand.

2008

- Received a trophy from Deputy Prime Minister Sanan Kachornprasart on occasion that the Company has been acclaimed by the Department of Labor Protection and Welfare as the establishment which complies with the government's policy in promoting labor welfare by establishing standardized child care centre at the enterprise on continuous basis. The trophy given aims to set a good example to other corporations.
- Received certificates and a shield of honor at "68 years of Thai vocational education going forward to the future"

Brief History and Honorary Rewards of Pranda Group

event from Deputy Education Minister Narisara Chawaltanpipat on occasion that the Company has been chosen as the establishment which offers good cooperation with authorities from the Office of Vocational Education Commission in preparing educational and occupational training.

- The annual general meeting of shareholders had approved the issuance of Employee Stock Option Plan (ESOP) in amount of 14,251,410 units which would be contributed for free to Directors and employees of the Company and/or subsidiaries. The warrants carry five year terms from the issue date with the exercise ratio equivalent to 1 warrant to 1 common share. The exercise price is three baht per share.
- The Company has set up the savings co-operatives for employees in Pranda group as a way to provide various financial services and promote savings among employees.
- Crystalline Co., Ltd. has obtained the copyright of V&A jewelry brand from England-based Victoria & Albert Museum (V&A), the world's largest museum of decorative arts, design and jewelry products.
- The Company has raised investment in Guangzhou Pangda Zhubao Shoushi Yixian Gongsi for USD 1.5 million, increasing the China subsidiary registered capital to USD 2.35 million, representing 100% ownership.

2007

- The Company was awarded the first runner-up award from participating in the work performance competition under the Philosophy of Sufficiency Economy for large-scale enterprises which run their business according to the Sufficiency Economy Philosophy which has been organized by the Office of the Royal Development Projects Board under the Prime Minister's Office.

- The Company won Thai Labor Standard award (TLS 8001-2003), Completion Level from the Department of Labor Protection and Welfare, the Ministry of Labor.
- The Company increased its investment in Primagold International Company Limited by 100 million baht, raising Primagold International registered and paid-up capital to 200 million baht. Pranda Jewelry Public Company Limited controls 100% in Primagold International.
- The Company raised the investment in Pranda & Kroll GmbH & Co. KG Limited by Euro2.4 million or about Baht 116 million, raising Pranda & Kroll GmbH & Co. KG's registered and paid-up capital to Euro 5.34 million. Pranda Jewelry Public Company Limited holds 51% in the venture.
- Pranda & Kroll GmbH & Co. KG has taken over KSV Brand GmbH, which operates the distribution of jewelry products under Christ, Cai, Merri, and Michael Schumacher brands.
- The Company has formed a joint venture with Gunjan Jewels Pvt. Ltd., to set up Pranda Jewelry Pvt. Ltd. in India to distribute the gold and silver jewelry under its own brand in India. Pranda Jewelry Public Company Ltd. holds 51% of the shares.
- Primagold International Company Limited, the distributor of 24K pure gold jewelry products under PRIMA GOLD brand won the Hot 2007 Award at the 38th Bangkok Gems & Jewelry Fair.

2006

- The Company has been acclaimed by the Stock Exchange of Thailand as the company with the best operating results in 2005 under the title "Congratulate PRANDA as a Nominee for Best Performance-Consumer Products"



- Primagold International Company Limited, the distributor of 24K pure gold jewelry products under PRIMA GOLD brand won the Hot 2007 Award at the 38th Bangkok Gems & Jewelry Fair.
- Primagold International launched Siam Pannarai designer Collections and received The Hot Design Award at the 37th Bangkok Gems & Jewelry Fair.
- Pranda & Kroll GmbH & Co. KG launched a new brand “Cai”, at the Inhorgenta Fair, Munich, Germany.
- Pranda Jewelry Plc. has been selected as one of the four Thai Companies meeting the Sufficiency Economy standards in running business in compliance with the Sufficiency Economy Philosophy of His Majesty the King held by the Office of the National Economic and Social Development Board.
- PRANDA SCL (Indonesia) expanded capacity in response to increased overseas demand from 450 workers to 700 workers.

2005

- Received a shield of honor as outstanding establishment on labor welfare from the Department of Labor Protection and Welfare, the Ministry of Labor.
- Raised its investment in Crystalline Co., Ltd. Bangkok by Baht 50 million to Baht 100 million. The company holds 96% stake in Crystalline Co., Ltd.
- Primagold International Co., Ltd. signed a joint venture deal with Tomei Gold & Jewelry Holding to distribute PRIMA GOLD products in Malaysia.
- Primagold International Co., Ltd. operates 48 retail outlets in Thailand and 35 outlets in international markets. In total the company operates 83 distribution outlets.

- The Company signed a joint venture agreement with Gregor Kroll of Kroll GmbH in a ratio of 51:49 to set up Pranda & Kroll GmbH & Co. KG in Germany to distribute gold and silver jewelry products in Germany and Europe.

2004

- Received special Export Honorary Recognition award from the Department of Export Promotion, Commerce Ministry as the Thai exporter with the most robust growth for 10 consecutive years and as the Thai company which was used to win Best Exporter award before.
- Received standard certificate for 96.5% gold jewelry under “Century Gold” brand from the Office of the Customer Protection Board.
- Primagold International Co., Ltd. launched gold jewelry with 96.5% purity under “Century Gold” brand with the first retail outlet opened at the Mall Department Store, Bangkhuae and expanded to seven branches within the same year.

2003

- Received a shield of honor from the Department of Labor Protection and Welfare, the Ministry of Labor as the private establishment which implements activities which support and benefit female workers.
- Established a new production base in China under Pranda Guangzhou
- Increased investment in Primagold International Co., Ltd. By Baht 50 million raising the registered capital to Baht 100 million in which the company holds 100% stake.

2002

- Received a certificate of approval and emblem from the Office of Consumer Protection Board as the establishment which “protects the consumers” rights on labels, advertisements, and contracts.”

Brief History and Honorary Rewards of Pranda Group

- Chosen as the workplace which is "clean, safe, pollution-free and dynamic" and received testimonial from the Health Department of Bangkok Metropolitan Administration.
- Selected to become a member of Bangna canalside community under "We love canal" project from Bangna district office. The Company also received certificate for attending the training program on food sanitation for restaurant operators after the Bangkok Metropolitan Administration has issued regulations on "place where meals are sole and place where foodstuff is stored 2007"
- The Company offered 200,000,000 units of the five-year warrants (2 May, 2002 to 2007) to existing shareholders.
- The Company's employees won the gold and silver medal on jewelry designer from the 18th national skills competition held by Department Of Skill Development under Ministry of Labour and Social Welfare.
- Crystalline Co., Ltd., received Prime Minister's Export Award for the Best Own Design Exporter held by the Export Promotion Department.
- The Company was awarded "clean place to dine" as the establishment which meets sanitary standards for food outlets (physical facet) held by food sanitation division, environmental sanitation division under Bangkok Metropolitan Administration.

2001

- The Company's employees received bronze medal on jewelry designer from 36th World Skills Completion held at Seoul, South Korea.
- The Company received "white factory" (anti - drug entrepreneur project) certificate from Department of Labor Protection and Welfare, the Ministry of Labor
- The Company's showroom received ISO 9001:2000 quality management standard certification for jewelry distribution and services from BM TRADA Certification, a leading multi-sector certification body accredited by UKAS (United Kingdom Accreditation Service). The Company's Nakhon Ratchasima branch also received ISO 9001:2000 quality management standard certification for jewelry production in part of factory from an independent certification body BVQI.

2000

- The Company received the Gold Card exporter award from the Customs Department, Ministry of Finance which offers fast track benefits on imported raw materials. The award represents the company's creditability and financial stability.

1999

- The Company and two subsidiaries, Prima Gold Co., Ltd. and Crystalline Co., Ltd., have been endorsed by the Export Promotion Department, Ministry of Commerce, to use Thailand's Brand, as standard product manufacturer and exporter.
- Received certificate from the Ministry of Labour and Social Welfare as the export establishment which complies with female and child labor protection standards using proactive approach
- The Company's employees won bronze medal from 35th World Skills Competition held at Montreal in Canada on jewelry designer.

1998

- Received the Best Marketing of New Gold Product and Best Gold Visual Merchandising awards from World Gold Council.



1996

- Prima Gold Co., Ltd., the Company's subsidiary, received Prime Minister's Export Award for the Best Own Design Exporter from the Thai government and won the contest for "Golden Design Award" at Vicenza Oro Fair held by World Gold Council, while "Prima Gold" designs from Indonesia won two awards the Best International Award of Indonesia and "The Best Outstanding International Award" from five countries in the Far East Asia.
- Expanded the foreign market for Prima Gold International Co., Ltd. and co-invested in LG Pranda (now operated under the name of KZ-Pranda) to import and distribute silver and gold products.

1995

- Received Prime Minister's Export Award or P.M. Award which is presented every year by the Thai government to exporters who have outstanding performance as Best Exporter
- Established foreign production bases through Pranda Vietnam Co., Ltd. and P.T. Pranda SCL Indonesia
- Set up Pranda Singapore Pte. Limited to invest in Malaysia and Indonesia
- Invested in establishing Pranda Lodging Co., Ltd., to provide accommodation services to the company's employees

1994

- Established a new production base in Nakhon Ratchasima (Korat) and established a new international distribution base in the United Kingdom under Pranda UK Limited.

1993

- Established product and brand development center under PRIMA GOLD and launched domestic distribution

1992

- Expanded business by establishing its own distribution bases in overseas markets under Pranda North America, Inc., Crystalline North America, Inc. and H. Gringoire s.a.r.l.

1990

- Pranda registered and traded on the Stock Exchange of Thailand (SET) under trading symbol Pranda
- Invested in setting up production base under Crystalline Co., Ltd.

1984

- Expanded business by establishing production base and changed company name to "Pranda Jewelry"

1973

- Commenced export trading operations under Pranda Design



Industry and Competition

The important export market of gems and jewelry industry of Thailand is the United States of America (US) and the European Union (EU). When the economy of the US and the EU confronts continual unsolved and lengthy economic crisis, it is inevitable that it has an impact on the gems and jewelry industry. However, the export values in the past 4 years indicate that the markets of India, Hong Kong or China show an ongoing growth which implies the importance of India's and China's markets in the future.

The statistics from the past decade show that prices of gold and silver had dramatically increased. The gold and silver prices increased approximately 6 times and 10 times, respectively, which led to a significant change in the genuine gems and jewelry market since the genuine gold and silver are the main materials for the production. In addition, according to the findings in the past 4 years, it is obvious that the ratio of the gold and silver used in the genuine gems and jewelry market had considerably changed: the gold and silver used in the market was at 70% and 30%, respectively, versus the ratio of today's 55% and 45%. Therefore, it implies that the role of silver jewelry will have much importance in the future. Despite its price increase is more than gold's, with the same weight, the silver price is 45 times lower than gold price.

The free trade agreement leads to an intense competitiveness, particularly, with the arch competitors, namely, China and India, whose production depends mainly on labor intensive just like Thailand. However, currently, China and India have a limitation on product quality in comparison with Thailand.

Yet, with China's rapid product development with machine implementation, Thailand's gems and jewelry industry has to focus on producing middle-high quality products based on skill labor intensiveness and developing its own brands to be more internationalized to remain its long-term competitiveness.

Although there are many risks factors affecting the gems and jewelry industry such as the slowdown of the US' economy, the debt crisis of the EU, as well as the record high increase of the gold and silver prices, the industry continues to grow from the previous year which reflects the well competitive adjustment of the industry within the world's market. The export information in 2011 shows that the gems and jewelry industry had a export value of USD 12,301 million, or increased by 5.6% from 2010 when the export value was at USD 11,652 million. In addition, in 2011, the gems and jewelry product was Thailand's fourth largest source of export income after computers and parts, auto parts and accessories, and rubber, respectively.

PRANDA's Direction

With the success from production base to produce a large amount of world-class quality products to variety of distribution bases covering global key markets, and eventually, the establishment of retail base and management of its own brands, the Company is confident that its business' business structure and personnel are potentially geared up to be "the World Class Jewelry Brand Company." From now on, strategic growth for business focuses on development of its own brands and retail business at international level.

For 2011, the Company's own brand manufacturing (OBM) accounted for 30% and the original design manufacturing (ODM) accounted for around 70%. The Company aims to increase the OBM in the future by focusing on the expansion to the markets in China, India, and Europe

OWN BRAND MANUFACTURING : OBM

The Company's Own Brand Manufacturing (OBM) is categorized into two groups, namely Precious Product and Lifestyle Product with the important development as follows:

Precious Product

Prima Gold is 99.9% genuine gold jewelry which is distributed through own flagship shops and counters, independent retailers, and oversea franchise. The important markets of Prima Gold consist of Thailand Indonesia, UAE, Oman, Egypt, the Philippines, Malaysia, and India, with the particular focus on Indonesia and India which are the markets of much potential growth.

Prima Art is 99.9% genuine gold handicraft which is distributed through its counters in leading department stores in Thailand and independent retailers in India. In 2011, there were more than 2,700 points of sales added.

H.Gringoire is European style 18K genuine gold jewelry with color gemstones which is distributed in medium to high end jewelry stores in France. The brand has been improved to be more outstanding with better modern look.

Lifestyle Product

Caï is fashioned silver jewelry which is distributed through independent retailer and chain stores in Europe with more than 700 points of sales in Europe.

Merii is fashioned silver jewelry which is distributed through independent retailers and chain stores in Germany and the Netherlands. The market in Germany is the market with much growth potentiality. At present, there are more than 600 points of sales in Europe.

Esse is silver jewelry with marcasite which is distributed through own flagship shops and counters in leading department stores in China with the expansion of distribution channel from Shenzhen to Beijing.

Baldessarini is an exclusive high-end luxury menswear and men's accessories brand of which PRANDA group receives the right of production and distribution. The brand receives a well response in the European markets with more than 350 distribution channels.

For 2012, PRANDA has planned to place an emphasis upon its own brand in the markets in China, India, and Europe.

ORIGINAL DESIGN MANUFACTURING: ODM

PRANDA still maintains its existing customer base and continuously opens for new markets in terms of original design manufacturing or ODM. The ODM's customers are from many countries, namely, Germany, Australia, England, France, Spain, Italy, the United States of America, and Japan with various distribution channels such as TV shopping channels, department stores, chain stores, and mail order/ catalogues.

For 2012, PRANDA's policy still aims to maintain its existing potential growth customers from the markets in the United States of America (US) and the European Union (EU). The Company is confident that the market risk diversification among important regions in the World, namely, the US, the EU, and Asia, can preserve the long-term stability of growth to the Company.



Revenue Structure

Revenue Structure of Pranda Jewelry Public Company Limited and its Subsidiaries

The revenue structure of Pranda Jewelry Public Company Limited and its subsidiaries broken down to overseas and domestic sales. (after eliminate of inter-related Company transaction items).

	2011		2010		2009		2008		2007	
	Million baht	%	Million baht	%	Million baht	%	Million baht	%	Million baht	%
Revenue from overseas sales	3,286	79.72	3,376	83.23	3,018	82.37	3,449	85.58	3,675	84.31
Revenue from domestic sales	836	20.28	680	16.77	646	17.63	581	14.42	684	15.69
Total	4,122	100	4,056	100	3,664	100	4,030	100	4,359	100

Revenue structure of Pranda Jewelry Public Company Limited and its subsidiaries according to consolidated financial statements.

Company	% Holding	Type of Revenue	2011		2010		2009		2008		2007	
			Million baht	%	Million baht	%	Million baht	%	Million baht	%	Million baht	%
Pranda Jewelry Pcl.		Pranda Jewelry Pcl.	1,799	42.90	1,545	37.78	1,319	35.63	1,487	36.62	1,589	35.77
Domestic Subsidiaries												
Primagold International Co., Ltd.	100	Distribution of genuine gold jewelry, and diamond in Thailand	683	16.29	587	14.36	518	13.99	506	12.46	382	8.60
Crystalline Co., Ltd.	96	Production and distribution of costume jewelry	167	3.98	153	3.74	141	3.81	160	3.94	200	4.50
Overseas Subsidiaries												
Pranda North America, Inc.	100	Distribution of genuine jewelry and costume jewelry in the USA and Canada.	705	16.81	1,009	24.68	1,014	27.39	1,079	26.57	1,380	31.07
H.Gringoire s.a.r.l.	100	Distribution of genuine jewelry in France and Europe	156	3.72	144	3.52	129	3.48	170	4.19	168	3.78
Pranda UK Limited	100	Distribution of genuine jewelry and costume jewelry in England and Europe.	147	3.51	184	4.50	204	5.51	301	7.41	322	7.25
Pranda Vietnam Co., Ltd.	100	Production and distribution of genuine jewelry	41	0.98	49	1.20	23	0.62	14	0.34	11	0.25
Guangzhou Pangda Zhubao Shoushi Youxian Gongsi	100	Production and distribution of genuine jewelry	38	0.91	30	0.73	24	0.65	44	1.08	49	1.10
Pranda & Kroll GmbH & Co. KG	51	Production and distribution of genuine jewelry	217	5.18	242	5.92	222	6.00	235	5.79	245	5.52
Pranda Jewelry Private Ltd.	51	Distribution of genuine jewelry in India	169	4.03	113	2.76	70	1.89	34	0.84	13	0.29
Sales revenue			4,122	98.31	4,056	99.19	3,664	98.97	4,030	99.24	4,359	98.13
Pranda Lodging Co., Ltd.	83	Property rental / Properties	10	0.24	14	0.34	14	0.38	14	0.34	14	0.32
Other revenues			61	1.45	19	0.47	24	0.65	17	0.42	69	1.55
Total revenues			4,193	100	4,089	100	3,702	100	4,061	100	4,442	100



Shareholder Structure

Shareholder

Shareholders	Number of shares	% Total Shares
Top 10 shareholders	205,955,900	51.06
General shareholders	197,375,854	48.94
Total shares	403,331,754	100.00

Share allotment by nationality

Shareholders by nationality	Number of shareholders	Number of shares	% Total Shares
Thai Shareholders	3,164	308,092,090	76.39
Foreign Shareholders	69	95,239,664	23.61
Total	3,233	403,331,754	100.00

* Pranda Jewelry Pcl's regulation stipulates that "Non-Thai shareholders are not allowed to hold the Company's stake in excess of 45% of total issued shares."

Name of top ten shareholders (As at the closing book dated December 30, 2011)

Name of Shareholders	As at December 30, 2011	
	No. of Shares	% Total Shares
1. Thai NVDR Co., Ltd.	57,009,800	14.135
2. Mr. Prida Tiasuwan	24,216,420	6.004
3. RBC DEXIA INVESTOR SERVICES BANK S.A.	22,110,600	5.482
4. Ms. Pittaya Tiasuwan	17,730,960	4.396
5. NORBAX INC.,4	17,500,000	4.339
6. Mrs. Panidda Tiasuwan	15,808,560	3.919
7. THE BANK OF NEW YORK MELLON	15,628,000	3.875
8. Mrs. Prapee Sorakraikitikul	12,406,860	3.076
9. Pranda Holding Co., Ltd.	11,900,000	2.950
10. GOLDMAN SACHS & CO	11,644,700	2.887

Source : Thailand Securities Depository Co., Ltd.

Note : Updated information of the Company's present shareholders is made available at Company's website at www.pranda.co.th which is normally uploaded ahead of the annual ordinary meeting of the shareholders.

- Group of major shareholders who has significant impact on the formulation of management policies
 - None –
- Name of shareholders who conceal their true identity

Shareholders of PRANDA 's ordinary shares held through Thai NVDR Co., Ltd.

Shareholder	As at November 30, 2010	
	Number of shares	% of total shares
1. RBC DEXIA INVESTOR SERVICES TRUST	25,500,000	6.32
2. THE BANK OF NEW YORK MELLON	22,900,000	5.68
Total	48,400,000	12.00

Note: According to information from www.set.or.th

Management Structure

Management structure comprises the Board of Directors and sub-committees including Executive Directors, Audit Committee, Nomination and Remuneration Committee, Finance Committee and the Group Corporate Values Committee whose scope of responsibilities and functions could be summarized as follows:-

The Board of Directors

The Company's Board of Directors as at December 31, 2011 is composed of nine directors including Independent Directors, management directors, non-management directors who are knowledgeable, competent and experienced in finance, accountancy, management and others which are deemed useful to the Company. Qualifications of the directors are fully compliant with the good corporate governance which calls for independent directors representing at least one-third of the total Board of Directors whose details are as follows:

	Name		Position	Date of office ^{/1}
1.	Mr. Prida	Tiasuwan	Chairman	20 April, 2010
2.	Mrs. Prapee	Sorakraikitikul	Director	20 April, 2010
3.	Mrs. Sunanta	Tiasuwan	Director	20 April 2011 ^{/2}
4.	Mrs. Pranee	Khunprasert	Director	20 April 2011 ^{/2}
5.	Mr. Pramote	Tiasuwan	Director	23 April 2009
6.	Mrs. Panidda	Tiasuwan	Director	20 April 2011 ^{/2}
7.	Lt. Jg. Anan	Panananda R.T.N.	Independent Director	23 April 2009
8.	Mr. Verachai	Tantikul	Independent Director	23 April 2009
9.	Mrs. Sarita	Bunnag	Independent Director	20 April, 2010

Note:

^{/1} Date in office is the term for holding office by the whole panel of directors according the term stipulated in the Company's regulations.

^{/2} The 2011 annual shareholders' meeting held on April 20, 2011 had resolutions to re-appoint the following directors including, Mrs. Sunanta Tiasuwan Mrs. Pranee Khunprasert and Mrs. Panidda Tiasuwan.

Name of the advisor to the Company's Board of Directors: Ms. Pittaya Tiasuwan

Authorized Signatories

Authorized signatories of the Company include Mrs. Sunanta Tiasuwan or Mrs. Prapee Sorakraikitikul or Mrs. Panidda Tiasuwan who will sign together with Mr. Pramote Tiasuwan or Mrs. Pranee Khunprasert in total of two directors stamped with the Company's key seals.

Components of the Company's Board of Directors

1. Directors of the Company are not mandatory to be the Company's shareholders.
2. The Company's Board of Directors should comprise members of not fewer than five but not over than 20 persons. At least a half of the Board members are required to be Thai residents
3. The Company's Board of Directors should include Independent Directors in a number of at least one/ third of the total but not fewer than three persons.
4. The Company's Board of Directors comprises audit committee of not fewer than three.
5. The Company's Board Chairman should not be the same person with Managing Directors.
6. Appointment of the Company's directors should comply with the Company's regulations and relevant regimes as well as transparency and clarity whereby the selection process must be handled by the selection and remuneration sub-committee. Consideration should be taken into account primarily the candidates' education background and professional experiences enclosed with proper details and qualifications in order to supplement decision of the Company's Board of Directors and shareholders.

7. Directors whose terms expire by rotation according to the Company's regulations can be also re-appointed.

Qualifications of the Company's Board of Directors

1. The Board of Directors must be knowledgeable, competent, experienced, honest, moral and righteous and have enough time to dedicate their knowledge, competence and perform for the best benefits to the Company.
2. They should have qualifications and characteristics which are not prohibited by the Public Company Law. They must also not have any characteristics which exhibit deprivation of appropriate qualifications which deserve trust in managing the company which is owned by the public shareholders as declared in the regulations of the Securities and Exchange Commission (SEC).
3. Directors are not allowed to form partnership in any enterprises or become directors in other juristic persons which operate the same businesses or whose business compete with the Company both for the benefits of their own and others exempt informing the meeting of the shareholders prior to appointment resolutions.
4. Independent directors must hold appropriate qualifications required by the Securities and Exchange Commission.

Independent directors must have qualifications as follows:

(A) They must not hold over than 1% of total voting shares of the Company, subsidiaries, and joint venture firms, major shareholders or persons who have dominant authority of the Company. This also includes shareholding of persons who have close connections with those independent directors

(B) They should not be or used to be Directors who had a part in management; employees, staff, advisors which received fixed monthly salary; or those who held dominant authority over the company, the parent company, subsidiaries and associated firm, major shareholders or

persons who have dominant authority of the Company except that they were free from those attributes for not fewer than two years before the date being submitted to the Securities and Exchange Commission for approval. However, this limitation does not include independent directors who used to be government officers or advisors to the government, and who are major shareholders or persons having dominant authority of the Company.

(C) They should not come from the same bloodline or legitimate relationship with persons in the manner of father, mother, spouse, brother or sons/ daughters as well as consort of sons/daughters of executives, major shareholders, persons with dominant authority or those who are proposed to become executives or those who have dominant authority of the Company or subsidiaries.

(D) They should not have or used to have business relationship with companies, parent company, subsidiaries, affiliated companies, major shareholders or persons who have dominant authority of the Company in the manner that may obstruct their freedom in judgment. They should not also be or used to be significant shareholders or persons having control over other persons who have business relationship with companies, parent company, subsidiaries, joint venture firms, major shareholders or persons who have dominant authority of the Company except that they were free from such attributes for not fewer than two years before the date being submitted for the Securities and Exchange Commission's approval. Business relationship shall include normal business transactions of property leasing, transactions relating to products or services, or providing and receiving financial aid by the means of lending, guarantee, collateral and others which are similar to the aforesaid means which make the Company or its parties have financial obligations to the other at least for the lower amount 3% of net tangible assets of the company or more than 20 million baht. The amount of the financial obligations can be calculated according to calculation method of connected transactions under the Notifications of the Capital

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Market Supervisory Board relating to the connected transactions; however, it shall include the amount of financial obligations of the parties which incurred one year earlier before having such business relationship.

(E) They should not be or used to be the auditors of company, parent companies, and subsidiaries, joint venture firms, major shareholders or persons who have dominant authority of the Company, and they shall not be significant shareholders, persons having control over or partners of audit company where auditors of companies, parent company, subsidiaries, affiliated firms or juristic persons which may have the conflict of interest belong to, except they were removed from such characteristics for not fewer than two years prior to the date being submitted to the office's approval.

(F) They should not be or used to be providers of any occupations or careers or the providers of legal and financial advisory services who receive service charges of more than two million baht per year from companies, parent company, subsidiaries, affiliated firms, major shareholders or persons who have dominant authority of the Company, and they shall not be significant shareholders, persons having control over or partnership of the profession providers except the case that they were removed from such characteristics for not fewer than two years prior to the date being forwarded for approval from the office.

(G) They should not be Directors who are appointed to represent Directors of the company, major shareholders or shareholders who are closely connected to the major shareholders of the Company.

(H) They shall not They shall not conduct the same category of business and compete with the Company or subsidiaries of the Company, and they shall not be significant partners of partnership, executive directors, employees, staffs or advisors who received fixed monthly salary, or hold over 1% of the entire voting shares of other companies

which conduct the same category of business and compete with the Company and subsidiaries of the Company.

(I) They should not possess any other attributes which make them unable to express independent comments in respect of the company's operations.

Once Independent Directors have been appointed according to characteristics or qualities as stated in Section (A) to (I), they may be authorized by the Board of Directors to make decision on the operations of the company, parent company, subsidiaries, affiliated firms, major shareholders or persons who have dominant authority of the Company. Their ruling could be made in manner of collective decision.

Scope of Responsibilities of the Board of Directors

1. The Company's Board of Directors is required to perform their duties with responsibility, caution, honesty and integrity and to ensure the compliance with relevant laws, objectives, the Company's regulations and resolutions of the shareholder's meeting.
2. To determine the Company's vision, mission, strategy and policy and supervise the Company's operations
3. To nominate the Executive Directors or/and assign one or many Directors or others to take responsibilities on the Board of Directors' behalf. Nonetheless, the nominees must not be empowered to have authority to approve transactions with persons or other persons who may have a conflict of interest ("persons in the conflict of interest" are defined in the notifications of the Securities and Exchange Commission), vested interest or a contradiction of interest in other aspects with the Company or subsidiaries. However, this is except the issues with respect to laws and regulations of the Company including transactions executed according to criteria and regulations of the Office of the Securities and Exchange Commission which require that such transactions must go through prior approval of the shareholders' meeting. Transactions

which are suspected to have Directors or persons who may have a conflict of interest or may have the contradiction of interest in other manners with the Company and subsidiaries involved must require Directors who have the conflict of interest are not entitled to cast votes on those issues.

4. To determine and amend authorized directors or signatories and impose conditions deemed appropriate to protect the Company's interests without breaking the laws.
5. To appoint the company's advisors.
6. To endorse the appointment of high-ranking executives.
7. To consider and monitor the performance of operations as follows:
 - 7.1 To monitor the progress of the group's strategy implementation and action plans which may affect the achievement of the group's strategy or bring about significant changed to the Group's strategies.
 - 7.2 To monitor the operation in comparison to the goal or execute the projection at least once a quarter. In case the performance fails to achieve the target as projected, discussions are needed to be held to correct it. The target should cover all aspects both in a short term and a longer term including the performance index and comparison with other competitors.
8. Human resource management:-
 - 8.1 To cooperate with management division to consider and endorse the Company's vision and strategies relating to human resources and human resource development.
 - 8.2 To cooperate with the management division to approve remuneration strategies of the Group, consider and approve other remuneration plans based on the operating performance to create incentive to the employment and retain highly qualified and potential personnel.
 - 8.3 To supervise the transparency, appropriateness and usefulness of the criteria, approaches and processes of the organization in selecting, removing or dismissing the Board of director, executive directors and high-ranking executives to ensure that the Company possesses the Board of Directors who are fully qualified, knowledgeable, properly competent and experienced in executing the Group's operations to achieve maximum efficiency and achievement.
 - 8.4 To ensure effective procedures of the Group in appraising the performance of high-ranking executives through comparison with the quarterly and yearly target which has been jointly agreed upon.
9. To supervise the completeness on issues as follows:-
 - 9.1 To verify and endorse vision, mission, strategies, policies, target, business plans and budget, as well as ensure the good communication to employees of the Company at all levels.
 - 9.2 To report annual financial responsibility to ensure confidence of shareholders that they have been provided accurate and correct financial report.
 - 9.3 To monitor the performance of the Group all the time to build up confidence that the Directors and management division could perform according to laws and the said policies.
 - 9.4 To supervise the internal audit process in the key control role.
 - 9.5 To closely supervise the risk management.
 - 9.6 To ensure transparency of management process and clarity of interconnected transactions between associated enterprises as well as ensure the report to the Board of Directors on a regular basis.
 - 9.7 To ensure efficiency in control system, provide accurate, complete and credible information, comply with the policies, regulations, laws and other governing regulations, protect assets, and ensure the best use of the Company's resources.
 - 9.8 To provide counterbalance of the management and/or the major shareholders as deemed

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appropriate through weighing up the proportion or number of independent directors in the Board of Directors.

- 9.9 To ensure the adequacy of information delivery process to the Board of Directors so that they could fully and perfectly perform their duties and responsibilities as assigned.
 - 9.10 To ensure the completeness of documents for the meeting and disseminate them prior to the meeting date; to provide the completeness of the minutes, and make sure that the minutes would not be subject to any changes or amendments after they were already endorsed.
 - 9.11 To monitor problems and the contradiction of interest that may arise.
 - 9.12 To ensure that the Company has appropriate and efficient communication system to all stakeholders of the Company and the public as well as monitor the performance of such system.
 - 9.13 To protect and promote the Company's reputation.
10. To set and determine scope of responsibilities of the sub-committees as follows:-
- 10.1 To appoint the sub-committees as deemed appropriate and necessary so as to support the performance of the Board of Directors, including the executive directors, the audit committee, the selection and remuneration committee, the finance committee and core value committee.
 - 10.2 To consider and approve the roles and responsibilities of the sub-committees as well as any change of their components including significant changes which may affect operations of the sub-committees appointed.
11. To evaluate the performance of the Board of Directors as follows:-
- 11.1 To determine criteria and approaches in appraising the performance of the Board of Directors and evaluate their effectiveness on a regular basis.
 - 11.2 The committee is required to appraise their own

performance every year as well as announce their performance on the Company's corporate governance in annual report.

12. To authorize the Board chairman to supervise the operations to ensure its compliance with the above-mentioned role and responsibility in an efficient and effective manner.
13. To arrange the Corporate Secretary to help handle various activities pertaining to the meetings of the Board of Directors and shareholders, and provide advice to Directors and the company in complying with the laws and relevant regulations on a regular basis. The Corporate Secretary is also held responsible for supervising the directors and the company in disclosing information in the accurate, complete and transparent manner, and promoting the good corporate governance to conform to the best practices of the good corporate governance.

Appointment of the Directors and Terms for their Holding Office

1. At every annual ordinary meeting of shareholders, one/ third of the Board of Directors is required to resign. If such requirement could not be met, at least one/third of the Directors should be removed. Directors who have to be removed from his tenure in the first year and the second year after the Company's registration are required to draw lots to find who would be subject to removal. In the subsequent years, Directors who hold office for the longest period are to be removed. Removed directors could be re-appointed in the following years.
2. Apart from being removed or retired by rotation, the Directors could be out of office as follows:-
 - Die
 - Resign
 - Lack qualifications or attributes which are against the public Company law.
 - By resolutions of the shareholders' meeting with votes of not less than three-fourth of the shareholders who attend the meeting or have voting rights, and own combined shares of not less than a half of the



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shares held by the shareholders who attend the meeting and have voting rights.

- The court's sanctions.
3. Any directors who want to resign from their positions must submit a resignation letter to the Company. Resignation will take effect from the date the resignation is submitted to the Board of Directors according to Section 1. However, the resignation is also taken valid if he/she personally informs the registrar.
 4. In case any Director positions are left vacant because of other factors than resignation or removal by rotation, existing Directors are required to choose any persons who fully meet qualifications according to the public company law to replace the outgoing directors at the following meeting of the Board of Directors except that the term of directors is less than two months left. Persons who replace the outgoing directors will stay in the office equivalent to the remaining term of the directors he/she replaces.
 5. The shareholders meeting may pass the resolutions to remove any directors from their positions they hold prior to the expiry of their term, but that could be done with votes of not less three/fourth of the total shareholders who attend the meeting and have voting rights and own total combined shares of not less than a half of shares held by the shareholders attending the meeting and having voting rights at the meeting.
 6. The directors excluding independent directors must retire at 72 years of age.

Group Executive Committees

The Group Executive Committees are composed of seven members; four of them are the members of the Company's Board of Directors, and the remaining three chosen from persons who are knowledgeable and specialized in the industry.

Name of the Board of Group Executive Committees is as follows:-

Name		Position
1. Mrs. Prapee	Sorakraikitikul	Chair of Group executive Committee
2. Mrs. Sunanta	Tiasuwan	Chair of Group Finance Committee
3. Mr. Pramote	Tiasuwan	Managing Director (Manufacturing)
4. Mrs. Pranee	Khunprasert	Managing Director (Marketing)
5. Ms. Pittaya	Tiasuwan	Deputy Managing Director (Manufacturing)
6. Mr. Decha	Nuntanajaroenkul	Deputy Managing Director (Marketing)
7. Mr. Chartchai	Teekaveerakit	Executive Director

Name of the advisor of Group Executive Committees.

1. Mrs. Panidda Tiasuwan
2. Mr. Chainarong Jitmetta
3. Mr. Chanat Sorakraikitikul

Scope of Responsibilities of the Group Executive Committee

1. To consider and determine the Company's goal and business strategy, to supervise the Company's operation to ensure the compliance with the Company's vision, mission, strategy, and policies of the Board of Directors, laws, conditions, rules and regulations of the Company.
2. To outline the guideline for the Company's business operation, development and expansion to ensure the compliance with vision, mission, strategy, policies and resolutions of the Company's Board of Directors.
3. To appoint the Company's executives of all positions to perform their duties except the appointment of high-ranking executives who need prior approval of the Company's Board of Directors and to delegate power to any persons to perform duties and responsibilities on their behalf as appropriate.

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4. To determine working procedures of the Company's employees without violating or running against the regulations and related laws.
5. To consider and approve the position structure and salary structure as well as other fringe benefits of the Company's employees and endorse the management structure from the division level onwards.
6. To consider and screen the Company's quarterly and yearly performance and budget as well as asset management prior to being submitted to the Company's Board of Directors for consideration.
7. To consider and approve the annual budgeting plan and supervise and monitor, as well as appraise the performance to ensure the compliance with policy, target, and budgeting plan as approved and consider and approve bonuses and other rewards to the employees and other benefits to boost the morale of the Company's employees.
8. To ensure the appropriateness and effectiveness of the Company's internal control system through cooperation with the Audit Committee.
9. To empower the Chairman of the Board of Directors to supervise and ensure the efficient compliance with duties and responsibilities as mentioned above.

Audit Committee

The Board of Directors has acknowledged the importance of the good corporate governance and thus considered and appointed the Audit Committee since January 29, 1999 as a key instrument of the Board of Directors in supervising and controlling the Company's administration to ensure it meets widely accepted standards of accuracy, transparency, effective internal control system, as well as creditable and useful reporting systems both to investors and related parties. The Audit Committee's nomination is fully compliant with

criteria and requirements of the Stock Exchange of Thailand. They would be allowed to independently perform their duties and to report directly to the Board of Directors. Their components and qualifications should comply with requirements of the Securities and Exchange Commission, while scope of their duties and responsibilities has been determined in compliance with the requirements of the Stock Exchange of Thailand and stated clearly as the Company's charter under which the company's internal auditors will be held responsible for re-examining the adequacy of the Company's internal audit and internal control system and submit their results directly to the Audit Committee.

The present Audit Committee is composed of three members; all of them are the Independent Directors. Their term of office is set once a year. The Company's Board of Directors would appoint the Audit Committee and assign the internal audit department's manager to act as the Audit Committee's secretary. Name of the Audit Committee is as follows:-

Name		Position
1.	Lt.Jg. Anan Panananda R.T.N.	Chairman
2.	Mr. Verachai Tantikul	Director
3.	Mrs. Sarita Bunnag	Director

Note: The third director is an accounting and financial expert

Qualifications

1. They are appointed by the Board of Directors or shareholders.
2. A whole committee must be independent directors and their qualifications must comply with criteria as notified by the Securities and Exchange Commission. They are not directors. who are assigned or authorized from the Board of Directors to make decision in operations of the company, parent company, subsidiaries, joint venture firms, or juristic persons, who may have the conflict of interest, who are not directors of the parent company, subsidiaries, and affiliated firms especially for the listed ones.



3. They must have adequate knowledge and experience to perform duty as the Audit Committee which is required to have at least one director who has enough knowledge, understanding or experience to audit the creditability of the company's financial statements.

Scope of Responsibilities of the Audit Committee

1. To ensure the accuracy and adequacy of the Company's financial report .
2. To ensure the appropriateness and the effectiveness of the Company's internal audit and internal control system, and to consider the freedom of the internal audit unit as well as provide comments on the appointments, transfers, and removal of the chief of internal audit unit or other units which are in charge of internal audit.
3. To ensure the Company's compliance with the laws on securities and the Stock Exchange, regulations of the Stock Exchange and/or laws relevant to the Company's businesses.
4. To consider, nominate, propose the appointments of independent persons to act as the company's auditor and to propose remuneration of such persons. They are also allowed to call a meeting with auditors without having management members attending for at least once a year.
5. To consider interrelated transactions and items which may cause the contradiction of interest to make it compliant with laws and regulations of the Stock Exchange of Thailand to ensure that such transactions are reasonable and generates the greatest benefits to the company.
6. To prepare report on the Audit Committee and disclose it in the Company's annual report. Such report must be signed by Chairman of the Audit Committee and feature information as follows:-
 - A. Opinions on the accuracy, completeness and creditability of the company's financial reports.
 - B. Opinions about the adequacy of the company's internal control system.
 - C. Opinions on legal practices pertaining to the securities and exchange law, regulations of the Stock Exchange of Thailand and laws relating to the Company's businesses.
 - D. Opinions about the propriety of the auditors.
 - E. Opinions on transactions which may have the conflict of interest.
 - F. The number of meeting of the Audit Committee and attendance of each member of the Audit Committee.
 - G. Opinions or remarks the Audit Committee obtains from the compliance with the charter.
 - H. Other items the shareholders and the public deserve to know and be informed under the scope of duties and responsibilities assigned by the Board of Directors.
7. Other duties assigned by the company's Board of Directors and the endorsed by the Audit Committee.

Nomination and Remuneration Committee

The Company's Board of Directors has approved the appointment of the nomination and remuneration committee since May 12, 2004. The nomination and remuneration committee is composed of six members, one of whom is the independent director and would act as the Chairman.

Name of the nomination and remuneration committee:-

Name		Position
1. Lt. Jg. Anan	Panananda R.T.N	Chairman
2. Mrs. Prapee	Sorakraikitikul	Director
3. Mrs. Sunanta	Tiasuwan	Director
4. Mr. Pramote	Tiasuwan	Director
5. Mrs. Pranee	Khunprasert	Director
6. Mrs. Panidda	Tiasuwan	Director

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Name of advisors to the Nomination and Remuneration Committee

1. Mr. Prida Tiasuwan
2. Ms. Pittaya Tiasuwan

Scope of Responsibilities of the Nomination and Remuneration Committee

1. To propose criteria and guidelines in selecting the Company's Board of Directors, Executive Directors, Finance Directors, Group Corporate Values Directors, Independent Directors and High-Ranking Executives and propose criteria and guideline for their remunerations and compensations.
2. To nominate, select and propose quality and qualified persons as the Company's high-ranking executives to the Board of Directors for approval of appointment and compensation payment.
3. To propose criteria, methods and steps of performance evaluation for high-ranking executives to the Board of Directors.
4. To evaluate the performance of the Company's Board of Directors, Executive Directors, Finance Directors, Group Corporate Values Directors, and High-Ranking Executives as assigned by the Board of Directors.
5. To consider and improve the Company's policy and compensation management procedures to ensure its compliance with the labor market during that period.
6. To empower the chairman of the Nomination and Remuneration Committee to pursue operations to ensure the compliance with abovementioned roles and responsibilities in an efficient and effective manner

Finance Committee

The Company's Board of Directors has approved the appointment of the Finance Committee on May 12, 2004,

and on the resolutions of the Company's Board of Directors on December 9, 2008, the eight members of the Finance Committee are as follows:-

Name		Position
1. Mrs. Sunanta	Tiasuwan	Chairman
2. Mrs. Prapee	Sorakraikitikul	Director
3. Mr. Pramote	Tiasuwan	Director
4. Mrs. Pranee	Khunprasert	Director
5. Ms. Pittaya	Tiasuwan	Director
6. Mr. Decha	Nuntanajaroenkul	Director
7. Mr. Chanat	Sorakraikitikul	Director
8. Mr. Dusit	Chongsutthanamane	Director

Advisor of the finance committee is Mr. Prida Tiasuwan

Scope of Responsibilities of the Finance Committee

1. In pursuit of funding according to resolutions of the meeting of the Board of Directors to be used as the working capital of the Group.
2. To analyze the potential investment projects, risk and benefits and anticipated gains to be submitted to the Company's Board of Directors for approval.
3. To control, supervise and analyze performance of the subsidiaries and potential investment projects for the Board of Director's consideration and improvement.
4. To perform duties and responsibilities in compliance with the laws, rules and regulations as well as policies of the Stock Exchange of Thailand.
5. To authorize the Chair of Finance Committee and risk Management and ensure the compliance with those responsibilities and duties in a manner of maximum efficiency and effectiveness.

Group Corporate Values Committee

The 4/2009 meeting of the Board of Directors held on March 9, 2009 has resolved to appoint the Group Corporate Values

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Committee whose key components include one chairman and seven directors with an aim to promote and support the share value creation within the group. To achieve this effort, it needs to promote the sense of participation of employees throughout the entire organization, standardize participatory activities, organize activities on a continuous basis, as well as apply activities and programs into real working practices and daily life according to the core values jointly adopted. Terms of the Group Corporate Values Committee are three years. The working committee whose terms expire may be re-appointed.

Name of the Group Corporate Values Committee is as follows:-

Name	Position
1. Mr. Pramote Tiasuwan	Chairman
2. Mr. Somsak Srirueangmon	Director
3. Mr. Chartchai Teekaveerakit	Director
4. Ms. Nirarat Tanalekhapat	Director
5. Mrs. Chawee jarukornvasin	Director
6. Ms. Sasisopa Wattakeecharoen	Director
7. Ms. Suporn Rungpitayatorn	Director
8. Mr. Kanching Devahastin Na Ayudhaya	Director

Name of advisors to the Group Corporate Values Committee

1. Mr. Prida Tiasuwan
2. Mrs. Panidda Tiasuwan
3. Mr. Chainarong Jitmetta
4. Ms. Runnapa Ngowngamratana

Scope of Authorities and Duties of the Group Corporate Values Committee

1. To integrate the organization's vision into actual practices under the share value development framework on the concrete and appropriate basis.
2. To promote and support the share value creation throughout the entire organization.
3. To promote the systemization, administration, appraisal and development, activities or programs which respond to the share value on the systematic basis as well as support the application as appropriate.

4. To promote communication and collaboration within the organization as a way to develop the cooperation among employees to ensure all act in the same direction hereby promoting better understanding in the corporate policies and convincing them to share the same vision in the best attempt to achieve the company's goals.
5. To promote good working environments in order to stimulate learning among employees and their morale throughout the entire organization.

Executives

Name of executives^{/1} as at December 31, 2011 according to definition of the Securities and Exchange Commission is as follows:-

Name	Position
1. Mr. Pramote Tiasuwan	Managing Director (Manufacturing)
2. Mrs. Pranee Khunprasert	Managing Director (Marketing)
3. Ms. Pittaya Tiasuwan	Deputy Managing Director (Manufacturing)
4. Mr. Decha Nuntanajaroenkul	Deputy Managing Director (Marketing)
5. Mrs. Chawee Jarukornvasin	Assistant Managing Director (Manufacturing)
6. Mr. Somsak Srirueangmon	Assistant Managing Director (Manufacturing)
7. Ms. Suporn Rungpitayatorn	Assistant Managing Director (Manufacturing)
8. Mr. Chanat Sorakraikitikul	Assistant Managing Director (Marketing)
9. Ms. Sasisopa Wattakeecharoen	Assistant Managing Director (Marketing)
10. Mrs. Nirarat Tanalekhapat	Assistant Managing Director (Marketing)
11. Mr. Thanet Panjakrid	Accounting and Finance Department Manager

Note: Executives^{/1} mean directors, managers or those who hold the first four positions lower than the managers (who hold the highest position of the Company), those who hold the position equivalent to the four executives including those who hold management positions in accounting or finance division from division managers or equivalent onwards.

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Selection Process of Directors and Executives

1. Selection of Directors

The Nomination and Remuneration Committee will take charge of considering and selecting quality and qualified persons for the Board of Directors to propose to the shareholder's meeting for approval in appointing the Company's independent directors.

2. Selection of Independent Directors

The selection of Independent Directors is required to comply with components of the Directors and qualifications of independent directors as determined by the Company and the regulations stated in the notifications of the Securities and Exchange Commission before proposing to the meeting of the Company's Board of Directors and/in the meeting of the shareholders to consider appointing the Independent Directors.

3. Selection of High-Ranking Executives^{/1}

The Nomination and Remuneration Committee will take responsibility for considering and selecting appropriate quality and qualified candidates based on their personal ability in its best bid to strengthen and increase business efficiency of the company and business competitiveness to the company in order to propose to the meeting of the Board of Directors for approval of appointment on the consent of the Company's Board of Directors.

Note: ^{/1} High-ranking executives^{/1} include the Company's president, senior vice president, assistant president and other positions determined by the Company's Board of Directors.

The Corporate Secretary:

Mr. Dusit Chongsutthanamane

The Corporate Secretary is the person appointed by the Company's Board of Directors to help handle various activities of the Board of Directors and the Company such as the meeting of the Board of Directors, the meeting of shareholders and other activities and provide advice to

the Company's Board of Directors to comply with the laws and relevant regulations on the regular basis; ensure the disclosure of the accurate, complete, transparent information, and promote the company's governance to achieve the widely-accepted good corporate governance standards.

Components and qualifications

1. The secretary should have at least basic knowledge about laws and regulations of the supervisory bodies about the public company laws, and the securities and exchange laws.
2. The secretary should have thorough knowledge and understanding in the principles of the good corporate governance and the best practices in the corporate governance issues.
3. The secretary should have knowledge in the Company's business and ability in good communications.

Role and Responsibilities of the Corporate Secretary

1. To prepare and gather important documents as follows:-
 - (A) Directors registration.
 - (B) Invitation letters of the Company's Board of Directors, Minutes of the Board of Director's meeting and the Company's annual reports.
 - (C) Invitation letters of the shareholders' meeting and minutes of the shareholders' meeting.
2. To prepare and collect reports on financial interests as reported by the Company's Board of Directors and executives.
3. To carry out other activities as stated by the Capital Market Supervisory Board.
4. To provide preliminary advice and recommendations pertaining to legal, regulatory, and governance issues and practices related to the Board of Directors and monitor to ensure the compliance with the said rules and regulations on the accurate and regular basis as well as report changes which are deemed significant to the directors.

5. To provide advice to the Company's directors in preparing reports on the financial interests of the Company's directors and to submit report on the financial interest to the Company's Board Chairman and the Audit Committee chairman.
6. To prepare important reports/information and/or summarize the resolutions of the meeting of the Company's Board of Directors to report to the Stock Exchange of Thailand both in Thai and English version
7. To prepare the draft policies on various administrations such as the policy on the good corporate governance, etc.
8. To inform the resolutions and policies of the Company's Board of Directors and shareholders to related executives and closely monitor the implementations according to the said resolutions and policies.
9. To contact and cooperate with supervisory agencies such as the Stock Exchange of Thailand, the Securities and Exchange Commission Office and the Commerce Ministry.
10. To contact and communicate with the shareholders and take care of the shareholders deemed as appropriate about the rights of the shareholders and the Company's information.
11. To ensure the Company and the Board of Directors complies with the laws and regulations of the Securities and Exchange Commission, the Stock Exchange of Thailand and relevant laws.
12. To manage the secretariat office to serve as the center for corporate records such as the juristic person register, the memorandum and articles of associations, the shareholder register and business licenses.
13. To take care of the Board of Directors' activities.

Remuneration of Directors and Executives of the Company

1. Remuneration to Executives. Remuneration in the form of cash between January 1, 2011 and December 31, 2011.

(A) Remuneration to Directors

(Unit: Million Baht)

Name	Salary / Bonus	Position's Allowance	Retirement Compensation and premium	Total
1. Mr. Prida Tiasuwan	5.245			5.245
2. Lt.Jg. Anan Panananda R.T.N.		0.855		0.855
3. Mr. Verachai Tantikul		0.747		0.747
4. Mrs. Sarita Bunnag		0.747		0.747
5. Mrs. Panidda Tiasuwan	1.547		5.000	6.547
Total	6.791	2.349	5.000	14.141

Note: Four remaining directors are not entitled to receive remuneration in item (A) but are made eligible to receive compensation in item (B)

(B) Total remuneration of the Company's Executive Directors and Executives

Type	No. (person)	Amount (Million Baht)
Executive Directors and Executives	12	26.097

Note: 1. Five directors are entitled to receive remuneration in this item.
2. Such compensation excludes compensation of the accounting and finance department manager.

2. Other remunerations

2.1 Provident Fund

In 2011, the Company has contributed additional fund to provident fund for the Company's Board of Directors, Executive Directors and Executives with details as follows :-

(A) The Company's Board of Directors

Name	Amount (Million Baht)
1. Mr. Prida Tiasuwan	0.162
2. Mrs. Panidda Tiasuwan	0.047
Total	0.210

Management Structure

(B) Executive Directors and Executives

	No. (Person)	Amount (Million Baht)
Executive Directors and Executives	12	0.814

2.2 Employee Stock Option Plan (ESOP) plan offered to the Company's directors and/or employees and/or subsidiaries.

The meeting of 2007 annual shareholders' meeting held on April 18, 2008 had resolved to issue and offer employee stock options amounting of 14,251,410 units which would be contributed to directors and employees of the Company and/or subsidiaries. And according to the notifications of the capital market supervisory board at Tor Jor.32/2008 on the offering of newly-issued securities to directors and employees dated on December 15, 2008, the Company has been allowed to go ahead with the offering plans. The notifications indicate the Company which has been endorsed by the office is required to implement the offering after the approval is set in the notifications.

As a result, the 2/2009 Board of Director's meeting on February 11, 2009 has resolved to approve the allocation and elaborated details of warrants to buy the Company's ordinary shares to directors and employees of the Company and/or subsidiaries. The Company has already reported details about the resolutions of the Company's Board of Directors via electronic system (SCP: SET Community Portal) of the Stock Exchange of Thailand on February 12, 2009.

(A) In capacity of the Company's directors

Name	Warrants (million unit)	% of warrants issued and offered totaling 14,251,410 units
1. Mr. Prida Tiasuwan	0.70	4.91
2. Mrs. Panidda Tiasuwan	0.70	4.91
Total	1.40	9.82

(B) In capacity of Executive Directors and Executives

	Number (person)	Warrants (million units)	% of warrants issued and offered totaling 14,251,410 units
Executive Directors and Executives	7	4.06	28.49

Inside Information Control

The Company has determined the principles of the best practice and responsibilities for executives and the use of inside information by the Company's employees in written statement that can be summarized as follows:-

They must not abuse power and responsibilities for the sake of personal interests or anybody's gains; not disclose confidential information of the Company for personal interests or to anybody without the due consent of the Company; not to perform any actions that may result in the conflict of interests to the Company without informing the Company. They must also not allow outsiders to get access to the Company's inside information which has yet to be publicized; not trade the Company's shares for personal gains or that of any others. The Company has imposed penalty courses in case there is infringement upon the use of inside information in irregular manner. Violators would be subject to disciplinary punishment and/or lawsuits as deemed appropriate.

Regarding reports on security trading of the Company's Board of Directors and executives, the Company has already sent an official letter to explain their liability in reporting their securities holding to the Securities and Exchange Commission according to Article 59 of the Securities and Exchange Act B.E. 2535. The Company has also informed the Company's Board of Directors every time there is purchase, selling, transfer or acquisition of securities. In 2011, the Company's Board of Directors has reported the shareholding by comparing an increase (decrease) between December 30, 2011 and December 30, 2010 as follows:

Management Structure

Name			No. of shares (shares)		No. of shares Increase (decrease) during the period (shares)
			30 December 2011	30 December 2010	
1.	Mr. Prida	Tiasuwan	24,216,420	24,076,420	140,000
2.	Mrs. Panidda	Tiasuwan	15,808,560	15,668,560	140,000
3.	Mrs. Prapee	Sorakraikitikul	12,406,860	13,505,560	(1,098,700)
4.	Mrs. Pranee	Khunprasert	10,766,660	12,856,860	(2,090,200)
5.	Mr. Pramote	Tiasuwan	10,280,560	10,506,260	(225,700)
6.	Mrs. Sunanta	Tiasuwan	2,420,500	2,750,500	(330,000)
7.	Lt. Jg. Anan	Panananda R.T.N	70,000	120,000	(50,000)

Note: 1) An increase of the number of shares arising from a purchase of securities and an exercise of warrants to buy ordinary shares (PRANDA-WA) allocated under ESOP Warrant scheme.
2) A fall in the number of shares arising from the disposal and transfers of securities.

Good Corporate Governance Report



The Company determines to operate its business on the Good Corporate Governance principles with the education of working awareness and morality to its employees as well as places an importance upon business operation with the fair realization of all shareholders and stakeholders. The Company has established a written Good Corporate Governance policy since 2000 as a scope of operation for the Board of Directors, Executives, and all employees to routinely apply the Company's Good Corporate Governance principles with all level of management of the business till the principles become good corporate culture which lead to the mutual value for practices such as providing fair treatment to all stakeholders, full capacity of operation for the Company's benefits with integrity, transparency, and can be examined. In 2007, the Company's Good Corporate Governance Policy was enhanced to be Corporate Governance Manual (CG Manual) by adding important policies of the Company to be in accordance with the Good Corporate Governance Principles for Listed Companies 2006 of the Stock Exchange of Thailand as well as following the Principles of Corporate Governance of the organization for Economic Co-operation and Development (OECD). In 2008, the Board of Directors had considered the 2nd improvement of the context of the Company's CG Manual, with appropriate rearrangement with additional complete details following the Securities and Exchange Act (No. 4) B.E. 2551, the Chapter 3/1 "Governance of Publicly Traded Company", which was distributed on December 9, 2008 to the Board, Executives, and employees for acknowledgement and practice, as well as disseminated to all related parties through the Company's website.

With such a determination, the Company received the 4 stars from the Corporate Governance Report of Thai Listed Companies 2011: **Very Good** from the survey of Corporate Governance Report of Thai Listed Companies by the Thai Institute of Directors (IOD). The Company was one of 171 listed companies which received "Very Good" from the total of 497 listed companies. In addition, the Company which received **"Excellent Good + Showcase"** from the quality assessment of the 2011 Annual General Meeting of Shareholders by the Thai Investors Association which assessed 416 listed companies. The results indicate that the Company has continuously placed and importance Good Corporate Governance development with determination which the important factor is reflecting the efficient corporate administration to long-term create value added to the shareholders.

The Company still maintains its compliance to the Good Corporate Governance policy which the Company has stipulated, as well as provides improvement and guidelines development by annually disclosing the compliance result. For the year 2011, the Board of Directors supervised the strict compliance of the Good Corporate Governance policy of the Directors, Executives, and employees. Thus, there was no incidence in which non-compliance against the Company's Good Corporate Governance policy was occurred and the results of the compliance are as follows:

Good Corporate Governance Policy

The Board of Directors of the Company had established a written Good Corporate Governance policy as a principle of operation for the Directors, Executives, and all employees. The policy received the improvement twice to be the Corporate Governance Manual : CG Manual. The Corporate Governance principles of the Company are in accordance with His Majesty the King's economic sufficiency philosophy with the royal remark for sustainable development. The philosophy focuses on the balance and readiness to quick changes which places an importance upon knowledge usage with carefulness and morality which are the same as the Company's 8 basic principles, namely:

1. Accountability – To be responsible for the decision and action of oneself and to explain the decision making
2. Responsibility – To be responsible for the operation of the duty with sufficient capability and efficiency
3. Integrity
4. Equitable treatment to stakeholders
5. Transparency in the operation which can be examined and of the information disclosure to related parties
6. Business Ethics
7. Vision to Create Long Term Value to the Company
8. Corporate Social Responsibility

The Company also follows the guidelines of the Good Corporate Governance as promoted by the Stock Exchange of Thailand with the determination for the Company's Board and Management to enhance the Corporate Governance to reach the international standard for the benefit of the Company and the competitiveness and growth of the Thai Capital market, as well as to support Thailand's economic sustainable growth. The Company's Good Corporate Governance principles can be divided into 5 sections:

Section 1: Responsibility of the Board of Directors

1. Leadership and Vision

The Board of Directors, as a representative of the shareholders,

is entitled to supervise the management and administration of the Company to comply with the law which follows the objective and regulations of the Company. Also, the philosophy of economic sufficiency shall be applied with the business operation with the stipulation of vision, mission, strategy, policy, objective, and business plan of the Company to follow the principles of "Growth Sufficiency", "Reasonability of Business Operation", and "Good Protection for Business", of which are mainly under the expertise and ethical business operation.

The Board of Directors has appointed the Share Value Promotion Committee to promote Share Value among the group of companies. The employees have to thoroughly take part and systematically improve share activities with continual, including harmoniously apply the project activities with way of operation and way of life following the mutual share value.

The Core Value Promotion Committee appointed new committees and sub-committees in 2011. Mr. Pramote Tiasuwan, a managing director (Manufacturing) was appointed as Chairman of the Committee. The Committee's policy continued to support and create a share value among the group of Companies which is a core element of PRANDA, consisting of 3 components as follows:

- **Teamwork**

Cooperative effort to enhance common motivation which leads to mutual cooperation of all level of employees to achieve the Company's goal.

- **Continuous Improvement**

To build up opportunity and concern the importance of improvement and continuous development which always lead to better thing in terms of the level of personnel, units, and the Company following customers' needs and ever changing environment.

- **Stakeholder Focus**

Attention, fairness and transparency must be performed during the operation by focusing on the benefit of stakeholders, namely, shareholders, employees, customers, trade partners, creditors, competitors, communities, and the society.

To respond to the above PRANDA's core components, the Committee has organized staff campaigns and activities under which in 2011 a new framework was developed which can be divided into 10 projects. The details are included in "CSR and Core Values."

2. Structure of the Board of Directors

The specification of the structure and composition of the Company's Board of Directors has been considered of the appropriateness of the structure of the present Board of Directors in comparison with duties of the Board to be in accordance with the Company's regulations and code of conducts concerning the Board of Directors which are stipulated by the Board of Directors (for the composition, qualification, and scopes and duties of the Board of Directors disclosed in "Management Structure".)

Presently, the 9 members of the Board of Directors are suitable with the Company's business. Each of the members possesses various qualifications in terms of knowledge, specific capability, work experience, skill, expertise, and age which are beneficial to the operation of the Board of Directors to determine the direction and policy of administrative supervision and operation of the management. The profiles of each member are disclosed in "Board and Management Biography" Nonetheless, all of the members of the Board of Directors have no criminal records concerning asset acquisition from corruption as well as no record of transaction which may lead to the conflict of interest with the Company.

3. Power check and balance of Non-Executive Directors

There are 9 members of the Board of Directors which consist of 4 Executive Directors and 5 Non-Executive Directors. The Non-Executive Directors consist of 3 Independent Directors or no less than one-thirds or accounting for 33.33% of the Board of Directors to ensure their duties as representatives of shareholders with check and balance and appropriate examination. The Company has changed the "definition of Independent Directors", stipulated as the Company's Code of Conducts Re: The Board of Directors disclosed in Management Structure, in order to be in accordance with the principles specified by the Capital Market Supervisory Board (CMSB).

4. Integration and Separation of Position

The Company has separated the position of the Chairman and the Managing Director and they are not the same person in order to create check and balance of power and to prevent any conflict. The roles, duties and responsibilities are clearly separated as follows:

- **Board Chairman** has a duty as the strategic and supportive leader to encourage all members of the Board of Directors to attend meetings, supervise and support the management's mission operation through the Managing Directors with no interference over routine job or daily business which are responsible by the Managing Directors.

Although the Chairman of the Company is not an Independent Directors, the structure of the Board of Directors consists of one-thirds Independent Directors of the Board which lead to the suitable check and balance of power in the operation.

- **Managing Directors** have the main duty to supervise and manage the Company to follow the Vision, Mission, strategy, and policy specified by the Board of Directors.

5. Remuneration of the Board of Directors, Executive Directors, and Executives

The Remuneration of the Company's Directors, Executive Directors and Executives has been clearly processed with transparency at the appropriate level within the same industry and is based on duties, responsibility, and connection to the Company's operating results. The Remuneration of the Board of Directors shall receive the consideration of screening from the Nomination and Remuneration Committee and shall be proposed to the Board of Directors prior to presenting to the shareholders' meeting for approval.

The Remuneration of the Executive Directors and Executives shall be in accordance with the principles and policy stipulated by the Board of Directors which connects to the Company's operating results with annual Key Performance Indicator (KPI) and the Remuneration is paid in the form of monthly salary. The Remuneration of the Board of Directors, Executive Directors, and Executives in 2011 is shown in "Management Structure".

6. Meeting of the Board of Directors

The Board of Directors' quarterly meetings are normally scheduled in advance for the whole year to facilitate the Directors' time for every meeting in order to maintain the Company's benefit. Special agendas may be held as appropriate. The meeting invitation letter with meeting document shall be send within no less than 7 days in advance to the Directors for studying and preparation for the meeting. Normally, each meeting will take approximately 2-3 hours. The meeting report with important information will be recorded with accuracy and completeness within appropriate period. Also, the reports of the previous meetings of the Board of Directors which received acknowledgement from the Board of Directors are also well recorded for the auditing of the Board of Directors, shareholders, related parties, and can be referred to. The summary of the meeting attendance of the Company's Directors and the Sub-Committees in 2011 is illustrated in Table 1 at the end of this "Good Corporate Governance Report"

7. The Sub-Committees

The Board of Directors has appropriately appointed important Sub-Committees which include knowledgeable and expertise persons to help screening assigned matters which lead to initial accuracy, clearness, and completeness prior to proposing to the Board of Directors for consideration of approval or acknowledgement, depending on the case, to support the management of the Board of Directors. There are 5 Sub-Committees, namely:

7.1 Executive Committee consists of 4 Directors from the 7 Executive Directors and 3 members are not in the position of the Company's Directors with the duties and responsibility to consider approval of the Company's supervision to be in the scope as authorized by the Board of Directors as well as to screen matters prior to proposing to the Board of Directors for consideration of approval.

7.2 Audit Committee consists of 3 Independent Directors: one of which has a good knowledge of financial and accounting, whose qualification completed as stipulated by the Stock Exchange of Thailand, appointed by the Board of Directors. The mission of the Board of Directors consists of review of the financial report, review of the internal control system, and organizing internal auditing system, review the Company's compliance to the Securities and Exchange law, the regulations of the Stock Exchange of Thailand and related laws concerning the Company's business, consideration of selection and appointment of auditors, consideration of connected transaction or conflicts of interest transaction, providing report of the corporate governance of the Audit Committee which is disclosed in the Company's Annual Report and signed by the Chairman of the Audit Committee.

7.3 Nomination and Remuneration Committee consists of 6 Directors with an Independent Director in the position of Chairman. Though the 5 Directors are not Independent Directors, the process and procedures of the nomination of the Directors and High-Ranking Executives follow the Best Practices with clearness and transparency as same as other listed companies in the same industry, and in accordance with the long-term benefit of the Company and all stakeholders.

Good Corporate Governance Report

7.4 Finance Committee consists of 4 Directors of the Company's Board of Directors and another 4 members are from the nomination of person with knowledge and expertise in business of specialty to seek funding and analyze investment, as well as to prevent and control risk factors which may have impacts on the Company's operation.

7.5 Group Corporate Value Committee consists of 1 Director of the Company's Board of Directors and another 7 members are from the nomination of the Executives of the Company and its subsidiaries to promote and connect the Company's vision to the habitual operation throughout the Company in the same direction under the scope of the Share Value with appropriateness and concreteness.

8. Report of the Board of Directors

The Board of Directors has a responsibility toward the consolidated financial statements and the Company's financial statements, including the financial information appeared in the Annual Report. The financial statements are implemented in accordance with the general accepted accounting standard in Thailand, and are disclosed with enough important information in the remark of the Company's financial statements.

The Board of Directors has to maintain the effective internal control system to reasonably ensure the accurate and complete accounting record of the information with efficiency to maintain the assets in order to prevent any significant abnormal operation.

9. Nomination and the Directors' positioning term

The Company has stipulated the term of the Company's Directors of which the details are appeared in this part under "Management Structure".

10. Succession Plan

The Board of Directors has stipulated the succession plan of Chairman of Executive Committee and Executives level

over Department Managers of the Company to maintain the confidence of the stakeholders such as shareholders, customers, and employees that the Company's operation will continue the stable growth policy with sustainability under the ethics for business operation. The Board of Directors has established projects for knowledge development to increase skill of the Executives to be suitable with their duties with appropriate assigned works.

11. Evaluation of the Board of Directors

The Board of Directors has stipulated the performance evaluation of the Board of Directors by following the evaluation form from the Stock Exchange of Thailand as a constant guideline of the evaluation and the scope of operational examination of the Board of Directors. The overall performance evaluation of the Board of Directors can be categorized into 10 subjects which are in accordance with the Good Corporate Governance principles, namely, 1) Structure and qualification of the Board of Directors; 2) Roles, duties, and responsibility of the Board of Directors; 3) Meetings of the Board of Directors; 4) Duties of the Company's Directors; 5) Relationship with the management; 6) Self-development of the Board of Directors and development of the Executives; 7) Strategic and business planning; 8) Management of risk and internal control; 9) Prevention of conflicts of interest; and 10) Tracking financial reports and operating results.

In 2011, the Board of Directors had performed their duties and responsibility with appropriateness following the Best Practice of the Directors.

12. Development of Directors and Executives

The Board of Directors has a policy for the newly appointed Directors by providing a brief information of business and structure of the group of companies, the operation of the group of companies, regulations, rules, important policies, and business ethics, including code of conduct of the Directors following the regulation of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) to ensure their complete capability as

a listed company's Directors. In addition, the Company also provides presentations on jewelry industry, operating results, and present and future important project plan.

The Board of Directors has encouraged the Company's Directors to receive knowledge for continuous development to increase understanding of roles, duties, and responsibility, and promoted efficient performance skill as the listed company's directors through seminars held by related organizations such as the Institute of Directors (IOD) as shown in Table 2 at the end of this "Good Corporate Governance Report".

In addition, the Company applies several training courses for Executives and related staff such as Corporate Secretary course, Good Corporate Governance course, Internal Auditing Course, and other related courses held by organizations and institutions to extend knowledge and understanding of duties and responsibility as well as help fully support the performance of the Board of Directors and the Sub-Committees.

13. Corporate Secretary

The Board of Directors appointed Mr. Dusit Chongsutthanamee as the Corporate Secretary on December 19, 2008 to help proceed activities of the Board of Directors of the Company and the Company, namely, meetings of the Board of Directors and shareholders, providing suggestion to the Directors and the Company in the performance and the operation to be in accordance with law and other related rules with consistency. In addition, the Corporate Secretary has to ensure the accuracy, completeness, and transparency of the information disclosure of the Company's Directors and the Company to promote the corporate governance to be compliance with the Good Corporate Governance standard. The details of composition and qualification, including responsibility of the Corporate Secretary are in "Management Structure".

Section 2: The Rights of Shareholders, Equitable Treatment of Shareholders, and Roles of Stakeholders

1. The Rights of Shareholders

The Company has determined to hold on to the policy concerning the responsibility toward the shareholders by establishing the written policy and announcing the implementation since 2000. The policy is improved and included in the manual of the Company's Corporate Governance principles which is disseminated through the Company's in-house communication channels, including its website in order to be treatment toward shareholders guidelines as they are the owners of the business which reflects the respect to the basic rights of the shareholders, namely:

- The right to stocks trading or transferring
- The right to attend the shareholders' meeting
- The right to appoint proxies to attend the meeting and to vote on their behalf
- The right to propose remuneration of the Company's Directors
- The right to vote for appointment or demotion an individual Director
- The right to vote for appointment and propose the remuneration of the Auditors
- The right to vote for matters awaiting for the approval from the shareholders' meeting
- The right to receive the Company's profit sharing
- The right to express opinion and make inquiry at the shareholders' meeting as well as provide the alternative for the shareholders who cannot attend the meeting to appoint the Independent Directors as proxies to attend the meeting and cast the vote.
- The right to be equally informed of significant information or news of the Company in due time with accuracy, sufficiency, and can be examinable, of which the present information or news shall be informed via the website.

Good Corporate Governance Report

Shareholders' Meeting

The Board of Directors places an emphasis upon the organization of the Annual General Meeting of the shareholders to provide an opportunity for the shareholders, business owners, to acknowledge the Company's operating results and to take part in decision making of important matters of the Company, including to examine the operation of the Board of Directors and the Management of the Company. The Company's shareholders' meeting is compliance with the law and the guidelines in the AGM Checklist manual of the Thai Investors Association, the Thai Listed Companies Association, and the SEC.

In 2011, the Company had held 1 shareholders' meeting, namely, "the 2010 Annual General Meeting of Shareholders" on Wednesday 20th 2011 at 14.00 hours, meeting room on the Cattleeya Room, Novotel Bangna Bangkok Hotel. and provided buses for picking up the staff from 12.00 – 13.20 hours at the parking lots of Tesco Lotus Superstore On Nuch near On Nuch BTS station. The Company also provided a suitable banquet to the attended shareholders as well as facilitation for the meeting with meeting registration and computerized voting system which were convenient to the shareholders. After the completion of the meeting, the shareholders were invited to visit the Company's business operation.

Prior to the Meeting Date of Shareholders

With the resolution of the meeting of the Board of Directors to schedule the Shareholders' Annual General Meeting 2010, the Company had seek related information in advance for the shareholders' decision making with sufficiency in due time by implementing as follows:

- The Company had informed the meeting schedule and agendas to the shareholders through the electronic information communication system of the Stock Exchange of Thailand and the website of the Company in advance on February 29th , 2011, or 50 days prior to the meeting date, before sending of the document to the shareholders.

- The Thailand Securities Depository Co., Ltd. (TSD), the Company's registrar, had sent the invitation letter of the Shareholders' Annual General Meeting 2010 with meeting agendas to the shareholders on April 4th , 2011 which was in accordance with the law stipulating that a listed company shall send the invitation letter to the shareholders at least 14 days prior to the meeting date for the shareholders to sufficiently study the meeting information prior to the meeting. The aforementioned invitation letter and meeting documents had also been posted on the Company' website since March 18th , 2011 for a month before the meeting date. The meeting invitation letter consisted of:

- Facts, reasons, and opinions of the Board of Directors
- A copy of the previous Shareholders' Annual General Meeting for the shareholders' consideration of approval
- The Company's Annual Report with important information concerning the Company and the operating results in the past year
- Details of information for consideration of every agenda such as the agenda of the appointment of Directors to replace the Directors whose term had reached completion. A short profile of the Director consisted of age, education, past and present positions, the Company's shares held, numbers of terms in the position of the Company, positions in listed companies and other business which might cause conflicts of interest with the Company, and other legal disputes.
- Explanation of proxy appointment, registration, showing the meeting document, and voting.
- Complete profile of Independent Directors whom the shareholders could consider as proxies.
- Meeting attending procedures
- The Company's regulations which were specifically related to the shareholders' meeting
- Map to the meeting's venue
- Three proxy appointment forms as stipulated by the Department of the Business Development, the Ministry of Commerce, consisting of Form A. for



general proxy appointment which is simple and not complicated; Form B. for proxy appointment with clear ; and Form C. for foreign shareholders who wish to appoint custodians in Thailand as securities keepers.

- Reply envelop to return the proxy form to the Company (in case when the proxy provided to the Independent Directors)
- Announcement and advertisement of meeting invitation had been in the newspapers on April 12th, 18th, and 19th, 2011, for 3 consecutive days and no less than 3 days prior to the meeting date as stated in the Company's regulations and the Public Limited Company Act B.E. 2535.
- The Company's implementation guidelines has been continuously followed in every year concerning the minority shareholders as follows:
 - Proposition of the meeting agendas of the shareholders' meeting
 - Proposition of the candidates to be appointed as Directors
 - Inquiries to be submitted prior to the Shareholders' Annual General Meeting

The shareholders are invited to unofficially submit the aforementioned subjects in advance via the Company's website at www.pranda.co.th or www.pranda.com in October to December till the written information is received from the shareholders. Then, the Company will disclosed the reasons of the consideration of the Board of Directors to include or not include the subject proposed by the shareholders as meeting agendas in the website of the Stock Exchange of Thailand for equal acknowledgement.

For the 2011 Annual General Meeting of Shareholders, there were no shareholders proposing any meeting agendas, candidates to be appointed in the position of Directors, and any advanced questions. In addition, the Board of Directors of the Company had included an agenda of consideration of others (if any) for the shareholders to propose subjects

for the meeting's consideration which was in accordance with the Public Limited Company Act B.E. 2535, Section which stipulates that the shareholders having shares in total of no less than one-thirds of the total sold shares may ask the meeting to consider other matters apart from matters indicated in the meeting invitation. It appeared that there were no other matters proposed at the meeting for consideration. There were only suggestions and inquiries which were recorded in the meeting report.

The Shareholders' Meeting

The Company had facilitation for the meeting attended shareholders and the meeting was operated with transparency and could be examinable as well as the shareholders had a complete opportunity to make inquiries and provide suggestion in each agenda as follows:

- The Company focused on the convenience of the shareholders by providing bus services to pick up the shareholders at 12.00 – 13.20 hours from the meeting point at the parking lots of Tesco Lotus Superstore On Nuch near On Nuch BTS station to the meeting venue of the Company. There were enough parking lots for the shareholders with cars.
- The Barcode registering and voting system were prepared for the shareholders to register at least one hour ahead of the meeting and continue till the meeting was finished. Souvenirs and a banquet were suitably offered to the attended shareholders.
- The 9 members of the Board of Directors had attended the meeting which accounted for 100% of the total Directors. High-Ranking Executives and representatives of the auditors also attended the meeting to answer and acknowledge the opinions of the shareholders.
- Before entering the meeting's agendas, the Chairman of the meeting asked the Managing Director to explain the meeting and voting procedures.
- The meeting was proceeding with the order of the meeting's agendas which were informed in the shareholders' meeting invitation.

Good Corporate Governance Report

- Vote counting with voting card was included in the agenda required approval and the agenda of election of Directors for individual voting with transparency and could be examinable.
- The shareholders who attended after the meeting had begun had the right to vote in the agenda of which was in consideration and the resolution had not been finalized.
- The meeting and voting of each agenda were completely recorded.
- Upon the completion of the meeting, the shareholders were invited to visit the Company's business operation.

There were 76 shareholders who attended the 2010 Annual General Meeting of Shareholders by themselves and by proxies with the total shares of 198,029,400 shares, representing 49.37% of the total paid-up shares of 401,087,854 shares.

After the Shareholders' Meeting

The Company informed the resolution of the Shareholders' Annual General Meeting 2010, indicating the number of votes of each subject with separation of votes, namely, "Agree", "Disagree", and "Abstain" with the indication of vote proportion of each type, of which the document was submitted to the Stock Exchange of Thailand and the online submission via the SET Community Portal (SCP) on the day after the completion of the meeting.

There were no changes of agendas order and no requests for the meeting to consider other matters which were not included in the 2010 Annual General Meeting of Shareholders.

The report of the 2010 Annual General Meeting of Shareholders was in a written form which completely concluded significant information of each proposed subject to the meeting, inquiries from the shareholders and explanation of the Board of Directors, as well as

suggestion and additional opinion of the meeting, including the meeting's resolution with votes of each type and the portion of votes of each subject by the Corporate Secretary and signed by the Chairman of the meeting and the Company's Directors with authorization. The meeting report was submitted to the Stock Exchange of Thailand and the SEC, as well as the Department of Business Development for examination and reference. Also, it was posted on the Company's website at www.pranda.com on April 28th, 2011 prior to the dissemination date of within 14 days after the meeting date as stipulated by law.

With the aforementioned proceeding, the Company received 100 points from 100 points, with the range of **"Excellent + Showcase"** from the Evaluation of the Annual General Meeting of Shareholders (AGM) of the Thai Investors Association, the Thai Listed Companies Association, and the SEC. The Company was one of 416 listed companies to receive the points at the level out of 416 companies.

2. Equality of the Shareholders

The Board of Directors and the Management has held on to the principles of treatment to the shareholders as indicated in the rules and regulations of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) to maintain the status of the listed company in the Stock Exchange by ensuring the shareholders' equitable treatment and receiving the basic protection to receive the Company's news and information. Apart from the compliance with the regulation of the information disclosure of the SET and the SEC, the Company has increased an access to the Company's information channel through the Company's website which receives continuous development. The information in Thai and English, consist Press Release, Analyst Meeting, Opportunity Day which is held at the SET, including offering an opportunity to the majority shareholders to propose matters to the Board of Directors for consideration to include the matters in the meeting's agendas. Also, they can propose candidates to be the Company's Directors as well as policy concerning confidentiality and access to

undisclosed internal information which may lead to the dishonest benefit of oneself or others. The stipulation will be stipulated for the practice of the Directors, Executives, and all level of staff.

3. The Rights of Stakeholders

The Company respects the rights of all groups of stakeholders and has a policy to fully provide the rights to the groups, namely the internal stakeholders such as employees and Executives of the Company and its subsidiaries, and the external stakeholders such as shareholders, customers, trading partners, creditors, and competitors, including the public and the society. The treatment toward the stakeholders can be summarized as follows:

- Shareholders : The Company determines to be a good representative of the shareholders by performing business with transparency and creating the utmost benefit to the shareholders with the realization of the long-term growth of the Company with satisfactory and continuous return. In each year, the Company pays the dividend as the stipulated policy of the Company i.e. to pay the dividend of no more than 60% of the net profit. In the past 5 years, the Company had paid the dividend by 52.75% – 59.97% of the net profit of each year. Moreover, There was no action which prohibited or derogated the rights of the shareholders. In 2011, the Company provided the company visit at Bangkok Factory (Bangna) with our shareholders amount of 56 persons as of July 28th, 2011 in order to make them understand our operation and meeting with management. There were no complaints of disrespect of the basic rights of the shareholders or any wrong doings of the Directors of Executives

concerning the access to the internal information.

In 2011, there was no dispute case between the Company and Shareholders.

- Employees : In 2011, the Company continued to adhere to the policy which places due importance to the employees because they are valuable resources of the organization. The Company continuously organized campaigns to improve staff's quality of life such as providing knowledge to the staff by launching Pranda Knowledge Center managed by the Academic Committee. A training budget was set at over one million Baht for both internal and external trainings for all staff from every level. The training has resulted in the Company's well productivity and efficiency. Nursery center has been operated for 23 years to help lessening employees' burden of taking care of their children. In addition, the Company provided assistance in regard to staff's property stability such as setting up saving cooperative, provident fund and projects to resolve debt problems and provide legal advice. Apart from this, the Company improved employee housings which now comprise 3 buildings with 100 units each and good quality of cafeteria with cheap price, increased subsidizing funds for various benefit programs such as marriage gift, sponsor of ordination, funeral aid for father and mother, inpatient medical care etc. These actions led to the significant decrease in employee turnover ratio. This year, the turnover ratio of skillful employees

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is less than 2%. The practices under Thai Labour Standard (TLS) require non-violation of human rights, non-using of child labour, safe working environment in accordance with industrial hygiene standard, non-discretionary, respect of equality and remuneration not lower than legal requirements.

In 2011, there was no dispute case between the Company and the employees

- **Customers** : The Company has efficiently expanded its new customer base and still maintained its existing customers with products' quality at international level with appropriate price and impressive services.

In 2011, there was no dispute case between the Company and the Customers.

- **Trading Partners and**

Creditors : The Company's stipulated policy of procurement aims to appropriately perform business with the trading partners with fairness and efficiency by following an agreement with the trading partners and creditors to provide complete and actual financial information and to create good relationship which lead to the consistent confidence of the trading partners and creditors concerning the Company's financial status.

In 2011, there was no dispute case between the Company and the Trading Partners and Creditors.

- **Competitors** : The Company's policy and treatment of the competitors are included in the manual of the Corporate Governance under the section of "Ethic" by accordingly treating the competitors with the international standard under the legal scope concerning the trading competition practices without violating or knowing the trading secret of the competitors through deceptive methods, of which the Company has strictly followed.

In 2011, the Company had no disputes with the trading competitors.

- **Society and**

Environment : The Company continues to comply with UN Global Compact principles and gives assistance to society, both internal and external, such as setting up measure to help executives and employees who have been subject to the flood crisis. As for assistance to external parties, the Company donated money to flood victims through foundations and institutions, sent volunteer employees to help relieving difficulties from the flood crisis in various places and provided work opportunity for more than 30 disable persons. The Company received "Self-Help Organizations of Disabled People" award from the Ministry of Social Development and Human Security.

Moreover, the Company places an importance upon the conservation of limited natural resources with the utmost utilization for the sustainable abundance. It, therefore, appointed a working group for dealing with environment-related task

called 7S and energy saving project, aiming to keep cleaning and preserve energy under sustainable basis. Cleaning measure and recycle bank were then established. During the flood crisis, the recycle bank donated empty bottles to various agencies for containing liquid microorganism and distributed to the victims. In addition, the Company participated in activities for external society such as donating UHT packages to Beverage Carton Group for eco board production to produce roofs and boats for the victims. The Company continued to organize many public activities with an aim to build up social and environment awareness to the staff of all level. The details on the Company's activities in 2011 can be found in "CSR and Core Values"

In 2011, the Company had no disputes with the CSR and Core Value.

Communication Channels with Stakeholders

The stakeholders can directly communicate with the Company through the Company's Directors or the Audit Committee, 28, Soi Bang Na - Trad 28, Bang Na Sub-District, Bang Na District, Bangkok 10260, or through the Company's provided channels such as the Company's website at www.pranda.co.th, or the electronic mails (emails) as follows:

The Board of Directors	board@pranda.co.th
Corporate Secretary Office	corporatesecretary@pranda.co.th
Investor Relations	ir@pranda.co.th
Public Relations	pr@pranda.co.th

Other appropriate communication channels are also welcomed. Moreover, the stakeholders can inform of any clues or

complaints about illegal action, unethical action, inaccurate financial report, or defected internal control system to the Audit Committee for further examination and reporting to the Board of Directors. For the important group of stakeholders of employees, the Company has provided guidelines and complaint process in the Company's regulations concerning Human Resources Management.

Section 3 Disclosure of Information and Transparency

1. Disclosure of Information

The Board of Directors has supervised the disclosure of information of the Company with accuracy, completeness, sufficiency, being present, in due time disclosure, transparency, can be examinable. Throughout 2011, the Company had disclosed the information in accordance with the SET's regulations concerning the disclosure of information of the listed companies with completeness within the due period and submitted to the SET and the SEC, and submitted online through the SET Community Portal (SCP) by the Company's information technology was disseminated to the shareholders via the SET's website at www.set.or.th and other systems of the SET. The disclosure of information of the Periodic Reports such as Financial Statements, the Annual Registration Statements (Form 56-1), the Annual Report (Form 56-2), etc. were reported with the total of 16 times as well as, the Non-Periodic Reports such as the Annual General Meeting's schedule, date, and venue, including meeting agendas and the book closing date for collecting shareholders names for the right to attend shareholders meetings and the right to receive the dividend payment, details of annual dividend payment, including the interim dividend, notification of the resolution of the Annual General Meeting of Shareholders, notification of the procedure prior to the AGM date, notification of the change of Managing Director, reappointment of Audit Committee, notification of the allocation and details of the warrants of the Company to the Directors and the employees of the Company and/or its subsidiaries, and notification

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of the warrants exercises result of the Directors and the employees, and notification of the related transactions were reported with the total of 9 times.

The Company has always complied with the regulation of the disclosure of information with accuracy and never been punished with the case of no submitting the report or delaying the report submission as stipulated by law. Since the Board of Directors places an importance upon any action or operation which does not limit the opportunity of the shareholders to study the information of the Company, the communication channels with the shareholders, including investors, people in general, and the public are established. Apart from the communication channel following the regulations and rules stipulated by above related law, to facilitate the through access to the information of the Company, the Company's website, www.pranda.co.th, is established for information dissemination in Thai and in English version under the section of "Investor Relations."

Apart from the aforementioned disclosure of information which was in compliance with the regulations stated by the SET and the SEC, in 2011, the Company had provided its information and important activities as follows:

- The Management Discussion and Analysis (MD&A) was aimed to quarterly provide analysis explanation of the financial status, operating results, and significant changes to the shareholders and security analysts via the SET Community Portal (SCP) of the SET with the financial statement.
- The dissemination of information through investor relations activities consisted of Company Visit for investors and interested group of persons, totaling 4 times, Opportunity Day which was held the SET on March 17, 2011, and August 24, 2011 at the Stock Exchange of Thailand Building for the listed companies to meet with the investors, analysts, and the press to provide information, movement, business operation, and future plan, and the quarterly Newsletter of PRANDA group of companies in Thai and in English.

- The information dissemination through the press, in 2011, was performed through 32 newspapers.

2. Financial report

The Board of Directors of the Company has assigned the Audit Committee to review the Company's financial report for accuracy, completeness, transparency, and sufficiency to maintain the assets, including preventing any corruption or abnormal operation, following the general accepted accounting standard, and laws and related notifications which lead to the stakeholders' confidence in the financial report. In doing so, the Audit Committee annually has at least 4 meetings with the Auditors without the presence of the Management to ask the Auditors in several matters. In addition, the Board of Directors has to provide the report of responsibility of the Board toward the financial report which covers important matters following the best practice for the Directors of the listed companies suggested by the SET. The report shall go with the report of Auditors. In 2010, the Auditors from Ernst & Young Office Limited were the Company's Auditors who had knowledge and professional skill with no conflicts of interest which might lead to the dependency, fairness, and completed qualification as specified to create confidence to the Directors and the shareholders that the Company's financial report reflected the accurate and creditable financial status and operating results of the Company in all aspects.

3. Investor Relations

The Company's Investor Relations is responsible for the communication of the Company's activities news which is beneficial to the investors to create good relationship between the Company and the shareholders, institute investors, general investors, securities analysts, the related government sector with equality, including planning of annual investor relations which is consistently joined by the High-Ranking Executives of the Company. The Managing Directors and the related High-Ranking Executives will present the operating results and provide additional



information as well as answering the meeting's inquiries at meeting with securities analysts, investors, and the press. The contact person is Mr. Dusit Chongsutthanamanee, telephone number 02-361-3311 extension 431, the Company's website is at www.pranda.co.th, email is ir@pranda.co.th, or mails can be sent to the Company's address.

Section 4: Risk Control and Management

1. Control System and the Internal Auditing

The Company sees the importance of the efficiency of the internal control system at the management and the operational levels. The scopes, duties, and authorization of operational executive level are clearly written to supervise over the Company's assets utilization with the utmost benefit, budgeting system and feasibility study of the investment project prior to the investment decision, as well as distinction of duties of the operator and the controller whose evaluation is separated to create the check and balance and to appropriately examine each other.

On February 28th, 2012, the Board of Directors had answered to the evaluation of sufficiency of the internal control system of the Company and its subsidiaries. The details of the evaluation are categorized into 5 topics, namely, 1) Organization and Environment; 2) Risks Management; 3) Operational controlling of the Management; 4) Information and Data Communication System; 5) Recording System. The important summary of the evaluation covering 5 categories is included in the "Management Structure."

2. Risks Management

The Board of Directors places an emphasis upon the risks management by assigning the Finance Committee to specify the scopes and policy of the risks management and to hold meetings every 6 months with the Executive Committee to stipulate and evaluate the risks caused by the internal and the external factors of the Company. In June and December

2010, the report of risks evaluation of each units of the Company was set up to stipulate the protection standard and risks management, including the guidelines of risks management to be at acceptable level. The risks which might have an impact on the Company's operation were stipulated such as Strategic risk, Operational risks, and financial risks. The details are included in "Risk Factors."

Section 5 Ethics

1. Ethics

The Company stipulated the "Principles Practice of Responsibility for Executives and Staff of the Company" in written form on December 22th, 2000 which is a part of the policy of Corporate Governance to be a guideline and best practice for the Company's Directors, Executive Directors, Executives, and all staff to strictly follow based on the business operation focusing on efficiency, effectiveness, transparency, holding on to responsibility toward the stakeholders, and providing appropriate return to the shareholders, as well as creating stable growth with progression by consistently following the aforementioned practice. The Company's ethic covers responsibility of the Executives toward shareholders, customers, staff, trading partners and creditors, trading competition, society, and responsibility of the staff toward the Company.

2. Internal Information and Securities Trading

The Company gives an importance upon disclosure of financial information and other information concerning the business and the operating results of the Company with accuracy, completeness, sufficiency, creditability, in due time disclosure, consistency to the shareholders, investors, securities analysts, and other people in general. The Board of Directors is determined to ensure the strict compliance to laws and regulations, rules concerning disclosure of information and transparency. Upon any change of securities trading of the Company's Directors or Executives following the regulations of the SEC, the report will be always

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submitted to the Surveillance agency. The Company's internal information usage and securities trading are included in the manual of Corporate Governance in the section of Ethic under the subject of Internal Information and Securities Trading of the Company as follows:

2.1 Internal Information Usage

- The Board of Directors, the Sub-Committees, Executives, and Staff of all levels shall maintain secrecy of the internal information and document which cannot be disclosed to the public and lead to the benefit of oneself or others.
- The confidential information of the Company such as the information concerning party of the contract shall not be disclosed to others unless it is received a permission from the Company and the party of the contract.
- The supervisors in each level shall be responsible for the control of any leakage of important information and news of the Company prior to their official dissemination. The violation shall be considered based on the disciplines of the Company.

2.2 Securities Trading

- The Board of Directors and Executives are entitled to report the shareholding to the SEC in accordance to the Section 59 of the Securities and Exchange Act B.E. 2535, and to submit the report to the Board of Directors upon every trading, transferring, or receiving the transferred securities. The details of the share increase (decrease) in 2010 of the Directors and Executives are in the "Management Structure."
- When Directors or Executives learn about important internal information, including the Company's financial statements which have an impact on the change of the share price, a circular letter shall be sent to Directors and Executives indicating the avoiding or abstention from the Company's securities trading within the period prior to the dissemination of the aforementioned information.

- Personnel from all level of the Company and families shall not perform securities trading, or persuade others to buy, sell, offer or bid the Company's shares either by themselves or through brokers when they still possess information which is not disclosed to the public.

The violator of the wrong doing of internal information usage will receive Disciplinary punishment or legal punishment depending on the case.

3. Connected Transaction

The Company and its subsidiaries hold on to the policy to perform connected transaction to be in accordance with general normal business operation and to provide the utmost benefit to the Company under the consideration of the Audit Committee of the Company's Auditors for appropriateness of price and reasonability of the transaction. The Board of Directors of the Company shall perform in accordance with law of the Securities and Exchange, notification, order, or regulation of the Stock Exchange of Thailand, including the regulation of the disclosure of information of connected transaction and the acquisition and disposal of the important assets of the Company following the accounting standard stipulated by the Federation of Accounting Professions.

The transaction between the Company or its subsidiaries with Directors, Executives, or related persons which follows the section 89/12 of the Securities and Exchange Act (No. 4) B.E. 2551, the Board of Directors has a resolution to theoretically approve the Management's authorization to approve the transaction when the transaction is the trading agreement which is generally practiced by reasonable persons to perform general contracting within the same situation. The trading negotiation shall be abstained from any influence of one's status as a Director, Executive, or related person when the transaction size is over 1 % of the total revenue of each ending of accounting period, of each time of the transaction, and shall be reported to the meeting of the Board of Directors as required by the Board of Directors.



4. Conflicts of Interest

The Company has eliminated the transaction with conflicts of interest by following the “Practicing Principles of Responsibility of the Executives and the Staff of the Company” which focuses on negative impact controlling on the shareholders and prevents any conflicts of interest. In addition, the Board of Directors will provide careful supervision when there is a transaction with conflicts of interest by stipulating policy and procedures of approval of connected transaction, as well as providing complete information disclosure, including the stipulation of policy and supervision of the Company's internal information usage of the Executives and related persons for their own benefits as follows:

- When the transaction with possible of conflicts of interest, the connected transaction will be proposed to the Audit Committee to provide opinion which is in accordance with the regulations of the SET and the SEC before proposing to the Company's Directors for approval.
- The Company has stipulated that when Directors, Executives, or related persons have interest in the transaction with the Company, the conflicts of interest of the consideration of the transaction shall be announced and the related Directors or Executives are not permitted to attend the meeting at certain period of consideration.
- The disclosure of information of the transaction with possible conflicts of interest or connected transaction shall follow the stipulated transaction.
- The disclosure of information of business connection or business with interest relating to the Directors or Senior Executives shall be reported in every 3 months as information for controlling transaction with possible conflicts of interest and to be the data base for the disclosure of business list and connected enterprises in the remark of the financial statements.



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Table 1 : Meeting Participation of the Board of Directors and Committees

Names of Directors		Meeting attendance/ Total meetings (times)					
		The Board of Directors Totaling 16 times	Executive Committee Totaling 9 times	Audit Committee Totaling 4 times	Nomination and Remuneration Committee Totaling 1 times	Finance Committee Totaling 4 times	Group Corporate Values Committee Totaling 4 times
1. Mr. Prida	Tiasuwan	16/16					
2. Mrs. Prapee	Sorakraikitikul	16/16	9/9		1/1	4/4	
3. Mrs. Sunanta	Tiasuwan	16/16	9/9		1/1	4/4	
4. Mr. Pramote	Tiasuwan	15/16	9/9		1/1	3/4	4/4
5. Mrs. Pranee	Khunprasert	16/16	9/9		1/1	4/4	
6. Mrs. Panidda	Tiasuwan	15/16			1/1		
7. Lt.Jg. Anan	Panananda R.T.N.	16/16		4/4	1/1		
8. Mr. Verachai	Tantikul	15/16		3/4			
9. Mrs. Sarita	Bunnag	16/16		4/4			
10. Miss Pittaya	Tiasuwan		9/9			4/4	
11. Mr. Decha	Nuntanajaroenkul		9/9			4/4	
12. Mr. Chartchai	Teekaveerakit		8/9				3/4
13. Mr. Chanat	Sorakraikitikul					4/4	
14. Mr. Dusit	Chongsutthanamane					4/4	
15. Mr. Somsak	Sirueangmon						3/4
16. Mrs. Nirarat	Tanalekhapat						4/4
17. Mrs.Chawee	Jarukornvasin						4/4
18. Mrs. Sasisopa	Wattakeecharoen						4/4
19. Miss Suporn	Rungpitayatorn						4/4
20. Mr. Kanching	Devahastin Na Ayudhaya						4/4

Remark :

- 1) No. 2-5 and 10-12 are 7 members of Executive Committee
- 2) No. 7-9 are 3 members of the Audit Committee
- 3) No. 2-7 are 6 members of the Nomination and Remuneration Committee
- 4) No. 2-5, 10-11, and 13-14, are 8 members of the Finance Committee
- 5) No. 4, 12 and 15-20 are 8 members of the Group Corporate Values Committee
- 6) Figures in the table mean times of the meeting participation/ times of the meeting when the Directors were in the position.

Table 2 : Directors' Training Participation

Names of Directors		Courses						
		Director Certification Program (DCP)	Director Accreditation Program (DAP)	Audit Committee Program (ACP)	Finance for Non- Finance Program (FN)	DCP Refresher Course	Monitoring the Quality of Financial Report (MFR)	Monitoring the Internal Audit Function (MIA)
1. Mr. Prida	Tiasuwan		Class 37/2005					
2. Mrs. Prapee	Sorakraikitikul	Class 17/2002						
3. Mrs. Sunanta	Tiasuwan	Class 22/2002						
4. Mrs. Pranee	Khunprasert		Class 26/2004					
5. Mr. Pramote	Tiasuwan	Class 46/2004	Class 16/2004		Class 12/2004			
6. Mrs. Panidda	Tiasuwan		Class 25/2004					
7. Lt.Jg. Anan	Panananda R.T.N.		Class 23/2004					
8. Mr. Verachai	Tantikul	Class 37/2003						
9. Mrs. Sarita	Bunnag	Class 22/2002		Class 1/2004		Class 1/2005	Class 5/2007	Class 2/2008

Internal Control System

The meeting of the Board of Directors No. 1/2012 on February 28, 2012, attended by 3 members of the Audit Committee to provide opinion on efficiency and appropriateness of the internal control system was based on the "Sufficiency Assessment of Internal Control System" form of the Securities Exchange Commission.

The Audit Committee complied with the Audit Committee Charter issued by the Board of Directors, reviewed the Internal Control System by focusing on practical examination with efficiency and effectiveness for continuous development. The report shall be further reported to the Board of Directors for acknowledgement. The Committee opined that the Company's Internal Control System was sufficient and appropriate. There are the utilized resource, custodian, the error protection, the accounting system and the financial Statement to be accurate and reliable. The revision had followed the stipulated procedures of the government and corporate governance policy. The consultancy with the Auditors to evaluate the Internal Control System, it was opined that the system strictly followed the accounting standard with no significant flaw and was performed under the scope of the Internal Control which was in reference to the international standard of the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The Board of Directors opined with the Internal Control System the same as the Audited Committee. There are main summaries as follows;

1. Company and Environment

The Company provides support of good working environment with efficient management structure which is appropriate with the size and operation. The written form of Code of Conducts for all executives and staff is established to promote compliance of good corporate governance principle which leads to transparency. The policy and operating plan are established with the realization of fairness toward staff, clients, partners, including responsibility toward the shareholder, interest of investors and all stakeholders with fairness, information disclosure with accuracy, complete, transparency, punctuation, and the Internal Control System with efficiency and sufficiency.

In addition, the Company gives an importance upon personnel which receives the support from the Corporate Values Committee to promote mutual value creation to the group of companies by creating complete staff participation, activity improvement, systematic participation, continuous operation, as well as to accordingly apply the activity with way of operation and living following the mutual value together with providing the employee training, knowledge, skill to match with work assignment in order to promote and develop the human resource toward excellence and constant standard.

2. Risk Assessment

The Company has stipulated objectives and corporate operating target which are clear and can be evaluated. The Company's risk management system is systematic with indication procedure and risk evaluation of internal and external risk of the Company.

The Company has established risk analysis and evaluation of risk management and prevention. Also, the risk management follow-up procedure is set to ensure the utmost efficiency and effectiveness of the risk management.

3. Internal Operation of the Management

In 2011, The Company has clearly improved the scope of duty and authorized financial amount of each level of the management in written form of which separates the responsibility of approving, report of accounting report and information, and asset storing. However, the transaction with related business or persons, the Company follows the notification of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), the approved principles by the Board of Directors of the Company, of which no stakeholder participated, with the consideration of the utmost benefit of the Company and its shareholders.

4. Information and Communication

The Company places an importance upon accuracy, credibility, and punctuation of the information, and continuous development of information system which includes financial information system, operation, compliance with the regulations to promote accurate and quick decision making with security

system of the information system and sufficient efficiency of information. In addition, the Company's efficient communication channel covers the whole company. The important information will be directly sent from senior executives to staff and vice versa. Also, there is a communication channel for the stakeholders with efficiency and punctuation including provide the published of the information at website WWW.PRANDA.COM

5. Performance Review

The Company's performance review procedure and operation supervision of each level of staff are performed with continuity and appropriateness with good evaluation and performance review system. In 2011, the Company had organized 15 meetings of the Board of Directors. Regularly, the management of the Company and its subsidiaries has the performance review system of the business operation which is compared with target, plan, and budgets in many aspects and perpetually improved. This is to ensure that the measurement and the internal control system are constantly effective to response to any change with appropriateness in due time. The Company's examination of the compliance of the internal control system is performed consistently – supervisor follows subordinate's performance, performance evaluation, the internal control department works independently. In 2011, there were 4 meetings of the Audit Committee to review the internal control system, follow up the performance and acknowledge the finding of significant flaws and report the summary to the Board of Directors for consideration and order of correction in appropriate time.

Dividend Policy

The Company has a policy to pay a dividend at the rate of not more than 60% of the annual net profit from separate financial statements. The dividend payment would be based primarily on the company's operating profit, working capital and investment capital in tangible assets, financial conditions, and legal reserves as stated by laws both for present and the future.

The Company's subsidiaries have also policy to pay net profit available from operating performance after legal reserves set aside. The Board of Directors will take into account the dividend payment from the Company's operating performance, financial conditions, and capital requirement before submitting for the shareholders' endorsement. Dividend payment record between 2001 and 2011 as follows;

Year	Net profit (million baht)	% of dividend payment	Dividend pay-out (million baht)	Number (million shares)	Dividend per share (baht)
2001	364.72	13.71	50.00	20.00	2.50 ^{/1}
2002	370.42	27.80	105.36	210.73	0.50
Extra dividend from retained earnings, a net profit of year 2002	-	-	66.28	200.96	0.30
2003	312.06	46.05	143.70	261.27	0.55
2004	361.76	57.35	207.46	319.18	0.65
2005	356.59	59.63	212.65	327.15	0.65
Extra dividend from retained earnings, a net profit of year 2005	-	-	111.84	372.79	0.30
2006	432.27	58.36	252.28	388.13	0.65
2007 ^{/2}	396.49	54.90	217.66	395.75	0.55
2008	300.07	52.75	158.29	395.75	0.40
Interim dividend from operating result of six month period ended June 30, 2009	169.00	11.12	39.81	398.16	0.10
2009	357.90	47.85	171.25	398.25	0.43
Extra dividend from retained earnings, a net profit of year 2008	-	-	119.48	398.25	0.30
Extra dividend from retained earnings, a net profit of year 2007	-	-	120.20	400.67	0.30
2010	343.79	58.33	200.54	401.09	0.50
Interim dividend from the profit for period at the nine-month period ended 30 September 2011	408.03	9.88	40.33	403.33	0.1
2011 ^{/3}	441.14	45.76	201.86	403.71	0.50

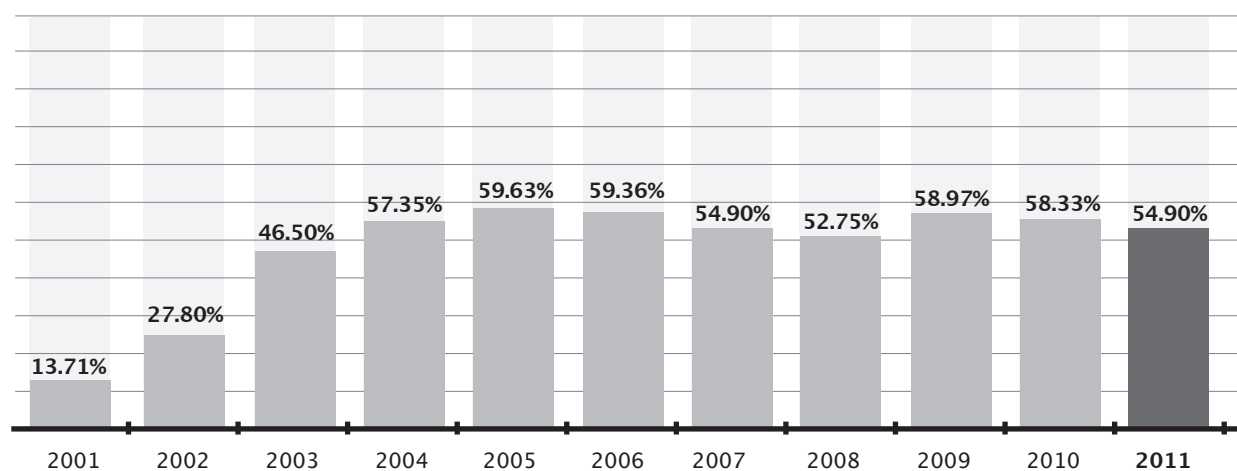
Remark: ^{/1} Par value equivalent to 10 baht and after 2001 onwards the par value is equivalent to one baht.

^{/2} The 14/2007 Board of Director's meeting on June 18, 2007 had resolved about the dividend policy to the shareholders in a rate of not more than 60% of net profit from the Separate Financial Statements. Since 2007, the Company has changed the way in recording investment accounts in subsidiaries and affiliated companies in separate financial statement from "cost method" to "equity method". The net profit of the Company in the consolidated and separate financial statements is thus not identical.

^{/3} For operation result of year 2011, the Company's Board of Directors had a resolution to approve the dividend payment in the rate of Baht 0.60 per share, which deduct the interim dividend payment for the nine-month period ended 30 September 2011 at the rate of Baht 0.10 per share, and paid to the shareholders on December 9th, 2011. Therefore, the remaining dividend payment in the rate of Baht 0.50 per share will pay to shareholders after the Annual General Shareholders' Meeting had a resolution to approve on April 19th, 2012.



Dividend Payment to Net Profit



The graphic displays of dividend payment in comparison to net profit over the last eleven years.

Related Party Transactions

The Company and its subsidiaries have an agreement of the connected transaction. The connected transaction is the normal business transaction of the Company and its subsidiaries which follows general trading condition and complies with the Securities and Exchange Act (issue 4) B.E. 2551 Section 89/12 (1). On August 13th, 2008, the Board of Directors had principally approved the authorization of the management to enter connected transaction under the general trading condition. The management is able to enter such aforementioned transaction when the transaction is done under the same trading agreement as reasonable persons should conduct with general party to a contract under the same situation with trading negotiation power regardless of being an influential person in the position of Director, Executive, or related person.

However, The company has no transactions which were complied with the notification of the Stock Exchange of Thailand as at the accounting period ended December 31, 2011.

For the normal general trading transaction between the Company and its subsidiaries, affiliated companies, and related companies which share mutual Executives and Directors following normal trading characteristics (Please refer to financial remark No. 6).

Necessity and reasonability of the transaction

The transactions between the Company, its subsidiaries, and its affiliated companies were normal business operation and had been approved by the Board of Directors or the Executive Board of the Company which followed the appropriate approval procedures in accordance with all of regulations of the Company.

Policy and future connected transactions

The connected transaction of the Company in the future will be normal business operation transaction. There will be no special transaction, benefit transfer of the Company or its subsidiaries to other persons with conflict of interest. The price determination policy between the Company and related companies or persons shall follow normal price determination which is in the same way of the price determination provided to non-related persons or companies. The products or material bought from the Company or related persons shall follow the agreed contract or shall be referred to the market price of such material. However, the Audit Committee, or the Company's auditor, or independent expertise shall consider examining and provide opinion of

the suitability of the price and reasonability of the transaction, as well as to disclose the value of the transaction with transaction reasons to the shareholders' meeting in the Annual Report.

In addition, the Board of Directors shall comply to the Securities and Exchange law and regulations, notifications, orders, or requirement of the Stock Exchange of Thailand, as well as the notification of the disclosure of transaction and the acquisition or disposal of important assets of the Company or its subsidiaries, following the accounting standard stipulated by the Institute of Certified Accountants and Auditors of Thailand.

In addition, the Audit Committee shall provide opinion to consider the necessity and appropriateness of future transactions when the transactions of the Company or its subsidiaries are performed with the person whom may have conflict of interest in the future. When the Audit Committee has no skill to consider the possible connected transaction, an independent expertise or the Company's auditor shall provide opinion toward the connected transaction of which shall be taken forth to the Board of Directors or the shareholders for consideration, depending on circumstances. Therefore, the company should disclose the connected transaction in notes to financial statements which audited by independent auditor.

Risk Factors

Risk factors which have affects on the gems and jewelry industry

For the year 2011, it was the time when there were bombards of financial crisis from the European Union (EU) and high unemployment rates from the United States of America (US) which caused very low economic growth of the US. On the other hand, the world's economic was affected by natural disasters of Japan and local disasters which led to products supply shortages as well as very high inflation in China and India.

As a result, the prices of gold and silver reached all time high: the gold price reached almost USD 1,900 per ounce and the silver price reached almost USD 50 per ounce. The situation reflected the lack of confidence toward the world's economy and main currencies such as the US Dollar and the Euro. It was also the unfavorable factor of the gems and jewelry industry because gold and silver are the main materials for the production.

Another important thing was the aggressive competition within the industry either local or international level in order to make the business survival from consumers' careful spending due to the lack of economic confidence.

PRANDA Jewelry Public Company Limited has well realized the internal and external risks and assigned the Finance Committee to supervise and control the Company's risks. The details of major risk factors and risk management can be categorized as follows:

Risk Factors affect on the Company's business operation

1. Strategic Risk

The dramatic financial crisis occurred within the EU and strict financial measurements to maintain inflation in China had affected the expansion of the Company's own brands market to EU and retail market in China not to reach the planned target, as well as led to the expected profit to be different from targeted budget due to a decrease of consumers' confidence and increasingly aggressive price war among competitors to maintain business liquidity.

However, the Company holds an annual meeting for senior executives of PRANDA group of companies called World Strategic Meeting in every year to revise PRANDA group of companies' business operation direction and strategies to

be in accordance with the world's economy and markets in each country. In addition, the Finance Committee's meetings are held at least every quarter to report the PRANDA group of companies' operating results for acknowledgement and to improve business plan, as well as to reassure that the group of companies' operating results will achieve the targeted plan.

In 2011, the Company had adjusted its management structure in order to be in accordance with the strategic plan which was officially effective in 2011. The restructuring can provide the systematic investment evaluation and prompt problem solving with the ever changing economic situation. The restructuring was mainly aimed to decrease the risk of the group of companies and increase return from the investment.

2. Operational Risk

2.1 Risk from Shortage of Human Resources

With the Company's focus on expanding its own brand market and retail market to Europe and Asia of where in each country requires much different designs and tastes which may lead to the Company's shortage of experience personnel in terms of marketing, design, production, and new innovation.

However, the Company has risk prevention policies of human resources as follows:

- The Company's Human Resources Department is very efficient with its nomination procedures to find suitable persons for the positions, its providing continuous knowledge development through On the Job Training and theoretical training from Human Resources Development Center, including its performance evaluation of staff and executives with the Key Performance Indicators (KPI);
- The Company has created value called "Core Values of PRANDA" which consists of 3 main foundations, namely, teamwork, continuous Improvement, and stakeholder Focus as a center. The staff shall follow the core as operation principle to create happiness, development, and trust among each other. The Company believes that this is the foundation of long-term business operation of the corporation;
- The Company maintains the personnel who is important to the Company with appropriate remuneration system in the forms of income and accommodation, food, nursing room, fitness room, library, and nursery, as well as the return provided in the form of warrant through ESOP of which the details appeared in the remark of financial statement. In addition, the Company has encouraged its personnel with career path growth by providing the opportunity with priority to the personnel within the Company;
- The Company has increased the executives' potentiality with visions, knowledge and skills, and adjustment with the ever changing globe's situation through Mini Master of Management Program, provided to 35 executives organized by National Institute of Development and Administration (NIDA);
- The Company in cooperation with the Royal Gold smith's gem and jewelry, for 11 consecutive years, has provided training for new personnel to enter the gem and jewelry industry by allocating the Company's budget and resources to support skilled workers;
- The Company places an importance upon quality of life of staff by applying Thailand's labour standard principles with its operation procedures such as providing workplace with safety, hygiene, human rights protection, and equality to everyone;
- The Company and its staff have jointly established the provident fund following the Provident Fund Act B.E. 2530, under the management of Thai Military Bank Pcl. to provide financial stability to the staff upon their leave or retirement, and to promote good corporate relationship and work motivation among staff;

- The Company's establishment of saving cooperative aims to provide financial support to the staff of the group of companies. The Company also jointly creates good corporate culture with its staff such as environment conservation project, debt reduction project, travelling cost reduction project, good health encouragement project, innovation creativity promotion project, knowledge development project, and the Company's song "Core Values of PRANDA".

2.2 Risk from the Volatility of the Material Prices

The world's economic situation with increasing risks has affected the prices of gold and silver to continuously rise with aggressive fluctuation. The materials, namely, gold and silver, are the main cost of the genuine jewelry production. In 2011, the gold prices had increased from an average of USD 1,356 per ounce to USD 1,652 per ounce, or increased by 22% with a dramatic volatility of the highest price reaching USD 1,895 per ounce to the lowest price reaching USD 1,319 per ounce. On the other hand, the silver prices' movement went from USD 27 per ounce to USD 49 per ounce. Such a dramatic fluctuation of the prices had led to a slowdown of orders and consumption of jewelry.

The Company's prevention policies of materials' prices volatility consists of:

- In terms of material prices, the Company uses "Pass Thru" policy to pass the price burden to its customers. Thus, the Company has no profit or loss from the increase or decrease of the material prices;
- The Company has entered the forward transaction with financial institutions to secure the material prices in advance.

3. Financial Risk

Most of the Company's revenues are in international currencies, namely, the US Dollar followed by the Euro. The fluctuation of the foreign exchange rate has an impact on the Company's revenue and operating results. In addition, there are risks from periodically collecting debt on schedule within today's economic crisis, the market's interest rate change, and the financial limit cancellation from commercial banks.

The Company has risk prevention policies to prevent financial risks as follows:

- The utilization of Forward Contract and Natural Hedge;
- The careful examination of the credit of existing clients and new clients by thoroughly considering operating results, financial status with debt ensuing procedures, and constant financial limit revision, and for some clients, the Company may request for the down payment prior to the order;
- The Company's dissemination of loan limit of revolving credit with several banks is to prevent the loan limit cancellation. Also, the Debt per Equity ratio (D/E) is maintained less than 1 time to decrease the interest payment burden and the fluctuation which may occur in the future.

Management Discussion and Analysis

The Company would like to report on Management's Discussion and Analysis of finance Condition and Operating results for the year ended December 31, 2011. The Consolidated Financial Statements are as follows:

1. Operating results

1.1 Analysis of operating results

The Company and its' subsidiaries had sales for the year 2011 amounting to Baht 4,122 million, an increase of Baht 66 million or increased by 1.63% from the previous year due to the slowdown of United States' economic and the lack confidence of consumer in the financial crisis of European Countries. While the gross profit margin was similar to the previous year at 33.5%, however the development of own brand market in Europe and Asia increased selling and administrative expenses of 12.01% from the previous year, effected a decrease in profits from its operation from Baht 469.91 million to Baht 408.31 million or decreased by 13.11%.

However, the risk management from exchange rate and the weakness of Thai Baht against foreign currencies affected the Company had gain on exchange rate of Baht 32.65 million, while there was the loss on exchange rate of Baht 149.68 million in the previous year. In addition, the Company provided an independent professional valuer to appraise the fair value of land held for development effected allowance for impairment loss decreased amounting to Baht 57.64 million. Therefore, there was the reversal recorded allowance for impairment loss on land held for development to the income statement as a result the net income attributable to equity holders of the Company has increased from Baht 243.43 million to Baht 456.35 million or increased by 87.47%.

Refer to financial position, the Company has the strength in financial structure by having liabilities only Baht 1,779.18 million while the equity was Baht 2,540.47 million or a Debt to Equity (D/E) was only 0.70 times as well as financial risk was low considering the Times Interest Earned (TIE) was high to 13.72 times.

1.2 The past results of operation

- **Total revenues**

The Company and its subsidiaries had total revenues in year 2011 and 2010 amounting to Baht 4,193.37 million and Baht 4,088.96 million respectively which an increase of Baht 104.41 million, or increased by 2.55% due to the increasing in sales of Baht 66.06 million. The total revenues are divided to sales and other income as followings:

- **Sales**

In 2011, the Company and its subsidiaries had sales amounting to Baht 4,121.82 million, an increase amounted to Baht 66.06 million from 2009, representing an increase of 1.63% for the reasons stated by the results of the analysis above.

- Other income

The Company and its subsidiaries had the other income of Baht 71.55 million consist of interest income of Baht 8.69 million which is the interest income from banks' deposits and loans to related parties, gain from exchange rate of Baht 32.65 million and other income of Baht 30.21 million from rental property and revenue from other services.

- **Cost of sales and Selling and Administrative Expenses**

The Company and its subsidiaries had the cost of sales of Baht 2,742.72 million, an increase amounted to Baht 23.60 million from 2010, representing or an increase of 0.87% which increase in line with sales in addition to selling and administrative expenses of Baht 970.79 million, an increase of Baht 104.06 million or increased by 12.01% from 2010 with the conclusion of the analysis results above.

- **Profits**

Description	Year 2011		Year 2010		Increase / (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales Revenue	4,121.82	100.00	4,055.77	100.00	66.06	1.63
Gross profit	1,379.11	33.46	1,336.65	32.95	42.84	3.18
Operating Profit	408.31	9.91	469.91	11.59	(61.60)	(13.11)
Gain (loss) on Exchange Rate	32.65	0.79	(149.68)	(3.69)	182.33	121.81
Reversal allowance for loss on impairment of investment properties	(57.64)	(1.40)	-	-	-	-
Profit to Equity holders of the Company	456.35	11.07	243.43	6.00	212.92	87.47

The Company and its subsidiaries had the net income attributable to equity holders of the Company increased from Baht 243.43 million to Baht 456.35 million, or an increase of 87.47% with the conclusion of the analysis results above.

- **Return on Equity (ROE)**

The Company and its subsidiaries had return on equity (ROE) in 12 month periods has increased from 9.06% to 18.09% due to the increasing in net income. For the dividend payment, the Company has considered to pay dividend according to the Company's dividend policy at the rate not more than 60% of net income from the separated financial statement.

For the operations of year 2011, the Board of Directors had a resolution to approve dividend payment and propose to the Annual General Shareholders' meeting on 19 April 2012 in the rate of Baht 0.60 per share or representing to return on dividend (Dividend Yield) about 9.35% per annum (dividend rate of Baht 0.60 per share/average share price over the year equal to Baht 6.42 per share) representing to 54.90% of the net income of separate financial statements. In addition, the Board of Directors had approved an interim dividend payment for the nine months periods ended 30 September 2011 at the rate of Baht 0.10 and the dividend payment was done on 9 December 2011. Therefore, the remaining dividend payment was Baht 0.50 per share to the shareholders who entitle to receive dividend on 15 March 2012 and compiled a list under section 225 of the Securities and Exchange Commission Act. The closing register book is on 16 March 2012 and the dividend payment shall be on 11 May 2012.

2. Financial positions

2.1 Assets

- **Components of the assets**

Tables comparing the financial positions for year 2011 and 2010

Statement of Financial Positions	31 December 2011	%	Unit : Million Baht	
			31 December 2010	%
			(Restated)	
Cash and cash equivalents	437.25	10.12%	385.71	9.59%
Current investments – deposits with financial institutions	0.89	0.02%	0.40	0.01%
Trade account receivables and other receivables	879.28	20.36%	935.29	23.26%
Short-term loans to related parties	16.00	0.37%	16.00	0.40%
Inventories, net	1,817.19	42.07%	1,616.01	40.18%
Other current assets	67.74	1.57%	54.43	1.35%
Total current assets	3,218.35	74.51%	3,007.84	74.79%
Total non-current assets	1,101.30	25.49%	1,014.13	25.21%
Total Assets	4,319.65	100.00%	4,021.97	100.00%

- **Quality of Assets**

The Company and its subsidiaries had total assets of Baht 4,319.65 million, an increase of Baht 297.68 million or increased by 7.40% from the previous year. The current assets increased amounting to Baht 210.50 million, mainly from the increasing of cash and cash equivalents of Baht 52.03 million and inventory of Baht 201.18 million

2.2 Liquidity

- **Components of the Cash Flows**

The Company and its subsidiaries had net cash flow from its operations decreased from Baht 445.01 million to Baht 408.42 million due to the increasing in inventory and income tax paid.

From the net cash flow from investing activities, the Company and its subsidiaries invested in purchasing machineries and equipment for replacement and increase production efficiency. The detail of capital expenditures was shown in No. 2.3.

From the net cash flow from financing activities, the Company and its subsidiaries had repaid the long-term loans amounted to Baht 64.58 million and paid dividend amounted to Baht 240.88 million.

From operating, investing and financing activities, the Company and its subsidiaries had the net cash flow as at year 2011 increase of Baht 51.54 million and combined with the cash flow at beginning of the year of Baht 385.71 million, the total cash flow at the end of the year was Baht 437.25 million.

Tables comparing Cash flow for year 2011 and 2010

Unit: Million Baht

Statement of Cash Flows	31 December 2011	31 December 2010
Cash flows from operating activities	408.42	445.01
Cash flows from investing activities	(110.52)	(126.78)
Cash flows from financing activities	(245.54)	(403.59)
Translation adjustment	(0.82)	10.81
Net cash flows	51.54	(74.54)
Cash at the beginning of the year	385.71	460.25
Cash at end of the year	437.25	385.71

- **Liquidity Ratios**

The Company and its subsidiaries had decreased in liquidity ratio from 2.15 times to 2.11 times due to the short-term loans and trade payables increased to support the purchasing raw material in production for future delivery. However, the ratio was 2.11 times, the Company still has liquidity sufficient for debts payment.

- **Ability to pay short-term debts**

The Company and its subsidiaries had short-term debts of Baht 1,526.89 million and the short-term assets of Baht 3,218.34 million. Therefore, the Company and its subsidiaries had an ability to pay all short-term debts.

2.3 Capital Expenditures

- **Previous Capital expenditures**

The Company and its subsidiaries had total investment of Baht 109.39 million, divided into 2 types as follows

- 1.) The investment in production base was about Baht 93.75 million, including the land improvement for plants of 1.1) Pranda Jewelry PCL. 1.2) Crystalline Co., Ltd. 1.3) Pranda Vietnam Co., Ltd. and 1.4) Pranda Guangzhou as well as the replacement of old machineries and equipment
- 2.) The investment in distribution base was about Baht 15.64 million, including 2.1) Primagold International Co., Ltd. 2.2) H.Gringoire s.a.r.l 2.3) Pranda & Kroll 2.4) Pranda UK and 2.5) Pranda Jewelry Pvt. Ltd. for customers services and goods distributions.

- **Capital Expenditures Plan**

The Company had adjusted the new investment budget with the capital expenditures of 2011 totaled Baht 380 million which consists of investment in China of Baht 50 million, investment in India of Baht 50 million, purchasing machineries and equipment for replacement of Baht 80 million as well as investment for new five-story office building of Baht 200 million.

2.4 Source of Funds

- **Capital Structure**

With the continuous profitable in the operation results and payment dividend to shareholders, the Company still have the increasing in retained earnings. In the meantime, the Company has paid the dividend to shareholders from net income attributable to equity holders of separate financial statement which still showed an increase in retained earnings from Baht 1,310.98 million to Baht 1,374.42 million, representing an increase of 4.84% while the long-term loan has decreased from Baht 182.30 million to Baht 117.72 million at a decrease of 35.42% effected the debt to equity ratio (D/E) was only 0.70 times.

- **Shareholders' equity**

The Company and its subsidiaries had increased the shareholders' equity from Baht 2,504.96 million to Baht 2,540.47 million as a result in an increase of retained earnings.

- **Liabilities**

The Company and its subsidiaries had total liabilities of Baht 1,779.18, an increase of Baht 262.17 million or by 17.28% from the previous year. There was an increase in current liabilities of Baht 128.75 million, mainly was bank overdrafts and short-term loans from financial institutions of Baht 51.98 million, trade accounts and other payables of Baht 106.07 million and non-current liabilities increased of Baht 133.42 million from providing provision for employees benefits

3. Main factors which possible affected future operations and finance positions

Foreign Exchange Rate

If Thai Baht against US Dollar, Euro and Pound Sterling is continue strong (weak) effected the Company's sales volume decreases (increases) and loss(gain) on exchange rate which is the significant to net income.

Cost of raw material

Gold and silver is the raw material which considered being the important proportion in cost of goods. If gold and silver price has the high (low) volatile or the price adjustment up (down) rapidly, it will affect the delay (increase) in purchase orders.

Report of the Audit Committee on Corporate Governance

Dear Valued Shareholders,

The Audit Committee of Pranda Jewelry Public Company Limited consists of 3 members, namely, Lt. JG. Anan Panananda R.T.N. as Chairman of the Committee, Mr. Verachai Tantikul and Associate Professor Sarita Bunnag as Audit Committees, who possess complete qualification following the guidelines stipulated by the Stock Exchange of Thailand and the Securities and Exchange Commissions, whose knowledge, capability, experience, and visions are beneficial to the work of the Company's Audit Committee. The Committee performs its duty in accordance with the charter of the Audit Committee approved by the Board of Directors and the notification of the Securities and Exchange Commissions and the Stock Exchange of Thailand. The operation of the Audit Committee aims to maintain the good corporate governance system of the Company and to encourage the operating efficiency and value to the Company which lead to effectiveness of the business operation objective and target of the Company.

In 2011, the Audit Committee had organized 4 meetings and all of which were attended by all members of the Committee. The meetings were also attended by the external auditors and the Company's internal auditors to consider the revision of financial statements, connected transaction of the Company and its subsidiaries, listen to complaints, and provide suggestion beneficial to accuracy, completeness, and credibility of consolidated financial statements, including efficiency improvement of the corporate internal control.

There was no management of the Company attended the meetings. The results of each meeting had been summarized and proposed to the Board of Directors of the Company for acknowledgement and proceeding of improvement. The performance and operation of the Audit Committee can be significantly summarized as follows:

1. Accuracy, Completeness, and Creditability of Financial Report The Audit Committee had jointly considered and reviewed the quarterly financial reports and the 2011 financial report with the Auditor to ensure that the financial reports of the Company and its subsidiaries were completed with accuracy in accordance with the general accepted accounting standard, the information disclosure was sufficient, completed, and credible. Also, the Committee provided remarks and acknowledged problem solving guidelines which created benefit to the Company as well as supported the implementation of the International Financial Reporting Standards (IFRS) for practice as guided by the Federation of Accounting Professions and the Securities and Exchange Commissions.

2. Sufficiency of the Internal Control System and the Internal Auditing The Committee had supervised the internal auditing to ensure its compliance with the accounting professions standard with the implementation of risk evaluation and internal control system following the international standard of COSO and the principles of Risk-Based Management, as well as considered annual auditing plan, reported the results of the Internal Auditing Office, followed up the operation and continuously improved, provided suggestion to the Internal Auditing Office and the Management for operation improvement.

Report of the Audit Committee on Corporate Governance

The Committee opined that the internal control system and the internal auditing were sufficient. The opinion was performed toward the annual auditing plan, the auditing report of the Internal Auditing Office, and the performance review report of procedures and systems and proposed to the Management for further improvement as indicated by the findings of the internal auditors.

3. Risk Management In the previous year, the Audit Committee had place an importance upon corporate risks by considering and reviewing risks which might have an impact on the Company's operation and target.

4. Compliance with regulations and related laws The Audit Committee constantly reexamines the Company's practice to follow the Securities and Exchange law, regulations of the Stock Exchange of Thailand, and business related laws of the Company.

5. Connected Transaction or Conflict of Interest Transaction The Audit Committee had considered and reviewed the connected transactions of the Company and its subsidiaries and affiliated companies, including conflict of interest transactions to ensure their actual transactions performed under normal business operation as well as to ensure that the Company's compliance with the business agreements and the principles of the Securities and Exchange Commissions and the Stock Exchange of Thailand.

6. Consideration of Selection and Proposition of the Auditor and remuneration of the Company's auditor of 2012. The Committee would consider performance, independency, and appropriateness of the remuneration. The list of candidates would be proposed to the shareholders' Annual General Meeting for approval.

The Audit Committee had considered and opined that the Company's implementation and disclosure of financial reports were accurate, appropriate, and its internal control system, internal auditing, and risk management were appropriate and efficient. Moreover, its compliance with laws, regulations, and agreements of connected transactions were carefully considered and the practices sufficiently followed the good corporate governance policy with transparency and credibility. Also, the quality of the operation system had been continuously developed and was suitable with the business environment.



(Lt. JG. Anan Panananda R.T.N.)

Chairman of the Audit Committee

Report of the Board of Directors' Responsibilities to Financial Report

The Board of Directors is responsible for the separate financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries as well as the financial information stated in the Company's Annual Report. These financial statements are prepared in accordance with Thai Accounting Standards and generally accepted accounting principles in Thailand. Appropriate accounting policies are chosen and consistently applied, estimates and underlying assumptions are prudently made, and significant information is adequately disclosed in the Notes to the financial statements to ensure that the financial statements are reliable and benefit to shareholders and investors.

The Board of Directors has established and maintained an internal control system in order to provide a reasonable assurance that accounting records are accurate, complete and adequate for protection of assets of the Company, prevention of frauds and materially irregular transactions.

The Audit Committee, whose members are independent directors, was designated by the Board to review the quality of the financial reporting and the effectiveness of internal control system and report the review result to the Board.

In this regard, the Board has the opinion that the overall internal control system of the Company is satisfactorily effective and can provide reasonable assurance of the reliability of the separate financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries for the year ended December 31, 2011.



(Mr. Prida Tiasuwan)
Board Chairman



(Mrs. Prapee Sorakraikitikul)
Chairman of executive director

Report of Independent Auditor

To the Shareholders of Pranda Jewelry Public Company Limited

I have audited the accompanying consolidated statements of financial position of Pranda Jewelry Public Company Limited and its subsidiaries as at 31 December 2011 and 2010, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the years then ended, and have also audited the separate financial statements of Pranda Jewelry Public Company Limited for the same periods. These financial statements are the responsibility of the management of the Company and its subsidiaries as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits. I did not audit the financial statements for the years ended 31 December 2011 and 2010, of a local subsidiary company, and 7 overseas subsidiaries. Those financial statements were included in the consolidated financial statements, with total assets as at 31 December 2011 of Baht 1,174 million, and total revenues and total loss for the year then ended of Baht 1,513 million and Baht 115 million, respectively (31 December 2010: total assets of Baht 1,244 million, and total revenues and total loss for the year then ended of Baht 1,792 million and Baht 108 million, respectively). These subsidiaries' financial statements were audited by the other auditors, as discussed in Note 2.2 b) to the financial statements. Their reports have already been furnished to me. My opinion, insofar as it relates to the amounts of the various transactions of those subsidiaries included in the consolidated financial statements, is based solely on the reports of such other auditors.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits together with the reports of the other auditors mentioned above provide a reasonable basis for my opinion.

In my opinion, based on my audits and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of Pranda Jewelry Public Company Limited and its subsidiaries and of Pranda Jewelry Public Company Limited as at 31 December 2011 and 2010, and the results of their operations, and cash flows for the years then ended in accordance with generally accepted accounting principles.

Without qualifying my opinion on the aforementioned financial statements, I draw attention to Note 3 and 5 to the financial statements. During the current year, the Company adopted a number of revised and new accounting standards as issued by the Federation of Accounting Professions, and applied them in the preparation and presentation of its financial statements. In addition, the Company has restated the financial statements as at 31 December 2010 to reflect the change in accounting policy for the recognition of land from the revaluation method to the cost method.



Chonlaros Suntiasvaraporn

Certified Public Accountant (Thailand) No. 4523

Ernst & Young Office Limited
Bangkok: 28 February 2012



Financial Statements

Pranda Jewelry Public Company Limited and its subsidiaries
Statements of financial position
As at 31 December 2011 and 2010

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2011	2010 (Restated)	2011	2010 (Restated)
Assets					
Current assets					
Cash and cash equivalents	9	437,253,918	385,710,828	207,069,570	207,378,912
Current investments – deposits with financial institutions		885,000	398,187	–	–
Trade and other receivables	10	879,279,828	935,292,790	1,194,827,620	1,064,583,210
Short-term loans to related parties	8	16,000,000	16,000,000	52,415,660	51,154,750
Current portion of long-term loans to related parties	8	–	–	43,866,780	13,932,390
Inventories	11	1,817,190,175	1,616,008,313	838,910,318	740,256,200
Other current assets		67,734,458	54,431,459	19,375,521	12,610,745
Total current assets		3,218,343,379	3,007,841,577	2,356,465,469	2,089,916,207
Non-current assets					
Restricted bank deposits	12	4,089,880	2,952,302	–	–
Investment in convertible debentures issued by subsidiary	13	–	–	36,949,500	43,062,900
Investments in subsidiaries	14	–	–	687,348,431	687,348,431
Investments in associates	15	59,330,475	59,967,184	–	–
Other long-term investments	16	9,778,398	14,935,475	9,778,398	14,935,475
Advances for investment	8	–	–	5,118,431	4,867,916
Amounts due from related party	8	–	–	49,247,925	45,333,997
Long-term loans to related parties	8	7,822,500	–	277,934,440	309,987,130
Investment properties	17	509,820,574	455,042,728	490,858,481	433,849,621
Property, plant and equipment	5.1, 18	434,788,241	399,115,439	300,703,127	267,090,548
Leasehold rights	19	33,074,875	35,744,223	–	–
Goodwill	20	–	–	–	–
Other intangible assets	21	31,293,238	34,681,022	13,790,190	16,557,253
Other non-current assets		11,304,876	11,691,292	1,964,695	2,384,324
Total non-current assets		1,101,303,057	1,014,129,665	1,873,693,618	1,825,417,595
Total assets		4,319,646,436	4,021,971,242	4,230,159,087	3,915,333,802

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

Financial Statements

Pranda Jewelry Public Company Limited and its subsidiaries Statements of financial position (continued) As at 31 December 2011 and 2010

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010 (Restated)	2011	2010 (Restated)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	22	398,132,419	346,150,701	270,000,000	270,762,958
Trade and other payables	23	1,001,418,762	895,345,818	855,781,462	693,653,094
Current portion of long-term loans	24	32,156,281	65,184,740	25,000,000	58,230,000
Income tax payable		47,101,608	45,845,459	18,076,797	23,629,218
Other current liabilities		48,087,847	45,622,879	15,443,852	16,145,510
Total current liabilities		1,526,896,917	1,398,149,597	1,184,302,111	1,062,420,780
Non-current liabilities					
Long-term loans, net of current portion	24	85,568,231	117,118,716	50,110,000	75,110,000
Provision for long-term employee benefits	5.2,25	165,416,492	-	137,763,155	-
Other non-current liabilities		1,296,823	1,741,791	-	-
Total non-current liabilities		252,281,546	118,860,507	187,873,155	75,110,000
Total liabilities		1,779,178,463	1,517,010,104	1,372,175,266	1,137,530,780
Shareholders' equity					
Share capital					
Registered					
410,000,000 ordinary shares of Baht 1 each		410,000,000	410,000,000	410,000,000	410,000,000
Issued and fully paid up					
403,331,754 ordinary shares of Baht 1 each					
(2010: 400,668,354 ordinary shares of Baht 1 each)	27	403,331,754	400,668,354	403,331,754	400,668,354
Share premium	27	774,460,551	769,133,751	774,460,551	769,133,751
Retained earnings					
Appropriated – statutory reserve	28	41,000,000	41,000,000	41,000,000	41,000,000
Unappropriated		1,333,418,708	1,269,980,603	1,639,191,516	1,567,000,917
Other components of shareholders' equity		16,711,751	13,388,103	-	-
Equity attributable to owners of the Company		2,568,922,764	2,494,170,811	2,857,983,821	2,777,803,022
Non-controlling interests of the subsidiaries		(28,454,791)	10,790,327	-	-
Total shareholders' equity		2,540,467,973	2,504,961,138	2,857,983,821	2,777,803,022
Total liabilities and shareholders' equity		4,319,646,436	4,021,971,242	4,230,159,087	3,915,333,802

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

Directors



Financial Statements

Pranda Jewelry Public Company Limited and its subsidiaries
Income statements
For the years ended 31 December 2011 and 2010

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2011	2010	2011	2010
Revenues					
Sales		4,121,823,320	4,055,765,470	3,133,546,826	3,067,361,950
Other income					
Interest income		8,688,741	5,641,015	36,320,584	37,712,902
Gain on exchange		32,648,777	–	30,152,236	–
Others		30,208,824	27,556,076	63,361,167	56,992,233
Total revenues		4,193,369,662	4,088,962,561	3,263,380,813	3,162,067,085
Expenses					
Cost of sales		2,742,715,870	2,719,115,780	2,326,286,920	2,335,487,369
Selling expenses		454,235,864	413,494,385	75,519,186	79,953,082
Administrative expenses		516,560,856	453,241,935	400,131,453	199,792,911
Other expenses					
Loss on exchange		–	149,684,312	–	148,411,927
Reversal allowance for loss on impairment of investment properties	17	(57,635,692)	–	(57,635,692)	–
Total expenses		3,655,876,898	3,735,536,412	2,744,301,867	2,763,645,289
Profit before share of loss from investments in associates, finance cost and corporate income tax		537,492,764	353,426,149	519,078,946	398,421,796
Share of loss from investments in associates	15.2	(3,174,070)	(10,359,758)	–	–
Profit before finance cost and corporate income tax		534,318,694	343,066,391	519,078,946	398,421,796
Finance cost		(38,356,313)	(35,463,563)	(25,740,644)	(23,623,190)
Profit before corporate income tax		495,962,381	307,602,828	493,338,302	374,798,606
Corporate income tax	30	(79,366,227)	(63,406,629)	(52,199,379)	(31,001,854)
Profit for the year		416,596,154	244,196,199	441,138,923	343,796,752
Profit attributable to:					
Equity holders of the Company		456,345,499	243,424,800	441,138,923	343,796,752
Non-controlling interests of the subsidiaries (loss)		(39,749,345)	771,399	–	–
		416,596,154	244,196,199		
Earnings per share	32				
Basic earnings per share					
Profit attributable to equity holders of the Company		1.14	0.61	1.10	0.86
Diluted earnings per share					
Profit attributable to equity holders of the Company		1.12	0.60	1.09	0.85

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



Financial Statements

Pranda Jewelry Public Company Limited and its subsidiaries
 Statements of comprehensive income
 For the years ended 31 December 2011 and 2010

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Profit for the year	416,596,154	244,196,199	441,138,923	343,796,752
Other comprehensive income:				
Exchange differences on translation of financial statements in foreign currency	4,402,024	7,165,358	-	-
Other comprehensive income for the year	4,402,024	7,165,358	-	-
Total comprehensive income for the year	420,998,178	251,361,557	441,138,923	343,796,752
Total comprehensive income attributable to:				
Equity holders of the Company	459,669,147	250,840,420	441,138,923	343,796,752
Non-controlling interests of the subsidiaries (loss)	(38,670,969)	521,137	-	-
	420,998,178	251,361,557	441,138,923	343,796,752

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

Pranda Jewelry Public Company Limited and its subsidiaries
Statements of changes in shareholders' equity
For the years ended 31 December 2011 and 2010

(Unit: Baht)

	Consolidated financial statements										
	Equity attributable to owners of the Company										
	Other components of shareholders' equity										Equity attributable to non-controlling interests of the subsidiaries
	Other comprehensive income										
	Exchange differences on translation of financial statements in foreign currency										
Issued and paid-up share capital	Share premium	Retained earnings	Unappropriated	Appropriated	Surplus on revaluation of land	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Total shareholders' equity			
Balance as at 31 December 2009 – as previously reported Cumulative effect of change in accounting policy for recognition of land (Note 5.1) Balance as at 31 December 2009 – as restated Ordinary shares issuance from exercised warrants Dividend paid (Note 35) Total comprehensive income for the year Decrease in non-controlling interests of the subsidiaries Balance as at 31 December 2010 – as restated	398,158,472	764,113,987	41,000,000	1,437,478,042	209,302,882	5,972,483	215,275,365	2,856,025,866	10,318,772	2,866,344,638	
	-	-	-	-	(209,302,882)	-	(209,302,882)	(209,302,882)	-	(209,302,882)	
	398,158,472	764,113,987	41,000,000	1,437,478,042	-	5,972,483	5,972,483	2,646,722,984	10,318,772	2,657,041,756	
	2,509,882	5,019,764	-	-	-	-	-	7,529,646	-	7,529,646	
	-	-	-	(410,922,239)	-	-	-	(410,922,239)	-	(410,922,239)	
Balance as at 31 December 2010 – as previously reported Cumulative effect of change in accounting policy for recognition of land (Note 5.1) Balance as at 31 December 2010 – as restated Ordinary shares issuance from exercised warrants (Note 27) Dividend paid (Note 35) Total comprehensive income for the year Decrease in non-controlling interests of the subsidiaries Balance as at 31 December 2011	400,668,354	769,133,751	41,000,000	1,269,980,603	209,302,882	13,388,103	222,690,985	2,703,473,693	10,790,327	2,714,264,020	
	-	-	-	-	(209,302,882)	-	(209,302,882)	(209,302,882)	-	(209,302,882)	
	400,668,354	769,133,751	41,000,000	1,269,980,603	-	13,388,103	13,388,103	2,494,170,811	10,790,327	2,504,961,138	
	-	-	-	(152,031,792)	-	-	-	(152,031,792)	(520,148)	(152,551,940)	
	2,663,400	5,326,800	-	-	-	-	-	7,990,200	-	7,990,200	
Balance as at 31 December 2011 Cumulative effect of change in accounting policy for employee benefits (Note 5.2) Ordinary shares issuance from exercised warrants (Note 27) Dividend paid (Note 35) Total comprehensive income for the year Decrease in non-controlling interests of the subsidiaries	-	-	-	(240,875,602)	-	-	-	(240,875,602)	-	(240,875,602)	
	-	-	-	456,345,499	-	3,323,648	3,323,648	459,669,147	(38,670,969)	420,998,178	
	-	-	-	-	-	-	-	-	(54,001)	(54,001)	
	403,331,754	774,460,551	41,000,000	1,333,418,708	-	16,711,751	16,711,751	2,568,922,764	(28,454,791)	2,540,467,973	

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

Pranda Jewelry Public Company Limited and its subsidiaries
Statements of changes in shareholders' equity (continued)
For the years ended 31 December 2011 and 2010

(Unit: Baht)

	Separate financial statements					
	Issued and paid-up share capital	Share premium	Retained earnings		Other components of shareholders' equity	
			Appropriated	Unappropriated	Other comprehensive income	Total shareholders' equity
Balance as at 31 December 2009 – as previously reported	398,158,472	764,113,987	41,000,000	1,634,126,404	209,302,882	3,046,701,745
Cumulative effect of change in accounting policy for recognition of land (Note 5.1)	-	-	-	-	(209,302,882)	(209,302,882)
Balance as at 31 December 2009 – as restated	398,158,472	764,113,987	41,000,000	1,634,126,404	-	2,837,398,863
Ordinary shares issuance from exercised warrants	2,509,882	5,019,764	-	-	-	7,529,646
Dividend paid (Note 35)	-	-	-	(410,922,239)	-	(410,922,239)
Total comprehensive income for the year	-	-	-	343,796,752	-	343,796,752
Balance as at 31 December 2010 – as restated	400,668,354	769,133,751	41,000,000	1,567,000,917	-	2,777,803,022
Balance as at 31 December 2010 – as previously reported	400,668,354	769,133,751	41,000,000	1,567,000,917	209,302,882	2,987,105,904
Cumulative effect of change in accounting policy for recognition of land (Note 5.1)	-	-	-	-	(209,302,882)	(209,302,882)
Balance as at 31 December 2010 – as restated	400,668,354	769,133,751	41,000,000	1,567,000,917	-	2,777,803,022
Cumulative effect of change in accounting policy for employee benefits (Note 5.2)	-	-	-	(128,072,722)	-	(128,072,722)
Ordinary shares issuance from exercised warrants (Note 27)	2,663,400	5,326,800	-	-	-	7,990,200
Dividend paid (Note 35)	-	-	-	(240,875,602)	-	(240,875,602)
Total comprehensive income for the year	-	-	-	441,138,923	-	441,138,923
Balance as at 31 December 2011	403,331,754	774,460,551	41,000,000	1,639,191,516	-	2,857,983,821

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

Pranda Jewelry Public Company Limited and its subsidiaries
Cash flows statements
For the years ended 31 December 2011 and 2010

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cash flows from operating activities				
Profit before tax	495,962,381	307,602,828	493,338,302	374,798,606
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	82,816,874	73,648,449	48,098,329	42,508,035
Amortisation of leasehold rights	2,484,401	2,484,399	-	-
Write-off machinery and equipment	2,397,529	1,671,131	1,619,555	172,916
Allowance for impairment loss on equipment	-	584,628	-	584,628
Amortisation of discounted value of government bond	(64,524)	(64,524)	(64,524)	(64,524)
Allowance for doubtful accounts (reversal)	(15,565,554)	(11,474,791)	141,871,433	(1,697,603)
Write-off bad debts	35,348,792	2,823,979	29,324,008	2,823,979
Decrease of inventory to net realisable value (reversal)	(8,167,409)	22,151,415	500,000	15,000,000
Gain on sales of machinery and equipment	(1,181,369)	(669,239)	(958,814)	(482,923)
Share of loss from investments in associates	3,174,070	10,359,758	-	-
Long-term employee benefits expense	17,491,466	-	14,077,200	-
Reversal allowance for loss on impairment of investment properties	(57,635,692)	-	(57,635,692)	-
Unrealised loss (gain) on exchange	19,340,100	31,298,586	(13,664,182)	159,329,537
Interest income	(8,688,741)	(5,641,015)	(36,320,584)	(37,712,902)
Interest expenses	35,068,333	33,818,454	25,740,644	23,623,190
Profit from operating activities before changes in operating assets and liabilities	602,780,657	468,594,058	645,925,675	578,882,939
Operating assets (increase) decrease				
Trade and other receivables	51,396,188	(40,755,724)	(266,289,309)	(273,044,235)
Inventories	(193,014,453)	(8,321,737)	(99,154,118)	17,385,147
Other current assets	(13,302,999)	(11,884,045)	(6,764,776)	(4,388,088)
Other non-current assets	386,416	6,273,787	419,629	4,423,448
Operating liabilities increase (decrease)				
Trade and other payables	83,779,177	121,382,195	140,011,026	160,621,179
Other current liabilities	(2,367,268)	(13,529,106)	(5,105,459)	(13,514,973)
Provision for long-term employee benefits	(4,626,914)	-	(4,386,768)	-
Other non-current liabilities	(444,968)	(742,229)	-	-
Cash flows from operating activities	524,585,836	521,017,199	404,655,900	470,365,417
Cash paid for interest expenses	(38,051,674)	(36,119,029)	(28,900,410)	(26,035,885)
Cash paid for corporate income tax	(78,110,078)	(39,889,386)	(57,751,800)	(21,818,457)
Net cash flows from operating activities	408,424,084	445,008,784	318,003,690	422,511,075

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

Financial Statements

Pranda Jewelry Public Company Limited and its subsidiaries Cash flows statements (continued) For the years ended 31 December 2011 and 2010

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cash flows from investing activities				
Increase in current investments –				
deposits at financial institutions	(486,813)	(398,187)	–	–
Decrease (increase) in restricted bank deposits	(1,137,578)	(1,949,281)	–	69,148
Decrease (increase) in short-term loans to related parties	–	(2,265,675)	(1,200,000)	12,734,325
Decrease (increase) in long-term loans to related parties	(7,822,500)	–	16,497,510	15,907,280
Decrease in advances for investment	–	–	–	7,263,661
Proceeds from investments in government bonds with maturity	10,726,000	–	10,726,000	–
Payment for investments in government bonds	(9,778,398)	–	(9,778,398)	–
Payment for investments in convertible debentures issued by subsidiary	–	–	–	(24,810,000)
Acquisition of property, plant and equipment	(109,390,833)	(112,990,996)	(79,199,189)	(86,255,433)
Acquisition of other intangible assets	(2,610,469)	(15,310,724)	(879,455)	(9,032,046)
Proceeds from sales of machinery and equipment	1,414,478	676,528	1,100,890	483,622
Cash receipt from interest income	8,565,520	5,461,734	36,297,970	34,761,776
Net cash flows used in investing activities	(110,520,593)	(126,776,601)	(26,434,672)	(48,877,667)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and				
short-term loans from financial institutions	51,981,718	164,025,020	(762,958)	118,470,131
Repayment of long-term loans	(64,578,944)	(164,170,229)	(58,230,000)	(157,560,000)
Proceeds from ordinary shares issuance from exercised warrants	7,990,200	7,529,646	7,990,200	7,529,646
Dividend paid	(240,875,602)	(410,922,239)	(240,875,602)	(410,922,239)
Payment to non-controlling interests of the subsidiary	(54,001)	(49,582)	–	–
Net cash flows used in financing activities	(245,536,629)	(403,587,384)	(291,878,360)	(442,482,462)
Increase (decrease) in translation adjustment	(823,772)	10,813,310	–	–
Net increase (decrease) in cash and cash equivalents	51,543,090	(74,541,891)	(309,342)	(68,849,054)
Cash and cash equivalents at beginning of year	385,710,828	460,252,719	207,378,912	276,227,966
Cash and cash equivalents at end of year	437,253,918	385,710,828	207,069,570	207,378,912
Supplemental cash flows information:				
Non cash transactions:				
The conversion of the Company's trade accounts receivable and amounts due from related party to become investments in subsidiary	–	–	–	127,188,152

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

Pranda Jewelry Public Company Limited and its subsidiaries
 Notes to consolidated financial statements
 For the years ended 31 December 2011 and 2010

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. The registered office of the Company is at 28 Soi Bangna-Trad 28, Bangna Subdistrict, Bangna District, Bangkok. The Company has factories located in Bangkok and Nakhonratchasima.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Pranda Jewelry Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2011</u>	<u>2010</u>
			Percent	Percent
<u>Held by the Company</u>				
Primagold International Co., Ltd.	Distribution of jewelry	Thailand	100	100
Crystalline Co., Ltd.	Manufacture and distribution of jewelry	Thailand	96	96
Pranda Lodging Co., Ltd.	Dormitory rental	Thailand	83	83
Pranda North America, Inc.	Distribution of jewelry	U.S.A.	100	100
H.GRINGOIRE s.a.r.l.	Distribution of jewelry	France	100	100

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Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2011</u>	<u>2010</u>
			Percent	Percent
Pranda UK Ltd.	Distribution of jewelry	United Kingdom	100	100
Pranda Singapore Pte. Limited	Holding company	Singapore	100	100
Pranda Vietnam Co., Ltd.	Manufacture and distribution of jewelry	Vietnam	100	100
Guangzhou Pangda Zhubao Shoushi Youxian Gongsi	Manufacture and distribution of jewelry	China	100	100
Pranda & Kroll GmbH & Co. KG	Manufacture and distribution of jewelry	Germany	51	51
Pranda Jewelry Private Limited	Distribution of jewelry	India	51	51
Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			<u>2011</u>	<u>2010</u>
			Percent	Percent
<u>Held by the subsidiaries</u>				
Pranda Acceptance Sdn. Bhd. (Held by Pranda Singapore Pte. Limited)	Ceased its operation in 2000	Malaysia	100	100
KSV Brand GmbH (Held by Pranda & Kroll GmbH & Co. KG)	Distribution of jewelry	Germany	51	51

- b) The financial statements of a local subsidiary company, Pranda Lodging Co., Ltd., and 7 overseas subsidiaries, Pranda Vietnam Co., Ltd., Pranda UK Ltd., H.GRINGOIRE s.a.r.l., Pranda North America, Inc., Guangzhou Pangda Zhubao Shoushi Youxian Gongsi, Pranda & Kroll GmbH & Co. KG (included the financial statements of KSV Brand GmbH) and Pranda Jewelry Private Limited, were included in the consolidated financial statements with total assets as at 31 December 2011 of Baht 1,174 million (31 December 2010: Baht 1,244 million), total revenues and total loss for the year then ended of Baht 1,513 million and Baht 115 million, respectively (for the year ended 31 December 2010: total revenues and total loss of Baht 1,792 million and Baht 108 million, respectively). Those subsidiaries' financial statements were audited by their auditors who expressed unqualified opinion on these financial statements.
- c) The consolidated financial statements of an overseas subsidiary, Pranda Singapore Pte. Limited (included the financial statements of Pranda Acceptance Sdn. Bhd.), were included in the consolidated financial statements with total assets as at 31 December 2011 of Baht 61 million (31 December 2010: Baht 56 million). There was no revenues and it had loss for the year then ended of Baht 0.5 million. (for the year ended 31 December 2010: there was no revenues and it had loss of Baht 13 million). The subsidiary's financial statements was prepared by the management of the subsidiary and not audited by its auditor. However, the Company's management believes that there would be no material difference if the financial statements had been audited by its auditor.

- d) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
 - e) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
 - f) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.
 - g) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
 - h) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the total comprehensive income and within equity holders in the consolidated statements of financial position.
- 2.3 The separate financial statements, which present investments in subsidiaries and associates under the cost method, have been prepared solely for the benefit of the public.

3. Adoption of new accounting standards during the year

During the current year, the Company adopted a number of revised and new accounting standards, issued by the Federation of Accounting Professions, as listed below.

Accounting standards:

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures

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TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property

Financial reporting standards:

TFRS 2	Share-Based Payment
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources

Financial Reporting Standard Interpretations:

TFRIC 15	Agreements for the Construction of Real Estate
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Accounting Standard Interpretations:

SIC 31	Revenue-Barter Transactions Involving Advertising Services
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These accounting standards do not have any significant impact on the financial statements, except for the following accounting standards.

TAS 19 Employee Benefits

This accounting standard requires employee benefits to be recognised as expense in the period in which the service is performed by the employee. In particular, an entity has to evaluate and make a provision for post-employment benefits or liabilities arising from other long-term employee benefits using actuarial techniques. The Company and its subsidiaries previously accounted for such employee benefits when they were incurred.

The Company and its subsidiaries have changed this accounting policy in the current year and recognise the liability in the transition period through an adjustment to the beginning balance of retained earnings in the current year. The cumulative effect of the changes in the accounting policy has been presented in Note 5.2 to the financial statements.

TAS 27 (revised 2009) Consolidated and Separate Financial Statements

This accounting standard requires profit or loss and each component of other comprehensive income are attributed to the equity holders of the Company and to the non-controlling interests of the subsidiaries even if this results in

the non-controlling interests of the subsidiaries having a deficit balance. The Company has applied the change in this accounting policy on or after 1 January 2011. The change has the effect of increasing the consolidated profit of the Company and its subsidiaries for the year 2011 by Baht 40 million, (0.10 Baht basic earnings per share).

4. New accounting standards issued during the years not yet effective

The Federation of Accounting Professions issued the following new/revised accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

Accounting standards:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

Accounting Standard Interpretations:

SIC 10	Government Assistance – No Specific Relation to Operating Activities
SIC 21	Income Taxes – Recovery of Revalued Non-Depreciable Assets
SIC 25	Income Taxes – Changes in the Tax Status of an Entity or its Shareholders

The Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, except for the following accounting standard.

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences, which are differences between the carrying amount of an asset or liability in the accounting records and its tax base, and to recognise deferred tax assets and liabilities under the stipulated guidelines.

At present, the management is evaluating the impact on the financial statements in the year when this standard is adopted.

5. Cumulative effect of changes in accounting policies

- 5.1 During the current year, the Company made the change to its accounting policy for recognition of land from the revaluation method to the cost method. In this regard, the Company has restated the previous year's financial statements, as presented herein for comparative purposes, as though land had originally been recorded under the cost method. The change has no effect to profit or loss in the consolidated and separate financial statements for the years 2011 and 2010. The cumulative effect of the change in accounting policy has been presented under the heading of "Cumulative effect of change in accounting policy for recognition of land" in the consolidated and separate statements of changes in shareholders' equity.

Financial Statements

The effects of the change in the above accounting policy on the consolidated and separate statements of financial position as at 31 December 2010 are as follows

	(Unit: Million Baht)
	Consolidated / Separate financial statements
Decrease in property, plant and equipment	(209)
Decrease in other components of shareholders' equity – surplus on revaluation of land	(209)

- 5.2 During the current year, the Company and its subsidiaries made the change to their accounting policy for employee benefits, as a result of the adoption of new accounting standard. The cumulative effect of the change in accounting policy has been separately presented in the consolidated and separate statements of changes in shareholders' equity through the adjustment to the beginning balance of retained earnings for 2011 of the consolidated financial statements of Baht 153 million and the separate financial statements of Baht 128 million. The change has the effect of decreasing the consolidated profit of the Company and its subsidiaries for the year 2011 by Baht 17 million or 0.04 Baht basic earnings per share (the Company only: decreasing the profit of the Company by Baht 14 million or 0.03 Baht basic earnings per share).

As at 31 December 2011, the Company and its subsidiaries recognised Baht 165 million of such long-term employee benefit liabilities (the Company only: Baht 138 million).

6. Significant accounting policies

6.1 Revenue recognition

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts.

Rental and service income

Rental income is recognised based on an accrual basis. Service revenue is recognised when services have been rendered taking into account the stage of completion.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

6.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

6.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

6.4 Inventories

Finished goods and work in process are valued at the lower of standard cost (which approximates actual cost) and net realisable value. Standard cost includes all production costs and attributable factory overheads.

Raw materials and factory supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

6.5 Investments

- a) Investments in debt securities expected to be held to maturity are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.
- b) Investment in associates are accounted for in the consolidated financial statements using the equity method.
- c) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method.

The weighted average method is used for computation of the cost of investments.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

Non-controlling interests of the subsidiaries are presented within equity holders in the consolidated statements of financial position, separately from the equity holders of the Company. Total comprehensive income is attributed to the equity holders of the Company and to the non-controlling interests of the subsidiaries even if this results in the non-controlling interests of the subsidiaries having a deficit balance.



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6.6 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 20 years. Depreciation of the investment properties is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

6.7 Property, plant and equipment/Depreciation

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on a straight-line basis over the following estimated useful lives:

Land improvements		20 years
Buildings and building improvements		14 – 40 years
Leasehold improvements	period of lease	(2 – 40 years)
Machinery and equipment		3 – 10 years
Furniture, fixtures and office equipment		2 – 10 years
Motor vehicles		5 – 6 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation and construction in progress.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

6.8 Leasehold rights

Leasehold rights are stated at cost less accumulated amortisation. Amortisation is calculated by reference to cost on a straight-line basis over the period of the lease (25–30 years). Amortisation is included in determining income.

6.9 Goodwill

Goodwill of an overseas subsidiary is initially measured at cost, arising from that subsidiary's receipt of the transfer of operations from a partner in the value higher than the net book value of the transferred assets.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill is allocated to each of cash generating units that are expected to benefit from the synergies of the combination. The management estimates the recoverable amount of each cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

6.10 Intangible assets

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

Intangible assets are computer software which have finite useful lives of 3 – 10 years.

6.11 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

6.12 Long-term leases

Leases of equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term

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payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the useful life of the asset.

Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

6.13 Foreign currencies

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

6.14 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company also carries out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

6.15 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits and other long-term employee benefits

Defined contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

Defined benefit plans and other long-term employee benefits

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law of each country. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan. In addition, the Company and local subsidiaries provide other long-term employee benefit plan.

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

For the first-time adoption of TAS 19 Employee Benefits, the Company and its subsidiaries elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in the current year.

6.16 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

6.17 Income tax

Income tax of the Company and its subsidiaries (in Thailand) are provided in the accounts at the amount expected to be paid to the taxation authorities, based on the taxable profits determined in accordance with tax legislation.

Income tax of overseas subsidiaries are provided in accordance with tax rates mandated by the tax laws of those countries.

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7. Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ from these estimates. The significant accounting judgments and estimates are as follow:

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Property, plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plan and other long-term employee benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

8. Related party transactions

During the years, 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 based agreed upon between the Company and those related parties.

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(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2011	2010	2011	2010	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	1,335	1,474	Normal business price close to those charged to other customers
Purchases of goods and raw materials	-	-	348	290	Market price
Loan interest income	-	-	32	32	Interest rate at 5 to 7.5 percent per annum
Interest income on overdue payment	-	-	2	2	Interest rate at 7.5 percent per annum
Guarantee fee income	-	-	2	2	1 percent per annum
Service income	-	-	31	33	Agreed between the parties
Management income	-	-	12	16	Agreed between the parties
Service expenses	-	-	2	2	Agreed between the parties
Commission payments	-	-	1	1	Agreed between the parties
<u>Transactions with associates</u>					
Sales of goods	9	16	9	16	Normal business price close to those charged to other customers
Purchases of goods and raw materials	610	501	603	494	Market price
<u>Transactions with related companies</u>					
Sales of goods	41	55	28	50	Normal business price close to those charged to other customers
Purchase of goods	85	75	-	1	Market price
Loan interest income	1	1	-	1	Interest rate at 7 percent per annum
Service expenses	6	3	6	3	Agree between the parties
<u>Transactions with management and directors</u>					
Sales of goods	-	6	-	6	Normal business price close to those charged to other customers
Commission payments	2	2	2	2	Agreed between the parties



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As at 31 December 2011 and 2010, the balances of the accounts between the Company and those related parties are as follows:

		(Unit: Million Baht)	
		Consolidated	Separate
		financial statements	financial statements
		2011	2010
		2011	2010
<u>Trade accounts receivable – related parties</u>			
(Note 10)			
Subsidiaries	–	–	813
Associates	24	16	24
Related companies (related by common directors)	9	16	5
Total	33	32	842
Less: Allowance for doubtful accounts	–	–	(124)
Total trade accounts receivable – related parties, net	33	32	718
<u>Other receivables – related parties</u>			
(Note 10)			
Subsidiaries	–	–	215
Associates	1	1	1
Related companies (related by common directors)	3	–	–
Subsidiary's director	11	10	–
Total	15	11	216
Less: Allowance for doubtful accounts	–	–	(103)
Total other receivables – related parties, net	15	11	113
<u>Advances for investment</u>			
Subsidiary	–	–	5
<u>Amounts due from related party</u>			
Subsidiary	–	–	49
<u>Trade and other payables – related parties</u>			
(Note 23)			
Subsidiaries	–	–	8
Associates	1	2	–
Related companies (related by common directors)	–	6	–
Subsidiary's director	–	1	–
Total trade and other payables – related parties	1	9	8

During the year 2011, the Company has recorded allowance for doubtful accounts for its trade and other receivables – subsidiaries in profit or loss for the year 2011, a total of Baht 158 million (2010: Baht 9 million).

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As at 31 December 2011 and 2010, the balances of loans between the Company and those related parties and the movement are as follows:

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	2011	2010	2011	2010
<u>Short-term loans to related parties</u>				
Subsidiaries	-	-	53	52
Related companies (related by common directors)	16	16	-	-
Total	16	16	53	52
Less: Allowance for doubtful accounts	-	-	(1)	(1)
Total short-term loans to related parties, net	16	16	52	51
<u>Current portion of long-term loans to related parties</u>				
Subsidiaries	-	-	44	14
<u>Long-term loans to related parties</u>				
Subsidiaries (net of current portion)	-	-	284	316
Related companies (related by common directors)	8	-	-	-
Total	8	-	284	316
Less: Allowance for doubtful accounts	-	-	(6)	(6)
Total long-term loans to related parties, net	8	-	278	310

During the year 2011, movements of loans to related parties were as follow:

		(Unit: Million Baht)			
		Consolidated financial statements			
Loans to related parties	Related by	Balance as at 1 January	During the year		Balance as at 31 December
		2011	Increase	Decrease	2011
A-List Corporate Co., Ltd.	Related company by common directors	13	-	-	13
Supree Holding Co., Ltd.	Related company by common directors	3	-	-	3
PT Pranda Marketing Indonesia	Related company by common directors of the associates	-	8	-	8

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(Unit: Million Baht)

Loans to related parties	Related by	Separate financial statements				
		Balance as at 1 January 2011	During the year			Balance as at 31 December 2011
			Increase	Decrease	Unrealised gain on exchange	
Primagold International Co., Ltd.	Subsidiary	50	-	-	-	50
Pranda & Kroll GmbH & Co. KG	Subsidiary	115	-	-	3	118
Pranda UK Ltd.	Subsidiary	209	-	(16)	11	204
Pranda Singapore Pte. Limited.	Subsidiary	8	1	-	1	10

Short-term loans to related parties

Consolidated financial statements

A local subsidiary granted short-term loan to a related company, A-List Corporate Co., Ltd, and this loan is subject to interest at the rate of 7 percent per annum, secured by the director of this related company and repayable on demand. In addition, the subsidiary granted short-term loan to a related company, Supree Holding Co., Ltd, and this loan is subject to interest at the rate of 7 percent per annum, unsecured and repayable on demand.

Separate financial statements

The short-term loans granted to its subsidiaries, Primagold International Co., Ltd. and Pranda Singapore Pte. Limited, are subject to interest at the rate of 6.5 percent per annum and 5 percent per annum, respectively. These loans are unsecured and repayable on demand.

Long-term loans to related parties

Consolidated financial statements

In 2011, a local subsidiary granted a long-term loan of USD 0.25 million, or approximately Baht 8 million, to PT Pranda Marketing Indonesia, a related company. The loan is subject to interest at the rate of 7.5 percent per annum, has a term of 5 years, and is secured by the pledge of all shares of the related company.

The loan agreement grants the subsidiary the option to have the related company make loan repayment in cash, or to convert part or all of the unpaid loan to the newly issued shares of the related company, provided these do not exceed up to 55 percent of total shares. The conversion ratio is set at the par value of the related company's shares.

Separate financial statements

The long-term loan granted to a subsidiary, Pranda Singapore Pte. Limited, is unsecured and repayable on demand. No interest is to be charged.

The long-term loan granted to a subsidiary, Pranda & Kroll GmbH & Co. KG, is unsecured and repayable every quarter as from March 2012 to December 2014. Interest is repayable every quarter at the rate of 7.5 percent per annum.

The long-term loan granted to a subsidiary, Pranda UK Ltd, is unsecured and repayable every quarter within 10 years as from March 2010 to December 2019. Interest is repayable every quarter at the rate of 7.5 percent per annum.

Directors and management's benefits

During the years ended 31 December 2011 and 2010, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

			(Unit: Million Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Short-term employee benefits	86	78	38	29
Post-employment benefits	2	-	1	-
Other long-term benefits	1	-	-	-
Total	<u>89</u>	<u>78</u>	<u>39</u>	<u>29</u>

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 36.3 (a) to the financial statements.

9. Cash and cash equivalents

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Cash	3,235	3,311	366	361
Bank deposits	344,019	302,400	116,704	127,018
Bills of exchange	90,000	80,000	90,000	80,000
Total	<u>437,254</u>	<u>385,711</u>	<u>207,070</u>	<u>207,379</u>

As at 31 December 2011, bank deposits and bills of exchange carried interests between 0.05 and 3.15 percent per annum (2010: between 0.01 and 1.9 percent per annum).

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10. Trade and other receivables

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2011	2010	2011	2010
<u>Trade accounts receivable – related parties</u>				
Aged on the basis of due dates				
Not yet due	1,842	13,365	216,751	215,484
Past due				
Up to 3 months	3,957	16,277	138,708	178,488
3 – 6 months	9,557	1,995	75,376	75,090
6 – 12 months	10,639	9	140,904	118,790
Over 12 months	7,376	208	269,814	73,584
Total	33,371	31,854	841,553	661,436
Less: Allowance for doubtful debts	–	–	(123,748)	(51,044)
Total trade accounts receivable – related parties, net	33,371	31,854	717,805	610,392
<u>Trade accounts receivable – unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	364,373	300,641	183,497	102,700
Past due				
Up to 3 months	243,807	351,578	73,775	67,251
3 – 6 months	32,885	38,461	4,494	2,270
6 – 12 months	28,023	31,041	2,085	2,101
Over 12 months	256,576	277,461	173,286	202,264
Total	925,664	999,182	437,137	376,586
Less: Allowance for doubtful debts	(120,456)	(136,021)	(79,046)	(95,427)
Total trade accounts receivable – unrelated parties, net	805,208	863,161	358,091	281,159
Total trade accounts receivable, net	838,579	895,015	1,075,896	891,551
<u>Other receivables</u>				
Other receivables – related parties	14,760	10,791	215,929	177,319
Other receivables – unrelated parties	21,002	27,347	4,495	11,675
Accrued interest income	1,043	1,025	1,043	1,025
Accrued income	5,038	2,257	–	–
Total	41,843	41,420	221,467	190,019
Less: Allowance for doubtful debts	(1,142)	(1,142)	(102,535)	(16,987)
Total other receivables, net	40,701	40,278	118,932	173,032
Total trade and other receivables, net	879,280	935,293	1,194,828	1,064,583

During 2011, sales by an overseas subsidiary company, Pranda North America, Inc. to a significant customer totaled USD 21 million, or approximately Baht 631 million, equivalent to 90 percent of its net sales (2010: USD 27 million, or approximately Baht 872 million, equivalent to 86 percent of the net sales of the subsidiary).

11. Inventories

(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Reduce cost to net realisable value		Inventories-net	
	2011	2010	2011	2010	2011	2010
Finished goods	1,175,139	1,055,196	(127,292)	(133,768)	1,047,847	921,428
Work in process	249,030	225,178	-	-	249,030	225,178
Raw materials	595,392	539,215	(88,253)	(89,944)	507,139	449,271
Factory supplies	11,994	9,171	-	-	11,994	9,171
Goods in transit	1,180	10,960	-	-	1,180	10,960
Total	2,032,735	1,839,720	(215,545)	(223,712)	1,817,190	1,616,008

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduce cost to net realisable value		Inventories-net	
	2011	2010	2011	2010	2011	2010
Finished goods	244,011	219,734	(81,884)	(80,684)	162,127	139,050
Work in process	240,614	217,590	-	-	240,614	217,590
Raw materials	512,766	462,543	(84,326)	(85,026)	428,440	377,517
Factory supplies	6,915	5,957	-	-	6,915	5,957
Goods in transit	814	142	-	-	814	142
Total	1,005,120	905,966	(166,210)	(165,710)	838,910	740,256

12. Restricted bank deposits

The outstanding balances represented the subsidiaries' deposits with banks, pledged to secure the credit facilities for forward exchange contracts and the letters of guarantee issued by banks on behalf of subsidiaries for electricity use.

13. Investment in convertible debentures issued by subsidiary

In 2009, an Indian subsidiary, Pranda Jewelry Private Limited, issued and offered to the Company 69,000 units of fully compulsorily convertible debentures, unsubordinated and unsecured, with a par value of Indian Rupee 1,000 each, or a total of Indian Rupee 69 million. All debentures are to be converted into fully paid up equity shares of the subsidiary on a mutually agreed date after 31 December 2012 and mature on 31 December 2016. 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 to 15 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



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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.

As at 31 December 2011, the Company had outstanding of 69,000 units of convertible debentures with a par value of Indian Rupee 1,000 each, totaling of Indian Rupee 69 million or approximately of Baht 37 million (2010: of Baht 43 million), with the interest rate of 7.5 percent per annum.

14. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Paid-up capital		Currency	Shareholding percentage		Cost	
	2011	2010		2011	2010	2011	2010
				Percent	Percent		
Pranda North America, Inc.	2	2	Thousand USD	100	100	120,283	120,283
H.GRINGOIRE s.a.r.l.	5	5	Million EUR	100	100	344,423	344,423
Pranda UK Ltd.	0.5	0.5	Million GBP	100	100	28,973	28,973
Pranda Vietnam Co., Ltd.	1.5	1.5	Million USD	100	100	48,180	48,180
Pranda Singapore Pte. Limited							
Pranda Acceptance Sdn. Bhd. (held by Pranda Singapore Pte. Limited)	3	3	Million SGD	100	100	53,681	53,681
Primagold International Co., Ltd.	200	200	Million Baht	100	100	200,000	200,000
Crystalline Co., Ltd.	100	100	Million Baht	96	96	96,000	96,000
Pranda Lodging Co., Ltd.	50	50	Million Baht	83	83	41,125	41,125
Guangzhou Pangda Zhubao Shoushi Youxian Gongsi	2.35	2.35	Million USD	100	100	81,396	81,396
Pranda & Kroll GmbH & Co. KG							
KSV Brand GmbH (held by Pranda & Kroll GmbH & Co. KG)	5.34	5.34	Million EUR	51	51	164,341	164,341
Pranda Jewelry Private Limited	1	1	Million Indian Rupee	51	51	436	436
Total						1,178,838	1,178,838
Less: Allowance for impairment of investments						(491,490)	(491,490)
Investments in subsidiaries – net						687,348	687,348

During 2011 and 2010, no dividend income was received from its investments in subsidiaries.

In December 2011, meeting of the Company's Board of Directors No.15/2554 passed a resolution to increase its investment in an overseas subsidiary company, Guangzhou Pangda Zhubao Shoushi Youxian Gongsi, by USD 1 million, or approximately Baht 31 million. This would increase the share capital of the subsidiary from USD 2.35 million to USD 3.35 million.

Subsequently, the Company made the additional investment of USD 0.3 million, or approximately Baht 9 million, in the subsidiary and booked it in the accounts in January 2012. As a result, the Company's total investment in this subsidiary company is USD 2.65 million, or approximately Baht 90 million, and its shareholding remains unchanged at 100 percent.

15. Investments in associates

15.1 Details of associates:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements			
			Shareholding percentage		Investments value - equity method	
			2011 Percent	2010 Percent	2011	2010
KZ-Pranda Co., Ltd.	Import and distribution of raw materials - precious metals	Thailand				
- Cost			40	40	3,600	3,600
- Accumulated share profit (loss)					(3,600)	648
					-	4,248
PT. Sumberkreasi Ciptalogam (formerly known as P.T. Pranda SCL Indonesia) (held by the subsidiary company)	Manufacture and distribution of jewelry	Indonesia				
- Cost			50	50	39,409	39,409
- Accumulated share profit					26,118	25,044
- Translation adjustment					(6,197)	(8,734)
					59,330	55,719
Total carrying amounts based on equity method					59,330	59,967

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Shareholding percentage	Separate financial statements					
				Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net	
				2011 Percent	2010 Percent	2011	2010	2011	2010
KZ-Pranda Co., Ltd.	Import and distribution of raw materials - precious metals	Thailand	40	40	3,600	3,600	(3,600)	(3,600)	-

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15.2 Share of profit/loss

During the years, the Company and its subsidiaries recognised their share of profit/loss from investments in associates in the consolidated financial statements as follows:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements	
	Share of profit/loss from investments in associates during the year	
	<u>2011</u>	<u>2010</u>
PT. Sumberkreasi Ciptalogam (formerly known as P.T. Pranda SCL Indonesia)	1,074	(12,654)
KZ-Pranda Co., Ltd.	(4,248)	2,294
Total	<u>(3,174)</u>	<u>(10,360)</u>

During 2011 and 2010, the Company and its subsidiaries received no dividend income from their investments in associates.

15.3 Financial information of associates

Financial information of the associates are summarised below.

(Unit: Million Baht)

Company's name	Paid-up capital as at		Currency	Total assets as at		Total liabilities as at		Total revenues for the years ended		Profit (loss) for the years ended	
	<u>31 December</u>	<u>31 December</u>		<u>31 December</u>	<u>31 December</u>	<u>31 December</u>	<u>31 December</u>	<u>31 December</u>	<u>31 December</u>	<u>31 December</u>	<u>31 December</u>
	<u>2011</u>	<u>2010</u>		<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
KZ-Pranda Co., Ltd.	9	9	Million Baht	306	194	311	184	2,513	1,729	(15)	6
PT. Sumberkreasi Ciptalogam (formerly known as P.T. Pranda SCL Indonesia)	4,000	4,000	Million Rupiah Indonesia	270	220	193	145	190	159	2	(23)

15.4 Investment in associates with capital deficit

The Company recognised share of losses from investment in an associate, as listed below, until the value of the investment approached zero. Subsequent losses incurred by the associate has not been recognised in the Company's accounts since the Company has no obligations, whether legal or constructive, to make any payments on behalf of the associate. The amount of such unrecognised share of losses is set out below.

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(Unit: Million Baht)

Company's name	Unrecognised share of losses	
	Share of losses for the year ended 31 December 2011	Cumulative share of losses up to 31 December 2011
KZ-Pranda Co., Ltd.	2	2

16. Other long-term investments

The outstanding balances represented investments in government bonds which classified as held-to maturity debt securities.

The Company has pledged some of its government bonds to secure performance bonds as require in the normal course of its business.

17. Investment properties

The net book value of investment properties as at 31 December 2011 and 2010 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Land held for development	Land and building for rent	Total	Land held for development	Land and building for rent	Total
<u>31 December 2011:</u>						
Cost	667,381	66,852	734,233	667,381	20,245	687,626
<u>Less:</u> Accumulated depreciation	-	(36,396)	(36,396)	-	(8,752)	(8,752)
<u>Less:</u> Allowance for loss on impairment	(188,016)	-	(188,016)	(188,016)	-	(188,016)
Net book value	479,365	30,456	509,821	479,365	11,493	490,858
<u>31 December 2010:</u>						
Cost	667,381	66,852	734,233	667,381	20,245	687,626
<u>Less:</u> Accumulated depreciation	-	(33,538)	(33,538)	-	(8,124)	(8,124)
<u>Less:</u> Allowance for loss on impairment	(245,652)	-	(245,652)	(245,652)	-	(245,652)
Net book value	421,729	33,314	455,043	421,729	12,121	433,850



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A reconciliation of the net book value of investment properties for the years 2011 and 2010 is presented below.

			(Unit: Thousand Baht)	
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Net book value at beginning of year – as reclassified	455,043	456,364	433,850	434,476
Acquisition at cost	–	1,537	–	–
Depreciation	(2,858)	(2,858)	(628)	(626)
Reversal allowance for loss on impairment	57,636	–	57,636	–
Net book value at end of year	<u>509,821</u>	<u>455,043</u>	<u>490,858</u>	<u>433,850</u>

In March 2011, the Company arranged for an independent professional valuer to appraise the value of investment properties which are land held for development for future projects. The basis of the revaluation was “Market approach”. The results showed the fair value of some plots of land held for development which is higher than its net book value. The Company recorded the reversal previously recognised impairment loss – net totaled Baht 58 million in the consolidated and separate profit or loss for the year 2011.

The fair value of the investment properties as at 31 December 2011 stated below:

			(Unit: Thousand Baht)	
	Consolidated financial statements		Separate financial statements	
Land held for development	524,120		524,120	
Land and building for rent	63,390		58,949	

The fair values of the land held for development have been determined based on valuations performed by an accredited independent valuer. The fair value of the land and building for rent have been determined using the market prices.

The Company and its subsidiaries have mortgaged their investment properties with a total net book value as at 31 December 2011, amounting to approximately Baht 487 million (2010: Baht 429 million) (the separate financial statements as at 31 December 2011: Baht 490 million, 2010: Baht 433 million) as collateral against credit facilities received from commercial banks.

(Unit: Thousand Baht)

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18. Property, plant and equipment (continued)

(Unit: Thousand Baht)

Consolidated financial statements							
	Land	Land improvements	Buildings and building improvements	Leasehold improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles
	Land						Assets under installation and under construction
							Total
Allowance for impairment loss:							
1 January 2010	-	-	-	-	-	11,637	-
Increase during the year	-	-	-	-	-	585	-
Allowance for impairment loss on disposals	-	-	-	-	-	(389)	-
31 December 2010	-	-	-	-	-	11,833	-
31 December 2011	-	-	-	-	-	11,833	-
Net book value: - as restated/ reclassified							
31 December 2010	98,452	1,401	151,484	10,607	40,432	60,998	26,366
31 December 2011	98,594	3,127	142,303	12,223	56,230	76,037	34,826
Depreciation for the year							
2010 (Baht 34 million included in manufacturing cost, and the balance in selling and administrative expenses)							66,584
2011 (Baht 37 million included in manufacturing cost, and the balance in selling and administrative expenses)							73,346

18. Property, plant and equipment (continued)

(Unit: Thousand Baht)

	Separate financial statements						
	Land	Land improvements	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction
Cost: – as restated/reclassified							Total
1 January 2010	66,279	7,576	293,387	144,957	249,160	15,303	778,794
Additions	22,291	17	19,534	5,074	6,372	5,226	86,255
Disposals	-	-	-	(461)	(12,005)	(444)	(12,919)
Transfers	-	-	1,954	800	1,171	-	-
31 December 2010	88,570	7,593	314,875	150,370	244,698	20,085	852,130
Additions	-	-	70	11,145	9,155	3,422	79,199
Disposals	-	-	-	(2,871)	(15,456)	(2,913)	(22,577)
Transfers	-	2,065	9,138	21,406	12,574	-	-
31 December 2011	88,570	9,658	324,083	180,050	250,971	20,594	908,752
Accumulated depreciation: – as restated/reclassified							
1 January 2010	-	5,937	210,270	104,689	212,692	12,241	545,829
Depreciation for the year	-	255	13,731	13,758	10,278	1,712	39,734
Depreciation on disposals	-	-	-	(461)	(11,452)	(444)	(12,357)
31 December 2010	-	6,192	224,001	117,986	211,518	13,509	573,206
Depreciation for the year	-	339	14,269	16,053	10,572	2,592	43,825
Depreciation on disposals	-	-	-	(2,729)	(15,173)	(2,913)	(20,815)
31 December 2011	-	6,531	238,270	131,310	206,917	13,188	596,216

18. Property, plant and equipment (continued)

(Unit: Thousand Baht)

	Separate financial statements					
	Land	Land improvements	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles
						Assets under installation and under construction
						Total
Allowance for impairment loss:						
1 January 2010	-	-	-	-	11,637	-
Increase during the year	-	-	-	-	585	-
Allowance for impairment loss on disposals	-	-	-	-	(389)	-
31 December 2010	-	-	-	-	11,833	-
31 December 2011	-	-	-	-	11,833	-
Net book value: - as restated/ reclassified						
31 December 2010	88,570	1,401	90,874	32,384	21,347	6,576
31 December 2011	88,570	3,127	85,813	48,740	32,221	7,406
Depreciation for the year						
2010 (Baht 28 million included in manufacturing cost, and the balance in selling and administrative expenses)						25,939
2011 (Baht 32 million included in manufacturing cost, and the balance in selling and administrative expenses)						34,826
						39,734
						43,825

18. Property, plant and equipment (continued)

A reconciliation of the net book value of property, plant and equipment for the year 2011 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2011 – as previously reported	642,692	488,515
Cumulative effect of change in accounting policy (Note 5.1)	(209,303)	(209,303)
Transfer for reclassifications	(34,274)	(12,121)
Net book value as at 1 January 2011 – as restated	399,115	267,091
Acquisitions during the year – at cost	109,391	79,199
Disposals during the year – net book value as at disposal date	(2,631)	(1,762)
Depreciation for the year	(73,346)	(43,825)
Translation adjustment during the year	2,259	–
Net book value as at 31 December 2011	434,788	300,703

As at 31 December 2011, certain plant and equipment items of the Company and its subsidiaries have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 450 million (2010: Baht 431 million) (The separate financial statements: 2011: Baht 324 million, 2010: Baht 311 million).

The Company and its subsidiaries have mortgaged/pledged their property, plant and equipment with a total net book value as at 31 December 2011 amounting to approximately Baht 148 million (2010: Baht 168 million) as collateral against credit facilities received from commercial banks (The separate financial statements: 2011: Baht 97 million, 2010: Baht 115 million).

19. Leasehold rights

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Leasehold rights – at cost	62,830	69,756	–	–
Less: Accumulated amortisation	(29,755)	(33,976)	–	–
Translation adjustment	–	(36)	–	–
Leasehold rights – net	33,075	35,744	–	–
Amortisation expenses included in profit or loss for the year	2,484	2,484	–	–

A local subsidiary company has mortgaged leasehold rights with a total net book value as at 31 December 2011 of approximately Baht 25 million (2010: Baht 27 million) as collateral for credit facilities received from commercial banks.

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20. Goodwill

(Unit: Thousand Baht)		
	Consolidated financial statements	
	2011	2010
Goodwill	90,278	90,278
Less: Accumulated amortisation	(26,169)	(26,169)
Translation adjustment	(1,761)	(1,761)
Total	62,348	62,348
Less: Allowance for impairment loss on goodwill	(62,348)	(62,348)
Goodwill – net	-	-

21. Intangible assets

The net book value of intangible assets, computer software, as at 31 December 2011 and 2010 is presented below.

(Unit: Thousand Baht)		
	Consolidated	Separate
	financial statements	financial statement
Cost:		
As at 1 January 2010	33,661	10,729
Additions	15,577	9,032
Disposals	(1,063)	-
Translation adjustment	(3,004)	-
As at 31 December 2010	45,171	19,761
Additions	2,610	879
Disposals	(485)	-
Translation adjustment	842	-
As at 31 December 2011	48,138	20,640
Accumulated amortisation:		
As at 1 January 2010	7,973	1,056
Amortisation during the year	4,875	2,148
Accumulated amortisation for disposal	(1,009)	-
Translation adjustment	(1,349)	-
As at 31 December 2010	10,490	3,204
Amortisation during the year	6,613	3,646
Accumulated amortisation for disposal	(485)	-
Translation adjustment	227	-
As at 31 December 2011	16,845	6,850
Net book value:		
31 December 2010	34,681	16,557
31 December 2011	31,293	13,790



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

(Unit: Thousand Baht)

	Interest rate (percent per annum)	Consolidated financial statements		Separate financial statements	
		<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Bank overdrafts	MOR	3,953	6,355	-	-
Short-term loans from financial institutions	MMR, MLR	394,179	339,796	270,000	270,763
Total		<u>398,132</u>	<u>346,151</u>	<u>270,000</u>	<u>270,763</u>

Bank overdrafts and short-term loans from financial institutions of the Company are secured by the mortgage of the Company's land with structures thereon, investment properties and guaranteed by its directors.

Bank overdrafts and short-term loans from financial institutions of a local subsidiary company are secured by the mortgage of a part of the leasehold rights in shopping malls of the subsidiary, and guaranteed by the Company, and directors of the Company and that subsidiary company.

Bank overdrafts and short-term loans from financial institutions of an overseas subsidiary company are guaranteed by the Company and the subsidiary's director.

23. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Trade payables – related parties	1,187	8,588	7,593	7,669
Trade payables – unrelated parties	880,718	773,079	799,635	638,073
Other payables – related parties	208	154	765	1,404
Other payables – unrelated parties	35,103	16,431	10,831	9,156
Accrued expenses	84,203	97,094	36,957	37,351
Total trade and other payables	<u>1,001,419</u>	<u>895,346</u>	<u>855,781</u>	<u>693,653</u>



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24. Long-term loans

(Unit: Thousand Baht)

Loan	Interest rate (percent per annum)	Repayment schedule	Consolidated financial statements		Separate financial statements	
			2011	2010	2011	2010
1	MLR	Quarterly installment as from October 2002 to January 2011	-	33,230	-	33,230
2	MLR - 0.5	Quarterly installment as from June 2007 to December 2014	75,110	100,110	75,110	100,110
3	MLR	Monthly installment as from January 2007 to December 2017	5,452	6,362	-	-
4	MLR +0.5	Monthly installment as from July 2009 to December 2015	6,029	7,244	-	-
5	MLR	Monthly installment as from October 2009 to June 2016	22,915	27,060	-	-
6	7.25	Monthly installments as from July 2007 to June 2022 (USD loan)	8,218	8,298	-	-
Total			117,724	182,304	75,110	133,340
Less: Current portion of long-term loans			(32,156)	(65,185)	(25,000)	(58,230)
Long-term loans - net of current portion			85,568	117,119	50,110	75,110

The long-term loans of the Company were secured by the mortgage of land with structures thereon, investment properties, and by 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 according to the agreements.

Long-term loans of a local subsidiary company were granted by local commercial banks. Such loans were secured by the mortgage of its office condominium units, investment properties and some of its leasehold rights, and by the guarantees of the Company and directors of the subsidiary. The loan agreements contain covenants as specified in the agreements that, among other things, require the subsidiary to maintain certain debt to equity according to the agreements.

Long-term loan of an overseas subsidiary company, Pranda North America, Inc., was granted by the financial institution in the United States of America. Such loan was secured by land and building of the subsidiary.

25. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 December 2011 was as follows:

	(Unit: Thousand Baht)					
	Post-employment benefits from employee's retirement			Other long-term employee benefit plan		Total
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Cumulative effect of change in accounting policy for employee benefits adjusted against beginning balance of retained earnings (Note 5.2)	144,056	120,556	8,496	7,517	152,552	128,073
Current service cost	10,899	8,422	1,044	867	11,943	9,289
Interest cost	5,223	4,498	325	290	5,548	4,788
Benefits paid during the year	(3,231)	(3,231)	(1,396)	(1,156)	(4,627)	(4,387)
Balance at end of year	156,947	130,245	8,469	7,518	165,416	137,763

Long-term employee benefit expenses included in the consolidated profit or loss for the year ended 31 December 2011 amounted to Baht 17 million (The separate financial statements: Baht 14 million).

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated financial statements (percent per annum)	Separate financial statements (percent per annum)
Discount rate	1 - 4	3.86
Future salary increase rate	2 - 7	3 - 7
Staff turnover rate (depending on age of employee)	1 - 55	1 - 55

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26. Warrants

On 18 April 2008, the Annual General Meeting of the Company's shareholders approved the resolution to issue 14,251,410 registered and non-transferable warrants to purchase the Company's ordinary shares under Employee Stock Option Plan (ESOP) to be offered to directors and employees of the Company and/or its subsidiaries. No value is to be charged for the warrants upon issue. The warrants have an exercise price of Baht 3 per unit and are exercisable in a ratio of 1 warrant per 1 ordinary share, for a period of 5 years from the issue date. The warrant holders are entitled to exercise the warrants every six months.

Subsequently, on 11 February 2009, the meeting of the Company's Board of Directors No. 2/2009, approved the resolution to allocate and determine the date of issuance of the warrants to purchase the Company's ordinary shares on 27 February 2009. The first exercise date was on 28 August 2009.

Presented below is a summary of movement in the number of warrants.

	(Units)
Number of warrants issued	1,425,410
Number of exercised warrants during the years 2009 – 2010	(4,919,764)
Number of canceled warrants of the holders who were no longer employee during the years 2009 – 2010	(283,000)
Outstanding units as at 31 December 2010	9,048,646
Number of exercised warrants during the year 2011	(2,663,400)
Number of canceled warrants of the holders who were no longer employee during the year 2011	(200,000)
Reverse number of canceled warrants during the year 2011	12,000
Outstanding units as at 31 December 2011	6,197,246

27. Share capital / share premium

Presented below is a summary of movements in share capital during the year ended 31 December 2011.

	Issued and fully paid-up share capital (Thousand Baht)	Share premium (Thousand Baht)	Date of registration of additional shares with the Ministry of Commerce	Date of listing securities on the Stock Exchange of Thailand
Balance outstanding as at 31 December 2010	400,668	769,134		
Increase in share capital from exercised warrants in February 2011	420	839	7 March 2011	9 March 2011
Increase in share capital from exercised warrants in August 2011	2,244	4,488	8 September 2011	12 September 2011
Total	2,664	5,327		
Balance outstanding as at 31 December 2011	403,332	774,461		

28. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

29. Expenses by nature

Significant expenses by nature are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2011	2010	2011	2010
Salary, wages and other employee benefits	922,717	887,810	547,302	529,946
Depreciation and amortisation	82,817	69,687	48,098	40,360
Loss on exchange	–	149,684	–	148,412
Raw materials and consumables used and purchase of finished goods	2,234,756	2,043,549	1,847,977	1,751,709
Changes in inventories of finished goods and work in process	(143,795)	52,250	(47,301)	58,413
Decrease of inventory to net realisable value (reversal)	(8,167)	22,151	500	15,000
Allowance for doubtful accounts (reversal)	(15,566)	(11,475)	141,871	(1,698)
Commission and sales promotion expenses	100,130	95,163	14,534	21,920
Rental expenses from operating lease agreements	64,470	54,471	254	300

30. Corporate 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 1 January 2011.

Corporate income tax of the Company was calculated on profit before income tax from non-promoted operations of exemption from corporate income tax for the years, after adding back expenses and deducting income which are disallowable for tax computation purposes.

Corporate income tax of the local subsidiaries were calculated on profit before income tax for the years, after adding back expenses and deducting income which are disallowable for tax computation purposes.

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.

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31. Promotional privileges

- 31.1 The Company has received promotional privileges from the Board of Investment. Subject to certain imposed conditions, the privileges are as follows:

Details		
1. Certificate No.	1010/2544	1616(2)/2553
2. Promotional privileges for	Manufacturing of jewelry for its factory located in the Suranaree Industrial Estate Zone in Nakorn Rachasima province	Manufacturing of jewelry for its factory located in the Suranaree Industrial Estate Zone in Nakorn Rachasima province
3. The significant privileges are		
3.1 Exemption from corporate income tax on net income derived from the promoted operations.	8 years (expired on 31 December 2010)	8 years
3.2 50% reduction of corporate income tax on net income derived from the promoted operations for a period of 5 years after the tax-exemption period ends.	Granted	Granted
3.3 Allowance permitting five percent of the increment in export income over that of the preceding year to be deductible from taxable income for a period of ten years from the date the promoted operations commenced generating revenues.	Granted	Non-granted
4. Date of first earning operating income	1 January 2003	1 January 2011

The Company's operating revenues for the years are below shown divided according to promoted and non-promoted operations.

	Promoted operations		Non-promoted operations		Total	
	2011	2010	2011	2010	2011	2010
Sales						
Domestic sales	–	–	610,501	443,571	610,501	443,571
Export sales	1,507,153	1,757,798	1,015,893	865,993	2,523,046	2,623,791
Total sales	<u>1,507,153</u>	<u>1,757,798</u>	<u>1,626,394</u>	<u>1,309,564</u>	<u>3,133,547</u>	<u>3,067,362</u>

- 31.2 A subsidiary company (Crystalline Co., Ltd.) has received promotional privileges from the Board of Investment. Subject to certain imposed conditions, the privileges are as follows:

Details

1. Certificate No.	5036/2547	1384(4)/2549
2. Promotional privileges for	Manufacturing of jewelry	Manufacturing of jewelry for its factory located in the Suranaree Industrial Estate Zone in Nakorn Rachasima province
3. The significant privileges are		
3.1 Exemption from corporate income tax on net income derived from the promoted operations.	Non-granted	8 years
3.2 50% reduction of corporate income tax on net income derived from the promoted operations for a period of 5 years after the tax-exemption period ends.	Non-granted	Granted
3.3 Exemption from import duty on raw materials and significant supplies used in export production.	Granted to 20 July 2012	Granted for a period of 5 years from the first import date
4. Date of first earning operating income	25 May 2004	Waiting for approval to commence the operations

32. Earnings per share

Basic earnings per share is calculated by dividing profit for the year 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 for the year 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.

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Reconciliation between basic earnings per share and diluted earnings per share is presented below.

	Consolidated financial statements					
	For the years ended 31 December					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	<u>2011</u> (Thousand Baht)	<u>2010</u> (Thousand Baht)	<u>2011</u> (Thousand Shares)	<u>2010</u> (Thousand Shares)	<u>2011</u> (Baht)	<u>2010</u> (Baht)
Basic earnings per share						
Profit attributable to equity holders of the Company	456,345	243,425	401,779	399,073	1.14	0.61
Effect of dilutive potential ordinary shares						
Warrants	-	-	4,183	5,132		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	<u>456,345</u>	<u>243,425</u>	<u>405,962</u>	<u>404,205</u>	<u>1.12</u>	<u>0.60</u>

	Separate financial statements					
	For the years ended 31 December					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	<u>2011</u> (Thousand Baht)	<u>2010</u> (Thousand Baht)	<u>2011</u> (Thousand Shares)	<u>2010</u> (Thousand Shares)	<u>2011</u> (Baht)	<u>2010</u> (Baht)
Basic earnings per share						
Profit attributable to equity holders of the Company	441,139	343,797	401,779	399,073	1.10	0.86
Effect of dilutive potential ordinary shares						
Warrants	-	-	4,183	5,132		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	<u>441,139</u>	<u>343,797</u>	<u>405,962</u>	<u>404,205</u>	<u>1.09</u>	<u>0.85</u>

33. Segment information

The Company's and its subsidiaries' operations involve a single major industry segment, the manufacture and distribution of jewelry which is carried on in both Thailand and overseas, while a subsidiary company carries on dormitory rental in Thailand. Below is the consolidated financial information of the Company and its subsidiaries for the years ended 31 December 2011 and 2010 by segment.

(Unit: Million Baht)

	The manufacture and distribution of jewelry				Dormitory rental		Elimination of inter-segment revenues		Consolidation	
	Domestic		Overseas		Domestic		2011	2010	2011	2010
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Revenue from external customers	2,625	2,285	1,497	1,771	-	-	-	-	4,122	4,056
Intersegment revenues	1,682	1,775	92	80	-	-	(1,774)	(1,855)	-	-
Total revenues	<u>4,307</u>	<u>4,060</u>	<u>1,589</u>	<u>1,851</u>	<u>-</u>	<u>-</u>	<u>(1,774)</u>	<u>(1,855)</u>	<u>4,122</u>	<u>4,056</u>
Segment income (loss)	461	570	(158)	(172)	(1)	(1)	134	99	436	496
Unallocated income and expenses:										
Interest income									9	6
Share of loss from investments in associates									(3)	(10)
Gain (loss) on exchange									33	(150)
Reversal allowance for loss on impairment of investment properties									58	-
Finance cost									(38)	(35)
Corporate income tax									(79)	(63)
Non-controlling interests of the subsidiaries									40	(1)
Profit attributable to equity holders of the Company									<u>456</u>	<u>243</u>
Property, plant and equipment	368	304	67	71	-	-	-	-	435	375
Other assets	4,727	4,358	1,210	1,252	44	45	(2,096)	(2,008)	3,885	3,647
Total assets	<u>5,095</u>	<u>4,662</u>	<u>1,277</u>	<u>1,323</u>	<u>44</u>	<u>45</u>	<u>(2,096)</u>	<u>(2,008)</u>	<u>4,320</u>	<u>4,022</u>

Transfer prices between business segments are as set out in Note 8 to the financial statements.

34. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly, at the rate of 3 percent of basic salary. The fund, which is managed by TMB Bank Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2011, the Company contributed Baht 9 million to the fund (2010: Baht 7 million).

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35. Dividends

Dividends	Approved by	Total dividends (Thousand baht)	Dividend per share (Baht per share)
Final dividends for 2009	Annual General Meeting of the shareholders on 20 April 2010	171,248	0.43
Dividends from retained earnings	Meeting of the Board of Directors No. 13/2010 on 13 August 2010	119,474	0.30
Dividends from retained earnings	Meeting of the Board of Directors No. 15/2010 on 11 November 2010	120,200	0.30
Total dividends paid for the year 2010		<u>410,922</u>	<u>1.03</u>
Final dividends for 2010	Annual General Meeting of the shareholders on 20 April 2011	200,543	0.50
Interim dividends from operating profit for nine-month period ended 30 September 2011	Meeting of the Board of Directors No. 13/2011 on 11 November 2011	40,333	0.10
Total dividends paid for the year 2011		<u>240,876</u>	<u>0.60</u>

36. Commitments and contingent liabilities

36.1 Capital commitments

As at 31 December 2011, the Company had capital commitments totaling of approximately Baht 19 million, relating to acquisition of computer software, building construction and building improvements.

36.2 Operating lease commitments

The Company and its 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.

As at 31 December 2011, future minimum lease payments required under these operating leases contracts were as follows:

	Million Baht
Payable within:	
Less than 1 year	38
1 to 5 years	66
More than 5 years	38



36.3 Guarantees

- (a) The Company has issued guarantees to secure bank overdrafts and credit facilities of its subsidiaries. As at 31 December 2011, there were outstanding guarantees of Baht 311 million and EUR 0.3 million, totaling of Baht 325 million.
- (b) As at 31 December 2011, there were outstanding bank guarantees of Baht 2 million, GBP 20,000 and USD 2 million, totaling of Baht 66 million (The Company only: USD 2 million or Baht 64 million) issued by the banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the ordinary course of their businesses.
- (c) As at 31 December 2011, the Company and its subsidiaries have outstanding standby-letters of credit of USD 22 million or Baht 694 million (the Company only: USD 19 million or Baht 602 million).

36.4 Long-term service commitments

A local subsidiary company has entered into a license agreement with an overseas company for the use of a trademark. Under the conditions of the license agreement, the subsidiary is to pay an annual royalty fee as stipulated in the agreement. The agreement period has started from October 2010 to December 2015 and can be renewed for another 5 years under the stipulated conditions. In addition, the subsidiary has commitments in respect of minimum purchase of goods at the amount stipulated in the agreement.

36.5 Commitment relating to promotional privileges

Under the terms of the Company's BOI certificate No. 1616(2)/2553 dated 14 June 2010, the Company has commitments in respect of its expenditure on research and development or design, advanced technology training, or in support of educational institutions or research institutions, whereby the Company is obliged to expend at the lower of one percent of total revenue of the first three years or Baht 150 million, within 8 years. As at 31 December 2011, the Company recorded a total of approximately Baht 6 million of such expenses.

37. Financial instruments

37.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, loans, investments, and short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

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Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade and other receivables and loans. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentrations of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables and loans as stated in the statements of financial position.

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relate primarily to bank deposits, trade and other receivables, investments, loans to related parties, trade accounts payable, bank overdrafts, short-term loans and long-term loans which are subject to interest. However, since most of the financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the Company and subsidiaries do not use derivatives to manage their interest rate risk.

Significant financial assets and liabilities as at 31 December 2011 classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

	Consolidated financial statements						Interest rate (percent per annum)
	Fixed interest rates				Non- interest bearing	Total	
	Within 1 year	1-5 years	Over 5 years	Floating interest rate			
	(Million Baht)						
<u>Financial assets</u>							
Cash and cash equivalent	98	-	-	124	215	437	0.05 – 3.15
Current investment – deposits with financial institutions	1	-	-	-	-	1	9.5
Trade and other receivables	-	-	-	-	879	879	-
Short-term loans to related parties	16	-	-	-	-	16	7.0
Deposits at banks with restrictions	-	-	-	3	1	4	0.25 – 1.8
Other long-term investments	-	-	10	-	-	10	2.8
Long-term loan to related party	-	8	-	-	-	8	7.5
Total	115	8	10	127	1,095	1,355	
<u>Financial liabilities</u>							
Bank overdraft and short-term loans from financial institutions	-	-	-	398	-	398	(1)
Trade and other payables	708	-	-	-	293	1,001	2.0, 3.4
Long-term loans	1	3	4	110	-	118	(2)
Total	709	3	4	508	293	1,517	

(1) MOR, MMR, MLR

(2) 7.25, MLR, MLR + 0.5, MLR – 0.5

Financial Statements

	Separate financial statements						
	Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Interest rate (percent per annum)
	(Million Baht)						
<u>Financial assets</u>							
Cash and cash equivalent	90	-	-	92	25	207	0.45 – 3.15
Trade and other receivables	-	-	-	-	1,195	1,195	-
Short-term loans to related parties	52	-	-	-	-	52	5.0, 6.5
Amounts due from related party	-	-	-	-	49	49	-
Long-term loans to related parties	44	183	95	-	-	322	7.5
Investment in convertible debentures issued by subsidiary	-	37	-	-	-	37	7.5
Other long-term investments	-	-	10	-	-	10	2.8
Total	186	220	105	92	1,269	1,872	
<u>Financial liabilities</u>							
Bank overdraft and short-term loans from financial institutions	-	-	-	270	-	270	MMR
Trade and other payables	708	-	-	-	148	856	2.0, 3.4
Long-term loans	-	-	-	75	-	75	MLR – 0.5
Total	708	-	-	345	148	1,201	

Foreign currency risk

The Company and its subsidiaries' exposure to foreign currency risk arise mainly from trading transactions and borrowings that are denominated in foreign currencies. The Company and its subsidiaries seek to reduce this risk by entering into forward exchange contracts when they consider appropriate. Generally, the forward contracts mature within one year.

The outstanding balances of the Company and its subsidiaries' financial assets and liabilities denominated in foreign currencies as at 31 December 2011 are summarised below.

Foreign currencies	Consolidated financial statements		Separate financial statements		Average exchange rate as at 31 December 2011 (Baht per 1 foreign currency unit)
	Financial assets	Financial liabilities	Financial assets	Financial liabilities	
	(Million)	(Million)	(Million)	(Million)	
US dollar	16	25	26	24	31.69
Euro	1	-	13	-	41.03
Pound Sterling	-	-	7	-	48.86
Indian Rupee	-	-	69	-	0.59

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As at 31 December 2011, the Company and its subsidiaries had outstanding forward exchange contracts in order to hedge the foreign currency risk as follows.

Consolidated financial statements		
Foreign currencies	Amount	Contractual exchange rate
<u>Forward contracts to "Sell"</u>		
US dollar	19,214,992	30.11 – 32.02 Baht per US dollar
Euro	100,000	41.41 – 41.44 Baht per Euro
Pound Sterling	138,152	49.35 – 49.72 Baht per Pound Sterling
<u>Forward contracts to "Buy"</u>		
US dollar	492,693	0.74 – 0.79 Euro per US dollar
Euro	139,500	42.61 – 44.32 Baht per Euro
Separate financial statement		
Foreign currencies	Amount	Contractual exchange rate
<u>Forward contracts to "Sell"</u>		
US dollar	18,889,803	30.64 – 32.02 Baht per US dollar
Euro	100,000	41.41 – 41.44 Baht per Euro
Pound Sterling	138,152	49.35 – 49.72 Baht per Pound Sterling
<u>Forward contracts to "Buy"</u>		
Euro	139,500	42.61 – 44.32 Baht per Euro

37.2 Fair values of financial instruments

Since the majority of the Company and its subsidiaries' financial instruments are short-term in nature or loans bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

38. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2011, the Group's debt-to-equity ratio was 0.70:1 (2010: 0.61:1) and the Company's debt-to-equity ratio was 0.48:1 (2010: 0.41:1).

39. Reclassifications

To comply with the Notification of the Department of Business Development relating to the financial statement presentation as described in Note 2.1 and as the result of the adoption of revised and new accounting standards as described in Note 3 and 5, certain amounts in the financial statements for the year ended 31 December 2010 have been reclassified to conform to the current year's classification, without any effect to the previously reported profit or shareholders' equity, except the change in accounting policy for the recognition of land from the revaluation method to cost method as described in Note 5.1

40. Events after the reporting period

In February 2012, the Company entered into agreement to issue additional guarantee to secure credit facilities of its local subsidiary of Baht 100 million.

41. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 28 February 2012.

Remunerations for Auditor

The Auditors of Pranda Jewelry PCL. in the year 2010 were Mr. Narong Puntawong, Certified Public Accountant No. 3315 and/or Mrs. Chonlaros Suntiasvaraporn, C.P.A. Registration No. 4523, and/or Mr. Supachai Phanyawattano, Certified Public Accountant No. 3930 from Ernst & Young Office Limited

In 2011 the remunerations that the company and its subsidiaries paid to Ernst & Young Office Limited Audited were as follows:

	Unit: Baht	
	The Company	Subsidiaries
1. Audit fee	2,400,000	935,000
2. BOI audit fee	120,000	-
2. Non-audit fee	-	-



Other Reference Persons

Securities Depository

Thailand Securities Depository Co., Ltd.

62 The Stock Exchange of Thailand
Building,

Rachadapisek Road, Klongtoey,
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Email: TSDCallcENTER@set.or.th

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Auditor

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33rd Floor, Lake Rajada Office
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G.P.O.Box 1047, Bangkok 10501,
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Legal Advisor

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Tel: +66 2264 8000

Fax: +66 2657 2222

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Director and Executive Biography

Mr. Prida Tiasuwan

Board Chairman

Education

- Higher National Diploma in Business Studies – Thames Valley University, England.
- Distinguished Senior Executive Program in Government and Business at Harvard University, U.S.A.

Training on director's role and skills

Director Accreditation Program (DAP), Class 37/2005

Experience

- Vice President of Thai Gem and Jewelry Traders Association for two times
- Director of Listed and Authorized Companies Association
- Director of Thailand-US Business Council
- Director of The Thai Chamber of Commerce for two times
- Board Chairman of Social Venture Network Asia (Thailand) or SVN Asia (Thailand)
- Vice Chairperson of FBX Foundation (Thailand)
- Director and Treasurer of Foundation for Peoples' Righteousness

- Vice President of International Coloured Gemstone Association (ICA)
- Chairperson of Sub Committee of Thai Gems and Gold Jewelry business

Present Position

- Other listed companies
 - None –
- Non-listed businesses
 - Chairman of Board of Pranda Group, 7 companies
 - Director of Pranda Group, 4 companies
 - Advisor of the Thai Gem and Jewelry Traders Association
 - Advisor of Social Venture Network Asia (Thailand) or SVN Asia (Thailand)
 - Director of Duang Prateep Foundation
 - Director of The Thai Gems and Jewelry business Development Committee
 - Director of Committee of Thailand Reform
 - Director of May 1992 Memorial Organizing Committee
 - Director of Sathirakoses-Nagapradipa Foundation

Mrs. Prapee Sorakraikitikul

Director / Chair of Group Executive Committee / Finance Director / Nomination and Remuneration Director

Education

B.S.C. Accounting Woodberry University Major Accounting, Los Angeles, California U.S.A.

Training on director's role and skills

Director Certification Program (DCP), Class 17/2002

Experience

- Director of the Thai Gold Card Importer & Exporter Association
- Director of the Thai Gem and Jewelry Business Traders Association

Present Position

- Other listed companies
 - None –
- Non-listed businesses
 - Chairman of Board of Pranda Group, 3 companies
 - Director of Pranda Group in 6 companies
 - Advisor of the Thai Gem and Jewelry Business Traders Association
 - Chair of the Thai Gem and Jewelry Business Committee of the Thai Chamber of Commerce
 - Director of Businesswoman Committee of the Thai Chamber of Commerce
 - Gem and Jewelry Business Development Committee of Thailand (GCT) Ministry of Commerce of Thailand

Mrs. Sunanta Tiasuwan

Director / Chair of Group Finance Committee / Nomination and Remuneration Director

Education

Ordinary National Diploma in Business Studies,
Westminster University, England.

Training on director's role and skills

- Director Certification Program (DCP), Class 22/2002
- Capital Market Academy Class 11

Experience

- Vice president of the Listed Companies Association
- Director of the Listed Companies Association

Present Position

- Other listed companies
 - Audit Committee of Eastern Star Real Estate Public Company Limited
- Non-listed businesses
 - Chairman of Board of Pranda Group, 2 companies
 - Director of Pranda Group, 10 companies
 - Director of Bridge view Company Limited

Mr. Pramote Tiasuwan

**Director / Managing Director (Manufacturing) / Chair of Group Corporate Values Committee
Finance Director / Nomination and Remuneration Director**

Education

Ordinary National Diploma in Technology. (Mechanical Engineers), Willesden College of Technology, London, England.

Training on director's role and skills

- Director Certification Program (DCP), Class 46/2004
- Director Accreditation Program (DAP), Class 16/2004
- Finance for Non-Finance Program (FN), Class 12/2004

Experience

- Director of the Gem and Jewelry Industry Club of the Federation of Thai Industries

Present Position

- Other listed companies
 - None –
- Non-listed businesses
 - Director of Pranda Group, 5 companies

Mrs. Pranee Khunprasert

Director / Managing Director (Marketing) / Finance Director / Nomination and Remuneration Director

Education

Business Studies Course, Ealing Technical College, London, England.

Training on director's role and skills

- Director Accreditation Program (DAP), Class 26/2004

Present Position

- Other listed companies
 - None –
- Non-listed businesses
 - Chairman of Board of Pranda Group, 1 company
 - Director of Pranda Group, 3 companies

Director and Executive Biography

Mrs. Panidda Tiasuwan

Director / Nomination and Remuneration Director

Education

- Amatayanukul school and language study in England
- Mini Master of Management program from National institute of Development Administration (NIDA).

Training on director's role and skills

- Director Accreditation Program (DAP), Class 25/2004

Present Position

- Other listed companies
 - None –
- Non-listed businesses
 - Chairman of Board of Pranda Group, 1 company
 - Director of Pranda Group, 1 company

Lt.Jg. Anan Panananda R.T.N.

Independent Director / Chair of the Audit Committee / Chair of the Nomination and Remuneration Committee

Education

- BS. In Civil Engineering, W.P.I., Massachusetts, U.S.A.
- Certificate of Special Course in project Analysis, U.N. Asian Institute for Economic Development and Planning
- Director Management Course, Organized by the Office of the Civil Service Commission, Class 10
- Senior Executive Development Program (Norboror1) the Office of the Civil Service Commission, Class 6
- Certificate, the National Defense College, Class 34

Training on director's role and skills

- Director Accreditation Program (DAP), Class 23/2004

Experience

- Deputy Director-General of Customs Department
- Director of the Sports Authority of Thailand

- Director of the Rubber Replanting Aid Fund
- Director of Mutual Fund Securities Public Company Limited
- Director of ACL Bank Public Company Limited
- Advisor of Deputy Finance Minister
- Advisor of Finance Minister
- Advisor of Deputy Prime Minister
- Director of the Thai-German Ceramic Industry Public Company Limited
- Advisor of A.J. Plus Public Company Limited.

Present Position

- Other listed companies
 - None –
- Non-listed businesses
 - None –

Mr. Verachai Tantikul

Independent Director / Audit Committee

Education

- LL.M., the University of California, at Berkely, U.S.A.
- Barrister-at-law, Thai Bar Association
- LL.B (Honors), Thammasat University
- Certificate, National Defense College of Thailand. Class 37
- Senior Executive Development Program of the Office of the Civil Service Commission (OCSC), Course 1, Class 13.

Training on director's role and skills

- Director Certification Program (DCP), Class 37/2003

Experience

- The National Legislative Assembly, Thailand.
- Director General, the Treasury Department, Ministry of Finance
- Director General, the Excise Department, Ministry of Finance

- Deputy Permanent Secretary, Ministry of Finance
- Inspectors – General, Ministry of Finance
- Deputy Director – General, the Revenue Department

Present Position

- Other listed companies
 - Director of the SCB Life Assurance Public Company Limited
 - Tax Advisor of the Siam Commercial Bank Public Company Limited
- Non-listed businesses
 - Advisor, the Law of SCG Company Limited
 - Director of the Audit Committee of the Finance Ministry
 - Director of the Petroleum Committee under the Petroleum Law

Mrs. Sarita Bunnag

Independent Director / Audit Committee

Education

- B.A. (Accounting), Chulalongkorn University
- M.A. (Finance), Western New Mexico University, U.S.A.

Training on director's role and skills

- Director Certification Program (DCP), Class 22/2002
- Audit Committee Program (ACP), Class 1/2004
- DCP Refresher Course , Class 1/2005
- Monitoring the Quality of Financial Report (MFR), Class 5/2007
- Monitoring the Internal Audit Function (MIA), Class 2/2008

Experience

- Associate Professor (Level 9), Faculty of Commerce & Accountancy, Chulalongkorn University
- Independent Director / Audit Committee
 - ITV Public Company Limited
 - Asian Seafoods Cold Storage Public Company Limited
 - Islamic Bank of Thailand

Present Position

- Other listed companies
 - None –
- Non-listed businesses
 - Advisor to Board of Directors of Islamic Bank of Thailand

Director and Executive Biography

Ms. Pittaya Tiasuwan

Deputy Managing Director (Manufacturing) / Finance Director

Education

- Kilburn – Polytechnic – London, England City and Guilds of London Institute
- Training Course about Gemological Sciences at the Asian Institute of Gemological Sciences (AIGS)

Present Position

- Other listed companies
 - None –
- Non-listed businesses
 - Director of Pranda Group, 1 company

Training on director's role and skills

- Director Accreditation Program (DAP), Class 26/2004

Mr. Decha Nuntanajaroenkul

Deputy Managing Director (Marketing) / Finance Director

Education

- MBA in Marketing, Memphis State University, Memphis, U.S.A.

Present Position

- Other listed companies
 - None –
- Non-listed businesses
 - None –

Experience

- Visiting lecturer at Srinakharinwirot University, Sukhumvit, General Science Department, Materials Science (Gems and Jewelry) during 1996–1997

Mr. Chartchai Teekaveerakit

Executive Director / Group Corporate Values Committee / Managing Director – Crystaline Co., Ltd

Education

- BA. George Mason University Virginia, U.S.A.
- MBA – South Eastern University, Washington DC, U.S.A.

Present Position

- Other listed companies
 - None –
- Non-listed businesses
 - Director of Pranda Group, 1 company

Experience

- Account Executive – Pentsu Young & Rubican
- Product Manager – Bristol Myer
- Marketing Manager – Kmcc

Mr. Dusit Chongsutthanamane

Finance Director / Corporate Secretary

Education

- B.Eng. (Second Class Honor), Mahanakorn University of Technology
- MBA in Finance, Kasetsart University

Experience

- Chairman of Siri Assets Company Limited
- Managing Director of Kin Author Company Limited
- Financial Advisor of FPM Consultant Company Limited
- Lecturer of “Certificate of Business Advisor” of Kasetsart University

- Lecturer of “Certificate of Intelligent Investor” of Kasetsart University

Present Position

- Other listed companies
 - None –
- Non-listed businesses
 - Executive Director of Siri Assets Company Limited
 - Director of Kin Author Company Limited

Mr. Chanat Sorakraikitikul

Assistant Managing Director (Marketing) / Finance Director

Education

- Bachelor of Arts in Business Administration, Babson College, USA
- Master of Arts in Accounting, University of Virginia, USA
- Certificate of TLCA Executive Development Program, Class 6 (EDP 6), Thai Listed Companies Association.

Experience

- Vice President – Forever Living Products, Vietnam

- Senior Auditor – Ernst & Young, U.S.A.

Present Position

- Other listed companies
 - None –
- Non-listed businesses
 - Director of Pranda Group, 1 company

Mrs. Sasisopa Wattakeecharoen

Assistant Managing Director (Marketing) / Group Corporate Values Committee

Education

- Bachelor of Arts in Accounting, Dhurakij Pundit University
- Mini Master of Management program from National institute of Development Administration.

Experience

- Worked experience in Production Management field more than 25 years.

Present Position

- Other listed companies
 - None –
- Non-listed businesses
 - None –

Director and Executive Biography

Mrs. Nirarat Tanalekhapat

Assistant Managing Director (Marketing) / Group Corporate Values Committee

Education

- Bachelor of Education in Arts, Chulalongkorn University

- Assistant Department Manager of Jewelry and Design Department of Beauty Gems L.P. Company Limited

Experience

- Product Development Department Manager of YK Network Corporation Company Limited
- Product Development and Business Division Manager of Bijoux Holdings Public Company Limited.

Present Position

- Other listed companies
– None –
- Non-listed businesses
– None –

Mrs. Chawee Jarukornvasin

Assistant Managing Director (Manufacturing) / Group Corporate Values Committee

Education

- Diploma of Vocational Education, (Home Economics) Nakhonpathom Vocational Campus
- Mini Master of Management program from National institute of Development Administration (NIDA).

Present Position

- Other listed companies
– None –
- Non-listed businesses
– None –

Experience

- Worked experience in Production field more than 20 years

Ms. Suporn Rungpitayatorn

Assistant Managing Director (Manufacturing) / Group Corporate Values Committee

Education

- Bachelor of Business Administration, Sukhothai Thammathirat Open University
- Diploma of Vocational Education, (Accounting) The Bangkok Commercial College
- Mini Master of Management program from National institute of Development Administration (NIDA).

Experience

- Worked experience in Cost and Pricing Management field more than 20 years

Present Position

- Other listed companies
– None –
- Non-listed businesses
– None –

Mr. Somsak Sriruengmon

Assistant Managing Director (Manufacturing) / Group Corporate Value Committee

Education

- Bachelor of Business Administration Program in Business Computer, Assumption Business Administration College (ABAC)
- Master of Public and Private Management Program, The National Institute of Development Administration (NIDA)

Present Position

- Other listed companies
 - None –
- Non-listed businesses
 - None –

Experience

- Worked experience in Production Management field more than 23 years

Mr. Thanes Panjakrid

Finance and Accounting Department Manager

Education

- Bachelor degree in accounting, Faculty of Commerce and Accountancy, Chulalongkorn University
- Master of Public Administration Program, The National Institute of Development Administration (NIDA)

Present Position

- Other listed companies
 - None –
- Non-listed businesses
 - None –

Experience

- Worked experience in financial and accounting field more than 24 years
-

Details of Directors and Executives

The name of the Subsidiary Companies The list of the Board of Directors and Executives	PRANDA	Subsidiary Companies										Associated Companies		Related Companies			
		Domestic			Overseas							Domestic		Overseas			
		*PMG	CTL	PLG	*P.NA	HGG	P.UK	P.VN	P.Sing	P. Guangzhou	P.&Kroll	P.India	KZ-PRANDA	P.SCL	P. Holding	Forward Freeland	A-List
1. Mr. Prida Tiasuwan	x	/	x+⊕		/+//	x	/	x	/	x+⊕	⊕	x+⊕		x+⊕	x+⊕	/	
2. Mrs. Prapee Sorakraikitikul	/+●+/	/+//	/+//	x+⊕		x+//	/+⊕	/	/+//	/+//		x+//		/	/		/
3. Mrs. Sunanta Tiasuwan	/+⊕+//	/+//		/+//	//	/+//	/	x+⊕	/+//	x+//	/	/+//	/+//	/+//	/	/	
4. Mr. Pramote Tiasuwan	◆+//+//	/+//	/+//				/+//		/					/	/	/	
5. Mrs. Pranee Khunprasert	○+//+//	x+⊕	/+//				//		//	//	//		//	/			
6. Mrs. Panidda Tiasuwan	/		x+⊕											/			
7. Lieut. Anan Panananda R.N.	/																
8. Mr. Verachai Tantikul	/																
9. Mrs. Sarita Bunnag	/																
10. Ms. Pittaya Tiasuwan	//		/+//		//		//				//			/			
11. Mr. Decha Nuntanajaroenkul	//			//	⊕	⊕	//										
12. Mr. Chartchai Teekaveerakij	//		/+◇														
13. Ms. Rungnapa Ngowngamratana		/+◇															
14. Mr. Sutha Sutaparvong	/	/															
15. Ms. Lamiad Pancharoen		//															
16. Mr. Chanat Sorakraikitikul	■	//							//	//	/+//		//	/			
17. Ms. Maureen Kelley				/+◇													

Note : 1. x = Chairman / = Director // = Executive ● = Chair of Group Executive Committee ◇ = Chair of Group Executive Committee ⊕ = Chair of Group Finance Committee
 ◆ = Managing Director (Manufacturing) ○ = Managing Director (Marketing) ⊕ = Assistant Managing Director (Marketing) ◇ = Managing Director
 2. Report only of directors of subsidiaries which contribute over 10% of total revenues including * P.NA , PMG

PRANDA	=	Pranda Jewelry PCI.	P.Guangzhou	=	Guangzhou Pandgda Zhubao Shoushi Youxian Gongsi
PMG	=	Primagold International Co.Ltd.	Pranda & Kroll	=	Pranda & Kroll GmbH Co. KG
CTL	=	Crystalline Co., Ltd.	P.India	=	Pranda Jewelry Pvt Ltd.
PLG	=	Pranda Lodging Co., Ltd.	KZ - PRANDA	=	KZ-PRANDA Co., Ltd.
P.NA	=	Pranda North America, Inc.	P.SCL	=	P.T. Pranda SCL Indonesia
HGG	=	H.Gringoire s.a.r.l.	P.Holding	=	Pranda Holding Co.,Ltd.
P.UK	=	Pranda UK Ltd.	Forward Freeland	=	Forward Freeland Co., Ltd.
P.VN	=	Pranda Vietnam Co.,Ltd.	A-list	=	A-list Corporate Co., Ltd.
P.Sing	=	Pranda Singapore Pte Ltd.			

General Information

Company Name	Pranda Jewelry Public Company Limited
Symbol	PRANDA
Core Business	Production and distribution of genuine jewelry
Head office	28, Soi Bangna-Trad 28, Bangna Sub-district, Bangna District, Bangkok 10260 Thailand.
Registration	0107537001986
Telephone	+66 2769 9999, +66 2361 3311
Fax	+66 2399 4872, +66 2746 9996
Registered Capital	410,000,000 THB
Paid Capital	403,331,754 THB
Home Page	www.pranda.co.th and www.pranda.com
Responsible Person	Mrs. Prapee Sorakraikitikul Email : prapee@pranda.co.th Mr. Pramote Tiasuwan Email : pramote@pranda.co.th Mrs. Pranee Khunprasert Email : pranee@pranda.co.th
Branch Office	332-333 Suranaree Industrial Zone, Muang Nakhonratchasima, 30000 Thailand.
Core Business	Production and distribution of genuine jewelry
Telephone	+66 44 212 593-4
Fax	+66 44 212 685
Responsible Person	Mr. Somsak Sriruengmon
Email	Somsak_s@pranda.co.th



General Information

The Company's Shareholding Exceeded 10% of Paid Capital. (December 31, 2011)

Company Name / Address	Business	% of Holding	Registered Capital	Paid-up Capital
Crystalline Co., Ltd. No. 22 Soi Bangna-Trad 28, Bangna Sub-district, Bangna District, Bangkok 10260 Telephone: +66 2746 9580-5 Fax: +66 2399 4878 Home Page www.crystalline.com Responsible Person Mr. Chartchai Teekaveerakit Email: chartchai@crystalline.com	Production and distribution of costume jewelry.	96	THB 100 Million	THB 100 Million
Pranda Vietnam Co., Ltd. No.16, 2A Street, Bien Hoa II Industrial Zone, Bien Hoa City, Dong Nai Province, Vietnam Telephone: +84 613 836 627, +84 613 836 739 Fax: +84 61 991 798 Responsible Person Mr. Santiparp Riyai Email: santiparp@pranda.com.vn	Production and distribution of genuine jewelry.	100	USD 1.50 Million	USD 1.50 Million
Guangzhou Pangda Zhubao Shoushi Youxian Gongsi (Formerly known as Pranda (Guangzhou) Co., Ltd.) No.22 nd Chao YangShang Ave, DaPing, ShaTou, Panyu, Guangzhou, Guangdong, China 51140 Telephone: +86 20 3481 1060 Ext. 219 Fax: +86 20 3451 1962 Responsible Person Mr. Winai Pornpitaksit Email: winai_p@prandacn.com	Production and distribution of genuine jewelry.	100	USD 2.35 Million	USD 2.35 Million

General Information

Company Name / Address	Business	% of Holding	Registered Capital	Paid-up Capital
P.T.Sumberkreasi Ciptalogam (Formerly known as P.T. Pranda SCL Indonesia) JL.I Gusti Ngurah Rai No.1, Jakarta 13420, Indonesia Telephone: +62 21 819 9280-2 Fax: +62 21 819 9223 Responsible Person Mr. Johnny Salmon Email: pranscl@cbn.net.id	Production and distribution of genuine jewelry.	50	IDR 4,000 Million	IDR 4,000 Million
Primagold International Co., Ltd. No. 1093/64 12th Floor, Central City Bangna Tower, Bangna-Trad Rd., Bangna Sub-district, Bangna District, Bangkok 10260 Telephone: +66 2745 6111 Fax: +66 2745 6117 Home Page www.primagold.co.th Responsible Person Ms. Rungnapa Ngowngamratana Email: rungnapa@primagold.co.th	Distribution of genuine gold jewelry, and diamond in Thailand.	100	THB 200 Million	THB 200 Million
Pranda North America, Inc. No.1 Wholesale Way, Cranston, RI 02920, U.S.A. Telephone: +1 401 946 2104 Fax: +1 401 946 2109 Responsible Person Ms. Maureen Kelley Email: maureen@cna-corp.com	Distribution of genuine jewelry and costume jewelry in the USA and Canada.	100	USD 2,000	USD 2,000
H.GRINGOIRE s.a.r.l No.79 Rue De Turbigo F-75003, Paris, France Telephone: +33 1 5301 9530 Fax: +33 1 5301 9540 Home Page www.h-gringoire.fr Responsible Person Mr. Yvan Le Dour Email: y.ledour@h.gringoire.fr	Distribution of genuine jewelry in France and Europe.	100	EUR 1.893 Million	EUR 1.893 Million

General Information

Company Name / Address	Business	% of Holding	Registered Capital	Paid-up Capital
Pranda UK Limited Po Box 59 West Molesey Surrey KT8 8AY, United Kingdom Telephone: +44 1 0208 783 2024 Fax: +44 1 0208 783 2010 Home Page www.prandaonline.co.uk Responsible Person Mr. Malcolm Pink Email: malcolmpink@pranda.co.uk	Distribution of genuine jewelry, and costume jewelry in England and Europe.	100	GBP 0.5 Million	GBP 0.5 Million
Pranda Singapore Pte. Limited No.163 Penang Road # 02-03 Winsland Housell, Singapore 238463 Telephone: +65 6533 2611 Fax: +65 6532 5092 Responsible Person Mrs. Sunanta Tiasuwan Email: sunanta@pranda.co.th	Joint Venture firm in Indonesia.	100	SGD 3.0 Million	SGD 3.0 Million
Pranda & Kroll GmbH & Co. KG Ebereschenweg 3 – 75180 Pforzheim Germany Telephone: +49 7231 154 47 0 Fax: +49 7231 154 47 25 Home Page www.kroll-schmuck.de www.cai-jewels.com Responsible Person: Mr. Gregor Kroll Email: gregor.kroll@pranda-kroll.de	Production and distribution of genuine jewelry.	51	EUR 5.34 Million	EUR 5.34 Million
KSV Brand GmbH (held through Pranda & Kroll GmbH & Co. KG) Ebereschenweg 3 – 75180 Pforzheim Germany Telephone: +49 7231 566 15 0 Fax: +49 7231 566 15 25 Home Page www.ksv-brand.de Responsible Person Mr. Gregor Kroll Email: gregor.kroll@pranda-kroll.de	Distribution of genuine jewelry under owned brands.	51	EUR 25,000	EUR 25,000

General Information

Company Name / Address	Business	% of Holding	Registered Capital	Paid-up Capital
Pranda Jewelry Private Limited Pranda House, Rewa State 512, M.G. Road, Mulund (West) Mumbai 400080, Maharashtra, India Telephone: +91 22 2568 2121, +91 22 2569 2121 Fax: +91 22 2592 2121 Responsible Person Mr. Vinod Tejawani Email: vinod@pranda.co.in	Distribution of genuine jewelry in India.	51	INR 1 Million	INR 1 Million
KZ – PRANDA Co., Ltd. No. 75/51 Ocean Tower 2 Condominium Building 24 th Floor, Soi Sukhumvit 19, Sukhumvit Road Khongtoey Sub-district, Wattana District, Bangkok 10110 Telephone: +66 2204 1441-3 Fax: +66 2204 1444 Responsible Person Mr. Jun Ho Kim Email: jokim@koreazinc.co.kr	Distribution of silver and pure gold granules and bars.	40	THB 30 Million	THB 9 Million
Pranda lodging Co., Ltd. 28 Soi Bangna-Trad 28, Bangna Sub-district Bangna District, Bangkok 10260 Thailand. Telephone: +66 2361 3311 +66 2393 8779 Fax: +66 2361 3088 +66 2398 2143 Responsible Person Mrs. Panidda Tiasuwan Email: panidda@pranda.co.th	Property rental / Properties.	83	THB 50 Million	THB 50 Million



PRANDA JEWELRY PUBLIC COMPANY LIMITED

28 Soi Bangna-Trad 28, Bangna, Bangkok 10260

Tel: (66) 2 769 9999

Fax: (66) 2 769 9998

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