



Striving toward
forward integration,

*to become a leading jewelry
retailer in the region*



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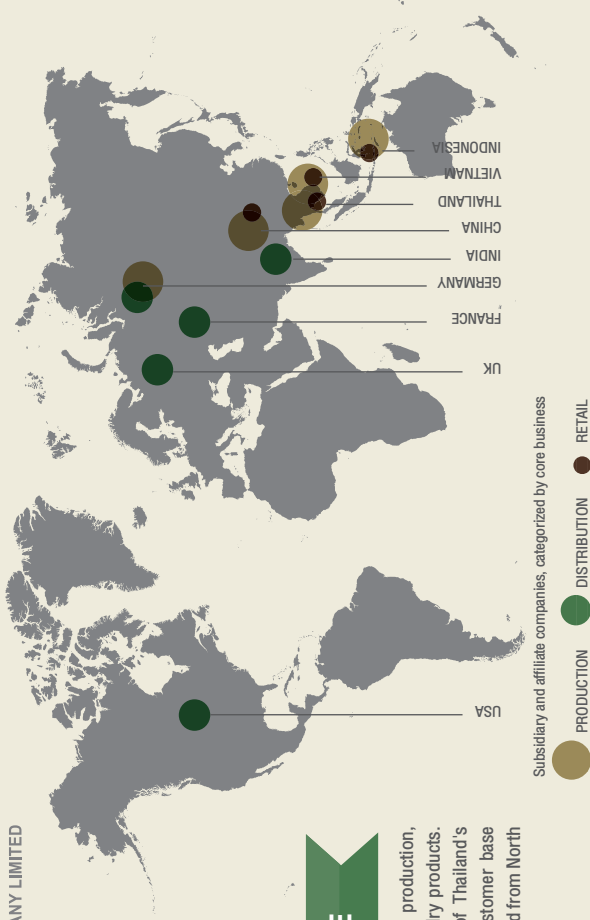
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PRANDA JEWELRY PUBLIC COMPANY LIMITED

GROUP STRUCTURE

Pranda Group's core business is production, distribution and retail of fine jewelry products. The Company has become one of Thailand's leading jewelry exporters with customer base spanning in key regions of the world from North America to Europe and Asia.



PRODUCTION



Production capacity

over **10** million pieces is year.

Our production base is focusing on mass production of world-class quality products, consisting of 8 manufacturing facilities in 5 countries i.e. Thailand, Vietnam, China, Indonesia and Germany.

DISTRIBUTION



Own distribution bases

in **5** countries and worldwide partners.

The Group has distribution base locating in major regions of the world, consisting of subsidiaries in 5 countries including USA, UK, France, Germany, India and partners worldwide.

RETAIL



Retail locations

194 points of sales.

Focusing on its own brands through own retail outlets and franchises in Asia and Middle East, currently, the Group has retail based subsidiaries in Thailand, China, Vietnam and Indonesia.

TIME LINE

1973 - 1991

Pranda Design Co., Ltd.,
Pranda Jewelry PCL,
Crystalline Co., Ltd.

1992 - 2002

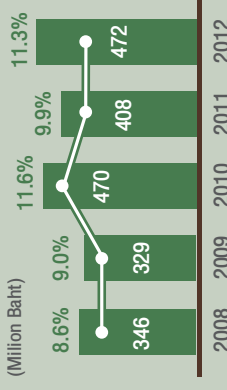
Pranda North America, Inc., H.Gringoire s.a.r.l.,
Prima Gold International Co., Ltd.,
Pranda UK Limited, Pranda Lodging Co., Ltd.,
Pranda Singapore Pte. Limited,
Pranda Vietnam Co., Ltd., P.T.Pranda SCL
Indonesia, KZ-PRANDA Co., Ltd.

2003 - 2012

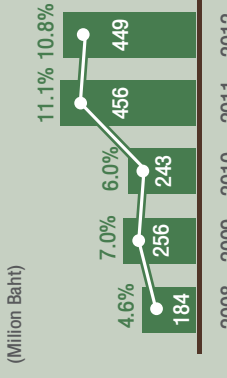
Pranda (Guangzhou) Co., Ltd.,
Pranda & Kroll GmbH & Co. KG,
Pranda Jewelry Pvt. Ltd.,
Pranda Trading (Shenzhen) Limited,
PDU (UK) Co., Ltd.

FINANCIAL PERSPECTIVE

Operating Profit (Million Baht)



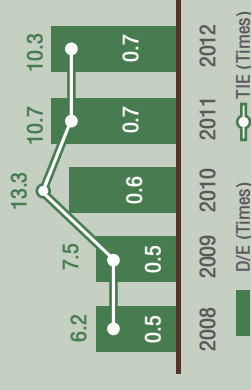
Net Income (Million Baht)



■ Operating Profit — % of Sales Revenues

■ Net Income — % of Sales Revenues

Financial Risks

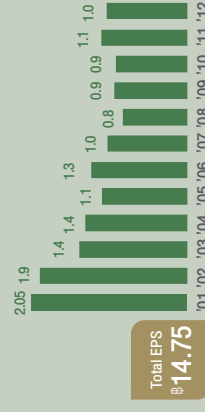


■ D/E (Times) — T/E (Times)

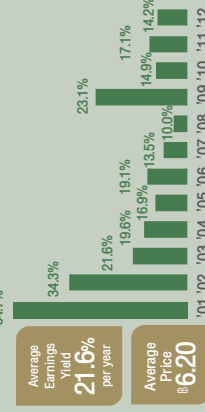
■ ROE

SHAREHOLDER PERSPECTIVE

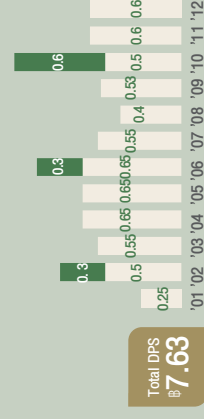
Earnings Per Share (EPS)



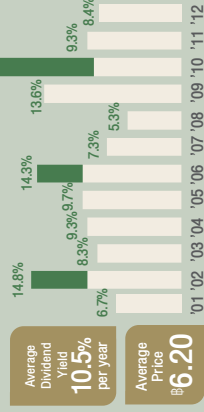
Earnings Yields



Dividend Per Share (DPS)



Dividend Yields



■ Extra Dividend ■ Annual Dividend

■ Extra Dividend Yields ■ Annual Dividend Yields



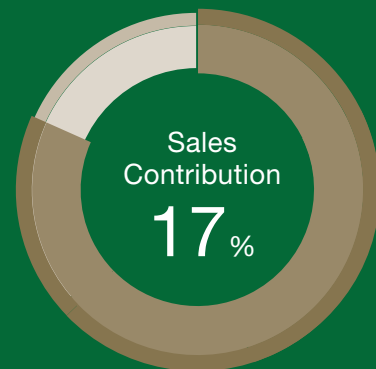
**Striving toward forward integration,
to become a leading
jewelry retailer in the region**





Retail Network

The proportion of sales revenue from retail business
compared to group consolidated revenue



Retail Network in 10 Countries in
Asia and Middle East



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 has not only 4 subsidiaries in Thailand, Indonesia, Vietnam, China but also Franchise Partners in major regions of Asia and Middle East.

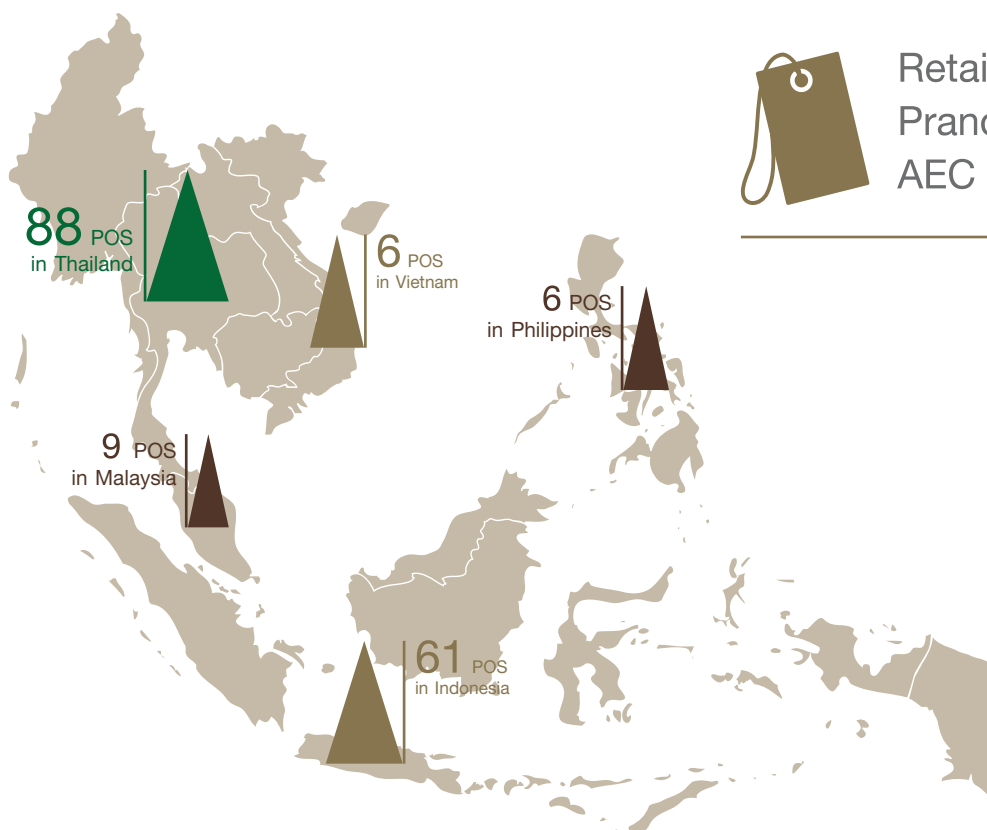
Expand Retail Network in AEC market to 250 points of sale.

Focus on marketing its own brands through retail outlets

The Pranda Group has a clear business direction to expand its retail network of the jewelry brand product. Thus, with the gathering of the ASEAN Economics Countries (AEC) to create the single market with the population of 600 million people in which there are free movement of products, services,

labors, and investment in 2015, it is such a good opportunity for a leap of growth. The Company has prepared for the coming of the AEC with the target of 250 retail point of sales in several countries such as Indonesia, Malaysia, The Philippines, Vietnam, and Thailand. Our retail business experiences of more

than 2 decades and our strategic business operation have strengthened our confidence of being the leader of the jewelry retail business in the AEC and being accepted among the consumers in the future.



Retail Network of Pranda Group in AEC market.

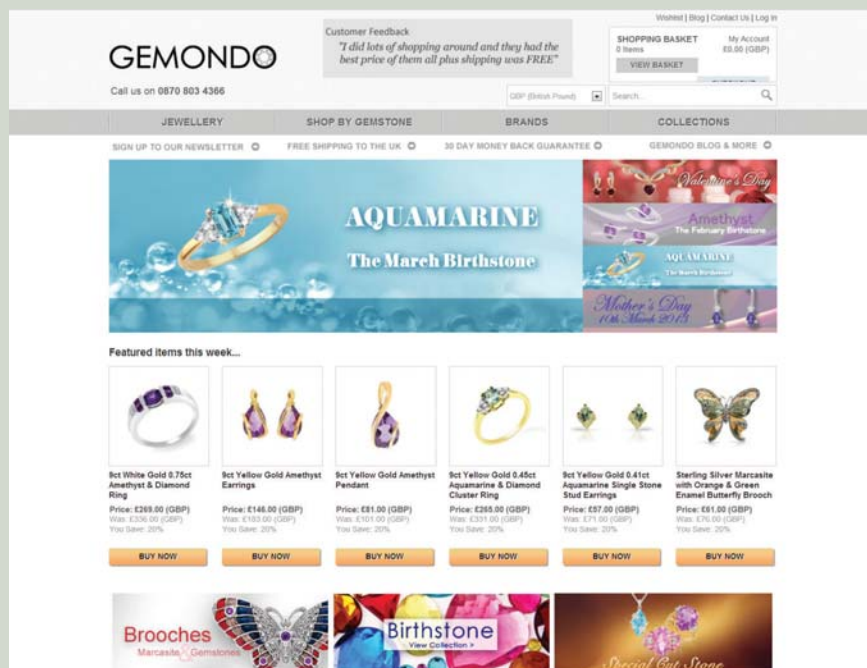
Nowadays, the Pranda Group has been widely accepted for its coverage retail network and the leader of the fine 99.9% gold jewelry with quality under the brand of PRIMA GOLD which was established in 1992. The success has extended to the diamond jewelry under the brand of PRIMA DIAMOND, the 96.5% gold jewelry under the brand of Century Gold, including the brand of PRIMA ART which is the gold handicraft which is very popular in Thailand and many Asian countries, the quality fashioned jewelry with crystal European style Merii, and other brands distributed internationally.

There are retail jewelry network of many brands of the Pranda Group distributed in more than 150 points of sale (POS) in the countries in the AEC such as Indonesia, Malaysia, The Philippines, Vietnam, and Thailand. According to the plan, in 2015, the retail centers will be increased to 250 POS with the investment budget of Baht 450 million. In 2012, the Company had expanded its business more in

the AEC, particularly, in Indonesia, with the increase of the retail jewelry shop of the brand Julia which is the white gold 18K jewelry with diamond in more than 40 POS. In addition, the Company has developed the lifestyle jewelry under several brands such as Lovelinks, Blossom, and Merii, etc. In Vietnam, the Company has prepared the plan for distribution channel expansion of its major brand, PRIMA GOLD which is in line with the growth of the department stores in important economic cities in Vietnam.



The Beginning of E-Commerce Market



The Company realized that the buying behavior in developed country has significantly changed from retail shop to e-commerce. Thus, the Company decided to operate jewelry retail through e-commerce by www.gemondo.com which main target customer is in UK and EU zone. The Company has confidence that the expertise of PDU's E-Commerce business will enhance the gem and jewelry retail business of the Company in the future.

Website : www.gemondo.com



To continue the vision to be the World Class Jewelry Brand Company through its more than 39 years of experience and expertise in jewelry manufacturing and distribution, together with its understanding of present jewelry market, PRANDA group of companies has continuously focused on marketing its own brands and licensed brands. The Company and its affiliated companies have jointly developed a portfolio of brands with different identities and positioning to serve the demand of each segment of customers.

At present, the Company's well-known brands in each targeted market consist of major 14 brands which are distributed in many countries across the world, In 2012, there were 2,445 points of sales in Europe, 2,002 points of sales in Asia, 113 points of sales in the Middle East, 30 points of sales in the Australia, 21 points of sales in U.S.A. and 10 points of sales in Africa, totaling 4,621 points of sales worldwide.



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



PRIMA DIAMOND

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



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



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



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



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*

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



esse

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



cai

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



Merii

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



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)



V&A

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



BLOSSOM COPENHAGEN

Romantic Danish jewellery design for women who love a feminine touch



ARIVA *living in fine jewels*

Ariva the Luxury of Sterling Silver, Captures Her Style and Expresses Her Attitude

Financial Highlights

Consolidated Financial Statements

FINANCIAL PERFORMANCE

	2012	2011	2010	2009	2008
Sales Revenues (Million Baht)	4,177	4,122	4,056	3,664	4,030
Gross Margin (Million Baht)	1,417	1,379	1,337	1,296	1,303
Gross Profit Margin	33.93%	33.46%	32.96%	35.36%	32.33%
EBITDA ^{/1} (Million Baht)	551	491	544	402	414
EBITDA Margin	13.18%	11.92%	13.40%	10.98%	10.27%
Operating Profit (Million Baht) ^{/2}	472	408	470	329	346
Operating Profit Margin	11.29%	9.91%	11.59%	8.98%	8.58%
Profit to Equity (Million Baht)	449	456	243	256	184
Profit Margin to Equity	10.76%	11.07%	6.00%	7.00%	4.56%

FINANCIAL POSITION

(Million Baht)

Current Assets	3,318	3,218	3,008	3,074	3,082
Total Assets	4,490	4,320	4,022	4,268	4,244
Current Liabilities	1,308	1,527	1,398	1,216	1,124
Total Liabilities	1,785	1,779	1,517	1,402	1,436
Total Equity	2,704	2,540	2,505	2,866	2,808

RATE OF RETURN

ROA	10.01%	10.56%	6.05%	6.01%	4.33%
ROCE	12.86%	10.21%	13.39%	8.20%	9.12%
ROE	16.17%	17.76%	9.76%	8.98%	6.57%

RISKS

Current Ratio (Times)	2.54	2.11	2.15	2.53	2.74
Quick Ratio (Times)	1.08	0.92	1.00	1.19	1.31
Times Interest Earned (Times)	10.29	10.65	13.25	7.53	6.16
Debt to Equity Ratio (Times)	0.66	0.70	0.61	0.49	0.51

DATA PER SHARE

Book Value Per Share	6.87	6.39	6.25	7.20	7.07
Earnings Per Share to Equity	1.11	1.14	0.61	0.65	0.46
Dividend Per Share ^{/3}	0.60	0.60	0.50	0.53	0.40
Extra Dividend Per Share	-	-	0.60	-	-

Paid-up Shares (Million Shares)

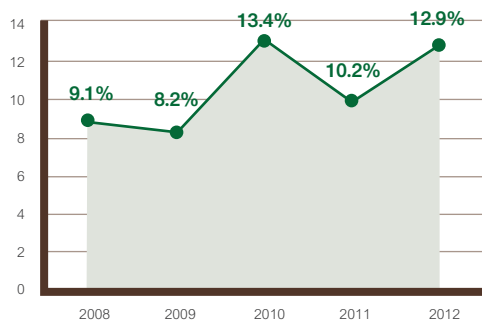
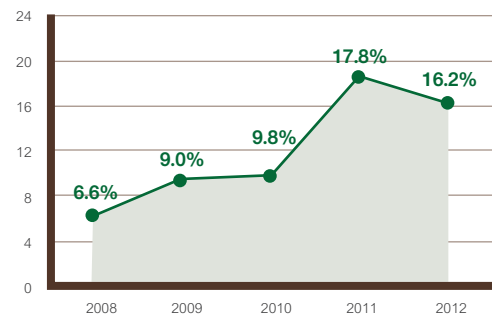
406.28	403.33	400.67	398.16	395.75
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Note :

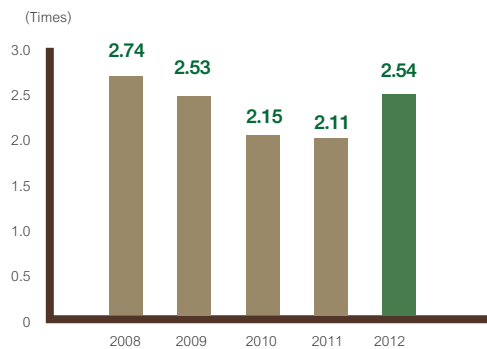
^{/1} EBITDA : Operating Profit Includes with Depreciation and Amortization

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

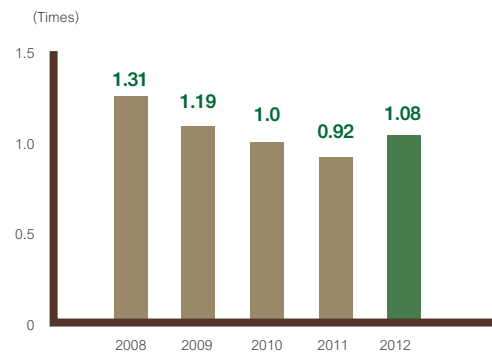
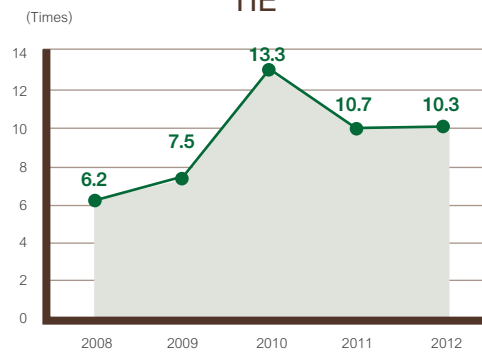
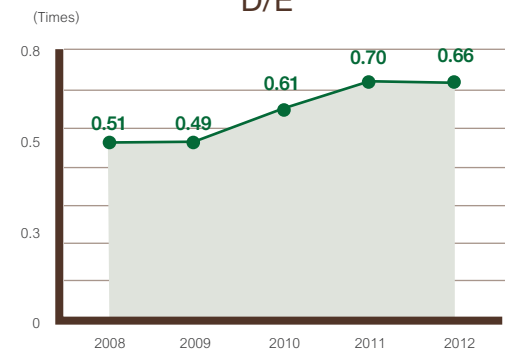
^{/3} For operation result of year 2012, the Company's Board of Directors had a resolution to approve the dividend payment in the rate of Baht 0.60 per share, which deduct the interim dividend payment for the nine-month period ended 30 September 2012 at the rate of Baht 0.10 per share, and paid to the shareholders on December 13th, 2012. 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 22nd, 2013.

RETURN ON CAPITAL EMPLOYED
ROCERETURN ON EQUITY
ROE

CURRENT RATIO



QUICK RATIO

TIMES INTEREST EARNED
TIEDEBT TO EQUITY RATIO
D/E

Message from Chairman



To Shareholders,

The year 2012 was another year of the ongoing slowdown of the global economy from the previous year due to the dramatically shrink of the economy of the European Union caused by the financial crisis of important countries within the European Union. The solving of the economic problem was quite difficult because of the very weak financial status. Thus, it can be expected that the European Union will be facing the ongoing economic problem in the next several years.

As for the United States of America, despite of its complete financial operation policy in order to enhance its economic growth, the economic recovery was still slow and not able to support the global growth as it did in the past. In addition, the slowdown was also aggravated by the economic slowdown of China and India.

It was inevitable for the gems and jewelry export industry of Thailand which have also been affected by the economic crisis since the main export markets are the United States of America, Germany, the

United Kingdom, and Italy. However, the gems and jewelry export industry of Thailand is still the important industry of the country, ranked the 3rd place with the export value of more than Baht 350,000 million – the fine jewelry has the export value of more than Baht 100,000 million.

With more than 4 decades of business operation, Pranda Jewelry Pcl. has continuously laid its strategy aiming for sustainable growth with risk management in terms of the market and finance which has helped the Company to go through the past economic crisis, war, and political turmoil. The Company is confident that it can handle the situation as it did in the past, whether it is the present crisis or the future crisis which is expected to occur. It is because the Company has the core values which consists of potential human resources working together as a team for continuous development as well as holding on the mutual benefit as a center, including having strong business structure and sustainable development, namely,

World Class Mass Brand Production Base consists of 8 factories in 5 countries: Thailand, Vietnam, Indonesia, China and Germany

Global Distribution Base covers important global markets in 5 countries: the United States of America, the United Kingdom, France, Germany and India

Retail Base with its own brand is distributed through its own retail base in Thailand, India, China, Vietnam, and Indonesia

With its production base to retail base, the Company's products and services can completely deliver the utmost satisfaction to the customers, following the Company's objective, leading to the loyalty of the international and local loyal customer bases.

The achievement of the past operating results has led to a continuous net profit and 12 consecutive years of the dividend payment with the average dividend yield of 10.5%.

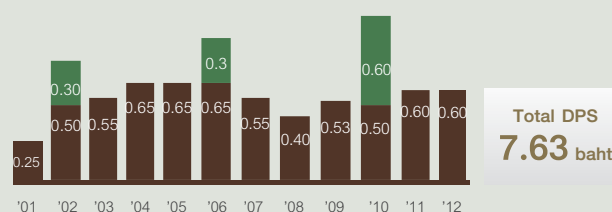
For the year 2012, the Board of Directors had considered an approval of the dividend payment at Baht 0.60 per share, totaling Baht 244 million, accounting for the dividend yield of 8.36% per year. The dividend payment is at 58.89% of the net profit, following the dividend payment policy of no more than 60% of the net profit. On November 14, 2012, the Board of Directors approved the interim dividend from the profit of the 9-month period, ending September 30, 2012 at Baht 0.10 per share, totaling Baht 40 million. Thus, the dividend payment at Baht 0.50 per share or totaling Baht 203 million will be paid to the shareholders after the approval of the Annual General Meeting of the shareholders on April 22, 2013.

Despite it was the year when the economy was at the lowest level in the European market which had a great impact on the Company due to its 35% of the sales volume came from the market, the Company could maintain its sales volume at Baht 4,177 million which almost unchanged from the previous year. In addition, while the cost of materials – gold and silver prices – was very fluctuated, the Company's gross profit was at Baht 1,417 million and the operating profit was at Baht 946 million, grew by

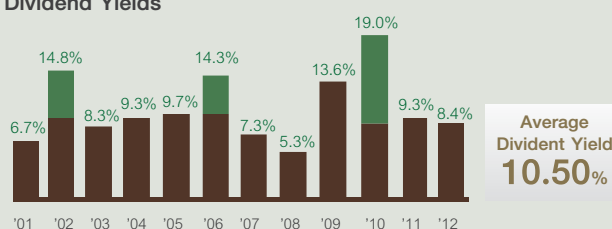
15.48% from the previous year. The increase of the gross profit came from the growth of its own brand market and strictly controlling of its selling and administration expenses, following the risk management policy. The net profit of Baht 449 million from the success of the annual operating results implies the Company's maintaining of its competitiveness amidst the crisis.

As a result from its past successful operating result, the Company has a continuous net profit and strong financial position which led to make dividend payments for 12 consecutive years.

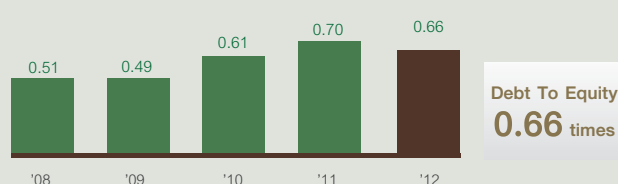
Dividend Per Share (DPS)



Dividend Yields



Debt To Equity Ratio (D/E)



In addition, the Company's strong financial position due to its following of financial policy can be seen from the debt to equity (D/E) at 0.66 time which was lower than its target D/E not exceeding 1.0 time. The Times Interest Earned was at as high as 10.29 times. Also, the Company could well maintain its liquidity which can be considered through the current ratio of as high as 2.54 time

The year 2013 is another challenging year due to the expectation that the growth of the global economy will be lower than the previous year and the gold and silver prices are still dramatically fluctuated as well as the foreign exchange rates. Therefore, the business operation must be performed with clear direction and the investment expansion must be the economic value added. The Company's annual business operation plan is to maintain the market in the United States of America and improve the business administration structure in the European market by focusing on potential markets for its own brand's growth through the wholesales network. The growth of the business from the countries with fast economic development such as India, China, Vietnam, and Indonesia will be mainly performed through the strategy of its own brand marketing expansion through the retail sales network.

Moreover, the Company still develops the internal operation such as the enhancement of the product design and development to serve new demand of the customers, the improvement of the material procurement potentiality, the improvement of production process and technology support to increase efficiency of human resources development across the Company, including cost management to maintain competitive advantage. In short, the continuity and development of the new markets and the internal operation of the Company will maintain the Company's competitive advantage which will lead the Company the growth with stability and sustainability.

Another important factor for business operation is the corporate social responsibility. The Company is always confident that the

sustainable growth must consist of awareness of social responsibility toward the outside and inside of the Company. The Company places an emphasis upon the 3 guidelines of the social support: education and knowledge development, public consciousness to the society, and enhancement of quality of life of the employees.

The Company is also one of the Thai business companies which follow the UN Global Compact to comply to the 4 principles of human rights, labor standard, environmental protection, and anti-corruption.

Lastly, on behalf of the Board of Directors of the Company and the management team, I would like to take this opportunity to express my sincere appreciation to the shareholders, all levels of staff, and the stakeholders who have entrusted us in business operation with direct and indirect support. The Board of Directors and the management team shall follow the economic sufficiency principle which consists of temperance, reasonability, and immunity, following the royal speech of His Majesty the King as the norm of administration, and comply to the good corporate governance policy with transparency, accountability, business ethic, as well as social responsibility. We hope that we will receive the sustainable support from you again.



(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 406.28 million baht paid up. Pranda Jewelry Public Company Limited headquarters are located at No. 28 Soi Bangna - Trad 28, Bangna District, Bangkok 10260.

Pranda Group's core business is production, distribution and retail of fine jewelry products. The Company has become one of Thailand's leading jewelry exporters with customer base spanning in key regions of the world from North America to Europe and Asia.

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 to 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 that includes eight manufacturing facilities in five countries. With this number and wide spread of production facilities, the Company has currently production capacity of over ten 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, 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 five 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 in Thailand, China, Indonesia and Vietnam.



The Board of Directors and Advisor / The Board of Group Executive Committee



1. **Mr. Prida Tiasuwan**
Board Chairman



2. **Mrs. Prapee Sorakraikitikul**
Chair of Group Executive
Committee /
Group 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 / Group
Finance Director / Nomination
and Remuneration Director



5. **Mrs. Pranee Khunprasert**
Managing Director
(Marketing) /
Group Finance Director /
Nomination and
Remuneration Director



6. **Mrs. Panidda Tiasuwan**
Director /
Nomination and
Remuneration Director



7. **Lt. Jg Anan Panananda
R.T.N.**
Advisor to the Company's
Board of Directors



8. **Mr. Verachai Tantikul**
Independent Director /
Chair of the Audit Committee /
Chair of Nomination and
Remuneration Director
Committee



9. **Mrs. Sarita Bunnag**
Independent Director /
Audit Committee



10. **Mrs. Rawitha Pongnuchit**
Independent Director /
Audit Committee



11. **Ms. Pittaya Tiasuwan**
Deputy Managing Director
(Manufacturing) /
Group Finance Director



12. **Mr. Decha Nuntanjaroenkul**
Deputy Managing Director
(Marketing) /
Group Finance Director

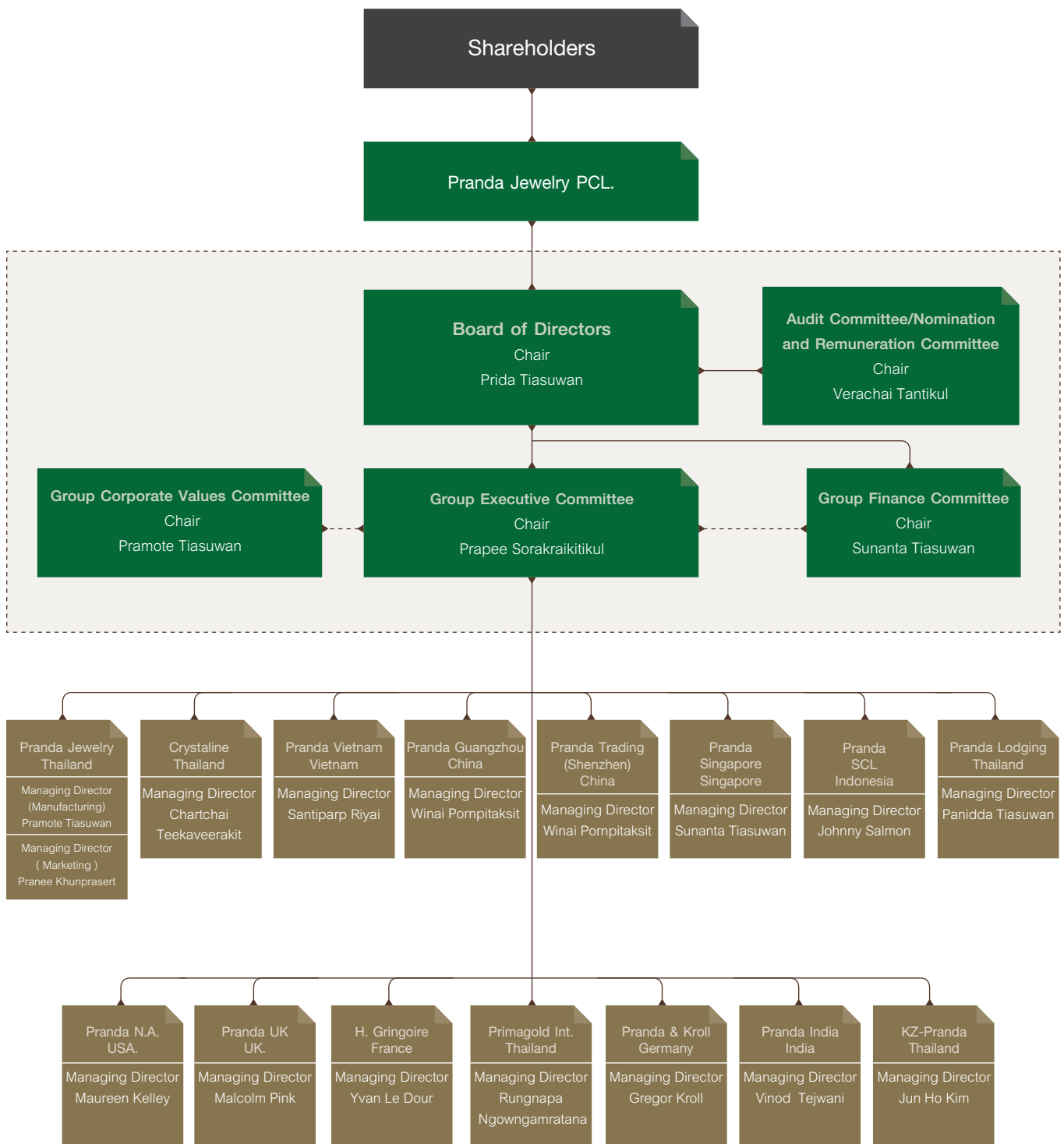


13. **Mr. Chartchai Teekaveerakit**
Group Executive Director /
Group Corporate Values
Director



14. **Mr. Chanat Sorakraikitikul**
Group Executive Director /
Assistant Managing Director
(Marketing) /
Group Finance 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



10

9. Mrs. Sunanta Tiasuwan

Managing Director - Pranda Singapore Pte. Limited

10. Mrs. Panidda Tiasuwan

Managing Director - Pranda Lodging Co., Ltd.



11



12

11. Ms. Rungnapa Ngowngamratana

Managing Director - Primagold International Co., Ltd.

12. Mr. Winai Pornpitaksit

Managing Director - Pranda Guangzhou Co., Ltd.

Managing Director - Pranda Trading (Shenzhen) Limited

13. Mr. Johnny Salmon

Managing Director - P.T. Pranda SCL Indonesia

14. Mr. Vinod Tejwani

Managing Director - Pranda Jewelry Private Limited

15. Mr. Jun Ho Kim

Managing Director - KZ-Pranda Co., Ltd.



13



14



15

Executives

1. **Mr. Dusit Chongsutthanamane**
Group Finance Director / Corporate Secretary
2. **Ms. Sasisopa Wattakeecharoen**
Assistant Managing Director (Marketing) /
Group Corporate Values Director
3. **Mrs. Nirarat Tanalekhapat**
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. Thanes Panjakrid**
Accounting and Finance Department Manager



CSR and Core Values

In 2012, the Group Corporate Values Committee had a role to support and promote the core values by following the social responsibility guideline in which the role includes responsibility toward the corporate and external society in order to create the core values among the group of companies and staff. In addition, the Committee had systematically improved the core values activities and applied the activity projects to work and lifestyles.

In 2012, Mr. Pramote Tiasuwarn was the Chairman of the Committee. The policy of supporting, promoting, and creating the core values among the group of companies remains PRANDA's core which consists of 3 values:



Teamwork

Cooperative effort to mutually enhance motivation which leads to common 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 development and continuous improvement which always lead to better things in terms of the level of personnel, department, and the Company in order to meet customers' needs and ever changing environment.



Stakeholder Focus

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

In order to follow PRANDA's core values, the Board had set up projects and activities for staff to take part. In 2012, there were 9 projects as follows:

- Learning Center of PRANDA Group
- Innovation Creation Project
- The dual education system and professional encouragement for the disabled
- Saving Cooperative for Staff in PRANDA Jewelry Group
- Nursery Center
- Enhancement of quality of Life Standard for Staff
- Debt solving and legal consultancy project
- The 7 standards and energy saving project
- Sharing and returning to the society project

Social Responsibility Policy of Pranda Jewelry Public Company Limited and its affiliated companies To perform business with realization and focusing on the importance on supporting activities for society and surrounded communities as well as to continuously pay attention on taking care of environment with intention to work with other related parties by creating and continuing good relationship which comes from acceptance and mutual reliability. The impact on the stakeholders, namely, shareholders, employees, customers, trading partners and creditors, competitors as well as society and the country shall be responsive. In addition, the attitude and corporate tradition must be established to create responsibility of the employees toward the society. All of the levels of the employees shall give an importance and cooperation on work operation and activities of the Company with social responsibility. The Company also supports its employees to participate in volunteer and public benefit activities with the communities. The activities consisted of as follows:

1. Education and profession

The Company's education support consists of:

- The dual education system

The Company has continued the project since 2000 with the students of 12 classes, totaling 859 students, 9 classes with 555 students had already graduated, and there were 304 students about to graduate in 2012. The dual education system has extended to other schools in general and has provided an opportunity for children and relatives of the staff and the Brothers and Sisters projects of the dual education students to study in the field of gems and jewelry. In addition, the Company also supports the education to its employees by launching professional experience transfer system in the gems and jewelry in the level of Certificate of Technical Vocation, and in the level of Higher Vocational Certificate.

- Professional Encouragement to the Disabled

The Company opens an opportunity for more than 30 disabled to join the Company, 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. In the past years, the Company has operated a short-term course in gems and jewelry for the students with hearing problem. The course has been jointly coordinated with the Golden Jubilee Royal Goldsmith College, following the royal idea of Her Royal Highness Princess Maha Chakri Sirindhorn. The students would receive on the job training to receive direct experiences through the production. In addition, the Company has jointly provided learning aids, Video, and sign language for learning of the hearing problem students, as well as providing learning equipment for the gems and jewelry course such as tools, and materials which are benefit to the hearing problem students at Nakomprathom School for the Deaf. The Company also joined seminars and vocational guidance in gems and jewelry with activities, held at the meeting hall of Nakomprathom School for the Deaf.



2. Sharing and returning to the community and the society

Throughout the years of business operation, the Company has continuously supported and joined activities which were beneficial to the public. In addition, the Company has also encouraged good awareness to the society to the employees either the devotion of physical strength or inner strength, and private time for the benefit of the community and create projects to support good doing toward the society. The Company also provides financial supports for social activities in each year, namely:

- The host of the recovery of Wat Na Mai Community School, Lad Lumkaew District, Pathumthani Province which was affected by the flood in the late 2011, worth totaling Baht 3,534,000, under the cooperation project with the Stock Exchange of Thailand "Return Schools to our Kids, Connecting Relationship with the Community"
- Taking volunteer staff to join the activity with the volunteer people group to help restore and paint the multi-purpose building and the canteen building of Wat Na Mai Community School, Lad Lumkaew District, Pathumthani Province, which was damaged by the flood.
- Taking the volunteer management and the staff of Pranda Group such as Primagold International Co., Ltd., and Crystalline Co., Ltd. to joint painting activities of the nursing building, the green house, library preparation, and growing plants within the area which were parts of the recovery activities of the flood affect school under the project of "Return Schools to our Kids, Connecting Relationship with the Community" of the Stock Exchange of Thailand.
- Joining the harvesting activity under the project of "Cultivation after the King's footsteps....for sufficient economy" with the teachers from Wat Na Mai Community School and more than 200 the management and staff from Thai Bridgestone Co., Ltd.
- Humbly blessing the King to express the loyalty and gratitude toward the royal grace for the Thai people upon the auspicious occasion of His Majesty the King's birthday and the National Father's Day.
- Offering the lent candle and the offerings dedicated to the Buddhist monks at Wat Pong Ploy Viriyaram, Bangna, Bangkok, upon the first day of the Buddhist Lent
- Consistently providing the blood donors to the National Blood Donation Center for more than 14 years with the accumulated blood volume from the donation of 5,072 units.

The past business operation of Pranda Group is the assurance of good attention of the Company toward its employees and the society as a whole. The most important thing is, business operation cannot be separated from the society. The business operation cannot perform by focusing on only the profit and neglecting the society because once the society encounters problems, it leads to the deterioration of the business.





Brief History and Honorary Rewards of Pranda Group



Photo of receiving
Honorary Rewards.
"Manufacturer of the
Year" JNA Award 2012

2012

- The Company has invested in establishing a new subsidiary in China, "Pranda Trading (Shenzhen) Limited", a registered capital is USD 2 million or about Baht 61 million for retail jewelry business in China.
- Pranda UK Limited, the Company's subsidiary has invested in PDU (UK) Co., Ltd, which operates retail jewelry business through E-Commerce. It is 100% owned by Pranda UK Limited.
- The Company has received "Manufacturer of The Year" award from Jewelry News Asia (JNA). The JNA Awards is an industry-wide event that honours and recognises excellence and achievement in the jewelry and gemstone trade in Asia.
- The Company received the Excellent Labor Relation and Welfare Award 2012 from the Department of Labor Protection and Welfare, the Ministry of Labor for headquarters (Bangkok) and Nakhon Ratchasima branch.
- 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 Annual General Meeting (AGM) checklist to assess the AGM held in 2012.
- The Company received "very good" recognition (four stars) of Corporate Governance Report of Thai Listed Companies 2012 from the Thai Institute of Directors (IOD).
- The Company received an honor certificate from Thai Red Cross Society, for being a cooperative organization to provide blood donors to National Blood Centre more than 14 years.
- The Company received an honor certificate, for being a good model to support educational work of the Ministry of Education on an anniversary of 120 years of Ministry of Education Day.
- The Company received "Tara Award" from Sathien Dhamma Sathan, for the organization which making merit and goodness for society.

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 Raschasrima 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 Kachomprasart 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" 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 Yiuxian Gongsi for USD1.5 million, increasing the China subsidiary registered capital to USD2.35 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, Merii, 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 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 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, Bangkok 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.”
- 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.

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.
- 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.
- The Company was awarded the Gold Card exporter from the Customs Department, Ministry of Finance with “track” benefits on imported raw materials.

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 to international market for Primagold 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 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 industry of gem and jewelry of Thailand depends mainly on the export with the export value at USD 13,148 million or around Baht 394,440 million, ranking the 3rd place in the export of Thailand. In the past 7 years, the compound annual growth rate (CAGR) was at 22% per year. Prior to the sub-prime crisis in the United States of America (US), the CAGR was at an average of 37% per year. After the sub-prime crisis, the gem and jewelry export of Thailand also confronted the debt crisis of the European Union (EU) while the CAGR was at as high as 12% per year. This reflects the excellent competitiveness of the industry in the world market.

The important fine gems and jewelry export markets consist of 27% to the US, 16% to Hong Kong, 10% to Germany, and 5% to India. In the past 7 years, the export growth to Hong Kong was at an average growth of 42% per year. The growth of export to India was at an average of 71% per

year while to the US was at an average of 3% per year, and to Germany was at an average of 20% per year. It is evident that the export growth to the markets in Hong Kong, China, or India will replace the export to the US and the EU.

From the past decade, the prices of gold and silver have dramatically increased – the gold price has increased by 5.4 times and the silver price has increased around 6.8 times – which significantly affected the fine gems and jewelry market since gold and silver are major materials of the product. According to the export information tracked back in the past 9 years, it is obvious that the proportion of gold and silver in the gems and jewelry market changes significantly. The proportion of gold and silver jewelry changed from 65% and 35%, respectively to the present proportion of 58% and 42%, respectively. It means that the silver jewelry market plays more important roles in the future.

Despite the increase of the silver price is much higher than the gold price, with the same weight, the silver price is 45 times lower than the gold price.

The major competitors are China and India which are the labor intensive countries, similar to Thailand. However, the quality of the gems and jewelry products of Thailand is considerably better. However, in order to avoid any severe competition which may occur in the future, the industry's strategy must be changed from the Original Equipment Manufacturer (OEM) to the Original Design Manufacturer (ODM) in order to maintain the stability customer base as well as to change from the price competition to quality competition which efficiently increase the value added to the products.

PRANDA's Direction

With almost 4 decades of business operation, the Company has the complete business strategy from manufacturing base focusing on World Class Mass Production Base, Global Distribution Base, to Own Retail Base.

From now on, its business growth strategy will focus on the development of the retail base of its own retail base to reach the international retail base. Nowadays, the Company has the proportion of the Own Brand Manufacturing (OBM) of around 30% and the Original Design Manufacturing (ODM) of around 70%.

The target market that the Company will place an importance on in the next 5 years is the AEC market which consists of 10 countries and population of 600 million people, with the total GDP of around USD 2.2 trillion, and continuous growth. The target countries to expand the Own Retail Base consist of Thailand, Indonesia, and Vietnam. The three countries are the potential markets which are in accordance with the Company's brands. The three countries' GDPs account for USD 1.3 trillion which is equivalent to 60% of the GDP of the AEC, and the Foreign Direct Investment is worth no less than USD 40 billion. In addition, Thailand's trading value is more than USD 460 billion which is ranked the 2nd and Indonesia's USD 380 billion ranked the 4th, and Vietnam's USD 200 billion ranked the 5th of the AEC.

With PRANDA's operation experiences of more than 2 decades, it has more than 150 points of sale in the AEC market which will be increased to 250 POS within 2015 in the form of its own retail shops in the department store as the major scheme. We will focus on the distribution of the precious product



under the brands of PRIMA GOLD, PRIMA ART, PRIMA DIAMOND, and JULIA. The expansion fund is mainly from the cash flow of the Company.

In addition, the Company still continues its continuous growth strategy in the European Union (EU). The brands of the Company distributed in the EU are Cai and Merii which are the silver fashion jewelry distributed in Germany, Belgium, the Netherlands, and Switzerland. The two brands are distributed through the Independent Retailers and Chain Stores with more than 1,000 POS. Thus, with its network covering important economic areas of each country and the brands are gradually accepted by the customers, the Own Retail Base revenue in the region will grow again in the future.

The Company is confident that if everything follows the market expansion plan in the AEC market and the European market, the PRANDA Group will be the leader of the jewelry retail brand in the regions and the portion of the Own Brand Manufacturing (OBM) will increase from 30% to 50% of the total sales turnover.

Moreover, the Company still maintains its existing customer base and continuously opens new market of the Original Design



Manufacturing (ODM) since this group of customer is the potential customer for the long-term growth, stability of financial status, and consistent cash flow of the Company.

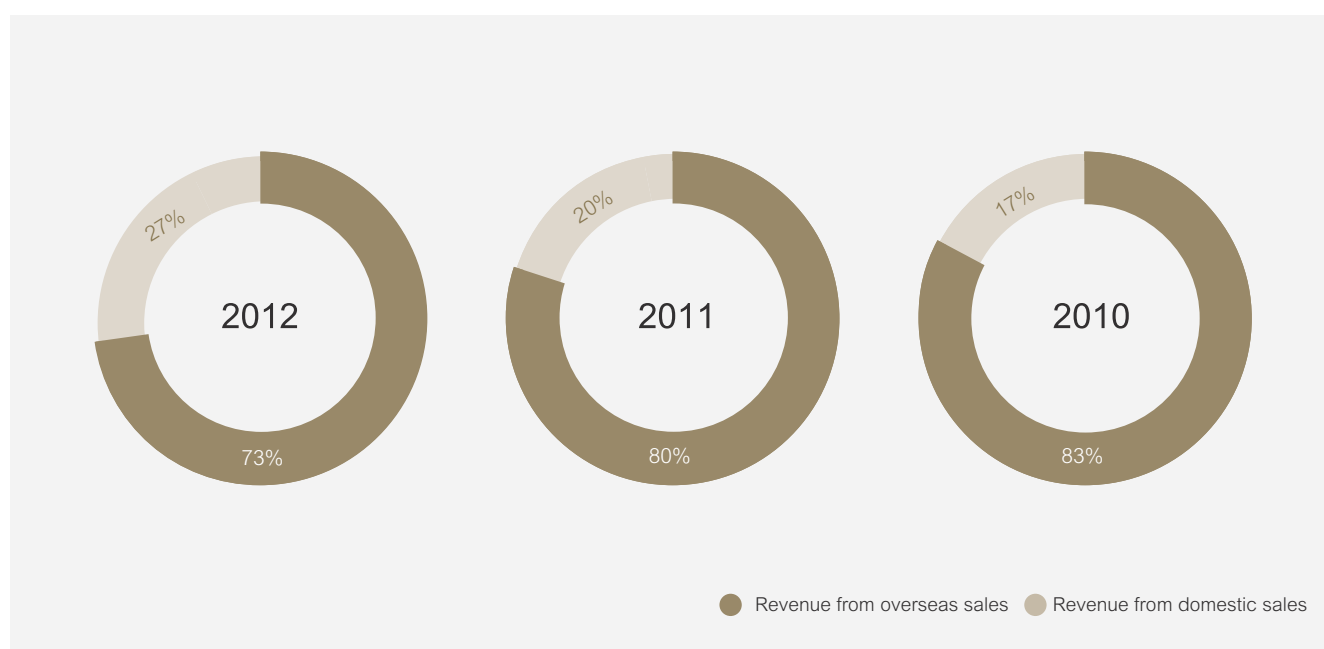
The Company determines to develop its manufacturing for better efficiency with the application of the technology for faster manufacturing procedure, personnel development for skill of manufacturing which is in line with works with complexity and variety, continuous manufacturing development which leads to the significant increase of the manufacturing capacity, while the investment budget remains unchanged. As a result, the benefit goes to the customers and the Own Brand Base.

The future business opportunity still opens wide since some of the consumers' behaviors have changed from the past. This can be seen from the online ordering which has grown enormously, particularly in the markets in the United States of America and Europe. Thus, the Company has started its E-Commerce business, distributing its own jewelry in the United Kingdom and the United States of America to serve the near future growth.

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).



	2012		2011		2010		2009		2008	
	Million baht	%	Million baht	%	Million baht	%	Million baht	%	Million baht	%
Revenue from overseas sales	3,043	72.85	3,286	79.72	3,376	83.23	3,018	82.37	3,449	85.58
Revenue from domestic sales	1,134	27.15	836	20.28	680	16.77	646	17.63	581	14.42
Total	4,177	100.00	4,122	100.00	4,056	100.00	3,664	100.00	4,030	100.00

Revenue structure of Pranda Jewelry Public Company Limited and its subsidiaries according to consolidated financial statements , categorized by geography of the companies.

Company	% Holding	Type of Revenue	2012		2011		2010		2009		2008	
			Million baht	%	Million baht	%	Million baht	%	Million baht	%	Million baht	%
Pranda Jewelry Pcl.		Production and distribution of fine jewelry	1,914	45.24	1,799	42.90	1,545	37.78	1,319	35.63	1,487	36.62
Domestic Subsidiaries												
Primagold International Co., Ltd.	100	Distribution of fine gold jewelry, and diamond in Thailand	689	16.28	683	16.29	587	14.36	518	13.99	506	12.46
Crystalline Co., Ltd.	96	Production and distribution of costume jewelry	173	4.09	167	3.98	153	3.74	141	3.81	160	3.94
Overseas Subsidiaries												
Pranda North America, Inc.	100	Distribution of fine jewelry and costume jewelry in the USA and Canada.	756	17.87	705	16.81	1,009	24.68	1,014	27.39	1,079	26.57
H.Gringoire s.a.r.l.	100	Distribution of fine jewelry in France and Europe	150	3.55	156	3.72	144	3.52	129	3.48	170	4.19
Pranda UK Limited	100	Distribution of fine jewelry and costume jewelry in England and Europe.	119	2.81	147	3.51	184	4.50	204	5.51	301	7.41
Pranda Vietnam Co., Ltd.	100	Production and distribution of fine jewelry	21	0.50	41	0.98	49	1.20	23	0.62	14	0.34
Guangzhou Pangda Zhubao Shoushi Youxian Gongsi	100	Production and distribution of fine jewelry	22	0.52	38	0.91	30	0.73	24	0.65	44	1.08
Pranda & Kroll GmbH & Co. KG	51	Production and distribution of fine jewelry	191	4.51	217	5.18	242	5.92	222	6.00	235	5.79
Pranda Jewelry Private Ltd.	51	Distribution of fine jewelry in India	142	3.36	169	4.03	113	2.76	70	1.89	34	0.84
Sales revenue			4,177	98.72	4,122	98.31	4,056	99.19	3,664	98.97	4,030	99.24
Pranda Lodging Co., Ltd.	83	Property rental / Properties	10	0.24	10	0.24	14	0.34	14	0.38	14	0.34
Other revenues			44	1.04	61	1.45	19	0.47	24	0.65	17	0.42
Total revenues			4,231	100.00	4,193	100.00	4,089	100.00	3,702	100.00	4,061	100.00

Shareholder Structure

As at the closing book dated December 28, 2012, the Company's registered capital was 410,000,000 Baht and the paid-up capital was 406,282,554 Baht, comprised of 406,282,554 ordinary shares at the par value of 1 Baht per share. Share allotment by nationality and top ten major shareholders are as follows:

Shareholders by nationality	Number of shareholders	Number of shares	Shareholding Percentage
Thai Shareholders	3,788	342,313,890	84.26
Foreign Shareholders	67	63,968,664	15.74
Total	3,855	406,282,554	100.00

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

Top Ten Major Shareholders (1)	No. of Shares	Shareholding Percentage
1. Mr. Prida Tiasuwan	21,856,420	5.380
2. Ms. Pittaya Tiasuwan	17,870,960	4.399
3. Mrs. Panidda Tiasuwan	15,948,560	3.925
4. Pranda Holding Co., Ltd.	14,742,900	3.629
5. NORBAX INC.,4	12,599,700	3.101
6. THE BANK OF NEW YORK MELLON	12,128,000	2.985
7. GOLDMAN SACHS & CO	11,658,600	2.870
8. Mrs. Prapee Sorakraikitikul	10,357,060	2.549
9. Mrs. Pranee Khunprasert	10,036,860	2.470
10. CITIBANK NOMINEES SINGAPORE PTE LTD-UBS A LONDON BRANCH-NRBS IPB CLIENT SEG	9,518,100	2.343
Total	136,717,160	33.651

Source : Thailand Securities Depository Co., Ltd.

Remark : (1) Excluding shareholders of Thai NVDR Co., Ltd., a subsidiary of the Stock Exchange of Thailand with the objective of promoting investor investment , particularly international investors, in order to invest in common stock of listed companies without being restricted by the foreign shareholding limit which does not have the right to vote at meeting of listed companies.

(2) Updated information of the Company's present shareholders is made available at Company's website at www.pranda.com which is normally uploaded ahead of the annual ordinary meeting of the shareholders.

Management Structure

Management structure comprises the Board of Directors and sub-committees including Group Executive Directors, Audit Committee, Nomination and Remuneration Committee, Group 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, 2012 is composed of nine directors including Independent Directors, executive directors, non-executive directors who are knowledgeable, competent and experienced in finance, 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:

No.	Name	Position ^{/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
4. Mrs. Pranee Khunprasert	Director	20 April 2011
5. Mr. Pramote Tiasuwan	Director	20 April 2012 ^{/2}
6. Mrs. Panidda Tiasuwan	Director	20 April 2011
7. Mr. Verachai Tantikul	Independent Director	20 April 2012 ^{/2}
8. Mrs. Sarita Bunnag	Independent Director	20 April, 2010
9. Mrs. Rawittha Pongnuchit	Independent Director	14 August, 2012 ^{/3}

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, 2012 had resolutions to re-appoint the following directors including, Mr. Pramote Tiasuwan and Mr. Verachai Tantikul.

^{/3} Board of Director's Meeting has approved the appointment on August 14, 2012.

Name of the advisor to the Company's Board of Directors. Ms. Pittaya Tiasuwan
Lt. Jg. Anan Panananda R.T.N.

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 the company's president.
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 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 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 group executive directors, the audit committee, the selection and remuneration committee, the group finance committee and the group corporate values 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 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 eight members; four of them are the members of the Company's Board of Directors, and the remaining four 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
8. Mr. Chanat	Sorakraikitikul	Executive Director / Assistant Managing Director (Marketing)

Name of the advisor of Group Executive Committee.

Mrs. Panidda Tiasuwan

Mr. Chainarong Jitmetta

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.
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. Mr. Verachai	Tantikul	Chairman
2. Mrs. Sarita	Bunnag	Director
3. Mrs. Rawittha	Pongnuchit	Director

Note: Mrs. Sarita Bunnag 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 selection and remuneration committee:-

Name		Position
1. Mr. Verachai	Tantikul	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

Name of advisors to the Nomination and Remuneration Committee

Mr. Prida Tiasuwan Ms. Pittaya Tiasuwan

Scope of responsibilities of the Selection 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 Value 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.

- 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

Group Finance Committee

The Company's Board of Directors has approved the appointment of the Group 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 Group 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 group finance committee is

Mr. Prida Tiasuwan

Scope of Responsibilities of the Group Finance Committee

- 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.
- To analyze the potential investment projects, risk and benefits and anticipated gains to be submitted to the Company's Board of Directors for approval.
- To control, supervise and analyze performance of the subsidiaries and potential investment projects for the Board of Director's consideration and improvement.
- To perform duties and responsibilities in compliance with the laws, rules and regulations as well as policies of the Stock Exchange of Thailand.
- To authorize the Finance and Risk Management Committee chairman to supervise 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 Committee whose key components include one chairman and seven directors with an aim to promote and support the core values 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

- Mr. Prida Tiasuwan
- Mrs. Panidda Tiasuwan
- Mr. Chainarong Jitmetta
- Ms. Rungrapa Ngowngamratana

Scope of Authorities and Duties of the Group Corporate Values Committee

- To integrate the organization's vision into actual practices under the core values development framework on the concrete and appropriate basis.
- To promote and support the core values creation throughout the entire organization.
- To promote the systemization, administration, appraisal and development, activities or programs which respond to the core values 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 whereby 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 executives¹ as at December 31, 2012 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. Mr. Chanat	Sorakraikitikul	Assistant Managing Director (Marketing)
6. Ms. Sasisopa	Wattakeechoen	Assistant Managing Director (Marketing)
7. Mrs. Nirarat	Tanalekhat	Assistant Managing Director (Marketing)
8. Mrs. Chawee	Jarukornvasin	Assistant Managing Director (Manufacturing)
9. Mr. Somsak	Sirueangmon	Assistant Managing Director (Manufacturing)
10. Ms. Supom	Rungpitayatorn	Assistant Managing Director (Manufacturing)
11. Mr. Thanet	Panjakrid	Accounting and Finance Department Manager

Note : Executives¹ 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.

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 executives¹ :

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 : High-ranking executives¹ 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 Chongsutthanamanee

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 secretary 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 of Directors and Executives of the Company**
Remuneration in the form of cash between January 1, 2012 and December 31, 2012

(A) Remuneration to directors ^{/1}

(Unit : Million Baht)

Name		Salary / Bonus	Position's Allowance	Total
1. Mr. Prida	Tiasuwan	5.287		5.287
2. Mr. Verachai	Tantikul		0.747	0.747
3. Mrs. Sarita	Bunnag		0.747	0.747
4. Mrs. Rawittha	Pongnuchit		0.200	0.200
5. Mrs. Panidda	Tiasuwan	1.450		1.450
- Lt.jg. Anan	Panananda R.T.N.		0.378	0.378
Total		6.737	2.072	8.809

Note : ^{/1} Four remaining directors are not entitled to receive remuneration in item (A) but are made eligible to receive compensation in item (B)

^{/2} Bard of Director's Meeting has approved the appointment on August 14, 2012.

^{/3} Resign from director of the Company on June 30, 2012

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

	Type	No. (person)	Amount (Million Baht)
Executive Directors and Executives	Salary and Bonus	13	27.756

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 2012, 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 Director

Name	Amount (Million Baht)
1. Mr. Prida Tiasuwan	0.175
2. Mrs. Panidda Tiasuwan	0.048
Total	0.223

(B) Executive directors and executives

	No. (Person)	Amount (Million Baht)
Executive directors and executives	13	0.903

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 management

	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. 1992 The Company has also informed the Company's Board of Directors every time there is purchase, selling, transfer or acquisition of securities. In 2012, the Company's Board of Directors has reported the shareholding by comparing an increase (decrease) between December 30, 2012 and December 30, 2011 as follows:

Name		No. Of Shares (Shares)		No. of shares increase (decrease) during the period (shares)
		30 December 2012	30 December 2011	
1. Mr. Prida	Tiasuwan	21,856,420	24,216,420	(2,360,000)
2. Mrs. Pittaya	Tiasuwan	17,870,960	17,730,960	140,000
3. Mrs. Panidda	Tiasuwan	15,948,560	15,808,560	140,000
4. Mrs. Prapee	Sorakraikitikul	10,357,060	12,406,860	(2,170,500)
5. Mrs. Pranee	Khunprasert	10,036,860	10,766,660	(360,000)
6. Mr. Pramote	Tiasuwan	9,140,560	10,280,560	(860,000)
7. Mrs. Sunanta	Tiasuwan	2,560,500	2,420,500	140,000
8. Mr. Decha	Nunanajaronkul	-	40,000	(40,000)
9. Mr. Chanat	Sorakraikitikul	340,000	270,000	70,000
10. Ms. Suporn	Rungpiayatorn	104,000	272,000	(168,000)
11. Mrs. Chawee	Jarukornvasin	36,000	156,000	(120,000)
12. Ms. Sasisopa	Wattakeecharoen	32,000	66,000	(34,000)
13. Mr. Somsak	Sirueangmon	64,000	-	64,000
14. Mr. Thanes	Panjakrid	30,000	20,000	10,000

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 awareness and morality in work 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 levels 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, resulting in creditability and confidence among shareholders, investors, stakeholders, and all related parties.

The Board of Directors supervises the Company to perform the business under the Good Corporate Governance principles of the Stock Exchange of Thailand (SET) and the regulations of the Securities Exchange Commissions (SEC), and the Capital Market Supervisory Board to enhance the good corporate governance to be equivalent to the international standard in order to strengthen the management system with efficiency and sustainable growth.

With such a determination, the Company received the 4 stars from the Corporate Governance Report of Thai Listed Companies 2012: Very Good from the survey of Corporate Governance Report of Thai Listed Companies by the Thai Institute of Directors (IOD) in 2012. The Company was one of 150 listed companies which received "Very Good" from the total of 513 listed companies. The result indicates that the Company has continuously placed and importance on the Good Corporate Governance development with determination which is the important factor to reflect the efficient corporate administration and to create value added to the shareholders in the long run.

The Company still maintains its compliance to the Good Corporate Governance policy which the Company has stipulated, as well as provides improvement and development guidelines by annually disclosing the compliance result. On February 25, 2013, the Board of Directors approved the amendment of the "Good Corporate Governance" manual (the 3rd amendment issue) which is divided into 5 categories, following the Good Corporate Governance Policy B.E. 2549 of the Stock Exchange of Thailand, including adding important policies which are in accordance with the Good Corporate Governance principle. This manual is distributed to Directors and all levels of employees of the Company to sign for acknowledgement and strict compliancy. The Company's report of the compliance with the Good Corporate Governance manual of the Company as follows:

Good Corporate Governance Policy

The Board of Directors of the Company had established a written Good Corporate Governance policy in the "Corporate Governance Manual, the 3rd amendment issue as a principle of operation for the Board of Directors, Executives, and all employees to follow. The advice of the Good Corporate Governance manual, the follow-up of the compliance, as well as informing the clue and the protection mechanism of the informant are included in the manual. The manual is divided into 3 parts, namely, Part 1 the Corporate Governance principles, Part 2 Business ethic, and Part 3 Important policies and other regulations relating to the Corporate Governance principles.

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 promptness 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 of Directors 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 categories:

Section 1. The Rights of Shareholders

The Company places an importance on the Good Corporate Governance principles with the realization of the rights of the shareholders who are the investors in the securities and the owners of the Company. The Company supports the shareholders' right, covering the lawful basic rights such as receiving the Company's profit sharing, stock trading or transferring, attending the shareholders' meeting to vote for appointment or demotion of the Remuneration Directors, Directors, the appointment of the auditor, the remuneration of the auditor, and other matters which affect the Company.

Apart from the above basic right, the Company also takes care of the shareholders beyond the lawful rights such as providing important and current information via the Company's website.

The Board of Directors places an emphasis upon the organization of the Annual General Meeting to provide an opportunity for the shareholders who are the 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 2012, the Company had held 1 shareholders' meeting, namely, the Shareholders' Annual General Meeting of 2011" on Thursday April 19th, 2012 at 14.00 hrs., meeting room on the 2nd floor, the Company's Club. The Company had provided buses for picking up the staff from 12.00 – 13.20 hrs. at the meeting point at 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

With the resolution of the meeting of the Board of Directors to schedule the Shareholders' Annual General Meeting 2011, 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 March 13, 2012, or 37 days prior to the meeting date, before sending the document to the shareholders.
- The Company appointed the Thailand Securities Depository Co., Ltd. (TSD) as the Company's registrar, to send the invitation letter of the Shareholders' Annual General Meeting 2011 with meeting agendas to the shareholders on April 4, 2012 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 23, 2012, or 27 days 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 businesses which might cause conflicts of interest with the Company, and other legal disputes.

- Explanation of proxy appointment, registration, declaring 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. proxy form with detailed agendas; 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 11, 17, and 18, 2012, 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 the 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 Shareholders' Annual General Meeting 2011, 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 105 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 Meeting Date

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 the transportation service to pick up the shareholders
- The Barcode registering and voting systems 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. Senior 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 Managing Director explained 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.
- 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 150 participants who attended the Shareholders' Annual General Meeting 2011 by themselves and by proxies with the total shares of 181,313,732 shares, accounting for 44.91% of the total paid-up shares of 403,715,954 shares.

After the Annual General Meeting Date

The Company informed the resolution of the Shareholders' Annual General Meeting 2011, 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. The resolution document was submitted to the Stock Exchange of Thailand as well as in the form of 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 Shareholders' General Meeting 2011.

The report of the Shareholders' Annual General Meeting of 2011 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 27, 2012 prior to the dissemination date of within 14 days after the meeting date as stipulated by law.

With the aforementioned proceeding, the Company received 99.25 points from 100 points, with the range of "Excellent" from the Evaluation of the Annual General Meeting (AGM) of the Thai Investors Association, the Thai Listed Companies Association, and the SEC.

Section 2 Equitable Treatment of Shareholders

The Board of Directors and the Management have held on to the principles of treatment to the shareholders as indicated in the rules and regulations of the Stock Exchange of Thailand (SET) 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 by providing the information in Thai and in English, consisting of Press Release, Analysis Meeting, Opportunity Day event which is held by the SET, including the treatment toward the shareholders as follows:

1. To offer an opportunity for shareholders to propose agendas, candidates to be the Company's Directors, and submit the questions prior to the meeting date in October – December which is performed in every year. The proposition of the meeting agenda and candidates is in compliance with the law and regulations of the Company as well as the the stipulated regulations of the Company which shall be disclosed through the Company's website at www.pranda.com
2. To prepare the proxy form for the shareholders who are unable to attend the meeting and stipulate the voting guideline to others and/or the Independent Directors of the Company who are the appointed proxy to attend the meeting by providing name, profile, work experiences of every Independent Director for individual consideration to be appointed as the proxy in place of the shareholders which is attached with the invitation letter to the Shareholder's Annual General Meeting
3. Not to add any meeting agenda or change any important information without informing the shareholders in advance
4. On the meeting date, the voting card is prepared in every agenda, including the agenda of the appointment of the individual Director for transparency and examinable
5. To indicate the ethics of the internal information usage and the Company's securities trading to prevent the Directors, Executives, and employees from the access of the internal information for their own dishonest benefits or other benefits. Everyone in the Company will be informed of the guideline and policy for operation with consistent follow-up

6. The Board of Directors and Executives are entitled to report the shareholding and the change of the shareholding to the SEC in accordance to the Section 59 of the Securities and Exchange Act B.E. 2551, and to submit the report to the Board of Directors upon every trading.

Section 3 Roles of the 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 and creditors, competitors as well as the society. This is stipulated as the ethics toward the “stakeholders” under the Business Ethics, included in the Good Corporate Governance guideline (the 3rd amendment issue) which can be downloaded via www.pranda.com. In 2012, the treatment toward the stakeholders of the Company can be summarized as follows:

1) Taking care of the rights of the stakeholders

1.1 Shareholders

The Company determines to be a good representative of the shareholders by performing business with transparency and creating the utmost satisfaction to the shareholders with the realization of the long-term growth of the Company with good and continuous return as well as not to perform any action to violate or deprive the right of the shareholders with no complaint against the disrespect toward the basic rights of the shareholders or the misbehave action of the Directors or the Executive concerning the internal information usage. In each year the Company pays the dividend following the stipulated policy of the Company i.e. to pay the dividend of no more than 60% of the net profit of separate financial statement. In the past 5 years, the Company had paid the dividend at 54.90%-58.97 % of the Company's net profit of separate financial statement. However, in 2002, 2006, and 2010, the Company paid the extra dividend to the shareholders, leading to the increase of the dividend ratio from the net profit, particularly in 2010, the Company's dividend ratio from the net profit was as high as 128%, based on the consideration of the special dividend from the Free Cash Flow.

1.2 Employees

The Company has realized the importance of the value of the employees who are the most important factor of the business operation. Thus, the Company places an importance upon the employees by providing continuous support and development under the supervision of the Group Corporate Values Committee who promotes several projects, totaling 9 projects, namely: 1) Learning Center of PRANDA Group; 2) The dual education system and professional encouragement for the disabled; 3) Enhancement of quality of Life Standard for Staff; 4) Saving Cooperative; 5) Innovation Creation Project; 6) Sharing and returning to the society and the community project; 7) Nursery Center; 8) The 7 standards and energy saving project; and 9) Debt solving and legal consultancy project. The operation in 2012 of the 9 projects is disclosed in the “Responsibility toward the society and the Corporate Core Values”

CORE VALUES FRAMEWORK



Apart from the 9 projects, the Company has set up the Provident Fund and issued the warrant of the Company and/or its subsidiaries (the ESOP Project), provided dormitory of 300 rooms for the employees, as well as the appropriate return and fringe benefit, career path, and support the cooperation of the employees, including annual health check and free meals for all levels of employees, etc. With the operation, the Company's employee turnover rate is low. In this year, the turnover rate of the skilled

employees is less than 2%. The compliance with The Thai Labor-Standard practice, does not support any violation of the human rights, children labor, forced labor, while the working environment must be livable, safe, and accurate in accordance with the professional health principle with no discrimination and with respect to equality.

1.3 Customers

The Company equally treats all customers by providing quality products and services with creditability with the implementation of ISO 9001: 2008, the quality management system. The Company focuses on manufacturing of gems and jewelry at quality international standard by skilled team through process with quality control and on time delivery for the utmost satisfaction of the customers. With our attention for continuous development, the Company received the global honor award of "Manufacturer of the Year JNA Award 2012" in Hong Kong.

1.4 Trading Partners and Creditors

The Company follows the agreement with the trading partners and creditors with fairness and equality, without asking for any trading benefit from the trading partners with dishonesty, strict compliance with contract and condition as agreed, and compliance with obligation to all creditors by following the condition stipulated in the loan contract and disclosing the actual financial status of the Company. The policy of procurement is stipulated to perform business with the trading partners with appropriateness, fairness, and efficiency.

1.5 Competitors

The Company performs business under fairness competition without seeking for confidential information of competitors with dishonesty and illegality such as destroying the competitor's name with accusation or unfairly performing anything without fact.

1.6 Society

The Company performs the business with the realization of community, society, and environment by continuously educating the awareness of social responsibility and environment among all levels of employees with seriousness. It is the important role toward the society as a whole. The Company has included the operational principles in the business ethics. There are social activities

beneficial to the community and the society, supported by the executives, with no action damages the country's fame, natural resources, and environment. The Company will not cooperate or support any person who performs illegal business or threatening the society and national security. The Company also aims to educate the awareness of social responsibility toward the society and society within the Company and all levels of the employees to perform or control with seriousness, following the related law.

For 2012, the Company received no complaints from the stakeholders.

2. Respect of law and international human rights principles

The respect of law and the international human rights principles is the foundation of the business operation and personnel development which are important to creating the value added and the increase of the products. Apart from signing the Universal Declaration of Human Rights of the UN Global Compact, the Company also stipulated in the ethics concerning the respect of law and human rights principles which are included in the Corporate Governance guideline (the 3rd amendment).

3. Practice toward labor and respect of the rights of employees

The Company has a policy of the practice toward the labor and the respect of the rights of the employees under the international labor standard. In 2007, the Company received the Thai Labor-Standard (TLS 8001-2546) Certificate of Completion Level from the Department of Labour Protection, the Ministry of Labour, the Company announced against all kinds of corruption to support the labor relationship within the Company. At the complete level from the In does not support any violation of the human rights, children labor, forced labor, while the working environment must be livable, safe, and accurate in accordance with the professional health principle with no discrimination and with respect to equality.

4. Enhancement of quality of life in the workplace

The Company has stipulated the policy of quality of life enhancement in the workplace which is included in the Corporate Governance guideline (the 3rd amendment issue). The practice to quality of life enhancement in the workplace is as follows:

4.1 Activities for knowledge development of employees

1. Knowledge 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 who organized many courses in the past years such as the “management development” which was provided to 35 department managers and assistant to manager, held by National Institute of Development Administration (NIDA), “English Course” for employees and executives, and “Corporate Strategic Development” course.

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.

2. Library

The library is opened for the staff with more than 1,000 new books and more than 400 staffs borrowing books from the library per month. In addition, there are more than 10 computers with high-speed internet provided for services in the library.

3. Innovation promotion

The project aims to support employees’ creativity, modification of equipment or utensil and to support productivity process and reduction of production cost. In each year, there were 40 works submitted for the contest. The awarded works were extended to the Company’s affiliated companies within Thailand and overseas.

4. Promotion of transfer education system

The Company also promotes the education for the employees by utilizing the Company’s venue for transfer education in the gems and jewelry to receive the Certificate of Technical Vocation and in the management to receive the certificate of Higher Vocational Certificate. There were 3 classes with 95 students, with 85 students had already graduated.

5. Scholarship

The Company’s PRANDA Jewelry Group of Companies Saving Cooperative provided more than 50 scholarships, totaling Baht 80,000 to staff’s children who are attending in secondary level, vocational level, and bachelor’s degree in every year.

4.2 Activities for employees’ financial promotion

1. Saving Cooperative for employees of Pranda Jewelry Group of Companies

The Saving Cooperative for employees of Pranda Jewelry Group of Companies aims to encourage the staff to save their income and to provide loan service at low interest rate. At present, there are more than 2,000 members with the operating capital of more than Baht 70 million. In 2011 and 2012, the Saving Cooperative received the standard of “excellent” from the Cooperative Office.

2. Debt solving and legal consultancy project

The Company’s debt solving and legal consultancy project has helped 350 staffs, accounting for more than Baht 55 million with the support of various financial institutions such as Islamic Bank of Thailand.

3. Other financial supports

The Company also provides other financial supports to the employees such as the providend fund, free rice for 3 meals, selling products at low prices, funeral financial support for passed away father, mother, or spouse, wedding financial support, in-patient medical care, etc.

4.3 Activities for family institution promotion

1. Nursery Center

The Company has operated Nursery Center for 24 consecutive years. It is to decrease the burden of taking care of children of the Company’s employees. As of today, there are 80 children under the care of the center, taken care of by full-time trained babysitters, according to the Company’s policy, the babysitters are not just taking care of the children but they must help the children with physical and mental development prior to going to school.

2. Dorm for the staff

The Company provides a dorm for the staff which consists of 3 buildings. There are 100 rooms for each building. The dorm is divided into single male, female, and family. There are 1,000 employees staying in the dorm.

3. Activities on Children’s Day

In every year, the Company holds activities on Children’s Day and invites employees with their family to the event where there are many activities and presents for children.

4.4 Activities to promote good health for staff

1. Exercise activities such as the Aerobics, yoga in every week
2. Annual Health check up for the staff
3. First Aid room with a nurse and a doctor in every week
4. Fitness room at the Company's venue
5. Safety week event
6. Sport Day

4.5 Activities to promote good workplace environment

1. The 7 standards project
The project aims to utilize the natural resources with the utmost value, promote safety, protect environmental problem, and to develop cleanliness and neatness of the workplace. The project starts with the 7 standards which consist of clearing up, cleaning, convenience, hygienic condition, creating habits, environment, and beauty. The 7 standards manual 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 branch) and PRANDA Vietnam Co, Ltd. 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.
2. Saving energy project
In terms of energy saving, the recycle bank is established to reduce global warming. The bank is operated 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 each year, there are the deposits-selling of more than 50,000 kilograms of recycling materials which are worth more than Baht 500,000. The 3 highest sales volume recycling materials are plastic, PET, and glass bottles.

4.6 Activities for morality promotion

The Company places an importance upon the religious and cultural activities as follows:

1. he offerings dedicated to the Buddhist monks on the last Friday of every month

2. Pouring water on the hands of the revered elders and ask for blessing on Songkran Day

3. Humbly blessing the King to express the loyalty and gratitude toward the royal grace upon the auspicious occasion of His Majesty the King's birthday

4. Giving food offerings to the Buddhist monks on important Buddhism days

5. Practice of environmental training for staff

The Company has realized the importance of the staff and has stipulated the policy concerning the environmental training for them or their practice toward each others. It is because the employees are the valuable resources, all of them from every profession and level will receive sufficient and continuous development of environmental conservation through knowledge providing and training in terms of operation and management of the environment. All levels of the management also receive the training. The Company is a role model who is responsible for development and maintaining the environmental training system for the staff by providing sufficient support of resources for every staff to take part in the following of the policy as well as thoroughly communicating the result of the environmental training with related persons.

6. Responsibility toward the society and environment

The Company also maintains the compliance of the UN Global Compact which consists of 4 principles in the areas of human rights, labour, the environment, and anti-corruption. In addition, the Company also seriously educates all levels of staff with the awareness of social and environmental responsibility with consistency by placing an importance on the issue as the duty toward the society as a whole with no action destroying the fame of the country, natural resources and the environment. There should be no cooperation or support to any person who owns illegal business or harmful to the society and the national security. This issue is stipulated as the policy of social and environmental responsibility which is included in the "Corporate Governance" guideline, the amendment issue 3/2555 for following. It is also a part of the sharing and returning to the society project. The details of the activities in 2012 are included in "Social Responsibility and the Core Value"

7. Anti-Corruption

The Company has a policy and the guideline concerning the anti-corruption which are announced to Directors, Executives, and all employees of the Company for their compliance to the policy which can be summarized as follows:

Pranda Jewelry Public Company Limited and its affiliated companies would like to express the intention of the business operation with transparency, compliance to the corporate governance, and without supporting any form of corruption whether direct or indirect. In addition, the Directors, Executives, staff and third parties connecting to the Company who perform any action with a sign of corruption whether offering, promising, soliciting, demanding, giving or accepting bribes. The Company will not tolerate any kind of corruption covering every business and item in every country and relating organization. In order to comply with the policy, the Company will consistently reexamine the operation procedure in order to follow the change of the law, business, and to maintain the Company's reputation.

8. Clue informing measure and informant protection plan

The Company has stipulated that all levels of management of the Company shall be responsible and place an importance upon supervision of their subordinates to strictly acknowledge, understand and follow the guideline of the Good Corporate Governance of the Company. Anyone who is against the stipulated ethics shall strictly receive disciplinary punishment. In order to provide equality treatment to all stakeholders with fairness which is in compliance to the Good Corporate Governance principles, the Company has provided channels to receive clues or complaints or opinion or suggestion, signifying an impact upon the stakeholders or a risk from the impact which may cause damage to all stakeholders due to the Company's business operation or an action of the staff of the Company relating to illegal action or non-ethical action, including any action signifying corruption, unfair treatment, or careless action. These shall be directly informed or mailed to:

Chairman of the Company/ Chairman of the Audit Committee

Pranda Jewelry Public Company Limited
28, Soi Bangna-Trad 28, Bangna Sub-District,
Bangna District Bangkok 10260

Or through the provided channels: the Company's website at www.pranda.com

Or an e-mail as follows:

Board of Director

board@pranda.co.th Tel. 0-2769-9923, 0-2769-9405

Corporate Secretary Office

cs@pranda.co.th Tel. 0-2769-9431, 0-2769-9403

Investor Relations

ir@pranda.co.th Tel. 0-2769-9431, 0-2769-9436

Public Relations

pr@pranda.co.th Tel. 0-2769-9494, 0-2769-9432

The Corporate Secretary is responsible for collection document from the said channels to conclude and quarterly propose to the Board of Directors for acknowledgement. The letters which are directly sent to the Audit Committee will be examined and the interrogation will be recorded in written form without the disclosure of the informant. The information will be kept as confidential as a protection of the informant.

Section 4 Information disclosure and transparency

1. Channels for information disclosure

The Company places an importance upon the disclosure of important information of the Company with accuracy, completeness, sufficiency, being present, in due time disclosure, transparency, and compliance to the regulations of the Securities Exchange Commissions and the Stock Exchange of Thailand. As a result, the shareholders and the stakeholders will thoroughly receive the news and information of the Company. The Company's channels for information disclosure are as follows:

1. The SET Community Portal (SCP) – for the dissemination of the periodic reports such as Financial Statements, the Annual Registration Statements (Form 56-1), the Annual Report (Form 56-2), etc., and the non-periodic reports such as the acquisition/ disposal of the assets, related transaction, dividend payment/ non-dividend payment, etc.
2. Other public media – newspapers, magazines, and the Company's press release
3. The Company's website at www.pranda.com which consists of Thai and English
4. Information for the analysts and the investors upon visiting the Company

In 2012, the Company had continuously provided information and held activities following the communication plan which complied to the Company's business strategy and direction with the realization of the quality of the disclosed information through the following departments:

Public Relations Department has the duty to publicise and disseminate news, information, activities of the Company. In the previous year, the Company held 2 press conferences on business direction, 10 special interviews on television programs, 24 interviews with new agencies, 138 news pieces of press release, including quarter newsletter of the Pranda Group of companies in Thai and in English on the Company's website.

Office of Corporate Secretary has a duty to disseminate information as stipulated by the regulations of the Stock Exchange of Thailand (SET) and the Securities Exchange Commission (SEC) with accuracy, completeness, and transparency through the procedure of consideration of examination. In 2012, there were news to inform the SET altogether 37 issues.

Investor Relations Department has a duty to communicate and to provide information and news activities of the Company which are beneficial to the investors in order to enhance good relationship between the Company and the investors, institution investors, general investors, analysts, and related government sectors with equality and fairness. In addition, the Investor Relations department has to prepare the annual investor relations plan which is consistently attended by the Senior Executives of the Company and Managing Directors and the related Senior Executives will provide the presentation on the operating results, as well as additional information, answers to questions at the meeting with the analysts, investors, and the press. The questions can be posted to the Company's Investor Relations Department via 4 channels:

Mr. Dusit Chongsutthanamanee

Investor Relations

Pranda Jewelry Public Company Limited



28 Soi Bangna-Trad 28, Bangna Sub-district,
Bangna District, Bangkok 10260



ir@pranda.co.th



Tel. 0-2769-9431, 0-2769-9436 (Direct Line) or
0-2769-9999, 0-2361-3311 Extension 431,436



Fax. 0-2746-9351

In 2012, there were many important activities of the Company. Firstly, the Opportunity Day, held by the Stock Exchange of Thailand on March 28, 2012, was the opportunity for the listed companies to meet with the investors, analysts, and the press to provide information, movement, business operation, and future plan. The Company Visit activity was set up for 31 investors, totaling 15 times. The Conference Call was held for 5 investors, 2 times. The IR News mentioned the Pranda Group as the "Top-Class Dividend Stock" was disseminated through the following medias:

1. The Company's Website under the Investor Relations
2. Facebook of the Pranda Group and of Facebook of other leading value investors
3. Website of ShareInvestor and the online network of Shareinvestor such as Thai Investors Association, Manager Online, Thailistedcompany.com, and the Wall Street Journal
4. Webboard of the Thai Value Investor Association in Pranda Room at www.thaivi.org
5. Emails of 1,000 shareholders and fund managers whose names are included in the Company's name lists

2. Financial report

The Board of Directors of the Company is responsible for the financial report to ensure its accuracy, completeness, and transparency in order to maintain the assets as a prevention of any loss or usage of other persons with no authority, to prevent 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. The Board of Directors assigns the Audit Committee to review the Company's financial report with the implementation of the appropriate accounting policy which will be consistently practiced and in accordance with the related laws and announcement. In addition, the Committee has a new duty to review the accuracy and sufficiency of the financial report. In doing so, the Audit Committee annually has at least 4 meetings with the Auditors without the presence of the Management in order to ask for the opinion from the Auditors in several matters. 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 lack of independency and fairness. They had a completed qualification as specified to create confidence among 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.

The Company also prepared the Management Discussion and Analysis (MD&A) to quarterly provide analysis explanation of the financial status, operating results, and significant changes via the SET's electronics portal with the financial statement.

The Company has no record of amendment of the financial statements from the SEC and it always discloses the annual report and quarterly report to the shareholders and investors prior to the due date.

3. Disclosure of the information on the website

The website is for the shareholders and the people in general to search for information which is publicly disclosed with rapidness. The important information on the website is as follows:

1. **About Us** consists of Message from Chairman, Core Values, History, the Board of Directors, PRANDA Social Responsibility, Awards & Recognition, and Organization Chart.
2. **PRANDA Group** consists of Design and Product Development Base, Manufacturing Base, Distribution Base, and Retail Base.
3. **Products** consists of Gold Jewelry, Silver Jewelry, Costume Jewelry, and Commemorative Products
4. **Brands** consists of Precious Product and Lifestyle Product
5. **News & Events** consists of Press Release, Events, Newsletter, and Subscribe E-Newsletter
6. **Investors Relations** consists of Corporate Information, Financial Information, Stock Information, Publications, Corporate Governance, News Room, Shareholder Information, Analyst Coverage, Events & Presentations, and Information Request

Please visit the Company's website at www.pranda.com

4. Report of the Directors' Conflict of Interest

The Company stipulates the policy of the report of the Director's conflict of interest that the Directors and Executives shall report their or their related persons' conflict of interest to the Company to acknowledge the matter which follows the section 89/1 of the Securities and Exchange Act. The report must be submitted to the Corporate Secretary who will propose to the Chairman of the Board and the Chairman of the Audit Committee within 7 days from the receiving date.

5. Disclosure of the Remuneration of the Directors and Executives

The Company discloses the remuneration of the Company's Directors and Executives in the Annual Report. The remuneration is in the form of cash and other remunerations with the individual remuneration disclosure of the Company's Non-Executive Directors. The remuneration of the Executive Directors is disclosed with the remuneration of the Executives. The remuneration of the Company's Directors, Executive Directors, and Executives is performed with clear 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 Senior 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 Senior Executives in 2012 is shown in the "Management Structure"

6. Disclosure of Roles and Duties of the Board of Directors and the Sub-Committees

The Company discloses the namelist, roles, and duties of the Board of Directors and the Sub-Committees in the annual report under the "Management Structure", including the meeting times and participations of each directors in last year. The details are in the table 1.

Section 5 Responsibility of the Board of Directors

The Board of Directors, as a representative of the shareholders, is entitled to supervise the management and administration of the Company by complying with the law, and 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, following 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. In addition, for the sufficiency of the business, the Board of Directors has appointed the Group Corporate Values Committee to promote the Core Values 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 the way of operation and the way of life following the mutual share value. The Group Corporate Values Committee are working under the scope of work consisting of 9 projects which are included in "Social Responsibility and the Corporate Core Values"

1. Structure of the Board of Directors

The Company's Board of Directors has considered 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".)

1.1 Composition of the Board of Directors

The Board of Directors consists of the Independent Directors of at least one-thirds of the Board of Directors but no less than 3 Independent Directors. Presently, there are 3 Independent Directors. There are 9 members of the Board of Directors, consisting of 4 Executive Directors and 5 are Non-Executive Directors, 3 of which are the Independent Directors.

1.2 Qualifications of the Independent Directors

The Independent Directors shall possess complete qualifications at stipulated by the Capital Market Supervisory Board. The details are included in the "Management Structure".

1.3 Election and term of service

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. The directors excluding independent directors must retire at 72 years of age.

1.4 Directors in other companies

For the efficiency performance as the Board of Directors of the Company, the Company has stipulated that a Director

shall possess the position in other listed companies of no more than 3 companies. If there is a necessity of a Director to hold the position of the Directors in more than 3 listed companies, this shall be explained to the shareholders for such necessity and the names of those companies shall be disclosed in the Annual Report under "Profile of the Directors and Executives".

1.5 Directors in other companies of the Managing Director

The Company has stipulated the policy of holding position of Director in other companies of the Managing Director that the Managing Director shall hold the position of the Managing Director in only one listed company in order to have sufficient time for management of the Company's business operation, and those companies shall not be significant partners of partnership or conduct the same category of business and compete with the Company whether for the benefit of oneself or others, unless this is informed at the shareholders' meeting for acknowledgement prior to the resolution of appointment.

1.6 Separation of the role and duty of the Chairman and the Managing Director

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:

The 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 Director 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 Director, the structure of the Board of Directors consists of one-thirds Independent Directors of the Board, leading to the suitable check and balance of power in the operation.

The Managing Director

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

1.7 Corporate Secretary

The Board of Directors appointed Mr. Dusit Chongsutthanamanees 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 and duty of the Corporate Secretary are in "Management Structure".

2. Appointment of the Sub-Committees on important matters

The Board of Directors has appropriately appointed the 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 ratification, depending on the case, to support the management of the Board of Directors. There are 5 Sub-Committees, namely:

2.1 **Group Executive Committee** The Group Executive Committee consists of 4 Directors from the 8 Executive Directors and other 4 members are not in the position of the Company's Directors. The Group Executive Committee has the duties and responsibility to supervise the Company's business operation within the scope of authority assigned by the Board of Directors, including screening matters prior to proposing to the Board of Directors for consideration of approval.

2.2 **Audit Committee** Audit Committee consists of 3 Independent Directors, one of whom, appointed by the Board of Directors, has a good knowledge of financial and accounting and has completed qualification as stipulated by the Stock Exchange of Thailand, The mission of the Audit Committee consists of reviewing the financial report, reviewing the internal control system and organizing the internal auditing system, reviewing the Company's compliance to the Securities and Exchange law, the regulations of the StockExchange 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.

2.3 **Nomination and Remuneration Committee** The 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 Senior Executives follow the Best Practices with clearness and transparency level equivalent to other listed companies in the same industry, and in accordance with the long-term benefit of the Company and all stakeholders.

2.4 **Group Finance Committee** The Group Finance Committee consists of 4 Directors of the Company's Board of Directors and other 4 members are from the nomination of persons 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.

2.5 **Group Corporate Values Committee** The Group Corporate Values Committee consists of 1 Director of the Company and other 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 Core Value with appropriateness and concreteness.

3. Roles, Duties, and Responsibility of the Board of Directors

3.1 The Board of Directors is responsible for consideration and approval of important matters concerning the Company's business operation such as vision and mission, strategy, financial goal, risk, planning and budgeting, as well as governance, control, and supervision the efficiency and effectiveness of the management to follow the stipulated plan and policy. Please refer to the power, duties and responsibilities of the Board of Directors under "Management Structure"

3.2 The Board of Directors has stipulated the "Good Corporate Governance Policy" of the Company in the written form since 2000.

3.3 The Board of Directors prepares the "Business Ethics" in the written form as a guideline and the best practice for the Directors, Executives, and all levels of staff to access the ethics standard which used by the Company for the business operation. The follow-up of the practice shall be strictly performed. It is included in the "Good Corporate Governance guideline" (The 3rd amendment issue) which is distributed to the Directors and all levels of staff in the Company to signed, acknowledge, and strictly follow.

3.4 The Board of Directors stipulates the ethics of conflict of interest for the practice of all levels of staff and for the Board of Directors to provide careful supervision when there is a conflict of interest transaction. The policy and procedures of the approval of the conflict of interest transaction, complete disclosure of information, including the supervision policy and method for the Executives and related persons concerning the Company's internal information usage for their own benefits are as follows:

- When there is a 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 agenda of the transaction shall be announced and the related Directors or Executives are not permitted to attend the meeting at certain period of consideration agenda.
- 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 the information for controlling transaction with possible conflicts of interest and to be the data base for the disclosure of business and connected enterprises transaction in the remark of the financial statements.

3.5 The Company's Board of Directors stipulates the ethics of the connected transaction of the Company and its subsidiaries to hold on to the policy to connected transaction operation and follow the general normal business operation and to provide the utmost benefit to the Company under the consideration of the Audit Committee or 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 the 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.

3.6 The Board of Directors of the Company stipulates the policy of the internal control system by focusing on 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 25, 2013, 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 topics is included in the "Management Structure."

- 3.7 The Board of Directors stipulates the policy of the risks management by focusing on 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. The report of risks evaluation of each units of the Company is prepared to stipulate the protection standard and risks management, including the guidelines of the risks management to be at the acceptable level. The risks which might have an impact on the Company's operation are, for instance, strategic risks, operational risks, and financial risks. The details are included in "Risks Factors."

4. Meeting of the Board of Directors

- 4.1 The Board of Directors' meetings are normally scheduled in advance for the whole year
- 4.2 The Board of Directors' quarterly meetings are scheduled to facilitate the Directors' time for every meeting in order to maintain the Company's benefit. Special agendas may be held as appropriate.
- 4.3 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.
- 4.4 Each meeting takes approximately 2-3 hours.

5. Self-Assessment of the Board of Directors

The Board of Directors has established the Self Assessment of the Board which is performed at least once a year in order to review the sufficiency of the stipulations and/or the operations of the governance. The result of the assessment is the information for the management to improve, develop, and manage for better efficiency. The assessment form is based on the self-assessment

form of the Board of the Stock Exchange of Thailand as the guideline of the assessment and as the scope of the performance examination of the Board of Directors of the Company. At every year end, the Company will prepare the assessment of the performance of the Chairman of the Executive Directors, assessed by the Selection and Remuneration Committee which will be proposed to the Board of Directors for opinion. In 2012, the assessment was divided into 3 parts, namely, 1) Corporate KPI; 2) Leadership Competency; and 3) Budget and Project Management. The result of the aforementioned assessment will be used for the consideration of the remuneration of the Chairman of the Executive Directors which will be proposed to the meeting of the Board of Directors for consideration of approval.

6. Remuneration

The Company stipulates the remuneration of the Company's Directors and Executive Directors, and Executives with appropriateness and at motivative level which can maintain the Company's quality Directors and Executive Directors, and Executives or the remuneration is at the appropriate level within the industry. The remuneration is appropriate with the benefit received from the Company's each Director and Executive Director, and Executive, connecting with the Company's operating results. The Nomination and Remuneration Committee is responsible for the regulations to consider the remuneration, the remuneration payment method, and reporting the result of the nomination and remuneration to the Board of Directors for consideration of approval at the shareholders' meeting. The remuneration of the senior executives of higher than the Department Manager shall follow the principles and policy stipulated by the Nomination and Remuneration Committee in connection with the Company's operating results. The Key Performance Indicator (KPI) is set in each year and the remuneration is in the form of salary. The remuneration of the two committees and executives in 2012 is illustrated under the "Management Structure".

7. Development of Directors and Executives

- 7.1 The Board of Directors has encouraged and supported providing training and knowledge to those who are related with the Company's Corporate Governance system such as Directors, Members of the Audit Committee, Executives, Corporate Secretary, etc. for continuous improvement. The "Sustainable Business Management" was established in order to help the Company's Executives to be able to plan with strategy, analysis, and problem solving and lead the Company to sustainable achievement.

- 7.2 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 the Securities (SET) 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.
- 7.3 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 has 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 document.
- 7.4 The Board of Directors stipulates that the Executives and related staff to receive the training in the Corporate Secretary course, the Good Corporate Governance course, the Internal Auditing Course, and other related courses held by organizations and institutions to extend their knowledge and understanding of duties and responsibility as well as help fully support the performance of the Board of Directors and the Sub-Committees.
- 7.5 The Board of Directors has stipulated the succession plan of Chairman of Executive Committee and Senior Executives from the levels 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.

Table 1 : Meeting participation of the Board of Directors

Directors			Meeting attendance/ Total meetings (times)				
			The Board of Directors	Group Executive Committee	Audit Committee	Nomination and Remuneration Committee	Group Finance Committee
			Totaling	Totaling	Totaling	Totaling	Totaling
			19 times	8 times	4 times	Totaling 2 time	4 times
1. Mr. Prida	Tiasuwan		17/19				
2. Mrs. Prapee	Sorakraikitikul		18/19	8/8		2/2	4/4
3. Mrs. Sunanta	Tiasuwan		17/19	8/8		2/2	4/4
4. Mr. Pramote	Tiasuwan		19/19	7/8		2/2	3/4
5. Mrs. Pranee	Khunprasert		19/19	8/8		2/2	4/4
6. Mrs. Panidda	Tiasuwan		19/19			2/2	
- Lt.jg. Anan	Panananda R.t.n. ^{/1}		11/11		2/2	2/2	
7. Mr. Verachai	Tantikul ^{/2}		19/19		4/4	-	
8. Mrs. Sarita	Bunnag		19/19		4/4		
9. Mrs. Rawitha	Pongnuchit ^{/3}		4/4		1/1		
10. Ms. Pittaya	Tiasuwan			8/8			4/4
11. Mr. Decha	Nunthanacharoenkul			8/8			4/4
12. Mr. Chartchai	Theekaveerakit			6/8			
13. Mr. Chanat	Somkraikitikul			8/8			4/4
14. Mr. Dusit	Chongsuthanamanee						4/4
15. Mr. Somsak	Srireungmont						
16. Mrs. Niraratana	Thanalekhapattana						

Directors	Meeting attendance/ Total meetings (times)					
	The Board of Directors	Group Executive Committee	Audit Committee	Nomination and Remuneration Committee	Group Finance Committee	Group Corporate Values Committee
	Totaling	Totaling	Totaling	Totaling	Totaling	Totaling
	19 times	8 times	4 times	Totaling 2 time	4 times	4 time
17. Mrs.Chavee Jarukornvasin						4/4
18. Ms. Sasisopa Wattakeecharoen						4/4
19. Ms. Suphorn Rungpittayathorn						3/4
20. Mr. Kanching Devahasdin Na Ayudhaya						4/4

- Remark** ^{/1} Resigned on June 30, 2012
- ^{/2} In the position of the Chairman of the Audit Committee and the Chairman of the Nomination and Remuneration Committee on August 14, 2012
- ^{/3} In the position of the Company's Director and the member of the Audit committee on August 14, 2012
- No. 1-9 are 9 Board of Directors
 - No. 2-5 and No. 10-13 are 8 members of The Group Executives Directors
 - No. 7-9 are 3 members of the Audit Committee
 - No. 2-7 are 6 members of the Nomination and Remuneration Committee
 - No. 2-5 and No. 10 – 11, and No. 13-14 are 8 members of the Group Finance Committee
 - No. 4, 12, and 15-20 are 8 members of the Group Corporate Values Committee
 - Figures in the table mean times of the meeting participation/ times of the meeting when the Directors were in the position.

Table 2 : Directors' Meeting Participation

Directors	Courses						
	Director Certificate 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. Mr. Verachai Tantikul	Class 37/2003						
8. Mrs. Sarita Bunnag	Class 22/2002		Class 1/2004		Class 1/2005	Class 5/2007	Class 2/2008
9. Mrs. Rawitha Pongnuchit	Class 59/2005						

Internal Control System

Internal Control

The meeting of the Board of Directors No. 3/2013 on February 25, 2013 was attended by 3 members of the Audit Committee to provide opinion on efficiency and appropriateness of the internal control system which was based on the "Sufficiency Assessment of Internal Control System" form of the Securities Exchange Commission.

The Audit Committee followed the scope of works assigned by the Board of Directors of the Company, following the Audit Committee Charter to examine the internal control system in terms of the finance and the operation with effective and efficient development and to report the results to the Board of Directors of the Company for acknowledgement as well as providing suggestion to the management for continuous improvement of the internal control system. The Committee opined that the internal control system of the Company is sufficient and appropriate with the business operation, and effective and efficient to the operation. In addition, it also utilizes the resources and assets with protection or reducing mistakes, the accounting system and the financial report are accurate and credible, and its compliance to the laws, disciplines, and regulations concerning business operation have no significant flaws. The internal control system of the Company follows the scope of the internal control which is in accordance with the international standard - COSO (The Committee of Sponsoring Organizations of the Treadway Commission).

The Board of Directors of the Company had the same opinion with the Audit Committee on the internal control system which can be summarized as follows:

1. Corporate and Environmental Control

The Company supported good work environment, appropriate corporate structure, clear chain of command, work specification of each position, appropriate power and responsibility assignment of each position in order to achieve the set goal, compliance to the good corporate governance policy through the establishment of the Code of Conducts, stipulation of policy and operation plan based on the fairness toward the employees, clients, trading partners, including the responsibility toward the shareholders, placing the importance and preservation of the benefit of the investors and stakeholders with equality, disclosure of information with accuracy, complete, transparency, and punctuation.

In addition, the Company gives an importance upon personnel which receives the support from the Group Corporate Values Committee to promote mutual value creation to the group of companies by creating complete staff participation, and accordingly applying activities with the way of operation following mutual values, as well as consistently providing training and development, knowledge, skill, ability for appropriate assigned work in order to promote the potentiality of the Company's staff to reach the excellence and standard.

2. Risk Management

The Company has stipulated clear objectives and corporate operating target which can be evaluated. The Company's risk management system is systematic with indication procedure and internal and external risks evaluation of the Company. The Company has established risk analysis and evaluation as risk prevention and management. Also, the risk management follow-up procedure is set to ensure the utmost efficiency and effectiveness of the risk management.

3. Operation Control of the Management

The Company has clearly set up the scope of duty and authorized financial amount of each level of the management in written form of which separates the important responsibility of approving, recording transaction, information processing, and asset maintenance to mutually cross check the transaction. However, the transaction with related business or persons, the Company follows the guidelines of the Stock Exchange of Thailand (SET) to prevent any conflict of interest 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 communication and its continuous development of information system which includes financial information system, policy, and regulations to promote accurate and quick decision making with the establishment of systematic information processing procedure and information system controlling in terms of the access of the information and wrongdoing of the information usage. In addition, the Company provides internal and external information system and channel of communication with efficiency and effectiveness. Also, there is a communication channel for communication with the stakeholders with efficiency and punctuation. The information is published on www.pranda.co.th

5. Performance Review

In 2012, the Company had organized 19 meetings of the Board of Directors in order to consider and review the performance of the management to ensure its following of the goal with ongoing procedures of follow-up and operation supervision of each level with appropriateness. 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. The internal control department works independently. In 2012, there were 4 meetings of the Audit Committee to review the internal control system and follow the operation as well as to acknowledge the finding of significant flaws and report the summary to the Board of Directors for consideration and order of amendment within appropriate period.

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.

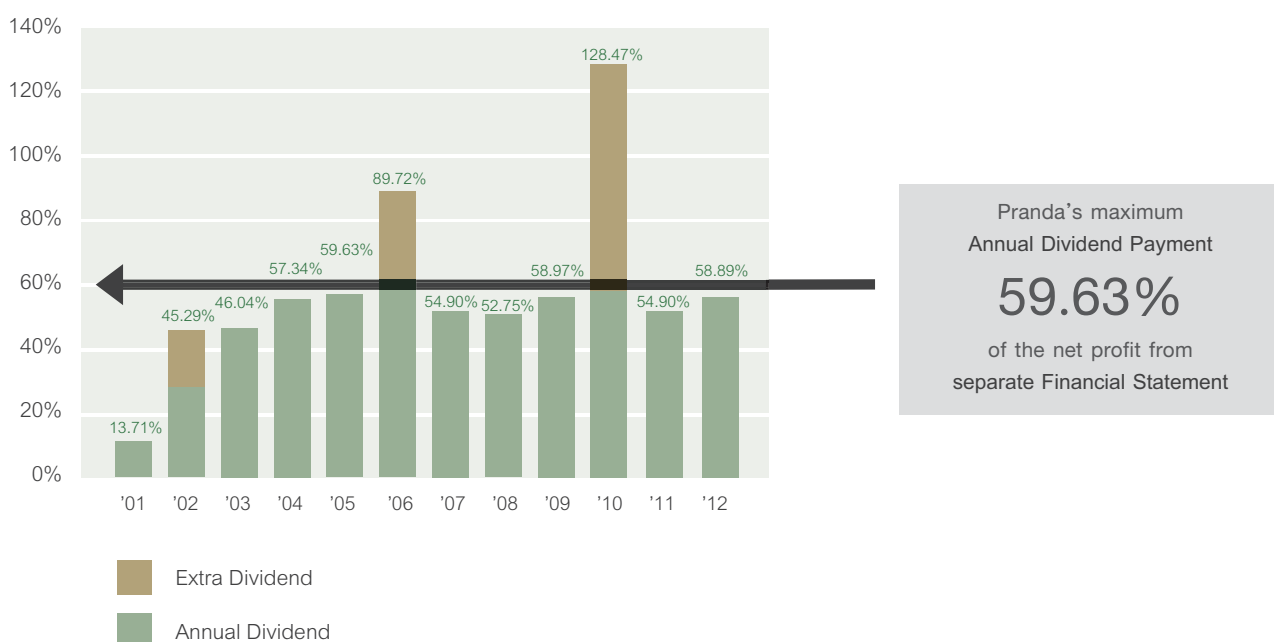
The Company's subsidiaries have also policy to pay net profit available from operating performance after legal reserves set aside. The Board of Directors will take into account the dividend payment from the Company's operating performance, financial conditions, and capital requirement before submitting for the shareholders' endorsement. Dividend payment record between 2001 and 2012 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	0.10
2011	441.14	45.76	201.86	403.71	0.50

Year	Net profit (million baht)	% of dividend payment	Dividend pay-out (million baht)	Number (million shares)	Dividend per share (baht)
Interim dividend from the profit for period at the nine-month period ended 30 September 2012	337.40	12.04	40.63	406.28	0.10
2012 ^{/3}	414.27	49.08	203.33	406.66	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 2012, 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 2012 at the rate of Baht 0.10 per share, and paid to the shareholders on December 13rd, 2012. 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 22nd, 2013.

The graphic displays of dividend payment in comparison to net profit over the last twelve 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 13, 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.

For the accounting period ended December 31, 2012, the Company had disclosed the connected transactions which were complied with the Notification of the Stock Exchange of Thailand Re: Principles, Conditions, Methods of Connected Transactions of the Listed Companies as follows:

Connected transaction between the subsidiaries and related persons

Related persons/ Juristic persons	Transaction	Value	Necessity and Reasonability
A-List Corporate Ltd. and Supre Holding Co., Ltd. with Pranda Lodging Co. Ltd., a subsidiary which PRANDA Jewelry holds 83% of share.	The subsidiary (Pranda Lodging Co. Ltd.) provided financial help of Baht 13,000,000 to related juristic persons of A-List Corporate Ltd. and Baht 3,000,000 to Supre Holding Co., Ltd. with the total of Baht 16,000,000 in the form of P/N	Interest rate of 7% which are paid on the monthly basis and will be repaid upon request.	The Board of Directors and the Audit Committee agreed to carry out rectification to approve the subsidiary's entering connected transaction since the transaction is reasonable with higher interest rate than the bank's deposit which is beneficial to the subsidiary's efficient cash flow management
A-List Corporate Ltd. with Crystalline Co. Ltd., a subsidiary which PRANDA Jewelry holds 96% of share.	The subsidiary (Crystalline Co. Ltd.) provided financial help of Baht 2,000,000 to related juristic persons of A-List Corporate Ltd. in the form of P/N	Interest rate of 8% which principal and interest payment are paid within 7 days.	The Board of Directors and the Audit Committee agreed to carry out rectification to approve the subsidiary's entering connected transaction since the transaction is reasonable with higher interest rate than the bank's deposit which is beneficial to the subsidiary's efficient cash flow management

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.

Risks Factors

The risk factors which have affects on the gems and jewelry industry

The year 2012 was another year when the global economy confronted ongoing economic slowdown from the previous year due to the dramatic shrink of the economy of the European Union (EU) caused by the financial crisis of important countries in the EU, namely, Portugal, Ireland, Greece, followed by Spain and Italy. The public debts of those countries, excluding Spain, were higher than their own Gross Domestic Products (GDP), reflecting the financial weakness of those countries. Without any rapid help, this may lead to the sudden bankruptcy which can be seen from an example of Greece. In addition, in order to stimulating the economic growth was even more difficult since those countries' financial situation was fragile which eventually led to unemployment. It is obvious that the unemployment rate in Greece and Spain exceeded 20% while the unemployment rate in the EU exceeded 10%. It can be expected that the EU will still be confronting the economic problem within the next several years.

Despite the United States of America (US) performed its complete financial policy in order to enhance economic growth, the economic recovery of the US was still at slow pace which could not support the global economic growth as it did in the past. In addition, the decrease of the unemployment rate to 8%, which was still at high level, is expected to finally lead to the decrease of the purchasing power.

The shrink of the EU economy and the gradual recovery of the US economy had an evitable impact on the manufacturer countries which depended on the EU and the US markets. As for the fine jewelry industry of Thailand, the export to the US was at 27% and to the EU was at 22%, totaling 49% of Thailand's fine jewelry export. In addition, since the sub-prime crisis and the financial crisis of the EU, the Compound Annual Growth Rate (CAGR) of the EU decreased from 31% per year to 5% per year.

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

Risk Factors affect the Company's business operation

1. Strategic Risk

The risk management strategy of Market Diversification in the US, the EU, and in Asia may lead to a missing of the target and profit forecast from the stipulated budget due to the global economic crisis mentioned above.

However, the Company holds an annual meeting for senior executives of PRANDA group of companies called World Strategic Meeting 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. The group of companies must provide strategic action plan of the next year with complete details, including the KPI, and financial and investment plan. In addition, the Financial 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.

From 2011, the Company has adjusted its management structure in order to be in accordance with the strategic plan. The restructuring can provide the systematic investment evaluation and prompt problem solving with the rapid changing economic situation. The restructuring mainly aims to decrease the risk of the group of companies and increase Return on Capital Employed (ROCE).

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 which 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 has established an aggressive personnel development with the implementation of the Key Performance Indicators (KPI) and competency development. The two tools help develop the process of selection, training development, and performance evaluation for better efficiency.
- With its belief in the "Community than company" principle, the Company has created value called "Core of PRANDA" which consists of 3 main foundations, namely, team work, continual development, and stakeholders as a center. The staff shall follow the core as the 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;
- Company maintains the personnel who is important to the Company to stay with the Company in a long-term period by focusing on the Employee engagement instead of the satisfaction. The Company, thus, focuses on quality of life enhancement of the employees by providing appropriate welfare such as 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 note 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;
- Company has increased the executives' potentiality with visions, knowledge and skills, and adaptation with the ever changing globe's situation through the "Sustainable Business Management" program which helps the Company's executives to prepare strategic planning, analysis, and problem solving to lead the Company to sustainable achievement.
- The Company provides training of new personnel to enter the gem and jewelry industry by allocating the Company's budget and resources to support skilled workers by joining with the Royal Goldsmith's gem and jewelry, which has been in cooperation for 12 consecutive years.
- 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 has established the saving cooperative 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 Learning Center of Pranda Group, Enhancement of quality of life standard, Innovation Creation Project and Debt solving and legal consultancy project.
- The Company has the international quality standard ISO9001:2008 in order to enhance good working system with efficiency and to create creditability among the international and local customers. The Company entered the system since August 16, 2012 and will proceed to receive the certificate in 2013.

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 fine jewelry manufacturing. In 2012, the gold prices had increased from the highest price of USD 1,792 per ounce to the lowest price USD 1,540 per ounce, or increased by 16%. On the other hand, the silver prices' movement went from USD 26.7 per ounce to USD 37.2 per ounce, or increased by 39%. Such a dramatic fluctuation of the prices had led to a slowdown of orders and consumption of jewelry.

The Company's prevention policy of materials' price volatility consists of:

- In terms of material prices, the Company passes 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 USD followed by the Euro. The fluctuation of the foreign exchange rates has an impact on the Company's revenue and operating results. In addition, there are risks from periodically debt collecting of today's economic crisis, the market's interest rate change, and the financial limit cancellation from commercial banks.

The Company has a risk policy to prevent financial risk as follows:

- The utilization of Forward Contract and Natural Hedge;
- The careful examination of the credit of existing customers and new customers by thoroughly considering operating results and financial status with close debt ensuing procedures, and constant financial limit revision for some customers who are asked for down payment prior to the order.
- The dissemination of loan limit of revolving credit with several banks is to prevent the loan limit cancellation. The Debt per Equity ratio 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

Pranda Jewelry Public Company Limited and its subsidiaries (The Group) would like to report on Management's Discussion and Analysis of Financial Positions and Operating results for the year ended December 31, 2012. The Consolidated Financial Statements are as follows:

1. Operating results

1.1 Analysis of operating results

For 2012, Thailand's Gem and Jewelry export industry is also inevitably subject to the economic fallout, as the United States, Germany, UK and Italy which have felt the direct pinch of the crisis are the major export markets. However, the Gem and Jewelry industry still remains the important export industry for the country as evidenced by being top three income contributor based on export values, generating the country worth of over Baht 350,000 million. The fine jewelry export amount to over Baht 100,000 million.

The global economy has confronted ongoing economic slowdown from the previous year due to the dramatic shrink of the economy of the European Union (EU) caused by the financial crisis of important countries in the EU. In addition, in order to stimulating the economic growth was even more difficult since those countries' financial situation was fragile. It can be expected that the EU will still be confronting the economic problem within the next several years. Despite the United States of America (US) performed its complete financial policy in order to enhance economic growth, the economic recovery of the US was still at slow pace which could not support the global economic growth as it did in the past. Moreover, the economy of China and India were also obvious slowdown. However, with over 4 decade jewelry industry experience, The Group has put in place strategy including sustainable growth and risk management. As the result, The Group still had sales revenue for the year 2012 amounting to Baht 4,176.7 million, an increase of Baht 54.9 million or increased by 1.3% from the previous year. While the gross profit margin increased 40 basis points to 33.9%. Furthermore, as a result of tight control on selling and administrative expenses, the expenses decreased by Baht 25.1 million, or 2.6% as compared the same period of last year. Therefore, The Group's Operating Profit increased by Baht 63.2 million or 15.5%.

In 2012, The Group had a decrease in gain on exchange rate when compared the same period of last year, from Baht 32.6 million to Baht 11.7 million and there is no reversal of allowance for loss on impairment of investment properties by Baht 57.6 million and there is impairment loss on goodwill by Baht 33.7 million in this year, The Group still had the profit for equity holders of the Company amounting to Baht 449.4 million or representing a decrease of only 1.5 % from the previous year.

From the Financial Positions in 2012, The Group has shown the strong financial structure, evidenced by the total liabilities of Baht 1,785.3 million while the total shareholders' equity was Baht 2,704.2 million or representing the debt-to-equity (D/E) ratio of only 0.66 times and the Times Interest Earned which is as high as 13.32 times.

1.2 The past results of operation

• Total revenues

The Group had total revenues in year 2012 and 2011 amounting to Baht 4,230.5 million and Baht 4,193.4 million respectively which an increase of Baht 37.2 million, or increased by 0.9% due to the increasing in sales of Baht 54.9 million. The total revenues are divided to sales and other income as followings:

Consolidated	2012		2011		Increase / (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales Revenue	4,176.7	98.7%	4,121.8	98.3%	54.9	1.3%
Other Revenues	53.8	1.3%	71.6	1.7%	(17.7)	(24.8%)
Total Revenues	4,230.5	100.0%	4,193.4	100.00%	37.2	0.9%

- **Sales revenue**

In 2012, The Group had sales amounting to Baht 4,176.7 million, an increase amounted to Baht 54.9 million from 2011, representing an increase of 1.3% which was primarily due to the increase in revenues from North America Region and the increase in domestic revenues from an increasing amulet and talisman sales.

- **Other revenues**

In 2012, The Group had the other income of Baht 53.8 million consisted of interest income of Baht 12.8 million which is the interest income from banks' deposits and loans to related parties, gain on exchange rate of Baht 11.7 million and other income of Baht 29.3 million from rental properties and revenues from other services. While in 2011, The Group had the other income of Baht 71.6 million consisted of interest income of Baht 8.7 million, gain on exchange rate of Baht 32.6 million and other income of Baht 30.2 million

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

Consolidated	2012		2011		Increase / (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales revenue	4,176.7	100.0%	4,121.8	100.0%	54.9	1.3%
Cost of sales	2,759.5	66.1%	2,742.7	66.5%	16.8	0.6%
Total Selling & Admin Expenses	945.7	22.6%	970.8	23.6%	(25.1)	(2.6%)
- Selling Expenses	486.7	11.7%	454.2	11.0%	32.4	7.1%
- Administrative Expenses	459.0	11.0%	516.6	12.5%	(57.5)	(11.1%)

- **Cost of sales**

The Group had the cost of sales of Baht 2,759.5 million, an increase amounted to Baht 16.8 million from 2011, representing an increase of 0.6% which increase in line with higher sales. Anyway, Cost of sales was increased in lower rate than sales revenue which reflects the higher Gross Profit Margin.

- **Selling and Administrative expenses**

The Group had selling & admin expenses of Baht 945.7 million, representing a decrease of Baht 25.1 million from 2011 or 2.6%. The decrease was primarily due to as follows;

- Selling expenses increased from 2011 by Baht 32.4 million or 7.1% from the previous year. The increase was primarily due to the expenses on market survey for brand development and the higher in advertising and sales promotion expenses.
- Administrative expenses decreased from 2011 by Baht 57.5 million or 11.1% from the previous year. The decrease was primarily due to the tighter control on selling and administrative expenses from The Group's policy, especially, the much lower expenses from subsidiaries in Europe.

• Profits

Consolidated	2012		2011		Increase / (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales revenue	4,176.7	100.0%	4,121.8	100.0%	54.9	1.3%
Cost of sales	2,759.5	66.1%	2,742.7	66.5%	16.8	0.6%
Gross Profit	1,417.2	33.9%	1,379.1	33.5%	38.1	2.8%
Selling and Admin expenses	945.7	22.6%	970.8	23.6%	(25.1)	(2.6%)
Operating Profit	471.5	11.3%	408.3	9.9%	63.2	15.5%
Gain on exchange rate	11.7	0.3%	32.6	0.8%	(20.9)	(64.1%)
Impairment loss on goodwill	33.7	0.8%	-	-	-	-
Reversal allowance for loss on impairment of investment properties	-	-	(57.6)	(1.4%)	-	-
Income tax expenses	27.0	0.6%	79.4	1.9%	(52.3)	(65.9%)
Profit of Equity holders of the Company	449.4	10.8%	456.3	11.1%	(6.9)	(1.5%)

• Operating Profit

In 2012, The Group had Operating Profit amounted to Baht 471.5 million, increasing by Baht 63.2 Million or 15.5% when compared to the previous year with brief reason described in the analysis of operating results above.

• Profit of Equity holders of the Company

In 2012, The Group had Profit of Equity holders of the Company amounted to Baht 449.5 million, decreasing by Baht 6.9 Million or 1.5% when compared to the previous year which was primarily due to as follows;

- Gain (Loss) on exchange rate

In 2012, The Group had lower gain on exchange rate when compared to the previous year by Baht 20.9 million which was primarily due to Baht appreciation when compared with U.S. Dollars and Euro currency which resulting in unrealized loss on exchange rate from Accounts Receivables and long-term loans. Anyway, The Group still had the gain on exchange rate because of the utilization of Forward Contract and Natural Hedge.

- Impairment loss on goodwill

In 2012, The Group had the Impairment loss on goodwill amounted to Baht 33.7 million from the acquisition of PDU (UK) Limited. The impairment loss on goodwill was due to the accordance with the UK economic slowdown.

- Reversal allowance for loss on impairment of investment properties

In Q1, 2011, The Group had the reversal allowance for loss on impairment of investment properties amounted to Baht 57.6 million, while there was no this extra ordinary item in 2012.

- Income tax expenses

In 2012, The Group paid lower Income tax expenses amounted to Baht 52.3 million when compared to the previous year. The lower income tax expenses was primarily due to the higher proportion of sales under BOI privilege and the reduction of the corporate income tax rate from 30 percent to 23 percent in 2012 in Thailand.

- Return on Equity (ROE)

The Group had return on equity (ROE) in 12 month periods has increased from 9.1% in 2010 to 17.1% in 2012 due to the exchange rate risk management resulting in gain on exchange rate by Baht 11.7 million in 2012 while The Group had loss on exchange rate by Baht 149.7 million in 2010.

For the operations of year 2012, the Board of Directors had a resolution to approve dividend payment and propose to the Annual General Shareholders' meeting on 22 April 2016 in the rate of Baht 0.60 per share or representing to return on dividend (Dividend Yield) about 8.36% per annum (dividend rate of Baht 0.60 per share/average share price over the year equal to Baht 7.18 per share) representing to 58.9% 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 2012 at the rate of Baht 0.10 and the dividend payment was done on 13 December 2012. Therefore, the remaining dividend payment was Baht 0.50 per share to the shareholders who entitle to receive dividend on 26 March 2013 and compiled a list under section 225 of the Securities and Exchange Commission Act. The closing register book is on 27 March 2013 and the dividend payment shall be on 13 May 2013.

2. Financial positions

2.1 Assets

- Components of the assets

Tables comparing the financial positions for year 2012 and 2011

Unit : Million Baht

Statement of Financial Positions	31 December 2012	%	31 December 2011	%
Cash and cash equivalents	639.6	14.3%	438.1	10.1%
Trade account receivables and other receivables	708.0	15.8%	879.3	20.4%
Short-term loans to related parties	16.0	0.4%	16.0	0.4%
Inventories, net	1,900.9	42.3%	1,817.2	42.1%
Other current assets	53.7	1.2%	67.7	1.6%
Total current assets	3,318.2	73.9%	3,218.3	74.5%
Total non-current assets	1,171.3	26.1%	1,101.3	25.5%
Total Assets	4,489.5	100.0%	4,319.6	100.0%

- Quality of Assets

The Group had total assets of Baht 4,489.5 million, an increase of Baht 169.9 million or increased by 3.9% from the previous year. The current assets increased amounting to Baht 99.9 million, mainly from the increasing of cash and cash equivalents of Baht 177.5 million, current investment-deposits with financial institutions of Baht 24.0 million and inventory of Baht 83.7 million. The increases in total assets were primarily due to as follows;

- Trade account receivable and other receivables

The Group had lower Trade account receivables and other receivables by Baht 171.3 million or 19.5% when compared to the previous year which was primarily due to the collection from Trade accounts receivables from Europe. As a result, Trade account receivables and other receivable – unrelated parties were decreased by Baht 166.8 Million.

- Inventories, net

The Group had higher inventory by Baht 83.7 million when compared to the previous year, in part due to the higher proportion in gold inventory which is in accordance with the higher proportion in gold jewelry sales.

2.2 Liquidity

• Components of the Cash Flows

The Group had net cash flow from its operations increased from Baht 408.4 million to Baht 538.0 million mainly due to faster collection, resulting in an increase cash inflow as compared the same period of last year.

From the net cash flow from investing activities, The Group 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 Group has restructured some of short-term loans to long-term loans for risk management and repaid the long-term loans amounted to Baht 43.9 million. The Group also paid dividend amounted to Baht 242.5 million.

From operating, investing and financing activities, the Group had the net cash flow as at year 2012 increase of Baht 177.5 million and combined with the cash flow at beginning of the year of Baht 437.2 million, the total cash flow at the end of the year was Baht 614.7 million.

Tables comparing cash flow for year 2012 and 2011

Statement of Cash Flows	Unit: Million Baht	
	31 December 2012	31 December 2011
Cash flows from operating activities	538.0	408.4
Cash flows from investing activities	(176.9)	(110.5)
Cash flows from financing activities	(179.1)	(245.5)
Translation adjustment	(4.4)	(0.8)
Net cash flows	177.5	51.5
Cash at the beginning of the year	437.2	385.7
Cash at end of the year	614.7	437.2

• Liquidity Ratios

The Group had increased in liquidity ratio from 2.11 times to 2.54 times due to the loans restructuring from short-term loans to long-term loans, resulting in the decrease in Bank overdrafts and short-term loans from financial institutions from the previous year.

• Ability to pay short-term debts

The Group had short-term debts of Baht 1,308.0 million and the short-term assets of Baht 3,318.2 million. Therefore, The Group had an ability to pay all short-term debts.

2.3 Capital Expenditures

• Previous Capital expenditures

The Group had total investment of Baht 134.0 million, divided into 2 types as follows:

- 1) The investment in production base was about Baht 113.3 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 20.7 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 Group has set budget of Baht 150 million to expand its customer bases in Asia market, planned to invest in a new office building including R&D Center as well as to expand a production plant at headquarter office for the amount of Baht 200 million by starting in May 2012 and will be accomplished by the end of 2013, and also planned to purchase machines and equipments for replacement for the amount of Baht 80 million. The total investment is therefore Baht 430 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 1,374.4 million to Baht 1,581.4 million, representing an increase of 15.1% while total liabilities slightly increased from Baht 1,779.2 million to Baht 1,785.3 million, or a increase of 0.3%. As a result, the debt-to-equity (D/E) ratio was 0.66 which decreasing when compared to the previous year at 0.70 times. This could be implied that the Group still has strong financial structure.

- **Shareholders' equity**

The Group had increased the shareholders' equity from Baht 2,540.5 million to Baht 2,704.2 million as a result in an increase of retained earnings.

- **Liabilities**

The Group had total liabilities of Baht 1,785.3 million, an increase of Baht 6.1 million or by 0.3% from the previous year. There was an increase in non-current liabilities of Baht 225.0 million, mainly was Long-term loans, net of current portion. The loans of the company were restructured by altering the term, resulting in lower financial risk and more liquidity for dealing with the economic fluctuation in the future.

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.

Key Financial Ratio According to the Formula of the Securities and Exchange Commission

		Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Liquidity ratios				
Current ratios	times	2.54	2.11	2.15
Quick ratios	times	1.03	0.86	0.95
Operating cash flows ratio	times	0.38	0.28	0.36
Account receivable turnover	times	4.86	3.98	3.86
Average collection period	days	74	91	93
Inventory turnover	times	2.63	2.79	2.95
Average age of inventory	days	137	129	122
Account payable turnover	times	3.24	3.30	3.75
Average payable period	days	111	109	96
Cash Cycle	days	100	111	120
Profitability ratios				
Gross profit margin	%	33.93	33.46	32.96
Operating profit margin	%	11.29	9.91	11.59
Non – Operating profit margin	%	1.00	0.93	0.81
Operating cash flows to operating profit ratio	%	114.09	100.03	100.00
Net profit margin	%	10.62	10.88	5.95
Return on equity	%	17.14	18.09	9.06
Efficiency ratios				
Return on assets	%	10.20	10.94	5.87
Return on fixed assets	%	46.51	50.97	28.72
Assets turnover	times	0.96	1.01	0.99
Financial policy ratios				
Debt to equity ratio	times	0.66	0.70	0.61
Interest coverage ratio	times	13.32	13.72	15.34
Debt service coverage ratio	times	1.28	0.98	0.68

Report of the Audit Committee on Corporate Governance

Dear Shareholders of Pranda Jewelry Public Company Limited,

The Audit Committee of Pranda Jewelry Public Company Limited consists of 3 members, namely, Mr. Verachai Tantikul as Chairman of the Audit Committee, and Associate Professor Sarita Bunnag and Mrs. Rawittha Pongnuchit as Audit Committees. In 2012, there was a change in the position of Chairman and Directors of the Audit Committee, in compliance to the order of the Board of Directors No. 15/2555 which appoints Mr. Verachai Tantikul as Chairman of the Audit Committee in place of Lt. JG. Anan Panananda R.T.N. and Mrs. Rawittha Pongnuchit as one of the members of the Audit Committees in place of Mr. Verachai Tantikul from August 14, 2012. The Committee performs its duty as assigned by the Board of Directors and the Company's regulations of the principles and guidelines of the Audit Committee which follow the notification of the Stock Exchange of Thailand and the Securities and Exchange Commissions. 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 2012, the Audit Committee had organized 4 meetings and all of which were attended by the external auditors and members of the Committee to consider the reexamination of financial statements, connected transaction of the Company and its subsidiaries, listen to explanation, and provide suggestion which is 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 important 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. Reexamination of the Financial Report The Audit Committee had jointly considered and reexamined the quarterly financial reports and the 2012 annual report with the Auditor to ensure that the financial reports of the Company and its subsidiaries were in accordance with laws and the general accepted accounting standard, the accounting system and the financial statements were accurate and credible, as well as the disclosure of sufficient and credible information. Also, the Committee provided remarks and acknowledged problem solving guidelines which created benefit to the Company.

2. Reexamination of the Effectiveness of the Internal Control System 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, and provided suggestion to the Internal Auditing Office and the Management for operation improvement. 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.

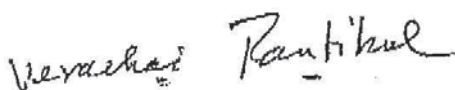
3. Reexamination of the Risk Management The Audit Committee places an importance upon corporate risks by considering and reviewing risks which might have an impact on the Company's operation and target.

4. Reexamination of the Good Corporate Governance The Audit Committee constantly reexamines the Company's following of the stipulated work system, the Company's following of the Securities and Exchange law, regulations of the Stock Exchange of Thailand, and business related laws of the Company's business operation, particularly the connected transaction or the related transaction between the Company and its subsidiaries and affiliated companies.

5. Reexamination of the Connected Transaction or Possible 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, the disclosure of the information of the transactions in the remarks of the financial statements to ensure their actual transactions performed under normal business operation as well as to ensure 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 the Appointment of the Auditor The Audit Committee considered selection and remuneration of the Company's auditor in 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 2012 for approval.

In conclusion, the Audit Committee had considered and opined that the Company's implementation and disclosure of financial reports were accurate, appropriate, and credible. 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 with strictness 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.



(Mr. Verachai Tantikul)
Chairman of the Audit Committee

Report of the Board of Directors' Responsibilities to Financial Report

The Board of Directors has a responsibility toward the consolidated financial statements and the financial statements, including the financial information appeared in the Annual Report of Pranda Jewelry Public Company Limited. The financial statements are implemented in accordance with the general accepted accounting standard, and are disclosed with enough important information in the remark of the Company's financial statements for the benefit of the shareholders and general investors with transparency.

The Board of Directors has established the risk management system and maintained the appropriate and effective internal control system to reasonably ensure the accurate, complete, and sufficient accounting record of the information in order to maintain the assets and to prevent any corruption and abnormal operation.

The Board of Directors assigns the Independent Directors to be the Audit Committee to review accounting policy and the quality of the financial report, the internal control system, the risk management system, as well as the consideration the disclosure of connected transaction report. The report of the Audit Committee's opinion of the mentioned subjects is disclosed in the Company's Annual Report.

The Company's financial statement and the consolidated financial statement of the Company and its subsidiaries received an auditing by the auditors from Ernst & Young Office Limited. The information and the documents for the auditing were supported by the Board of Directors so that the auditors' auditing and opinion followed the auditing standard. The opinion of the auditors appears in the report of the auditors in the Annual Report.

The Board of Directors opined that the internal control system in all aspects of the Company is effective at satisfactory level and can create reasonable creditability that the Company's financial statements and the consolidated financial statements of the Company and its subsidiaries for the year ending December 31, 2012 is credible and in compliance with the general accepted accounting standard and related laws and regulations.



(Mr. Prida Tiasuwan)
CHAIRMAN



(Mrs. Prapee Sorakraikitikul)
CHAIR OF GROUP EXECUTIVE COMMITTEE

Independent Auditor's Report

To the Shareholders of Pranda Jewelry Public Company Limited

I have audited the accompanying consolidated financial statements of Pranda Jewelry Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2012, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Pranda Jewelry Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, 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 2012, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Emphasis of matter

I draw attention to Note 12 to the financial statements regarding the acquisition of an overseas company on 31 May 2012. The process of assessing fair value had been completed and the Company completely recorded such business acquisition transactions. My opinion is not qualified in respect of this matter.



Chonlaros Suntiasvaraporn

Certified Public Accountant (Thailand) No. 4523

Ernst & Young Office Limited

Bangkok: 25 February 2013

Financial Statements

Pranda Jewelry Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2012

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Assets					
Current assets					
Cash and cash equivalents	7	614,739,661	437,253,918	389,733,182	207,069,570
Current investments - deposits with financial institutions		24,879,071	885,000	-	-
Trade and other receivables	8	707,978,091	879,279,828	987,157,667	1,194,827,620
Short-term loans to related parties	6	16,000,000	16,000,000	53,704,940	52,415,660
Current portion of long-term loans to related parties	6	-	-	14,649,930	43,866,780
Inventories	9	1,900,885,375	1,817,190,175	915,781,465	838,910,318
Other current assets		53,717,794	67,734,458	22,258,253	19,375,521
Total current assets		3,318,199,992	3,218,343,379	2,383,285,437	2,356,465,469
Non-current assets					
Restricted bank deposits	10	3,946,341	4,089,880	-	-
Investment in convertible debentures issued					
by subsidiary	11	-	-	34,079,100	36,949,500
Investments in subsidiaries	12	-	-	705,713,730	687,348,431
Investments in associates	13	44,326,948	59,330,475	-	-
Other long-term investments	14	9,815,332	9,778,398	9,815,332	9,778,398
Advances for investment	6	-	-	4,929,725	5,118,431
Amounts due from related party	6	-	-	48,899,004	49,247,925
Long-term loans to related parties	6	30,485,700	7,822,500	292,188,920	277,934,440
Investment properties	15	506,961,598	509,820,574	490,229,931	490,858,481
Property, plant and equipment	16	495,698,085	434,788,241	368,729,543	300,703,127
Leasehold rights	17	30,590,475	33,074,875	-	-
Goodwill	12	-	-	-	-
Other intangible assets	18	33,985,006	31,293,238	17,271,723	13,790,190
Other non-current assets		15,527,209	11,304,876	1,232,986	1,964,695
Total non-current assets		1,171,336,694	1,101,303,057	1,973,089,994	1,873,693,618
Total assets		4,489,536,686	4,319,646,436	4,356,375,431	4,230,159,087

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

Pranda Jewelry Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 31 December 2012

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	19	196,562,529	398,132,419	-	270,000,000
Trade and other payables	20	934,860,665	1,001,418,762	787,262,641	855,781,462
Current portion of long-term loans	21	77,538,137	32,156,281	69,800,000	25,000,000
Income tax payable		11,744,940	47,101,608	8,022,297	18,076,797
Other current liabilities		87,296,245	48,087,847	33,490,226	15,443,852
Total current liabilities		1,308,002,516	1,526,896,917	898,575,164	1,184,302,111
Non-current liabilities					
Long-term loans, net of current portion	21	296,316,922	85,568,231	269,110,000	50,110,000
Provision for long-term employee benefits	22	179,997,462	165,416,492	150,072,141	137,763,155
Other non-current liabilities		1,012,919	1,296,823	-	-
Total non-current liabilities		477,327,303	252,281,546	419,182,141	187,873,155
Total liabilities		1,785,329,819	1,779,178,463	1,317,757,305	1,372,175,266
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					
406,282,554 ordinary shares of Baht 1 each					
(2011: 403,331,754 ordinary shares of Baht 1 each)	24	406,282,554	403,331,754	406,282,554	403,331,754
Share premium	24	780,362,151	774,460,551	780,362,151	774,460,551
Retained earnings					
Appropriated - statutory reserve	25	41,000,000	41,000,000	41,000,000	41,000,000
Unappropriated		1,540,384,359	1,333,418,708	1,810,973,421	1,639,191,516
Other components of shareholders' equity		12,008,657	16,711,751	-	-
Equity attributable to owners of the Company		2,780,037,721	2,568,922,764	3,038,618,126	2,857,983,821
Non-controlling interests of the subsidiaries		(75,830,854)	(28,454,791)	-	-
Total shareholders' equity		2,704,206,867	2,540,467,973	3,038,618,126	2,857,983,821
Total liabilities and shareholders' equity		4,489,536,686	4,319,646,436	4,356,375,431	4,230,159,087

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

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Directors
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Pranda Jewelry Public Company Limited and its subsidiaries

Income statement

For the year ended 31 December 2012

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Revenues					
Sales	28	4,176,711,919	4,121,823,320	3,125,120,504	3,133,546,826
Other income					
Interest income		12,810,693	8,688,741	40,831,129	36,320,584
Gain on exchange		11,728,673	32,648,777	11,546,210	30,152,236
Others		29,286,221	30,208,824	58,561,183	63,361,167
Total revenues		4,230,537,506	4,193,369,662	3,236,059,026	3,263,380,813
Expenses					
Cost of sales		2,759,502,303	2,742,715,870	2,303,894,706	2,326,286,920
Selling expenses		486,662,014	454,235,864	80,499,904	75,519,186
Administrative expenses		459,025,998	516,560,856	370,817,146	400,131,453
Other expenses					
Impairment loss on investments in subsidiaries	12	-	-	21,980,407	-
Impairment loss on goodwill	12	33,735,265	-	-	-
Reversal allowance for loss on impairment of investment properties	15	-	(57,635,692)	-	(57,635,692)
Total expenses		3,738,925,580	3,655,876,898	2,777,192,163	2,744,301,867
Profit before share of loss from investments in associates, finance cost and income tax expenses					
Share of loss from investments in associates	13.2	(16,343,144)	(3,174,070)	-	-
Profit before finance cost and income tax expenses		475,268,782	534,318,694	458,866,863	519,078,946
Finance cost		(45,844,578)	(38,356,313)	(32,127,800)	(25,740,644)
Profit before income tax expenses		429,424,204	495,962,381	426,739,063	493,338,302
Income tax expenses	27	(27,044,208)	(79,366,227)	(12,472,526)	(52,199,379)
Profit for the year		402,379,996	416,596,154	414,266,537	441,138,923
Profit attributable to:					
Equity holders of the Company		449,450,283	456,345,499	414,266,537	441,138,923
Non-controlling interests of the subsidiaries (loss)		(47,070,287)	(39,749,345)		
		402,379,996	416,596,154		
Earnings per share	29				
Basic earnings per share					
Profit attributable to equity holders of the Company		1.11	1.14	1.02	1.10
Diluted earnings per share					
Profit attributable to equity holders of the Company		1.10	1.12	1.02	1.09

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

Pranda Jewelry Public Company Limited and its subsidiaries

Statement of comprehensive income
For the year ended 31 December 2012

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Profit for the year	402,379,996	416,596,154	414,266,537	441,138,923
Other comprehensive income:				
Exchange differences on translation of financial statements in foreign currency	(4,942,958)	4,402,024	-	-
Other comprehensive income for the year	(4,942,958)	4,402,024	-	-
Total comprehensive income for the year	<u>397,437,038</u>	<u>420,998,178</u>	<u>414,266,537</u>	<u>441,138,923</u>
Total comprehensive income attributable to:				
Equity holders of the Company	444,747,189	459,669,147	414,266,537	441,138,923
Non-controlling interests of the subsidiaries (loss)	(47,310,151)	(38,670,969)	-	-
	<u>397,437,038</u>	<u>420,998,178</u>	<u>414,266,537</u>	<u>441,138,923</u>

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

Pranda Jewelry Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the year ended 31 December 2012

(Unit: Baht)

	Consolidated financial statements									
	Equity attributable to owners of the Company									
	Other components of shareholders' equity									
	Other comprehensive income									
	Issued and paid-up share capital	Share premium	Retained earnings	Exchange differences	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total	Equity attributable to non-controlling interests of the subsidiaries	Total
			Appropriated	Unappropriated	in foreign currency	of shareholders' equity	of the Company	shareholders' equity	shareholders' equity	shareholders' equity
Balance as at 1 January 2011	400,668,354	769,133,751	41,000,000	1,117,948,811	13,388,103	13,388,103	2,342,139,019	10,270,179	2,352,409,198	2,352,409,198
Ordinary shares issuance from exercised warrants (Note 24)	2,663,400	5,326,800	-	-	-	-	7,990,200	-	7,990,200	7,990,200
Dividend paid (Note 32)	-	-	-	(240,875,602)	-	-	(240,875,602)	-	(240,875,602)	(240,875,602)
Total comprehensive income for the year	-	-	-	456,345,499	3,323,648	3,323,648	459,669,147	(38,670,969)	420,998,178	420,998,178
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	(54,001)	(54,001)	(54,001)
Balance as at 31 December 2011	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	2,540,467,973
Balance as at 1 January 2012	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	2,540,467,973
Ordinary shares issuance from exercised warrants (Note 24)	2,950,800	5,901,600	-	-	-	-	8,852,400	-	8,852,400	8,852,400
Dividend paid (Note 32)	-	-	-	(242,484,632)	-	-	(242,484,632)	-	(242,484,632)	(242,484,632)
Total comprehensive income for the year	-	-	-	449,450,283	(4,703,094)	(4,703,094)	444,747,189	(47,310,151)	397,437,038	397,437,038
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	(65,912)	(65,912)	(65,912)
Balance as at 31 December 2012	406,282,554	780,362,151	41,000,000	1,540,384,359	12,008,657	12,008,657	2,780,037,721	(75,830,854)	2,704,206,867	2,704,206,867

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

Pranda Jewelry Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2012

	Separate financial statements				(Unit: Baht)
	Issued and paid-up share capital	Share premium	Retained earnings	Total shareholders' equity	
			Appropriated	Unappropriated	
Balance as at 1 January 2011					
Ordinary shares issuance from exercised warrants (Note 24)	400,668,354	769,133,751	41,000,000	1,438,928,195	2,649,730,300
Dividend paid (Note 32)	2,663,400	5,326,800	-	-	7,990,200
Total comprehensive income for the year	-	-	-	(240,875,602)	(240,875,602)
Balance as at 31 December 2011	403,331,754	774,460,551	41,000,000	441,138,923	441,138,923
				1,639,191,516	2,857,983,821
Balance as at 1 January 2012	403,331,754	774,460,551	41,000,000	1,639,191,516	2,857,983,821
Ordinary shares issuance from exercised warrants (Note 24)	2,950,800	5,901,600	-	-	8,852,400
Dividend paid (Note 32)	-	-	-	(242,484,632)	(242,484,632)
Total comprehensive income for the year	-	-	-	414,266,537	414,266,537
Balance as at 31 December 2012	406,282,554	780,362,151	41,000,000	1,810,973,421	3,038,618,126

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

Pranda Jewelry Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2012

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash flows from operating activities				
Profit before tax	429,424,204	495,962,381	426,739,063	493,338,302
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	79,058,587	82,816,874	45,312,748	48,098,329
Amortisation of leasehold rights	2,484,400	2,484,401	-	-
Write-off machinery and equipment	2,533,028	2,397,529	928,344	1,619,555
Amortisation of discounted value of government bond	(36,934)	(64,524)	(36,934)	(64,524)
Allowance for doubtful accounts (reversal)	(26,995,423)	(15,565,554)	142,558,415	141,871,433
Write-off bad debts	1,720,326	35,348,792	1,720,326	29,324,008
Decrease of inventory to net realisable value (reversal)	(5,732,501)	(8,167,409)	3,750,000	500,000
Gain on sales of machinery and equipment	(548,155)	(1,181,369)	(470,550)	(958,814)
Share of loss from investments in associates	16,343,144	3,174,070	-	-
Long-term employee benefits expenses	17,508,707	17,491,466	14,284,430	14,077,200
Impairment loss on investments in subsidiaries	-	-	21,980,407	-
Impairment loss on goodwill	33,735,265	-	-	-
Reversal allowance for loss on impairment of investment properties	-	(57,635,692)	-	(57,635,692)
Unrealised loss (gain) on exchange	(4,681,355)	19,340,100	9,843,919	(13,664,182)
Interest income	(12,810,693)	(8,688,741)	(40,831,129)	(36,320,584)
Interest expenses	41,612,908	35,068,333	32,127,800	25,740,644
Profit from operating activities before changes in operating assets and liabilities	573,615,508	602,780,657	657,906,839	645,925,675
Operating assets (increase) decrease				
Trade and other receivables	189,649,432	51,396,188	46,980,318	(266,289,309)
Inventories	(70,822,225)	(193,014,453)	(80,621,147)	(99,154,118)
Other current assets	17,397,315	(13,302,999)	(2,882,732)	(6,764,776)
Other non-current assets	(4,222,333)	386,416	731,709	419,629
Operating liabilities increase (decrease)				
Trade and other payables	(96,217,393)	83,779,177	(54,958,631)	140,011,026
Other current liabilities	37,162,756	(2,367,268)	17,834,554	(5,105,459)
Provision for long-term employee benefits	(2,927,737)	(4,626,914)	(1,975,444)	(4,386,768)
Other non-current liabilities	(283,904)	(444,968)	-	-
Cash flows from operating activities	643,351,419	524,585,836	583,015,466	404,655,900
Cash paid for interest expenses	(40,362,353)	(38,051,674)	(30,877,845)	(28,900,410)
Cash paid for corporate income tax	(65,025,700)	(78,110,078)	(22,527,026)	(57,751,800)
Net cash flows from operating activities	537,963,366	408,424,084	529,610,595	318,003,690

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

Pranda Jewelry Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2012

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash flows from investing activities				
Increase in current investments -				
deposits at financial institutions	(23,994,071)	(486,813)	-	-
Decrease (increase) in restricted bank deposits	143,539	(1,137,578)	-	-
Increase in short-term loans to related parties	-	-	(1,258,000)	(1,200,000)
Decrease (increase) in long-term loans to related parties	(23,270,000)	(7,822,500)	16,497,510	16,497,510
Increase in investments in subsidiaries	-	-	(40,345,706)	-
Net cash received from purchase of investment				
in subsidiary (Note 12)	629,767	-	-	-
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)
Acquisition of property, plant and equipment	(134,027,218)	(109,390,833)	(109,845,103)	(79,199,189)
Acquisition of other intangible assets	(8,423,999)	(2,610,469)	(7,275,402)	(879,455)
Proceeds from sales of machinery and equipment	591,459	1,414,478	470,564	1,100,890
Cash receipt from interest income	11,419,636	8,565,520	34,641,386	36,297,970
Net cash flows used in investing activities	(176,930,887)	(110,520,593)	(107,114,751)	(26,434,672)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and				
short-term loans from financial institutions	(201,569,890)	51,981,718	(270,000,000)	(762,958)
Cash receipt for long-term loans	300,000,000	-	300,000,000	-
Repayment of long-term loans	(43,869,453)	(64,578,944)	(36,200,000)	(58,230,000)
Proceeds from ordinary shares issuance from				
exercised warrants	8,852,400	7,990,200	8,852,400	7,990,200
Dividend paid	(242,484,632)	(240,875,602)	(242,484,632)	(240,875,602)
Payment to non-controlling interests of the subsidiary	(65,912)	(54,001)	-	-
Net cash flows used in financing activities	(179,137,487)	(245,536,629)	(239,832,232)	(291,878,360)
Decrease in translation adjustment	(4,409,249)	(823,772)	-	-
Net increase (decrease) in cash and cash equivalents	177,485,743	51,543,090	182,663,612	(309,342)
Cash and cash equivalents at beginning of year	437,253,918	385,710,828	207,069,570	207,378,912
Cash and cash equivalents at end of year	614,739,661	437,253,918	389,733,182	207,069,570

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 year ended 31 December 2012****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>2012</u> Percent	<u>2011</u> 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
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
Pranda Trading (Shenzhen) Limited	Distribution of jewelry	China	100	-

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2012 Percent	2011 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
PDU (UK) Limited (Held by Pranda UK Limited)	Distribution of jewelry through website	United Kingdom	100	-

On 31 May 2012, an overseas subsidiary company purchased the share of PDU (UK) Limited, as described in Note 12 to the financial statements.

- b) 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.
- c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- d) 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 statement of changes in shareholders' equity.
- e) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- f) 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 consolidated profit or loss and within equity in the consolidated statement 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. New accounting standards 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

Financial Reporting Standard:

TFRS 8	Operating Segments
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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. The management of the Company expects the adoption of this accounting standard to have the effect of increasing the Company and its subsidiaries' brought - forward retained earning of the year 2013 by approximately Baht 55 million (the Company only: approximately Baht 31 million).

In addition, the Federation of Accounting Professions has issued Notification No. 30/2555 - 34/2555, published in the Royal Gazette on 17 January 2013, mandating the use of accounting treatment guidance and accounting standard interpretations as follows.

	<u>Effective date</u>
Accounting Treatment Guidance for Transfers of Financial Assets	1 January 2013
Accounting Standard Interpretation:	
SIC 29 Service Concession Arrangements: Disclosures	1 January 2014
Financial Reporting Standard Interpretations:	
TFRIC 4 Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 12 Service Concession Arrangements	1 January 2014
TFRIC 13 Customer Loyalty Programmes	1 January 2014

The management of the Company has assessed the effect of these standards and believes that Accounting Treatment Guidance for Transfers of Financial Assets, SIC 29, TFRIC 4 and TFRIC 12 are not relevant to the business of the Company. Management is still evaluating the first-year impact to the financial statements of the adoption of TFRIC 13 and has yet to reach a conclusion.

4. Significant accounting policies

4.1 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 and allowances.

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.

4.2 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.

4.3 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.

4.4 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.

4.5 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.

4.6 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.

4.7 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.

4.8 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.

4.9 Business combination

Business combinations are accounted for using the acquisition method with the cost of the acquisition being the fair value at the acquisition date of consideration transferred. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

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. An impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.10 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 with finite useful lives are computer software which have finite useful lives of 2 - 20 years.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually either individually or at the cash generating unit level. The assessment of indefinite useful lives of the intangible assets is reviewed annually.

4.11 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.

4.12 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 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.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.13 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.

4.14 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. 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.

4.15 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 in 2011, 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 of 2011.

4.16 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.

4.17 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.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards 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. Significant 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 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.

Goodwill

The initial recognition and measurement of goodwill, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the assets or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

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.

Tax assessment by the Revenue Department

The Company has contingent liabilities as a result of tax assessment by the Revenue Department. The Company's management has used judgment to assess the result of the tax assessment and believes that no loss will result. Therefore, no contingent liabilities are recorded as at the end of reporting period.

6. 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.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2012	2011	2012	2011	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	1,212	1,335	Normal business price close to those charged to other customers
Purchases of goods and raw materials	-	-	328	348	Market price
Loan interest income	-	-	30	32	Interest rate at 5 to 7.5 percent per annum
Interest income on overdue payment	-	-	3	2	Interest rate at 7.5 percent per annum
Guarantee fee income	-	-	3	2	1 percent per annum
Service income	-	-	30	31	Agreed between the parties
Management income	-	-	10	12	Agreed between the parties
Service expenses	-	-	3	2	Agreed between the parties
Commission payments	-	-	1	1	Agreed between the parties
<u>Transactions with associates</u>					
Sales of goods	9	9	9	9	Normal business price close to those charged to other customers
Purchases of goods and raw materials	420	610	418	603	Market price
<u>Transactions with related companies</u>					
Sales of goods	14	41	4	28	Normal business price close to those charged to other customers
Purchase of goods	46	85	1	-	Market price
Loan interest income	2	1	-	-	Interest rate at 7 to 7.5 percent per annum
Service expenses	5	6	5	6	Agreed between the parties
Service income	1	-	-	-	Agreed between the parties
<u>Transactions with management and directors</u>					
Commission expenses	1	2	1	2	Agreed between the parties

As at 31 December 2012 and 2011, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<u>Trade accounts receivable - related parties</u>				
(Note 8)				
Subsidiaries	-	-	858	813
Associates	19	24	19	24
Related companies (related by common directors)	9	9	5	5
Total	28	33	882	842
Less: Allowance for doubtful accounts	-	-	(232)	(124)
Total trade accounts receivable - related parties, net	28	33	650	718
<u>Other receivables - related parties</u>				
(Note 8)				
Subsidiaries	-	-	230	215
Associates	-	1	-	1
Related companies (related by common directors)	2	3	-	-
Subsidiary's director	11	11	-	-
Total	13	15	230	216
Less: Allowance for doubtful accounts	-	-	(145)	(103)
Total other receivables - related parties, net	13	15	85	113
<u>Advances for investment</u>				
Subsidiary	-	-	5	5
<u>Amounts due from related party</u>				
Subsidiary	-	-	49	49
<u>Trade and other payables - related parties</u>				
(Note 20)				
Subsidiaries	-	-	7	8
Associates	1	1	-	-
Related companies (related by common directors)	2	-	-	-
Total trade and other payables - related parties	3	1	7	8

During the year 2012, the Company has recorded allowance for doubtful accounts for its trade and other receivables - subsidiaries in profit or loss for the year 2012, a total of Baht 151 million (2011: Baht 158 million).

As at 31 December 2012 and 2011, the balances of loans between the Company and those related parties and the movement are as follows:

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	2012	2011	2012	2011
Short-term loans to related parties				
Subsidiaries	-	-	55	53
Related companies (related by common directors)	16	16	-	-
Total	16	16	55	53
Less: Allowance for doubtful accounts	-	-	(1)	(1)
Total short-term loans to related parties, net	16	16	54	52
Current portion of long-term loans to related parties				
Subsidiaries	-	-	15	44
Long-term loans to related parties				
Subsidiaries (net of current portion)	-	-	298	284
Related companies (related by common directors)	30	8	-	-
Total	30	8	298	284
Less: Allowance for doubtful accounts	-	-	(6)	(6)
Total long-term loans to related parties, net	30	8	292	278

During the year 2012, 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		Unrealised gain (loss) on exchange rate	Balance as at 31 December
		2012	Increase	Decrease		2012
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	23	-	(1)	30
		(Unit: Million Baht)				
		Separate financial statements				
Loans to related parties	Related by	Balance as at 1 January	During the year		Unrealised gain (loss) on exchange rate	Balance as at 31 December
		2012	Increase	Decrease		2012
Primagold International Co., Ltd.	Subsidiary	50	-	-	-	50
Pranda & Kroll GmbH & Co. KG	Subsidiary	118	-	-	(2)	116
Pranda UK Ltd.	Subsidiary	204	-	(16)	3	191
Pranda Singapore Pte. Limited.	Subsidiary	10	1	-	-	11

Short-term loans to related partiesConsolidated 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 partiesConsolidated financial statements

A local subsidiary granted a long-term loan of USD 1 million, or approximately Baht 30 million (2011: 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.

In March 2012, the Company amended the long-term loan agreement granted to a subsidiary, Pranda & Kroll GmbH & Co. KG, by rescheduling the payment of loan and determining the payment of loan every quarter as from March 2015 to December 2017 (the previous condition, loan was repayable every quarter as from March 2012 to December 2014). Loan is unsecured and 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 2012 and 2011, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Short-term employee benefits	79	86	38	38
Post-employment benefits	1	2	1	1
Other long-term benefits	2	1	-	-
Total	82	89	39	39

(Unit: Million Baht)

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 33.3.1 to the financial statements.

7. Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash	3,635	3,235	384	366
Bank deposits	460,470	344,019	238,714	116,704
Bills of exchange	-	90,000	-	90,000
Deposit receipt	150,635	-	150,635	-
Total	614,740	437,254	389,733	207,070

(Unit: Thousand Baht)

As at 31 December 2012, bank deposits, bills of exchange and deposit receipt carried interests between 0.05 and 2.8 percent per annum (2011: between 0.05 and 3.15 percent per annum).

8. Trade and other receivables

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2012	2011	2012	2011
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	-	1,842	157,971	216,751
Past due				
Up to 3 months	3,310	3,957	89,474	138,708
3 - 6 months	7,364	9,557	55,923	75,376
6 - 12 months	5,295	10,639	108,327	140,904
Over 12 months	12,050	7,376	470,823	269,814
Total	28,019	33,371	882,518	841,553
Less: Allowance for doubtful debts	-	-	(232,328)	(123,748)
Total trade accounts receivable - related parties, net (Note 6)	28,019	33,371	650,190	717,805
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	203,458	364,373	46,743	183,497
Past due				
Up to 3 months	289,786	243,807	100,217	73,775
3 - 6 months	36,535	32,885	12,094	4,494
6 - 12 months	19,408	28,023	4,170	2,085
Over 12 months	182,652	256,576	151,021	173,286
Total	731,839	925,664	314,245	437,137
Less: Allowance for doubtful debts	(93,461)	(120,456)	(70,664)	(79,046)
Total trade accounts receivable - unrelated parties, net	638,378	805,208	243,581	358,091
Total trade accounts receivable, net	666,397	838,579	893,771	1,075,896
<u>Other receivables</u>				
Other receivables - related parties (Note 6)	13,130	14,760	230,370	215,929
Other receivables - unrelated parties	26,207	21,002	6,330	4,495
Accrued interest income	1,582	1,043	1,582	1,043
Accrued income	1,804	5,038	-	-
Total	42,723	41,843	238,282	221,467
Less: Allowance for doubtful debts	(1,142)	(1,142)	(144,895)	(102,535)
Total other receivables, net	41,581	40,701	93,387	118,932
Total trade and other receivables, net	707,978	879,280	987,158	1,194,828

During 2012, sales by an overseas subsidiary company, Pranda North America, Inc. to a significant customer totaled USD 23 million, or approximately Baht 728 million, equivalent to 96 percent of its net sales (2011: USD 21 million, or approximately Baht 631 million, equivalent to 90 percent of the net sales of the subsidiary).

9. Inventories

(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Reduce cost to net realisable value		Inventories-net	
	2012	2011	2012	2011	2012	2011
Finished goods	1,164,692	1,175,139	(110,084)	(127,292)	1,054,608	1,047,847
Work in process	306,809	249,030	-	-	306,809	249,030
Raw materials	625,099	595,392	(99,728)	(88,253)	525,371	507,139
Factory supplies	12,461	11,994	-	-	12,461	11,994
Goods in transit	1,636	1,180	-	-	1,636	1,180
Total	2,110,697	2,032,735	(209,812)	(215,545)	1,900,885	1,817,190

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduce cost to net realisable value		Inventories-net	
	2012	2011	2012	2011	2012	2011
Finished goods	251,611	244,011	(75,135)	(81,884)	176,476	162,127
Work in process	289,798	240,614	-	-	289,798	240,614
Raw materials	536,508	512,766	(94,825)	(84,326)	441,683	428,440
Factory supplies	6,417	6,915	-	-	6,417	6,915
Goods in transit	1,407	814	-	-	1,407	814
Total	1,085,741	1,005,120	(169,960)	(166,210)	915,781	838,910

10. 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.

11. 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 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 2012, 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 34 million (2011: of Baht 37 million), with the interest rate of 7.5 percent per annum.

12. 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	
	2012	2011		2012	2011	2012	2011
				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	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							
Youxian Gongsi	3.35	2.35	Million USD	100	100	112,253	81,396
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
Pranda Trading (Shenzhen) Limited	0.3	-	Million USD	100	-	9,219	-
Total						1,219,184	1,178,838
Less: Allowance for impairment of investments						(513,470)	(491,490)
Investments in subsidiaries, net						705,714	687,348

During 2012 and 2011, no dividend income was received from its investments in subsidiaries.

Additional investments in subsidiaries

1) Guangzhou Pangda Zhubao Shoushi Youxian Gongsi

In December 2011, a 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.

During the year 2012, the Company made the additional investment of USD 1 million, or approximately Baht 31 million. As a result, the Company's total investment in this subsidiary company is USD 3.35 million, or approximately Baht 113 million, and its shareholding remains unchanged at 100 percent.

2) Pranda Trading (Shenzhen) Limited

On 14 November 2012, the meeting of the Company's Board of Directors approved the incorporation of the overseas subsidiary, Pranda Trading (Shenzhen) Limited registered in the People's Republic of China with USD 2 million registered capital and its registered capital is 100% held by the Company. In November 2012, the Company made the investment of USD 0.3 million or approximately Baht 9 million.

Acquisition of subsidiary

On 18 April 2012, a meeting of the Company's Board of Directors passed a resolution to approve the purchase by Pranda UK Limited, its subsidiary, of an ordinary share of PDU (UK) Limited, a company incorporated in the United Kingdom, equal to 100 percent of the issued and paid-up share of that company. The subsidiary paid GBP 1 or Baht 49 for such business acquisition on 31 May 2012 (the acquisition date).

The financial statements of PDU (UK) Limited has been included in the consolidated financial statements of the Company and subsidiaries gained controlling authority on 31 May 2012. The details of the acquisition are as follows.

	(Unit: Baht)
Acquisition cost	49
Less: fair value of net assets acquired	<u>(33,735,216)</u>
Goodwill	33,735,265
Less: Allowance for impairment loss on goodwill	<u>(33,735,265)</u>
Goodwill, net	<u><u>-</u></u>
 Cash paid for acquisition	 49
Less: Cash and cash equivalents of the subsidiary	<u>(629,816)</u>
Net cash received from acquisition	<u><u>(629,767)</u></u>

The carrying amounts and fair value of assets acquired and liabilities assumed from PDU (UK) Limited as at the acquisition date were summarised below.

	Fair value	(Unit: Baht) Carrying amounts
Cash and cash equivalents	629,816	1,150,088
Trade and other receivables	1,511,983	991,711
Inventories	7,140,474	7,140,474
Other current assets	235,555	235,555
Equipment	580,642	580,642
Intangible assets	1,219,022	1,219,022
Trade and other payables	(43,218,886)	(43,218,886)
Other current liabilities	<u>(1,833,822)</u>	<u>(1,833,822)</u>
Net assets of the subsidiary	(33,735,216)	<u><u>(33,735,216)</u></u>
Cash payment for purchase of investment in subsidiary	<u>49</u>	
Goodwill	<u><u>33,735,265</u></u>	

Revenue and loss of PDU (UK) Limited has been included in the consolidated income statement for the year 2012 since the acquisition date amounting to Baht 10 million and Baht 5 million, respectively. (If the business combination had taken place at the beginning of the current year, the revenue and loss of PDU (UK) Limited, amounting to Baht 17 million and Baht 9 million, respectively, would have been included in the consolidated income statement for the year 2012).

13. Investments in associates

13.1 Details of associates:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements			
			Shareholding Percentage		Investments value - equity method	
			2012 Percent	2011 Percent	2012	2011
KZ-Pranda Co., Ltd.	Import and distribution of raw materials -precious metals	Thailand				
- Cost			40	40	3,600	3,600
- Accumulated share loss					(84)	(3,600)
					3,516	-
PT. Sumberkreasi Ciptalogam (held by the subsidiary company)	Manufacture and distribution of jewelry	Indonesia				
- Cost			50	50	39,409	39,409
- Accumulated share profit					6,259	26,118
- Translation adjustment					(4,857)	(6,197)
					40,811	59,330
Total carrying amounts based on equity method					44,327	59,330

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements							
			Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net	
			2012 Percent	2011 Percent	2012	2011	2012	2011	2012	2011
KZ-Pranda Co., Ltd.	Import and distribution of raw materials - precious metals	Thailand	40	40	3,600	3,600	(3,600)	(3,600)	-	-

13.2 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	
	2012	2011
PT. Sumberkreasi Ciptalogam	(19,859)	1,074
KZ-Pranda Co., Ltd.	3,516	(4,248)
Total	(16,343)	(3,174)

During 2012 and 2011, the Company and its subsidiaries received no dividend income from their investments in associates.

13.3 Financial information of associates

Financial information of the associates are summarised below.

(Unit: Million Baht)

Company's name	Paid-up capital as at 31 December		Currency	Total assets as at 31 December		Total liabilities as at 31 December		Total revenues for the years ended 31 December		Profit (loss) for the years ended 31 December	
	2012	2011		2012	2011	2012	2011	2012	2011	2012	2011
KZ-Pranda Co., Ltd.	9	9	Million Baht	236	306	227	311	2,245	2,513	14	(15)
PT. Sumberkreasi Ciptalogam	4,000	4,000	Million Rupiah Indonesia	210	270	175	193	143	190	(38)	2

13.4 Investment in associates with capital deficit

In 2011, 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.

(Unit: Million Baht)

Company's name	Unrecognised share of losses			
	Share of losses for the years ended 31 December		Cumulative share of losses up to 31 December	
	2012	2011	2012	2011
KZ-Pranda Co., Ltd.	-	2	-	2

14. 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.

15. Investment properties

The net book value of investment properties as at 31 December 2012 and 2011 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 2012:</u>						
Cost	667,381	66,852	734,233	667,381	20,245	687,626
<u>Less:</u> Accumulated depreciation	-	(39,255)	(39,255)	-	(9,380)	(9,380)
<u>Less:</u> Allowance for loss on impairment	(188,016)	-	(188,016)	(188,016)	-	(188,016)
Net book value	<u>479,365</u>	<u>27,597</u>	<u>506,962</u>	<u>479,365</u>	<u>10,865</u>	<u>490,230</u>
<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	<u>479,365</u>	<u>30,456</u>	<u>509,821</u>	<u>479,365</u>	<u>11,493</u>	<u>490,858</u>

A reconciliation of the net book value of investment properties for the years 2012 and 2011 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Net book value at beginning of year	509,821	455,043	490,858	433,850
Depreciation	(2,859)	(2,858)	(628)	(628)
Reversal allowance for loss on impairment	-	57,636	-	57,636
Net book value at end of year	<u>506,962</u>	<u>509,821</u>	<u>490,230</u>	<u>490,858</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 stated below:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Land held for development	524,120	524,120	524,120	524,120
Land and building for rent	63,390	63,390	58,949	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 2012, amounting to approximately Baht 486 million (2011: Baht 487 million) (the separate financial statements as at 31 December 2012: Baht 490 million, 2011: Baht 490 million) as collateral against credit facilities received from commercial banks.

16. Property, plant and equipment

Consolidated financial statements										(Unit: Thousand Baht)	
	Land	Land improvements	Buildings and building improvements	Leasehold improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total		
Cost:											
1 January 2011	98,452	7,593	409,856	29,744	176,282	404,754	30,248	26,366	1,183,295		
Additions	-	-	70	6,343	11,970	29,524	5,827	55,657	109,391		
Disposals	-	-	-	-	(3,129)	(19,730)	(4,175)	(1,765)	(28,799)		
Transfers	-	2,065	9,137	-	21,407	12,823	-	(45,432)	-		
Translation adjustment	142	-	2,717	530	1,181	1,545	206	-	6,321		
31 December 2011	98,594	9,658	421,780	36,617	207,711	428,916	32,106	34,826	1,270,208		
Additions	-	-	216	739	6,589	21,007	2,442	103,034	134,027		
Disposals	-	(264)	(1,625)	(656)	(3,791)	(17,006)	(3,430)	(62)	(26,834)		
Transfers	-	791	9,240	-	15,334	12,013	-	(37,378)	-		
Acquisition of subsidiaries during the year	-	-	-	-	-	1,006	-	-	1,006		
Translation adjustment	(102)	-	(1,845)	(467)	(442)	(1,345)	(219)	-	(4,420)		
31 December 2012	98,492	10,185	427,766	36,233	225,401	444,591	30,899	100,420	1,373,987		
Accumulated depreciation:											
1 January 2011	-	6,192	258,372	19,137	135,850	331,923	20,873	-	772,347		
Depreciation for the year	-	339	19,684	4,908	17,691	26,950	3,774	-	73,346		
Depreciation on disposals	-	-	-	-	(2,861)	(19,132)	(4,175)	-	(26,168)		
Translation adjustment	-	-	1,421	349	801	1,305	186	-	4,062		
31 December 2011	-	6,531	279,477	24,394	151,481	341,046	20,658	-	823,587		
Depreciation for the year	-	360	15,113	2,222	18,230	29,046	4,237	-	69,208		
Depreciation on disposals	-	(153)	(1,077)	(656)	(2,619)	(16,413)	(3,340)	-	(24,258)		
Acquisition of subsidiaries during the year	-	-	-	-	-	426	-	-	426		
Translation adjustment	-	-	(1,035)	(196)	(381)	(824)	(71)	-	(2,507)		
31 December 2012	-	6,738	292,478	25,764	166,711	353,281	21,484	-	866,456		

(Unit: Thousand Baht)

[illegible]

16. Property, plant and equipment (continued)

	Separate financial statements							(Unit: Thousand Baht)
	Land	Land improvements	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	
Cost:								
1 January 2011	88,570	7,593	314,875	150,370	244,698	20,085	25,939	852,130
Additions	-	-	70	11,145	9,155	3,422	55,407	79,199
Disposals	-	-	-	(2,871)	(15,456)	(2,913)	(1,337)	(22,577)
Transfers	-	2,065	9,138	21,406	12,574	-	(45,183)	-
31 December 2011	88,570	9,658	324,083	180,050	250,971	20,594	34,826	908,752
Additions	-	-	216	6,288	7,532	14	95,795	109,845
Disposals	-	(264)	(1,625)	(109)	(9,301)	(1,547)	(62)	(12,908)
Transfers	-	791	9,240	15,334	5,283	-	(30,648)	-
31 December 2012	88,570	10,185	331,914	201,563	254,485	19,061	99,911	1,005,689
Accumulated depreciation:								
1 January 2011	-	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
Depreciation for the year	-	360	9,970	16,803	11,357	2,400	-	40,890
Depreciation on disposals	-	(153)	(1,077)	(108)	(9,095)	(1,547)	-	(11,980)
31 December 2012	-	6,738	247,163	148,005	209,179	14,041	-	625,126

16. Property, plant and equipment (continued)

	Separate financial statements						(Unit: Thousand Baht)
	Land	Land improvements	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction
Allowance for impairment loss:							
1 January 2011	-	-	-	-	11,833	-	11,833
31 December 2011	-	-	-	-	11,833	-	11,833
31 December 2012	-	-	-	-	11,833	-	11,833
Net book value:							
31 December 2011	88,570	3,127	85,813	48,740	32,221	7,406	300,703
31 December 2012	88,570	3,447	84,751	53,558	33,473	5,020	368,730
Depreciation for the year							
2011 (Baht 32 million included in manufacturing cost, and the balance in selling and administrative expenses)							43,825
2012 (Baht 31 million included in manufacturing cost, and the balance in selling and administrative expenses)							40,890

As at 31 December 2012, 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 630 million (2011: Baht 450 million) (The separate financial statements; 2012: Baht 474 million, 2011: Baht 324 million).

The Company and its subsidiaries have mortgaged/pledged their property, plant and equipment with a total net book value as at 31 December 2012 amounting to approximately Baht 137 million (2011: Baht 148 million) as collateral against credit facilities received from commercial banks (The separate financial statements; 2012: Baht 88 million, 2011: Baht 97 million).

17. Leasehold rights

A local subsidiary company has mortgaged leasehold rights with a total net book value as at 31 December 2012 of approximately Baht 16 million (2011: Baht 17 million) as collateral for credit facilities received from commercial banks.

18. Intangible assets

The net book value of intangible assets as at 31 December 2012 and 2011 is presented below.

	Consolidated financial statements			Separate financial statements		
	Computer software	Brand names	Total	Computer software	Brand names	Total
Cost:						
As at 1 January 2011	45,171	-	45,171	19,761	-	19,761
Additions	2,610	-	2,610	879	-	879
Disposals	(485)	-	(485)	-	-	-
Translation adjustment	842	-	842	-	-	-
As at 31 December 2011	48,138	-	48,138	20,640	-	20,640
Additions	5,122	3,302	8,424	3,973	3,302	7,275
Acquisition of subsidiary during the year	1,401	-	1,401	-	-	-
Translation adjustment	54	-	54	-	-	-
As at 31 December 2012	54,715	3,302	58,017	24,613	3,302	27,915
Accumulated amortisation:						
As at 1 January 2011	10,490	-	10,490	3,204	-	3,204
Amortisation during the year	6,613	-	6,613	3,646	-	3,646
Accumulated amortisation for disposal	(485)	-	(485)	-	-	-
Translation adjustment	227	-	227	-	-	-
As at 31 December 2011	16,845	-	16,845	6,850	-	6,850
Amortisation during the year	6,991	-	6,991	3,793	-	3,793
Acquisition of subsidiary during the year	182	-	182	-	-	-
Translation adjustment	14	-	14	-	-	-
As at 31 December 2012	24,032	-	24,032	10,643	-	10,643
Net book value:						
31 December 2011	31,293	-	31,293	13,790	-	13,790
31 December 2012	30,683	3,302	33,985	13,970	3,302	17,272

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

	Interest rate (percent per annum)	(Unit: Thousand Baht)			
		Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Bank overdrafts	MOR, 7.7	5,174	3,953	-	-
Short-term loans from financial institutions	4.05 - 5.6	191,389	394,179	-	270,000
Total		196,563	398,132	-	270,000

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 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 standby - letters of credit issued by a commercial bank in Thailand and guaranteed by the Company and the subsidiary's director.

20. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Trade and other payables - related parties (Note 6)	2,711	1,395	6,787	8,358
Trade payables - unrelated parties	820,095	880,718	723,383	799,635
Other payables - unrelated parties	34,886	35,103	24,317	10,831
Accrued expenses	77,169	84,203	32,776	36,957
Total trade and other payables	934,861	1,001,419	787,263	855,781

21. Long-term loans

(Unit: Thousand Baht)

Loan	Interest rate (percent per annum)	Repayment schedule	Consolidated financial statements		Separate financial statements	
			2012	2011	2012	2011
1	MLR - 0.5	Quarterly installment as from June 2007 to December 2014	50,110	75,110	50,110	75,110
2	MLR - 1	Quarterly installment as from November 2012 to February 2019	288,800	-	288,800	-
3	MLR	Monthly installment as from January 2007 to December 2017	4,542	5,452	-	-
4	MLR + 0.5	Monthly installment as from July 2009 to December 2015	4,747	6,029	-	-
5	MLR	Monthly installment as from October 2009 to June 2016	18,525	22,915	-	-
6	2.48	Monthly installments as from July 2007 to June 2022 (USD loan)	7,131	8,218	-	-
Total			373,855	117,724	338,910	75,110
Less: Current portion of long-term loans			(77,538)	(32,156)	(69,800)	(25,000)
Long-term loans, net of current portion			296,317	85,568	269,110	50,110

During the current year, the Company has entered into long-term loan agreements with the local bank. Details of the agreements are summarised below.

- 1) Loan agreement for credit facilities of Baht 300 million, During the year, the Company withdrew long-term of Baht 300 million. Loan is subject to interest rate in the first year to fourth year at MLR - 1 percent per annum and in the fifth year to seventh year at MLR - 0.5 percent per annum. Interest is repayable monthly and principal is repayable quarterly as from November 2012 to February 2019.
- 2) Loan agreement for credit facilities of Baht 200 million, as at 31 December 2012, the long-term credit facilities have not yet been drawn down.

The long-term loans of the Company were secured by the mortgage of land with structures thereon, including the future construction 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. During the current year, the interest rate decrease from 7.25 percent per annum to 2.48 percent per annum.

As at 31 December 2012, the long-term credit facilities of the Company which have not yet been drawn down amounted to Baht 200 million.

22. Provision for long-term employee benefits

Provision for long-term employee benefits was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	Post-employment benefits from employee's retirement		Other long-term employee benefits plan		Total	
	2012	2011	2012	2011	2012	2011
Defined benefit obligation at beginning of year	156,947	144,056	8,469	8,496	165,416	152,552
Current service cost	10,539	10,899	1,010	1,044	11,549	11,943
Interest cost	5,631	5,223	329	325	5,960	5,548
Benefits paid during the year	(1,767)	(3,231)	(1,161)	(1,396)	(2,928)	(4,627)
Provision for long-term employee benefits at end of year	171,350	156,947	8,647	8,469	179,997	165,416

(Unit: Thousand Baht)

	Separate financial statements					
	Post-employment benefits from employee's retirement		Other long-term employee benefits plan		Total	
	2012	2011	2012	2011	2012	2011
Defined benefit obligation at beginning of year	130,245	120,556	7,518	7,517	137,763	128,073
Current service cost	8,344	8,422	847	867	9,191	9,289
Interest cost	4,800	4,498	293	290	5,093	4,788
Benefits paid during the year	(1,087)	(3,231)	(888)	(1,156)	(1,975)	(4,387)
Provision for long-term employee benefits at end of year	142,302	130,245	7,770	7,518	150,072	137,763

Long-term employee benefit expenses included in the consolidated profit or loss was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	Post-employment benefits from employee's retirement		Other long-term employee benefits plan		Total	
	2012	2011	2012	2011	2012	2011
Current service cost	10,539	10,899	1,010	1,044	11,549	11,943
Interest cost	5,631	5,223	329	325	5,960	5,548
Total expenses recognised in profit or loss	16,170	16,122	1,339	1,369	17,509	17,491
Line items under which such expenses are included in profit or loss						
Cost of sales	8,569	8,350	929	945	9,498	9,295
Selling and administrative expenses	7,601	7,772	410	424	8,011	8,196
	16,170	16,122	1,339	1,369	17,509	17,491

(Unit: Thousand Baht)

	Separate financial statements					
	Post-employment benefits from employee's retirement		Other long-term employee benefits plan		Total	
	2012	2011	2012	2011	2012	2011
Current service cost	8,344	8,422	847	867	9,191	9,289
Interest cost	4,800	4,498	293	290	5,093	4,788
Total expenses recognised in profit or loss	13,144	12,920	1,140	1,157	14,284	14,077
Line items under which such expenses are included in profit or loss						
Cost of sales	7,272	7,096	843	848	8,115	7,944
Selling and administrative expenses	5,872	5,824	297	309	6,169	6,133
	13,144	12,920	1,140	1,157	14,284	14,077

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	1.0 - 4.0	1.0 - 4.0	3.9	3.9
Future salary increase rate	2.0 - 7.0	2.0 - 7.0	3.0 - 7.0	3.0 - 7.0
(depending on age)				
Staff turnover rate	1.0 - 55.0	1.0 - 55.0	1.0 - 55.0	1.0 - 55.0

Amounts of defined benefit obligation for the current and previous two periods are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		
	Post-employment benefits from employee's retirement	Other long-term employee benefits plan	Total
Year 2012	171,350	8,647	179,997
Year 2011	156,947	8,469	165,416
Year 2010	144,056	8,496	152,552

(Unit: Thousand Baht)

	Separate financial statements		
	Post-employment benefits from employee's retirement	Other long-term employee benefits plan	Total
Year 2012	142,302	7,770	150,072
Year 2011	130,245	7,518	137,763
Year 2010	120,556	7,517	128,073

23. 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)
Outstanding units as at 1 January 2011	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
Number of exercised warrants during the year 2012	(2,950,800)
Outstanding units as at 31 December 2012	3,246,446

24. Share capital / share premium

Presented below is a summary of movements in share capital during the years ended 31 December 2012 and 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	
	2012	2011	2012	2011	2012	2011	2012	2011
Balance outstanding at the beginning year	403,332	400,668	774,461	769,134				
Increase in share capital from exercised warrants in February	384	420	768	839	5 March 2012	7 March 2011	9 March 2012	9 March 2011
Increase in share capital from exercised warrants in August	2,567	2,244	5,133	4,488	6 September 2012	8 September 2011	10 September 2012	12 September 2011
Total	2,951	2,664	5,901	5,327				
Balance outstanding at the ending year	406,283	403,332	780,362	774,461				

25. 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 profit 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. At present, the statutory reserve has fully been set aside.

26. Expenses by nature

Significant expenses by nature are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2012	2011	2012	2011
Salary, wages and other employee benefits	947,519	922,717	571,332	547,302
Depreciation and amortisation	81,543	82,817	45,313	48,098
Raw materials and consumables used and purchase of finished goods	2,093,443	2,234,756	1,796,457	1,847,977
Changes in inventories of finished goods and work in process	(47,332)	(143,795)	(56,784)	(47,301)
Decrease of inventory to net realisable value (reversal)	(5,733)	(8,167)	3,750	500
Allowance for doubtful accounts (reversal)	(26,995)	(15,566)	142,558	141,871
Commission and sales promotion expenses	105,525	100,130	21,330	14,534
Rental expenses from operating lease agreements	60,314	64,470	672	254

27. 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 4 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.

28. Promotional privileges

- 28.1 The Company has received promotional privileges from the Board of Investment for the manufacture of jewelry for its factory located in Suranaree Industries Estate Zone in Nakorn Rachasima province, pursuant to the promotion certificate No. 1616(2)/2553 issued on 14 June 2010. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax on income derived from the promoted operations for a period of 8 years from the date the promoted operations commenced generating revenues (4 January 2011) and a 50% reduction of corporate income tax on income derived from the promoted operations for a period of 5 years after the tax-exemption period ends.

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

	Promoted operations		Non-promoted operations		(Unit: Thousand Baht) Total	
	2012	2011	2012	2011	2012	2011
Sales						
Domestic sales	205,811	-	596,139	610,501	801,950	610,501
Export sales	1,376,604	1,507,153	946,567	1,015,893	2,323,171	2,523,046
Total sales	<u>1,582,415</u>	<u>1,507,153</u>	<u>1,542,706</u>	<u>1,626,394</u>	<u>3,125,121</u>	<u>3,133,547</u>

28.2 A subsidiary company (Crystalline Co., Ltd.) has received promotional privileges from the Board of Investment for the manufacture of jewelry, pursuant to the promotion certificate No. 1384(4)/2549 issued on 11 April 2006. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax on income derived from the promoted operations for a period of 8 years from the date the promoted operations commenced generating revenues and a 50% reduction of corporate income tax on income derived from the promoted operations for a period of 5 years after the tax-exemption period ends. Currently, the subsidiary has not commenced the first earning operating income.

29. 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.

The following table sets forth the computation of basic and diluted earnings per share:

Consolidated financial statements						
For the years ended 31 December						
Profit for the year		Weighted average number		Earnings per share		
		of ordinary shares				
2012	2011	2012	2011	2012	2011	
(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company	449,450	456,345	404,509	401,779	1.11	1.14
Effect of dilutive potential ordinary shares						
Warrants	-	-	2,923	4,183		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	449,450	456,345	407,432	405,962	1.10	1.12
Separate financial statements						
For the years ended 31 December						
Profit for the year		Weighted average number		Earnings per share		
		of ordinary shares				
2012	2011	2012	2011	2012	2011	
(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company	414,267	441,139	404,509	401,779	1.02	1.10
Effect of dilutive potential ordinary shares						
Warrants	-	-	2,923	4,183		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	414,267	441,139	407,432	405,962	1.02	1.09

30. 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 2012 and 2011 by segment.

(Unit: Million Baht)

	The manufacture and distribution of jewelry				Dormitory rental		Elimination of inter-segment revenues		Consolidation	
	Domestic		Overseas		Domestic					
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Revenue from external customers	2,776	2,625	1,401	1,497	-	-	-	-	4,177	4,122
Intersegment revenues	1,495	1,682	96	92	-	-	(1,591)	(1,774)	-	-
Total revenues	<u>4,271</u>	<u>4,307</u>	<u>1,497</u>	<u>1,589</u>	<u>-</u>	<u>-</u>	<u>(1,591)</u>	<u>(1,774)</u>	<u>4,177</u>	<u>4,122</u>
Segment income (loss)	493	461	(162)	(158)	(1)	(1)	170	134	500	436
Unallocated income and expenses:										
Interest income									13	9
Share of loss from investments in associates									(16)	(3)
Gain on exchange									12	33
Impairment loss on goodwill									(34)	-
Reversal allowance for loss on impairment of investment properties									-	58
Finance cost									(46)	(38)
Income tax expenses									(27)	(79)
Non-controlling interests of the subsidiaries									47	40
Profit attributable to equity holders of the Company									<u>449</u>	<u>456</u>
Property, plant and equipment	438	368	58	67	-	-	-	-	496	435
Other intangible asset	22	19	12	12	-	-	-	-	34	31
Other assets	<u>4,811</u>	<u>4,708</u>	<u>1,075</u>	<u>1,198</u>	<u>44</u>	<u>44</u>	<u>(1,970)</u>	<u>(2,096)</u>	<u>3,960</u>	<u>3,854</u>
Total assets	<u>5,271</u>	<u>5,095</u>	<u>1,145</u>	<u>1,277</u>	<u>44</u>	<u>44</u>	<u>(1,970)</u>	<u>(2,096)</u>	<u>4,490</u>	<u>4,320</u>

Transfer prices between business segments are as set out in Note 6 to the financial statements.

31. 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 to 5 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 2012, the Company contributed Baht 10 million to the fund (2011: Baht 9 million).

32. Dividends

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht per share)
Final dividends for 2010	Annual General Meeting of the shareholders on 20 April 2011	200,543	0.50
Interim dividends from operating profit for the 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>
Final dividends for 2011	Annual General Meeting of the shareholders on 19 April 2012	201,857	0.50
Interim dividends from operating profit for the nine-month period ended 30 September 2012	Meeting of the Board of Directors No.18/2012 on 14 November 2012	40,628	0.10
Total dividends paid for the year 2012		<u>242,485</u>	<u>0.60</u>

33. Commitments and contingent liabilities**33.1 Capital commitments**

As at 31 December 2012, the Company and its subsidiaries had capital commitments totaling of approximately Baht 146 million (2011: Baht 19 million), relating to acquisition of computer software, building construction and building improvements (separate financial statement 2012: Baht 145 million 2011: Baht 19 million).

33.2 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.

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

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	As at 31 December		As at 31 December	
	2012	2011	2012	2011
Payable:				
In up to 1 year	39	38	1	1
In over 1 and up to 5 years	78	66	-	1
In over 5 years	32	38	-	-

33.3 Guarantees

33.3.1 The Company has issued guarantees to secure bank overdrafts and credit facilities of its subsidiaries. As at 31 December 2012, there were outstanding guarantees of Baht 411 million, EUR 0.3 million and USD 6.6 million, totaling of Baht 627 million (2011: Baht 311 million and EUR 0.3 million, totaling Baht 325 million).

33.3.2 As at 31 December 2012, there were outstanding bank guarantees 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 as follows:

- a) Outstanding bank guarantee of Baht 18 million has been issued by a bank to meet obligations of the Company to the Revenue Department as mentioned in Note 33.6 to the financial statements.
- b) Outstanding bank guarantees of Baht 2 million and GBP 20,000, totaling of Baht 3 million (2011: Baht 2 million, GBP 20,000 and USD 2 million totaling of Baht 66 million) have been issued by banks to meet requirements of the Company and its subsidiaries to guarantee payments for goods, electricity use and among others (separate financial statement: 2012: Baht 1 million 2011: USD 2 million or approximately Baht 64 million).

33.3.3 As at 31 December 2012, the Company and its subsidiaries have outstanding standby-letters of credit of USD 17 million and EUR 0.3 million, totaling of Baht 532 million (2011: USD 22 million or Baht 694 million) (separate financial statement: 2012: USD 15 million and EUR 0.3 million or Baht 471 million 2011: USD 19 million or Baht 602 million).

33.4 Long-term service commitments

The Company has entered into a license agreement with an overseas company for the acquisition of a brand name. Under the conditions of the license agreement, the Company is to pay an annual royalty fee as stipulated in the agreement.

33.5 Commitment relating to promotional privileges

Under the terms of the Company's BOI certificate No. 1616(2)/2553, the Company has commitments in respect of its expenditure in support of educational 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. Up to 31 December 2012, the Company recorded accumulated expenses a total of approximately Baht 12 million (2011: Baht 6 million).

33.6 Tax assessment by the Revenue Department

During the current year, the Company received a corporate income tax assessment letter from the Revenue Department covering the years 2004 - 2006 and 2008 - 2010, assessing tax with a total of approximately Baht 18 million (including surcharges). However, the Company submitted a letter appealing the assessment to the Tax Appeal Committee to withdraw this assessment and provided a bank guarantee of approximately Baht 18 million issued by a bank on behalf of the Company to the Revenue Department in relation to that tax assessment. The management of the Company believed that no significant losses will be incurred and the result of the appeal has not yet known. The Company has therefore not recorded any provision for this tax assessment.

34. Financial instruments

34.1 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.

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 statement of financial position.

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relate primarily to bank deposits, investments, loans to related parties, trade and other payables, bank overdrafts, short-term loans and long-term loans which are subject to interest. Most of the financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

Significant financial assets and liabilities 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.

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2012

	Fixed interest rates					Total	Interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing		
Financial assets							
Cash and cash equivalents	249	-	-	176	190	615	0.05 - 2.8
Current investment - deposits with financial institutions	25	-	-	-	-	25	3.05, 8 - 9.5
Trade and other receivables	13	-	-	-	695	708	2.12, 8
Short-term loans to related parties	16	-	-	-	-	16	7
Deposits at banks with restrictions	4	-	-	-	-	4	0.25 - 2.35
Other long-term investments	-	-	10	-	-	10	2.8
Long-term loan to related party	-	30	-	-	-	30	7.5
Total	307	30	10	176	885	1,408	

Financial liabilities

Bank overdraft and short-term loans from financial institutions	197	-	-	-	-	197	MOR, 4.05 - 5.6, 7.7
Trade and other payables	319	-	-	108	508	935	(1)
Long-term loans	1	6	-	367	-	374	(2)
Total	517	6	-	475	508	1,505	

(1) 1.35, 3.4, LIBOR+2

(2) MLR, MLR-0.5, MLR-1, MLR+0.5

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2011

	Fixed interest rates					Total	Interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing		
Financial assets							
Cash and cash equivalents	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	

Financial liabilities

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

(Unit: Million Baht)

Separate financial statements as at 31 December 2012

	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	241	-	-	120	29	390	0.125 - 2.75
Trade and other receivables	-	-	-	-	987	987	-
Short-term loans to related parties	54	-	-	-	-	54	5.0, 6.5
Amounts due from related party	-	-	-	-	49	49	-
Long-term loans to related parties	15	229	63	-	-	307	7.5
Investment in convertible debentures issued by subsidiary	-	34	-	-	-	34	7.5
Other long-term investments	-	-	10	-	-	10	2.8
Total	310	263	73	120	1,065	1,831	
Financial liabilities							
Trade and other payables	294	-	-	108	385	787	(1)
Long-term loans	-	-	-	339	-	339	(2)
Total	294	-	-	447	385	1,126	

(1) 1.35, 3.4, LIBOR+2

(2) MLR-1, MLR-0.5

(Unit: Million Baht)

Separate financial statements as at 31 December 2011

	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	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	
Financial liabilities							
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 balances of financial assets and liabilities denominated in foreign currencies are summarised below.

(Unit: Million)

Foreign currencies	Consolidated financial statements				Separate financial statements				Average exchange rate as at 31 December	
	Financial assets		Financial liabilities		Financial assets		Financial liabilities			
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
									(Baht per 1 foreign currency unit)	
US dollar	13	16	24	25	24	26	23	24	30.58	31.69
Euro	1	1	-	-	15	13	-	-	40.50	41.03
Pound Sterling	-	-	-	-	7	7	-	-	49.27	48.86
Indian Rupee	-	-	-	-	69	69	-	-	0.55	0.59

Foreign exchange contracts outstanding are summarised below.

Consolidated financial statements as at 31 December 2012			
Foreign currencies	Amount	Contractual exchange rate	Contractual maturity date
<u>Forward contracts to "Sell"</u>			
US dollar	15,298,223	30.89 - 32.07 Baht per US dollar	January - July 2013
Euro	413,851	39.07 - 40.43 Baht per Euro	February - May 2013
Pound Sterling	189,422	49.35 - 50.00 Baht per Pound Sterling	January - April 2013
<u>Forward contracts to "Buy"</u>			
US dollar	822,331	30.82 Baht per US dollar	January 2013
US dollar	137,527	0.79 - 0.81 Euro per US dollar	February 2013
Consolidated financial statements as at 31 December 2011			
Foreign currencies	Amount	Contractual exchange rate	Contractual maturity date
<u>Forward contracts to "Sell"</u>			
US dollar	19,214,992	30.11 - 32.02 Baht per US dollar	February - July 2012
Euro	100,000	41.41 - 41.44 Baht per Euro	June 2012
Pound Sterling	138,512	49.35 - 49.72 Baht per Pound Sterling	May - June 2012
<u>Forward contracts to "Buy"</u>			
US dollar	492,693	0.74 - 0.79 Euro per US dollar	January - March 2012
Euro	139,500	42.61 - 44.32 Baht per Euro	June - October 2012

Separate financial statements as at 31 December 2012

Foreign currencies	Amount	Contractual exchange rate	Contractual maturity date
<u>Forward contracts to "Sell"</u>			
US dollar	15,298,223	30.89 - 32.07 Baht per US dollar	January - July 2013
Euro	413,851	39.07 - 40.43 Baht per Euro	February - May 2013
Pound Sterling	189,422	49.35 - 50.00 Baht per Pound Sterling	January - April 2013

Separate financial statements as at 31 December 2011

Foreign currencies	Amount	Contractual exchange rate	Contractual maturity date
<u>Forward contracts to "Sell"</u>			
US dollar	18,889,803	30.64 - 32.02 Baht per US dollar	March - July 2012
Euro	100,000	41.41 - 41.44 Baht per Euro	June 2012
Pound Sterling	138,152	49.35 - 49.72 Baht per Pound Sterling	May - June 2012
<u>Forward contracts to "Buy"</u>			
Euro	139,500	42.61 - 44.32 Baht per Euro	June - October 2012

34.2 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 statement 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.

35. 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 2012, the Group's debt-to-equity ratio was 0.64:1 (2011: 0.70:1) and the Company's debt-to-equity ratio was 0.43:1 (2011: 0.48:1).

36. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 25 February 2013.

Remunerations for Auditor

The Auditors of Pranda Jewelry PCL. in the year 2012 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 2012 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	1,045,000
2. Fee for Examine Investment Promotion Certificate	120,000	-
3. Other service fee from training on accounting standards	60,000	-

Other Reference Persons

Securities Depository

Thailand Securities Depository Co., Ltd.

62 The Stock Exchange of Thailand Building,
Rachadapisek Road, Klongtoey, Bangkok 10110, Thailand

Tel: +66 2229 2800

Fax: +66 2654 5427

TSD Call center: +66 229 2888

Email: TSDCallCENTER@set.or.th

www.tsd.co.th

Auditor

Ernst & Young Office Limited

33rd Floor, Lake Rajada Office Complex
193/136-137 Rajadapisek Road Klongtoey, Bangkok 10110

Tel: +66 2264 0777

Fax: +66 2264 0789-90

www.ey.com

Legal Advisor

Weerawong, Chinnavat & Peangpanor Ltd.

540 Mercury Tower, 22nd Floor, Ploenchit Road,
Lumpini, Bangkok 10330, Thailand

Tel: +66 2264 8000

Fax: +66 2657 2222

www.weerawongcp.com

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, 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 FXB 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, 5 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
 - Director of Law Reform Commission of Trade Competition and Anti-trust law

Mrs. Prapee Sorakraikitikul

Director / Chair of Group
Executive Committee /
Group 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 Certificate 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
- Director of Businesswoman Committee of the Thai Chamber of Commerce

Present Position

- Other listed companies
 - None -
- Non-listed businesses
 - Chairman of Board of Pranda Group, 4 companies
 - Director of Pranda Group in 7 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
 - Gem and Jewelry Business Development Committee of Thailand (GCT) Ministry of Commerce of Thailand
 - Board of executive directors of The Gem and Jewelry Institute of Thailand (Public Organization)
 - Board of directors of Gem and Jewelry Promotion Foundation

Mrs. Sunanta Tiasuwan

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

Education

- Ordinary National Diploma in Business Studies from Westminster University, England

Training on director's role and skills

- Director Certificate 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
 - Audit Committee of Asian Seafoods Coldstorage Public Company Limited
- Non-listed businesses
 - Chairman of Board of Pranda Group, 2 companies
 - Director of Pranda Group, 12 companies
 - Director of Bridge view Company Limited

Mr. Pramote Tiasuwan

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

Education

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

Training on director's role and skills

- Director Certificate 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) /
Group Finance Director /
Nomination and Remuneration
Director

Education

- Business Studies Course from 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

Mrs. Panidda Tiasuwan

Director / Nomination and
Remuneration Director

Education

- Amatanukul 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

Mr. Verachai Tantikul

Independent Director /
Chair of the Audit Committee /
Chair of Nomination and
Remuneration Director
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 Certificate 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 Petroleum Committee under the Petroleum Law
-

Mrs. Sarita BunnagIndependent 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 Certificate 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
- Seminar in "The internal control in Financial Reporting : Value Enhancement Strategy" by SET

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
- Advisor to Board of Directors of Islamic Bank of Thailand

Present Position

- Other listed companies
 - Independent Director and Audit Committee of Amanah Leasing Public Company Limited
- Non-listed businesses
 - None-

Mrs. Rawitha PongnuchitIndependent Director/
Member of the Audit
Committee**Education**

- LL.B. Ramkhamhaeng University
- M. Pol. Sc. Thammasart University

Training on director's role and skills

- Director Certificate Program (DCP) Class 59/ 2005
- Top Executive Program, Capital Market Academy (Class 3), the Stock Exchange of Thailand
- Top Executive Program in Commerce and Trade Class 1
- Public Administration and Public Law Program, King Prajadhipok's Institute, Class 3
- National Defense College, The Joint State - Private Sector Course Class 15, Thailand National Defense College

Experience

- Inspector-General, Ministry of Finance
- Deputy Director-General, the Revenue Department
- Director of Bureau of Tax Appeals, the Revenue Department
- Lawyer 9 (Expert in protection and counter destroying of the tax system), Office of Tax Auditing, the Revenue Department
- Deputy Finance Ministry Spokesman
- The Revenue Department Spokesman
- Secretariat to the Revenue department
- Advisor to the Finance Minister
- The Committee in the Sub-Committee on Monetary and Macro-Fiscal, Senate
- The Committee in the Sub-Committee on Following and Evaluation in Economic Development, Agriculture, Trading, and Investment, Senate
- The Committee in the Sub-Committee on Logistics, Senate
- Advisor to the Sub-Committee on Examination of Don Muang Toll Way Concession Contract, Senate
- The Committee in the Sub-Committee on Monetary, Fiscal, Banking, and Financial Institution, Senate
- Member of the Doing Business of Alien Committee, the Department of Trade Development, the Ministry of Commerce
- Member and Chairman of the Audit Committee of Sukhumvit Assets Management Co., Ltd.
- Director, Member of the Audit Committee, and Chairman of the Selection and Remuneration Committee of Thai Petrochemical Industry Public Company Limited
- Director, Member of the Audit Committee, and Member of the Risk Management Committee of the Thai Credit Guarantee Corporation
- Representative of the Ministry of Finance in the Committee of the Tourism Authority of Thailand (TAT), the Ministry of Tourism and Sport
- Director of Airport Authority of Thailand Public Company Limited

Present Positions

- Other Listed Companies
 - Independent Director, Chairman of the Audit Committee of Solartron Public Company Limited
 - Independent Director, Member of the Audit Committee, and Chairman of the Sub-Committee on Law of Synnex (Thailand) Public Company Limited
 - Non-Listed Companies
 - Vice President of the Revenue Officers Association
 - Permanent Advisor of the Economics and Finance Academy, Fiscal Policy Research Institute Foundation (FPRI)
 - Director of the Capital Market Academy Alumni Association
 - Director of KTB Law Co., Ltd.
 - Chairman of the Executive Committee of Office of Market Affairs Administration of Bangkok Metropolitan
 - Clearing Director of Thai Asset Management Corporation
 - Director of Class 1, Top Executive program in Commerce and Trade (TEPCOT)
 - Chairman of the Class 59 of the Director Certificate Program (DCP59)
-

Jg. Anan Panananda R.T.N.

Advisor to Board of Directors

Education

- BS. In Civil Engineering, W.P.I., Massachusetts., U.S.A.
- Certificate in 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 (Norborsor1) 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 -

Ms. Pittaya TiasuwanDeputy Managing Director
(Manufacturing) /
Group 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)

Training on director's role and skills

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

Present Position

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

Mr. Decha Nuntanajaroenkul

Deputy Managing Director
(Marketing) /
Group Finance Director

Education

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

Experience

- Marine Underwriter, New Hampshire Insurance, Bangkok Year 1981
- Visiting lecturer at Srinakharinwirot University, Sukhumvit, General Science Department, Materials Science (Gems and Jewelry) during 1996-1997
- Member of Thai-Russian Chamber of Commerce

Present Position

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

Mr. Chatchai Teekaveerakit

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

Education

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

Experience

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

Present Position

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

Mr. Chanat Sorakraikitikul

Assistant Managing Director
(Marketing) /
Group 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, 2 company

Mr. Dusit Chongsutthanamane

Group 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
- Chairman 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 companies
 - Executive Director of Siri Assets Company Limited
 - Director of Kin Author Company Limited

Ms. 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-

Mrs. Nirarat Tanalekhapat

Assistant Managing Director
(Marketing) / Group
Corporate Values Committee

Education

- Bachelor of Education in Arts, Chulalongkorn University

Experience

- Product Development Department Manager of YK Network Corporation Company Limited
- Product Development and Business Division Manager of Bijoux Holdings Public Company Limited.
- Assistant Department Manager of Jewelry and Design Department of Beauty Gems L.P. Company Limited

Present Position

- Other listed companies
- None -
- Other listed companies
- 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).

Experience

- Worked experience in Production field more than 29 years

Present Position

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

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 Values
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)

Experience

- Worked experience in Production Management field more than 23 years

Present Position

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

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)

Experience

- Worked experience in financial and accounting field more than 25 years

Present Position

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

Details of Directors and Executives

The name of the Subsidiary Companies		PRANDA	Subsidiary Companies												Associated Companies		Related Companies			
			Country			Foreign								Country	Foreign	Country				
			*PMG	CTL	PLG	*P.NA	HGG	P.UK	P.VN	P.Sing	P. Guangzhou	P.&Kroll	P.India	P. Trading	PDU (UK)	KZ-PRANDA	P.SCL	P. Holding	Forward Freeland	A-List
The list of the Board of Directors																				
1. Mr. Prida	Tiasuwan	x	x+⊕		/+//	x	/	/	x+⊕	⊕	x+⊕	x+⊕	/			x+⊕	x+⊕	/		
2. Mrs. Prapee	Sorakraikitikul	/+●+//	/+//	/+//	x+⊕		x+//	/+⊕	/	/+//			x+//	x+//	x+//		/		/	
3. Mrs. Sunanta	Tiasuwan	/+⊙+//	/+//		/+//	//	/+//	/	x+⊕+◇	x+//	/	/+//	/+//	/+//	/+//	/+//		/		
4. Mr. Pramote	Tiasuwan	◆+//+//+□	/+//	/+//				/+//			/						/		/	
5. Mrs. Pranee	Khunprasert	○+//+//	/+//					//		//	//	/+//				//	/			
6. Mrs. Panidda	Tiasuwan	/		x+⊕													/			
7. Mr. Verachai	Tantikul	✱+//																		
8. Mrs. Sarita	Bunnag	/																		
9. Mrs. Rawitha	Pongnuchit	/																		
10. Ms. Pittaya	Tiasuwan	//		/+//		//		//			//						/			
11. Mr. Decha	Nuntanajoeul	//			//	⊕	⊕	//					⊕				/			
12. Mr. Chartchai	Teekavirakij	//	/+◇																	
13. Ms. Rungnapa	Ngowngamatana	/+◇																		
14. Mr. Sutha	Sutaparvong	/																		
15. Ms. Lamiad	Pancharoen	//																		
16. Mr. Chanat	Sorakraikitikul	x+■	//							//	//	/+//	/+//			//	/			
17. Ms.Maureen	Kelley				/+◇															

Note : 1. X = Chairman / = Director // = Executive ✱ = Chair of the Adit COmmittee ● = Chair of Group executive Committee ⊕ = Chair of Group Finance Committee □ = Chair of Group Corporate Values Committee
⊕ = Chairman of Executive 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 , PMGPRANDA = Pranda Jewelry PCI.

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.	P. Trading	=	Pranda Trading (Shenzhen)
P.NA	=	Pranda North America, Inc.	PDU (UK)	=	PDU (UK) Limited
HGG	=	H.Gringoire s.a.r.l.	KZ – PRANDA	=	KZ-PRANDA Co., Ltd.
P.UK	=	Pranda UK Ltd.	P.SCL	=	P.T. Pranda SCL Indonesia
P.VN	=	Pranda Vietnam Co.,Ltd.	P.Holding	=	Pranda Holding Co.,Ltd.
P.Sing	=	Pranda Singapore Pte Ltd.	Forward Freeland	=	Forward Freeland Co., Ltd.
			A-list	=	A-list Corporate Co., Ltd.

General Information

Company Name	Pranda Jewelry Public Company Limited	
Symbol	PRANDA	
Core Business	Production, distribution and retail of fine 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 4874, +66 2398 2143	
Registered Capital	410,000,000 THB	
Paid Capital	406,282,554 THB	
Home Page	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, MuangNakhonratchasima, 30000 Thailand.	
Core Business	Production of fine jewelry	
Telephone	+66 44 212 593-4	
Tax	+66 44 334 718	
Responsible Person	Mr. Somsak Sriuengmon	
Email	Somsak_s@pranda.co.th	

The Company's Shareholding Exceeded 10% of Paid Capital. (December 31, 2012)

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 Road 2A, Bien Hoa Industrial Zone II, Dong Nai Province, Vietnam Telephone +84 613 836 627, +84 613 836 739 Fax +84 613 991 798 Responsible Person Mr. Santiparp Riyai Email: santiparp@pranda.com.vn	Production and distribution of fine 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 fine jewelry.	100	USD 3.35 Million	USD 3.35 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 Responsible Person Mr. Gregor Kroll Email: gregor.kroll@pranda-kroll.de	Production and distribution of fine jewelry.	51	EUR 5.34 Million	EUR 5.34 Million

Company Name / Address	Business	% of Holding	Registered Capital	Paid-up Capital
Primagold International Co., Ltd. No. 1093/64 12 th 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. Rungrapa Ngowngamratana Email: rungrapa@primagold.co.th	Jewelry retail in Thailand	100	THB 200 Million	THB 200 Million
Pranda North America, Inc. No. 1 Wholesale Way, Cranston, Rhode Island, 02920 USA Telephone +1 401 946 2104 Fax +1 401 946 2109 Responsible Person Ms.Maureen Kelley Email: maureen@cna-corp.com	Distribution of fine 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 fine jewelry in France and Europe.	100	EUR 5 Million	EUR 5 Million
Pranda UK Limited Signal House West 1 Armfield Close West Molesey Surrey KT8 2RT, 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 fine jewelry, and costume jewelry in England and Europe.	100	GBP 0.5 Million	GBP 0.5 Million

Company Name / Address	Business	% of Holding	Registered Capital	Paid-up Capital
Pranda Trading (Shenzhen) Limited Room 1508, Commercial Office Building (International Business Tower), Xilong Bay Garden (Region N23) Intersection of Jiaan Road and Haixiu Road, Xinan Street, Baoan District, Shenzhen 51800 Telephone +86 755 8215 5367 Fax +86 755 8217 4627 Responsible Person Mr. Winai Ponpitaksit Email: winai_p@prandacn.com	Jewelry retail in China	100	USD 2.0 Million	USD 0.3 Million
PDU (UK) Limited (Holding by Pranda UK Limited) Signal House West 1 Armfield Close West Molesey Surrey KT8 2RT, United Kingdom Telephone +44 0208 783 2024 Fax +44 0208 783 2010 Responsible Person Mr. Malcolm Pink Email: Malcolmpink@pranda.co.uk	Jewelry retail through E-Commerce	100	1 GBP	1 GBP
Pranda Singapore Pte. Limited No.163 Penang Road # 02-03 Winsland House II, 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
KSV Brand GmbH (Holding by Pranda & Kroll GmbH & Co. KG) Ebereschenweg 3 – 75180 Pforzheim Germany Telephone +49 7231 56615 0 Fax +49 7231 56615 25 Home Page www.ksv-brand.de Responsible Person Mr. Gregor Kroll Email: gregor.kroll@pranda-kroll.de	Distribution of fine jewelry in Germany	51	EUR 25,000	EUR 25,000

Company Name / Address	Business	% of Holding	Registered Capital	Paid-up Capital
Pranda Jewelry Private Limited Pranda House, Rewa State 512, Rewa Estate, M.G. Road, Mulund (West) - 400080 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 fine jewelry in India.	51	INR 1 Million	INR 1 Million
P.T.Sumberkreasi Ciptalogam (Formerly known as 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 fine jewelry.	50	IDR 4,000 Million	IDR 4,000 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	Import and distribution of silver and pure gold fine 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 Sub-district, Bangna District, Bangkok 10260 Thailand

Tel : +66 2 769 9999

Fax : +66 2 769 9998

www.pranda.com