

PRANDA
GROUP

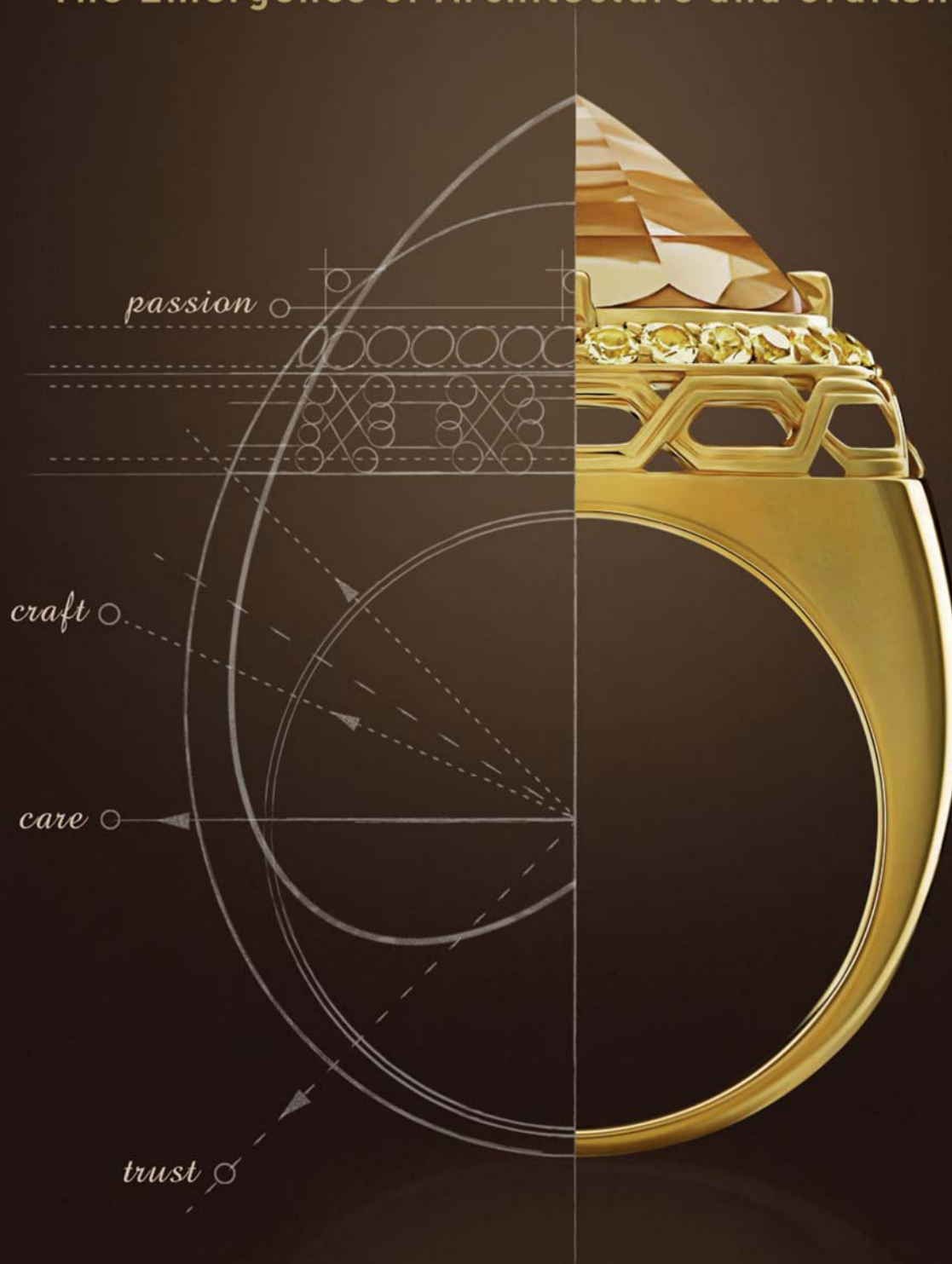
40 YEARS

Annual Report 2013

Pranda Jewelry Public Company Limited



The Emergence of Architecture and Craftsmanship



At Pranda, every piece we create realizes that inspiration. From sketches through prototypes to complete mass craftsmanship, our expert craftsmen unite decades of caring experience with a deep passion from the heart. It's what we call the PRANDA PROCESS.

For over 40 years, Pranda has been committing to bring success to our partners and care to their customers. Taking inspiration to perfection of jewelry making, that is Pranda.

- Vision -

“To be the world’s leading alliance for jewelry industry that enables our valued partners to achieve mutual growth and success”

Pranda Group

Founded in 1973, PRANDA GROUP is Thailand's leading fine jewelry manufacturer and has been listed in the Stock Exchange of Thailand since 1990. Renowned worldwide for its fine quality jewelry craftsmanship and articulate quality commitment, Pranda Group has been awarded with multiple accolades globally throughout its 40 years operations. Currently, the group of companies carry on 3 business cores which include Production, Distribution and Retail.

The 5 Eras Of Pranda Group

1st Decade (1973-1982)

The Establishment of the Foundation

PRANDA's group of companies' business started under the name "Pranda Design" in 1973 exporting uniquely designed jewelry to the United Kingdom, and soon after expanded to other countries in Europe.

From early on, PRANDA has focused on being a quality company; stringent controls on production process and in-house production facility allow PRANDA to consistently deliver the high standard products.

PRANDA make investment early on to be an innovative company, PRANDA set up product development center fully dedicated in creating original designs and pioneering differentiated products.

Under this visionary leadership, PRANDA was able to quickly established a reputation in the industry, renowned for being a high quality and original designs supplier.

2nd Decade (1983 - 1992)

Building the Foundation for Mass production

After strong establishment of PRANDA in the first decade, Pranda Group decided to expand its production bases in the second decade for affordable and quality jewelry products that meet economies of scale which bring about the appropriateness of the production cost and product quality.

Pranda Group diversified its production risk by setting up seven production facilities in four countries including Thailand, Indonesia, Vietnam and China with production capacity of over 10 million pieces a year to cover a wide range of product prices.

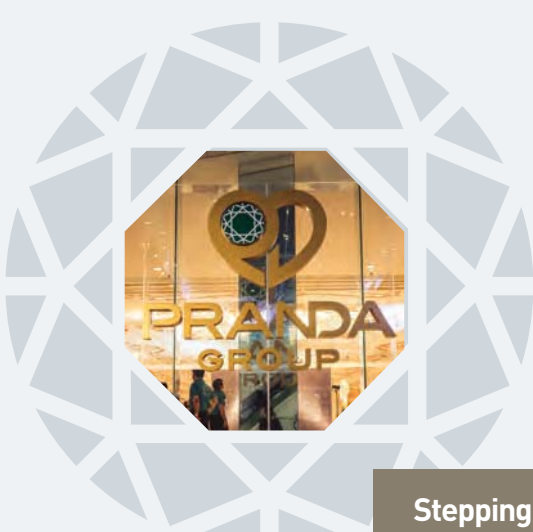
Consequently, Pranda Group has become one of Thailand's leading jewelry exporters with customer base spanning in key regions of the world from North America to Europe and Asia

3rd Decade (1993 - 2002)

Integrating the value chain, establishing distribution business

In this era, Pranda Group established its own distribution bases within key targeted countries, namely; Pranda North America, located in the United States of America to take care of trading partners and responsible for the North America markets, ; Pranda UK, located in the United Kingdom to take care of trading partners and responsible for the market in the United Kingdom; H. Gringoire, located in France to take care of trading partners and responsible for the market in France; Pranda & Kroll, located in Germany to manage the German and other members of European Union markets.

Pranda Group also established its first retail operation to promote the flagship brand "Prima Gold". Focused first on Thailand market, the expertise gained has later allowed Pranda Group to further develop toward vertically forward integration strategy and become a leading jewelry retailer in the Southeast Asia region.



4th Decade (2003 – present)

Building up portfolio of product brands.

To continue the vision to be the World Class Jewelry Brand Company, in the 4th Decade, PRANDA group of companies has continuously focused on marketing its own brands and licensed brands. Pranda 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. Our major brand are distributed in Asia, Europe and US.

Moreover, to serve the demand of customers in developed country which has significantly changes from physical retail shop to e-commerce. Pranda Group decided to operate jewelry retail through e-commerce by www.gemondo.com which main target customer is in UK and EU zone. Pranda has confidence that the expertise of E-Commerce business will enhance the gem and jewelry retail business of the Group in the future.

Stepping to the 5th Decade

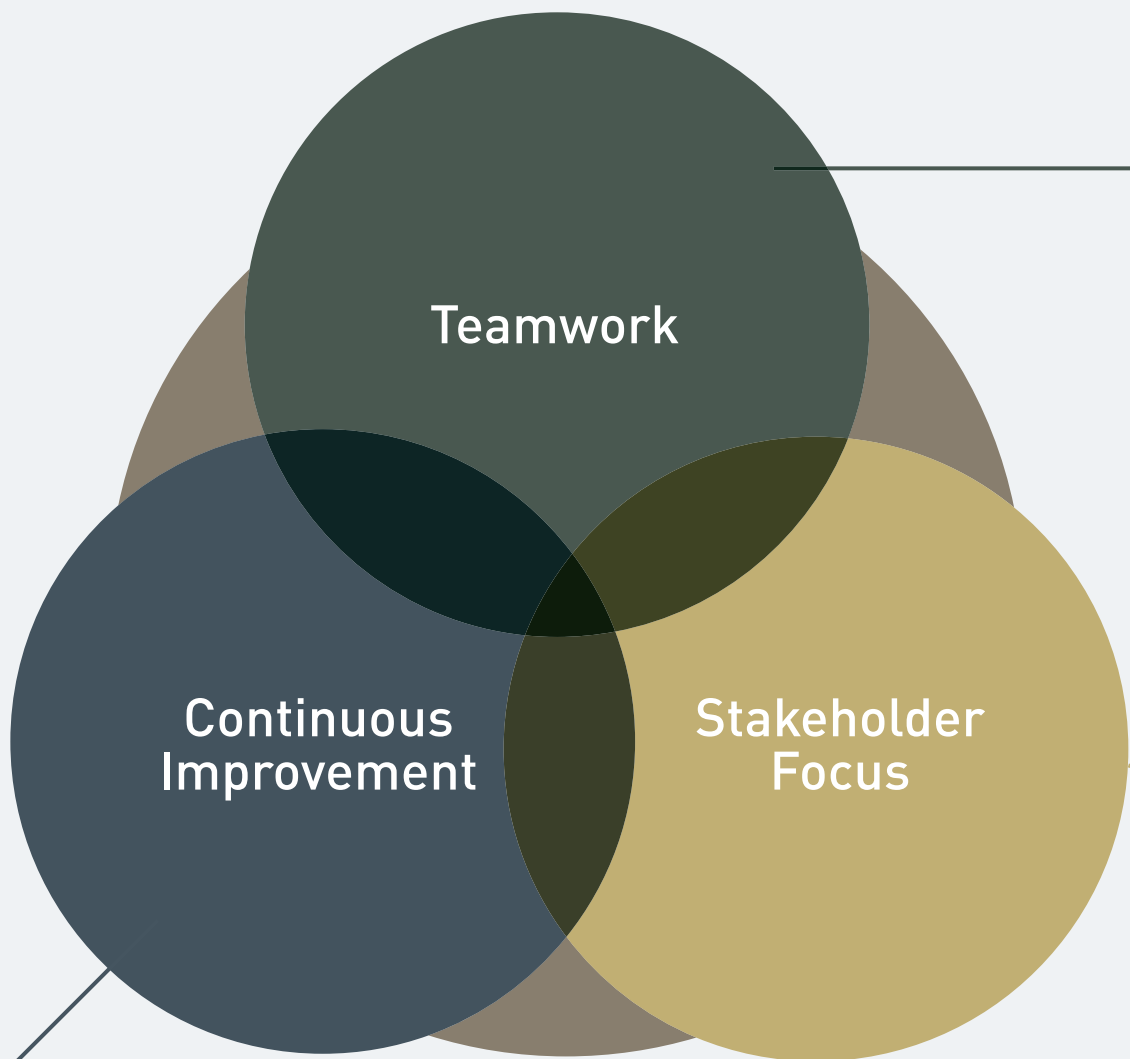
Aiming to be the Architecture of Craftsmanship

For more than 40 years, the company has been engaging in the business to be renowned as leader of jewelry crafts for wide ranges of people by affordable and skilled specializations. With our extensive experience and expertise in offering refine artistic work in consistent quality for large quantity, and also our systematic management procedures that has been accepted by customers worldwide, these qualifications made us ready to step forward as The Architecture of Craftsmanship in the 5th decade.

Because we work with “CARE” in creating high quality “MASS CRAFTSMANSHIP” by using our unique “PRANDA PROCESS”, we are... “THE ARCHITECTURE OF CRAFTSMANSHIP” who brings in devotion to every step of craftsmanship...and this is our identity.



Pranda Values



Continuous Improvement

We are proficient, continuously seeking new knowledge and experience to develop ourselves and to come up with new innovations.

Teamwork

We devote our hearts to working as a team like we are the same family.

Stakeholder Focus

We see the importance of our stakeholders. Therefore, we do care and are responsible for customers, suppliers, colleagues, shareholders, the environment and society at large.

Pranda commitment

Our success will never be accomplished without our supporters. PRANDA GROUP would like to extend our sincere appreciation to our stakeholders; customers, suppliers, communities and our precious craftsmen. We are committed to operate our business with responsibility and care to the society and environment, to be a part of Thailand future as a proud company for the people of Thailand.



Pranda Process

We can produce high quality jewelry for world-class customers and our own brands - reflecting our systematic management. The unique Pranda Process has created values and transferred those added values from one department to another in order to maximize the value of our products and services.



The seven steps of the Pranda Process link production, distribution, and retail business units together. This starts from an understanding of market and customer requirements, production, distribution, and marketing. This completes the working loop and satisfies our customers' needs.

1. Market Intelligence

For more than four decades, we have had extensive studied on marketing including education and knowledge about various trends in the jewelry industry, and consumer behaviors. We believe that acquiring the right market information is the key to our success.

2. Customer Requirement

We are always ready to listen and understand the requirements from our customers as much as possible, including all the dreams and every desire of our customers. Aligning our customers dream with our own, we are able to comprehend and conceptualize the product which perfectly meets our customers' demands.

As dreams are endless, we start at the very beginning after receiving our customer's dreams and wishes. Then, attentively develop the products to create maximum satisfaction to the customer in order to make their dreams come true.

3. Product Development

We take great care and attention in combining the creativity with modern technology that transforms a sketch of our customer dream through complete development procedures in order to ensure that our prototype sample can truly meet the customer's wish in every detail.

4. Mastering Prototypes

Mastering Prototypes is significant as a starting point in the production process of Pranda before entering the mass production. Our experienced artists work delicately with 'Master Mold', and then manufacturing the master "Prototypes"

We use modern technologies and our extensive experienced artists work with templates by putting their hands and hearts to get the desired flawless creations, as our clients dreamt of.

5. Sourcing Materials

The raw material is considered a very important part. Therefore, we find the most excellent raw materials from nature to ensure quality for every piece of work. As well as continuous search for new materials and components to support our partner's dream and desire, we work closely with the suppliers to create excellence and beauty to pursue our requirement perfectly.

6. Mass Production

Over the past 40 years, we are a leading manufacturer of fine jewelry at the craftsmanship-level that can be accessible to most of the people. To create mass quantity of creative crafts with consistent quality, we have pioneered this process which we term as "Mass Craftsmanship".

7. Marketing and Distribution

As part of Pranda strategy to deliver integrated solution to our partners, we have established our own subsidiary in key strategic countries. Pranda group of companies and network worldwide provide service solution that is right for our partner – ensuring seamless integration in an efficient process of distributing the products to the market.



Pranda Brand Avenue

To continue the vision through its more than 40 years of experience and expertise in jewelry manufacturing and distribution, together with its understanding of present jewelry market, PRANDA group 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.



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



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



Julia

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



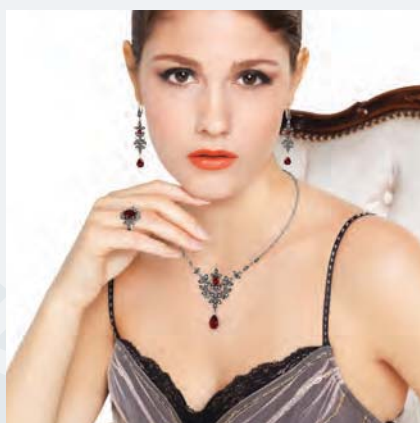
Merii

International jewelry brand for women who love to emphasize feminine touch and are glamorous conscious



ARIVA
living in fine jewelry

Ariva the luxury of sterling silver, captures her style and expresses her attitude



esse

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



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)



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



40 YEARS CRAFTED BY HEART

40th Anniversary
Celebration of Pranda Group,
on September 8th, 2013
at Royal Jubilee Ballroom,
IMPACT Muang Thong Thani

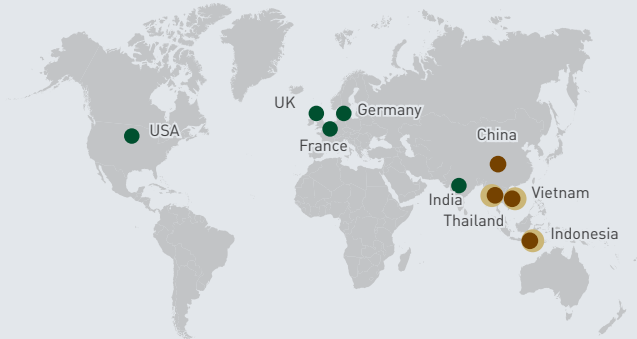




GROUP STRUCTURE

TIME LINE

Pranda Group's core businesses are 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.



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 - 2013

- Pranda & Kroll GmbH & Co. KG
- Pranda Jewelry Pvt. Ltd.
- Pranda Trading (Shenzhen) Limited
- PDU (UK) Co., Ltd.
- PT Pranda Marketing Indonesia

PRODUCTION

Gross Margin 20% Sales Contribution 45%

Production capacity over 10 million pieces per year

By taking advantage of the economies of scale production, PRANDA is able to produce quality products at a reasonable price. The Company also diversified its production risk to cover almost every product ranges. PRANDA operates 7 factories in 4 countries with production capacity of more than 10 million pieces of jewelry per year.

DISTRIBUTION

Gross Margin 20% Sales Contribution 33%

Own distribution bases in 5 countries and worldwide partners

PRANDA has its own distribution companies, distributors and agents internationally. To diversify market risk as well as expanding its market, PRANDA distributors are located in key regions worldwide including US, UK, Germany, France, Italy, Spain, Japan and India. Currently, PRANDA has set up five subsidiaries of distribution base.

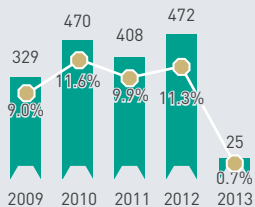
RETAIL

Gross Margin 40% Sales Contribution 22%

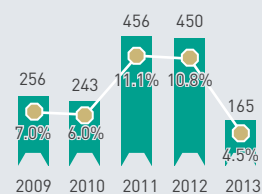
Retail locations in Asia and Middle East

In order to access the jewelry consumers directly, PRANDA has set up subsidiaries, which are proficient in retail management, to manage its own retail outlets and franchise businesses throughout Asia and Middle East. These subsidiaries, today, are located in Thailand, Indonesia, Vietnam and China.

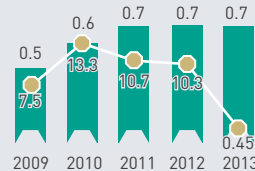
FINANCIAL PERSPECTIVE



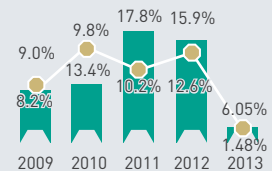
Operating Profit (Million Baht)



Net Income (Million Baht)



Financial Risks



Rate of Return

■ Operating Profit — % of Sales Revenues

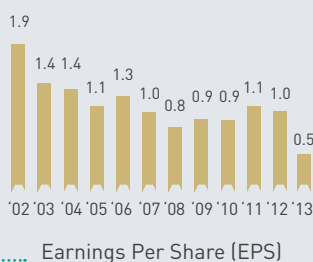
■ Net Income — % of Sales Revenues

■ D/E (Times) — TIE (Times)

■ ROE — ROCE

SHAREHOLDER PERSPECTIVE

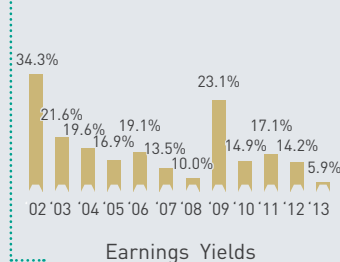
Total EPS
฿15.75



Earnings Per Share (EPS)

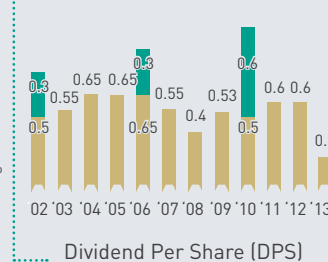
Average Price
฿6.43

Average Earnings Yield
20.4% per year



Earnings Yields

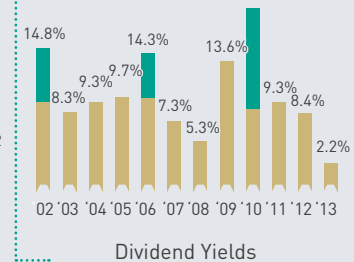
Total DPS
฿7.83



Dividend Per Share (DPS)

Average Price
฿6.43

Average Dividend Yield
9.86% per year



Dividend Yields

■ Annual Dividend ■ Extra Dividend

■ Annual Dividend Yields ■ Extra Dividend Yields

Note: Average Price and Earning Yield for 13 year period.

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Financial Highlights

Consolidated Financial Statements		2013	2012 (Restated)	2011 ^{/4}	2010 ^{/4}	2009 ^{/4}
FINANCIAL PERFORMANCE	Sales Revenues (Million Baht)	3,649	4,177	4,122	4,056	3,664
	Gross Profit (Million Baht)	1,038	1,417	1,379	1,337	1,296
	Gross Profit Margin	28.44%	33.93%	33.46%	32.96%	35.36%
	EBITDA ^{/1} (Million Baht)	106	551	491	544	402
	EBITDA Margin	2.90%	13.18%	11.92%	13.40%	10.98%
	Operating Profit (Million Baht) ^{/2}	25	472	408	470	329
	Operating Profit Margin	0.68%	11.29%	9.91%	11.59%	8.98%
	Profit to Equity (Million Baht)	165	450	456	243	256
	Profit Margin to Equity	4.51%	10.77%	11.07%	6.00%	7.00%
FINANCIAL POSITION (Million Baht)	Current Assets	3,133	3,318	3,218	3,008	3,074
	Total Assets	4,534	4,548	4,320	4,022	4,268
	Current Liabilities	1,367	1,308	1,527	1,398	1,216
	Total Liabilities	1,889	1,785	1,779	1,517	1,402
	Equity Attributable to Owners of the Company	2,645	2,763	2,540	2,505	2,866
RATE OF RETURN	ROA	3.63%	9.89%	10.56%	6.05%	6.01%
	ROCE	1.48%	12.56%	10.21%	13.39%	8.20%
	ROE	6.05%	15.85%	17.76%	9.76%	8.98%
RISKS	Current Ratio (Times)	2.29	2.54	2.11	2.15	2.53
	Quick Ratio (Times)	0.84	1.08	0.92	1.00	1.19
	Times Interest Earned (Times)	0.45	10.29	10.65	13.25	7.53
	Debt to Equity Ratio (Times)	0.71	0.65	0.70	0.61	0.49
DATA PER SHARE	Book Value Per Share	6.68	7.02	6.39	6.25	7.20
	Earnings Per Share to Equity	0.40	1.11	1.14	0.61	0.65
	Dividend Per Share ^{/3}	0.20	0.60	0.60	0.50	0.53
	Extra Dividend Per Share	-	-	-	0.60	-
Paid-up Shares (Million Shares)		409.14	406.28	403.33	400.67	398.16

Note :

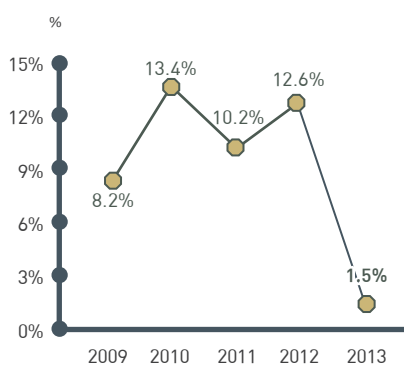
^{/1} EBITDA : Operating Profit Includes Depreciation and Amortization

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

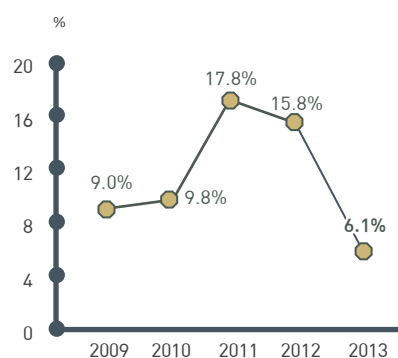
^{/3} For operation result of year 2013, the Company's Board of Directors had a resolution to approve the dividend payment in the rate of Baht 0.20 per share if the Annual General Shareholders' Meeting had a resolution to approve on April 21st, 2014.

^{/4} Year 2009-2011, the accounting standard of TAS 12: Income Taxes was not effective to implement.

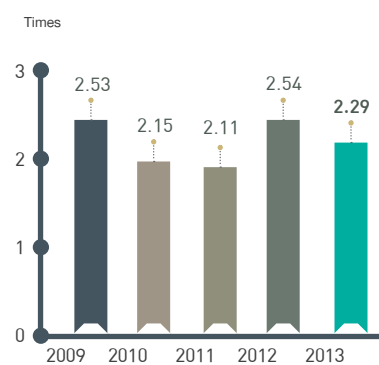
Return On Capital Employed
(ROCE)



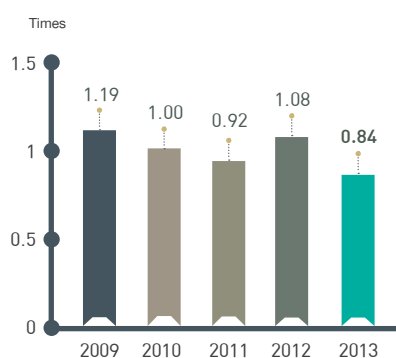
Return On Equity
(ROE)



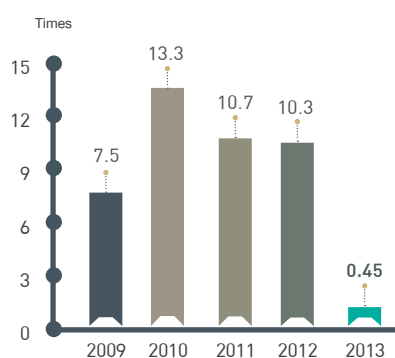
Current Ratio



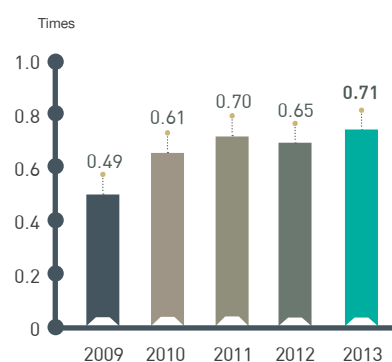
Quick Ratio



Times Interest Earned
(TIE)



Debt to Equity Ratio
(D/E)



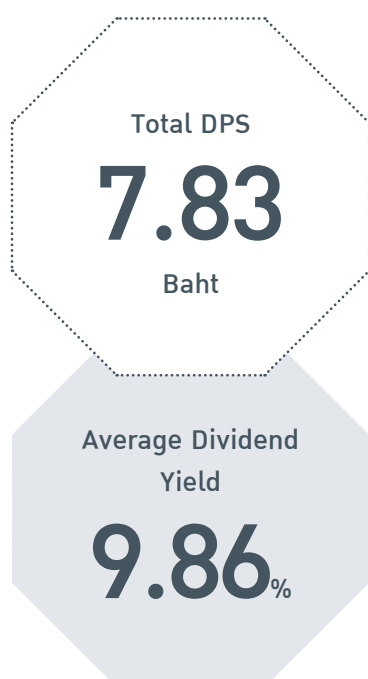
Message from Chairman



Mr. Prida Tiasuwan
Chairman

Dear Shareholders,

Over a decade ago, 2013 was considered the worst year for global financial volatility. During the first half of the year, the stock markets in most emerging countries rose substantially, due to the liquidity overflow in the economy. However, in the second half, these markets declined drastically, even more than the rise in the first half. As a result of the economic recovery in developed countries, including US, Europe and Japan, the fund flows had rapidly transferred from the emerging countries to the developed countries, like never happened before. The effects of this continuous fund flows included Baht depreciation, dropping in gold and silver price, as well as, shrinking in purchasing power due to assets impairment.



This strong fluctuation had affected the consumers' perception, leading to a temporarily slow consumption, as revealed in a drop in the market share of Thai gems and jewelry export from No.3 to No.4 or a decline from 5.7% to 4.4% or Baht 102,200 million.

Nonetheless, Pranda Jewelry PCL remained confident that its business structure, comprising World Class Mass Production Base, Global Distribution Base and Owned Retail Base, which has been developed for more than 40 years, would help the Company through this challenge.

As a result of its success overtime, in terms of consistent net profit and solid financial status, PRANDA has been able to pay out dividend for the last 13 consecutive years. The average dividend yield over these 13 years was 9.86% per annum. For 2013, the dividend in an amount of Baht 81.9 million or 0.20 per share, representing an annual dividend yield of 2.19%, will be paid to shareholders if it is approved by the Annual General Shareholders' Meeting on April 21st, 2014. The payout ratio of 37.28% was in line with the dividend policy to pay out not more than 60% of the net profit to the shareholders.

In 2013, The Company's net profit dropped from Baht 449 million in

2012 to Baht 165 million or a 63.3% decrease. This was the result from a 23.2% decline in European market which accounted for 35% of total sales. The gross profit margin dropped from 34% to 28% due to a cut back in the production, a price promotion, and changing in proportion of gold and silver jewelries. In addition, as a result of the expansion of its retail business, PRANDA had experienced in higher sales and administration expenses.

However, PRANDA's financial status was still solid as the debt to equity ratio was only 0.71 times. Its interest coverage ratio was 0.45 times. Its liquidity was well managed as shown in current ration of 2.29 times.

Key Event for 2013 was the business restructure so that it would be in coherence with the future growth strategy. Details were as follows:

- An increasing in Pranda & Kroll shareholding from 51% to 75% was to increase flexibility in management. Pranda & Kroll is engaged in the manufacture and distribution of their own jewelry brands in the European market.
- The partial sale of investment in Pranda SCL from 50% to 19% to the existing shareholders was to support the Company's long-term strategy of creating its own retail business. Pranda SCL engages in jewelry production.
- The dissolution of Pranda Guangzhou was due to the intense price competition in China, resulting in Pranda Guangzhou's continuous losses.

PRANDA received The JNA Award 2013 under the category of "Sustainability Initiative of the year" for the two consecutive years. Besides, PRANDA was upgraded from "Very Good" to "Excellent" in Corporate Governance Scoring, showing its commitment to continuously develop towards being a leading company that would be recognized and well accepted by all parties.

The company had revised its vision to be in line with its future operational

direction. The new vision is "To be the world's leading alliance for jewelry industry that enables our valued partners to achieve mutual growth and success". Our core strategy is to focus on the growth of our own brands and retain key customer bases to build strategic alliances as well as to increase production efficiency.

PRANDA expected that world economy would recover due to a promising growth in US and Europe economy, especially Europe economy which should turn from recession to growth for the first time after the financial crisis. Asian market should be able to sustain its growth from last year. As a result of the recovery of the global economy as mentioned above, together with the clear business direction and appropriate organization structure, PRANDA's performance should be able to turn around this year.

In addition, the Company continues to commit to the UN Global Compact regarding Human Rights, Labor Standard, Environmental Conservation and Anti-Corruption.

Lastly, the Board of Directors and Executives would like to express our appreciation to the shareholders, employees and all related parties for the trusts and supports to PRANDA's business all along. The Board of Directors and Executives agree to adopt the Royal Initiative of "Philosophy of Sufficiency Economy" as a guideline in developing PRANDA's business. This philosophy consists of moderation, reasonableness and risk management. In addition, we will continue to comply with the Good Corporate Governance Principal which main concerns are transparency, accountability, business ethics, as well as, social responsibility. We hope for your continuous support.



Mr. Prida Tiasuwan
Chairman



Board of Directors and Advisors / Board of Group Executive Committee



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



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

Advisor to Board of Directors

12. Mr. Decha Nuntanjaroenkul

Executive Director / Group Finance Director

13. Mr. Chartchai Teekaveerakit

Executive Director / Group Corporate Values Director

14. Mr. Chanat Sorakraikitikul

Executive Director / Group Finance Director

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 Kelly

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



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9. Mr. Naraen M. Tejwani

Managing Director – Pranda Jewelry Pvt. Ltd.

10. Mr. Kenny Salmon

Managing Director – PT Pranda Marketing Indonesia

11. Ms. Rungnapa Ngowngamratana

Managing Director – Primagold International Co., Ltd.

12. Mr. Prida Tiasuwan (Acting)

Managing Director – Pranda Trading (Shenzhen) Limited

13. Mrs. Sunanta Tiasuwan

Managing Director – Pranda Singapore Pte. Ltd.

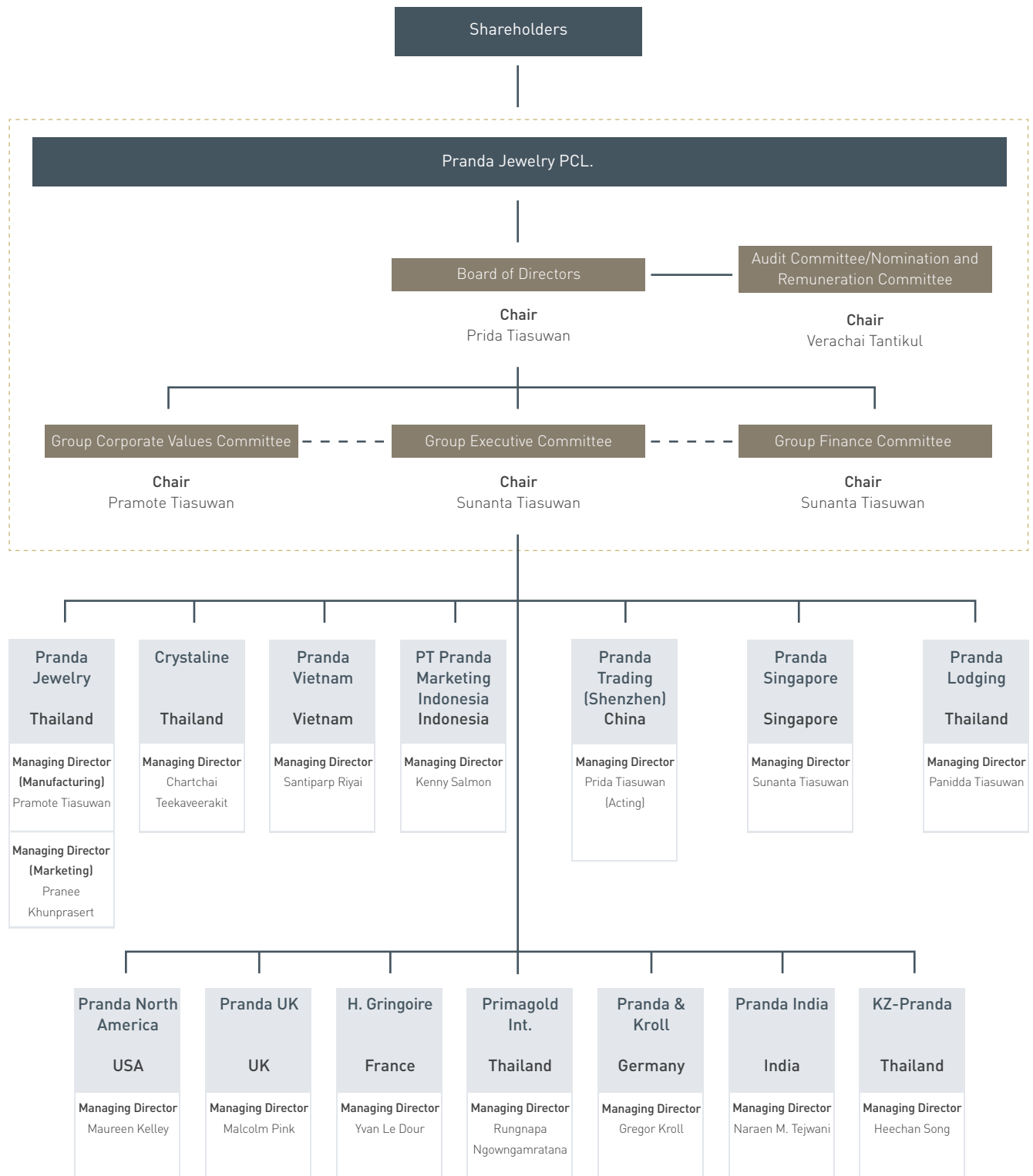
14. Mrs. Panidda Tiasuwan

Managing Director – Pranda Lodging Co., Ltd.

15. Mr. Heechan Song

Managing Director – KZ-Pranda Co., Ltd.

Group Organization Chart



Executives



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 Nuntanjaroenkul**
Deputy Managing Director (Marketing)

5. **Mr. Chanat Sorakraikitikul**
Assistant Managing Director (Marketing)

6. **Ms. Sasisopa Wattakeecharoen**
Assistant Managing Director (Marketing)

7. **Mrs. Nirarat Tanalekhapat**
Assistant Managing Director (Marketing)

8. **Mr. Somsak Srirueangmon**
Assistant Managing Director (Manufacturing)

9. **Mrs. Chawee Jarukornvasin**
Assistant Managing Director (Manufacturing)

10. **Ms. Suporn Rungpitayatorn**
Assistant Managing Director (Manufacturing)

11. **Mr. Thanes Panjakrid**
Accounting and Finance Department Manager

12. **Mr. Dusit Chongsutthanamanee**
Corporate Secretary

Policy and business overview

Pranda Group's core businesses are production, distribution and retailing of fine jewelry products. The Company distributes its products to customers in major continents, such as North America, Europe and Asia. Pranda Jewelry Public Company Limited currently is the leading fine jewelry exporter in Thailand.

1) Vision, Mission and Core Values of Pranda Group



Corporate Core Values

Teamwork	We devote our hearts to working as a team like we are the same family.
Continuous Improvement	We are proficient, continuously seeking new knowledge and experience to develop ourselves and to come up with new innovations.
Stakeholder Focus	We see the importance of our stakeholders. Therefore, we do care and are responsible for customers, suppliers, colleagues, shareholders, the environment and society at large.

2) Significant Developments and Events

On 31 March 2013, Prima Gold International Company Limited, the 100%-owned subsidiary entered into an agreement with shareholder of PT Marketing Indonesia to allow Prima Gold International Company Limited to determine financial and operation policies of PT Pranda Marketing Indonesia through the company's board of directors. Prima Gold International also has 55% voting right in the company since 31 March 2013. Although the subsidiary did not hold any stake in the company but has majority control over PT Pranda Marketing Indonesia, thus the Company deemed PT Pranda Marketing Indonesia as the Company's subsidiary.

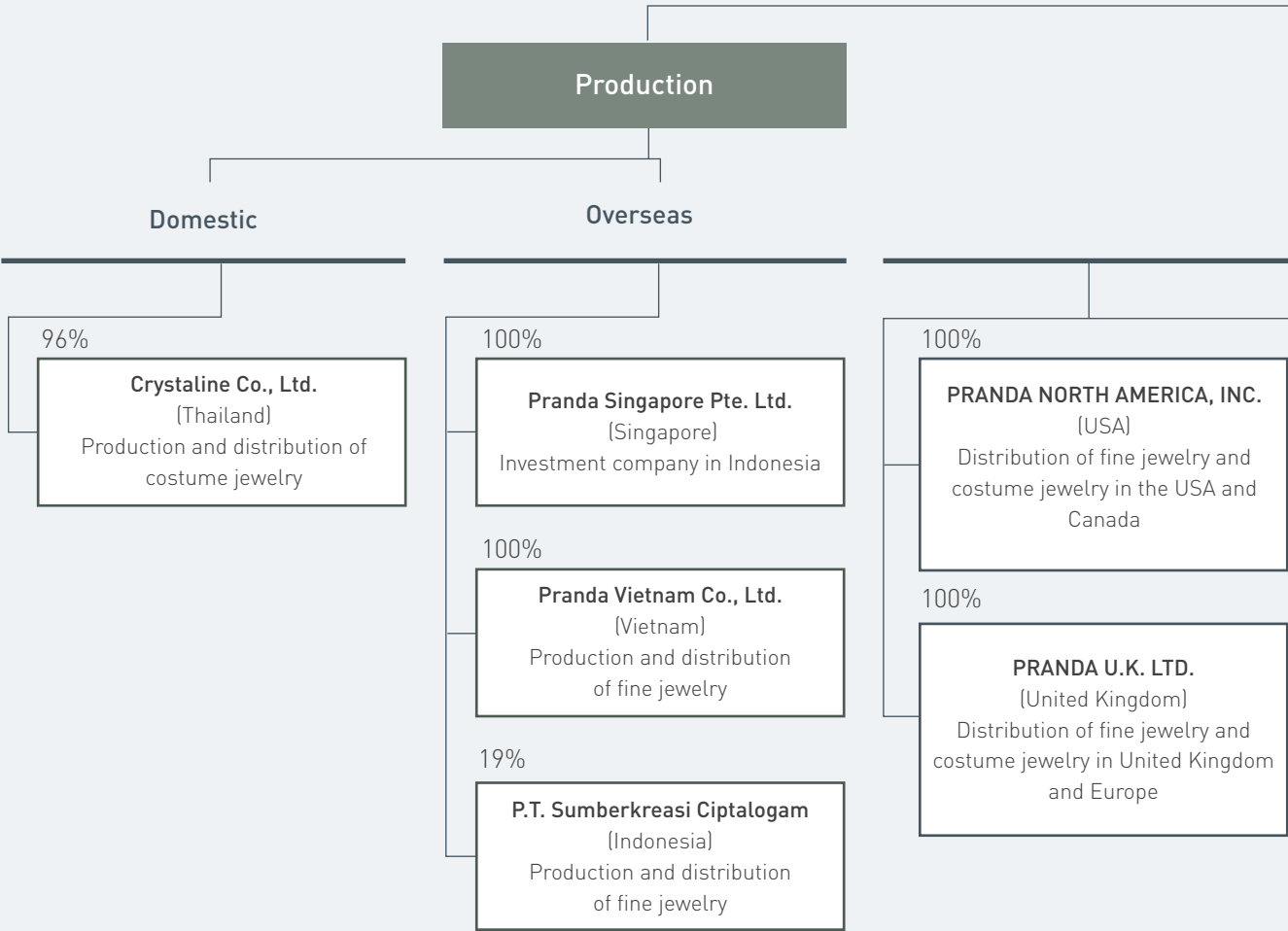
On 27 September 2013, the Company's Board of Directors approved capitalization of the Company's subsidiary, Pranda & Kroll GmbH & Co. KG, worth Euro 9.6 million, or approximately Baht 409 million, which were long-term loans worth Euro 2.9 million, account receivable worth Euro 6.6 million, and cash worth Euro 0.14 million. The Company has completed such capitalization plan on 30 September 2013. As a result from such capitalization, the Company has investment in such subsidiary worth Euro 13 million, or approximately Baht 573 million, and raised the Company's holdings in the subsidiary from 51% to 75%.

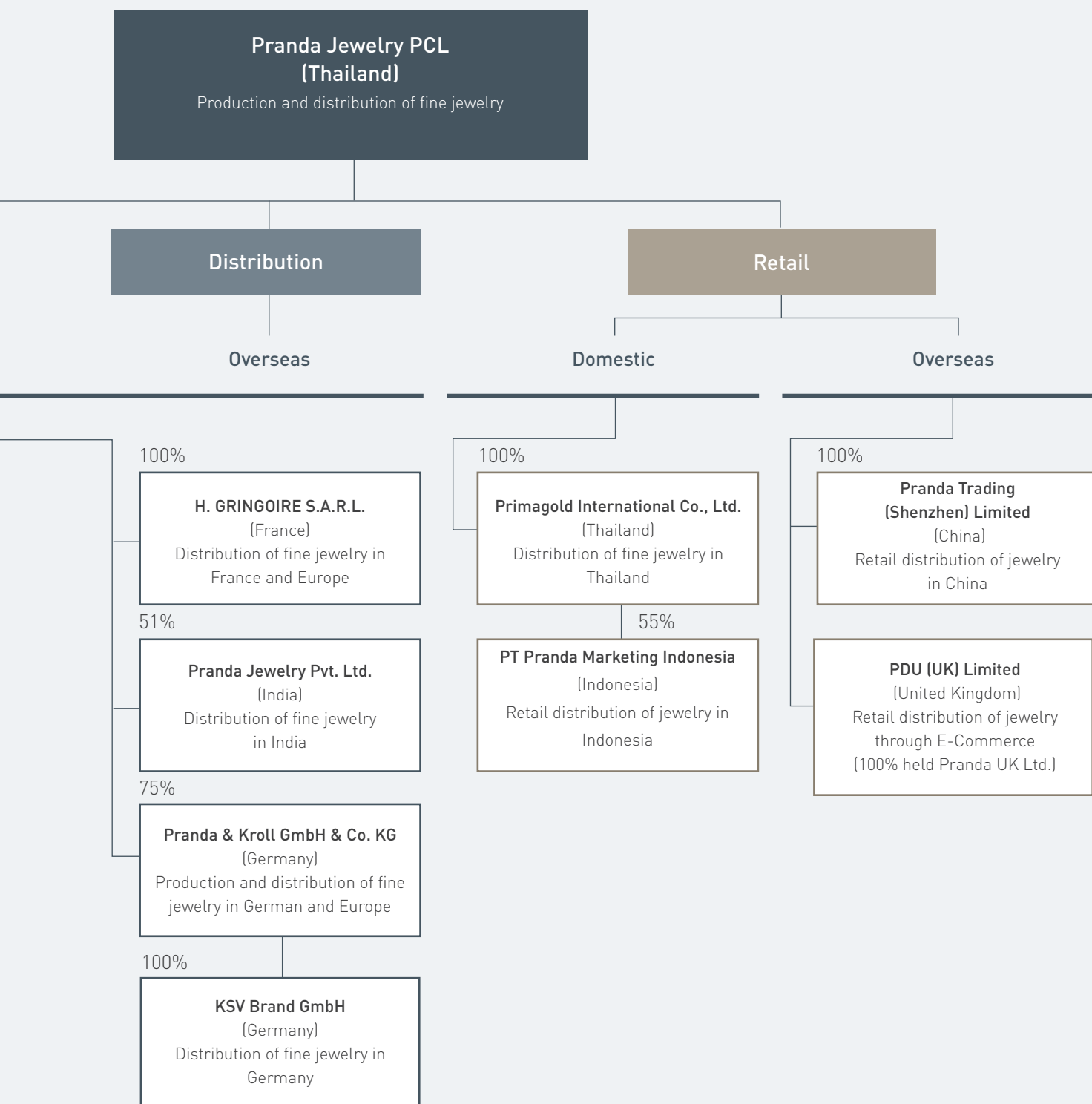
On 27 September 2013, the Company's Board of Directors approved following agendas:

- 1) Approve the Company to acquire shares of P.T. Sumberkreasi Ciptalogam, which a 50% joint venture with Pranda Singapore Pte. Limited (Pranda Singapore is the Company's 100%-owned subsidiary). The Company acquired 2,000,000 common shares with par value of Indonesian Rupiah 1,000 a piece, which is equivalent to 50% of issued and paid-up shares of P.T. Sumberkreasi Ciptalogam at book value of Singapore Dollar 1.4 million, or approximately Baht 35 million. The Company acquired such investment in December 2013.
- 2) Approve the Company to dispose investment in P.T. Sumberkreasi Ciptalogam by selling 1,240,000 common shares, or 31% of issued and paid-up shares of P.T. Sumberkreasi Ciptalogam to a shareholder of P.T. Sumberkreasi Ciptalogam for US Dollar 0.7 million, or approximately Baht 22 million. This transaction will reduce the Company's holdings in the joint venture from 50% to 19%. The Company would dispose such investment in December 2013.
- 3) The Company's Board of Directors Meeting approved its subsidiary Guangzhou Pranda Zhubao Shoushi Youxian Gongsi to terminate business effective from 27 September 2013. The Company is current in the process of business termination, which is expected to take about a year to complete.

3) Corporate Structure

The Company has policy to operate a balance organization structure that comprise of production base, distribution and retail subsidiaries and affiliates, as shown in the Corporate Structure chart.





PRANDA's Direction



Over four decades, PRANDA has involved in jewelry business with its core functions in production, distribution, and retail to serve among US, Europe and Asia markets.

The first decade: Establishing a foundation;

Starting from PRANDA's own production base and establishing its own Product Development Center to create distinguish design and produce outstanding jewelry.

The second decade: Introducing mass production base;

PRANDA introduced a world class mass production base overseas to respond to the customers' needs. This was also to diversify the Company's production risk.

The third decade: Value chain integration;

PRANDA established a global distribution base in various key regions such as US, UK, France and Germany.

The forth decade: Brand Creation;

Launching its own retail base in US, Europe and Asia markets, as well as, moving towards e-commerce business under www.gemondo.com

The fifth decade: Achieving Architecture of Craftsmanship;

Being a leading jewelry manufacturer and innovator of high quality workmanship for majority target groups. These jewelry will be distributed through business alliance networks and its distribution and retail bases worldwide. This is in line with the PRANDA Group's vision of "To be the world's leading alliance for jewelry industry that enables our valued partners to achieve mutual growth and success".

Corporate Social Responsibility

Pranda Jewelry Public Company Limited including its subsidiaries (Pranda Group) has a policy to operate business with full awareness on Corporate Social Responsibility: CSR and pay continuous attention to social responsibility activities and the surrounding environment. Pranda thrives to collaborate with all stakeholders with an aim to cultivate and maintain a strong relationship based upon recognition and trust, be aware of any impact on the stakeholders i.e. shareholders, employees, locals whereby the Company has operating sites, customers, vendors, and government agencies as well as the society and nation. In addition, Pranda cultivates mindset and corporate culture for the staff to be aware of social responsibility in which they live by setting up a policy on social and environmental responsibility coded in "Corporate Governance Manual" revised version 3/2013 for compliance and practice.

In accordance with such continued emphasis on social responsibility, Pranda Group received JNA Award 2013 in a category "Sustainability Initiative of the Year". This award reflects how the Company has determined to develop the organization according to business sustainability principles based on ethics and integrity as a guideline. Pranda Group is the first Thai corporation to sign in and comply with the principles of UN Global Impact, effective in 2002 onward. The principles engage in the compliance of Human Rights, Labor Standards, Environmental Awareness, and Anti-Corruption of any kind whereby the Company has always been strictly following. In addition, the Company's core value cultivates team building and teamwork among staff and management to further develop the organization by paying particular attention to all stakeholders especially in the area of corporate social responsibility or CSR. The Company provided professions for the handicapped and supported the youth to be in the bilateral vocational education program on jewelry skills including many other social activities as well as helped victims from natural disasters. The Company had also invested in efficiency and productivity improvement to enhance environmental quality and many other aspects in the past years. The award ceremony was honorably held at The Grand Hyatt Hotel in Hong Kong.



The Company continues to maintain the compliance with UN Global principles by operating business based upon UN Global Compact standard that particularly requires environmental awareness, human rights, and anti-corruption. Having been a member of UN Global Compact is considered a significant milestone that reiterates business operation with responsibility across the world and reflects that running a business with particular concerns on the society and environment is utmost important for sustainable development of gems and jewelry industry. Pranda Group has been determined to comply with not only UN Global Compact principles but also emphasizes on human rights, employment standard, environmental impact and business integrity reflected through Company's policies under the philosophy of business reliability, shareholders' benefit, effectiveness and efficiency in business operation with ethics and dignity as well as compliance with corporate social responsibility based on laws and good corporate governance principles. The Company is also aware of commitment to stakeholders in a social context including environment and safety as well as development of the community and the nation.

01 Business Operation with Fairness

• Fair Competition

The Company has a standard price setting on the manufacturing and distributing of good with reasonable price and without any harmful impact on the environment and the community. As a result, the Company has had no record on the abuse of environment. Gems and jewelry industry has no negative impact on the environment since the Company recycles residues from the manufacturing process to reproduce. In addition, the Company was selected as a clean, safe and pollution-free workplace as guaranteed by a Gold Level Certificate from the Department of Health, Bangkok on good and happy workplace.

In addition, the Company's procurement requires fair procedures by announcing auction process and requirements and shall be taken into consideration by appointed Committee as well as the rest of the Company's materials.

• Respect Property Rights of Others

For the past 40 years in the industry, Pranda Group has paid attention to business operation in compliance with rules of law and business ethics. In this regard, the Company set up "Responsibility Practice Guides for Management and Employees" as a written manual on December 22, 2000 and informed Board of Directors and all employees for strict compliance with an objective to achieve business effectiveness and efficiency, productivity, transparency and responsibility on stakeholders as well as generate rationale returns to investors and build sustainable progress and growth. The Company regularly monitors such practice guidelines, at the same time, provides the Book of Promise on confidentiality agreement not to disclose trade information and secrets as follows:

- The Company shall not disclose or reveal information, shapes, patterns, formats or objects of any kind of your company to manufacture and release for any third party outside Pranda Group.
- The Company shall not conduct any transaction apart from customers order or without permission.

- If the Company discloses or releases information, shapes, patterns, formats or objects of any kind of your company to other parties outside Pranda Group by either the Company itself or a careless act of anyone or any third party, the Company agrees to be prosecuted by civil and criminal laws at once.



02 Opposition to Corruption

• Anti-Corruption Policy and Declaration of Intent (in cooperation with other organizations)

The Company takes part in the declaration of intent by continuously participating in the anti-corruption campaign with network alliance of Thai public sector. In addition, the Company has a policy and practice guideline on anti-corruption and requires that Board of Directors, management and employees acknowledge and comply with the subject matter. This aims to demonstrate business operation intent of Pranda Jewelry Public Company Limited including its subsidiaries and affiliates that Pranda Group operates business with transparency, good corporate governance and without corruption of any kind, whether it be explicit or implicit. Board of Directors, management, employees as well as third parties related to the Company must not conduct any act of corruption, whether it be offering, promising, soliciting, demanding, giving or accepting bribes.

• Practice Guideline in the Company in Compliance with Policy

The Company rejects any form of corruption covering all business transactions in every country including related business units. In order to comply with such policy, the Company has an independent internal audit unit reporting directly to Audit Committee that has concrete auditing plan covering all potentially risky units. This is to be in line with any change in laws, business, and to protect the Company's image and reputation whereby Board of Directors, management, and employees must abide by this policy accordingly.

03

Respect for Human Rights

• Adoption of Global Principles within Organization

Pranda Jewelry Public Company Limited is aware of business transparency, laws compliance and human rights. Such awareness is derived from the Company's vision and core values. The Company also conveys this intent through the participation in the signing of universal declaration on human rights with the UN Global Compact. In addition to the requirement of universal declaration, Board of Directors, management and employees are required to comply with the code of conduct on laws compliance and international human rights principles as follows:

- 1) The Company operates business based on laws and regulations with which management and all employees must comply accordingly.
- 2) The Company must strictly comply with international human rights principles and provides knowledge and understanding of such principles to all employees for common practice at work.
- 3) The Company is against any business or act that breaches global principles of human rights.
- 4) The Company supports all employees to exercise their fundamental rights as a citizen according to the institution and law.
- 5) The Company shall keep all personal information of employees. Disclosure or transfer of employees' personal information to the public can be performed only when being approve by the employee. Violation of employees' personal information is considered disciplinary offense unless done in accordance with the Company's regulations or in accordance with the law.
- 6) The Company provides employees with communication channels to make suggestion or complaints on frustration relating to work. Every suggestion and complaint will be seriously taken into account followed by solutions for mutual benefits and good- working environment.

- 7) Employees of all levels of the Company are required to thoroughly understand laws relating to their duties and responsibilities and strictly comply with the laws. If employees do not understand, they are required to receive advice from legal department, and not to act according to their own misunderstanding without legal advice.
- 8) Employees must not conduct any act that verbally breaches or discriminates others on racist, gender, religion, age, or physical and mental disabilities.
- 9) Employees who are required to go on a business trip must study laws and regulations, norm, tradition and culture of destination country prior to traveling day to ensure that goods, samples, equipments, travelling documents, travelling purpose and business trip purpose are not illegal or against tradition and culture of the destination country.



• Policy and Practice Guideline

The Company is not only determined to comply with international principles but also attempts to support human rights value and employment standard. In addition, the Company has continuously drafted a policy and performed an act of not discriminating gender, nationality, religion, and disabilities by opening for jobs and offering professions for all types of the handicapped. The Company wishes to make the handicapped proud of themselves and able to utilize their full capacity and live their lives with other people without being society and family's burden. At present, 30 selected handicapped are put in a suitable position in both the office and the plant, of which the number of normal workers as against the handicapped accounts for 60:1 which is higher than law requirement of 100:1. As of April 2012, the Ministry of Social Development and Human Security granted the Company the certificate of modeled organization promoting the creation of jobs for persons with disabilities.



04 Equitable Treatment of Labor

• Employment and Labor Relation

The Company respects human rights and continuously maintains the importance of labor policy for all employees because employees are valuable workforce to the organization. The Company set up welfare committee to take care of employees' benefit including the labor relation policy to support equitable rights and welfare for all employees. In this regards, the Company received the Excellent Labor Relation and Welfare Award 2012 from the Department of Labor Protection and Welfare, the Ministry of Labor headquarters (Bangkok) and Nakhon Ratchasima factory.

• Occupational Health and Safety

The Company has a policy indicating the importance of safety, occupational health, and workplace environment and is aware of the value of employees. In addition, the Company set up a policy relating to environmental training for employees. As all employees of all professions and all levels are valuable to the Company, they will receive sufficient and continuous development regarding environmental conservation through teaching and training on operation and environmental management. Management of all levels in the Company are responsible for, as a role model, the development and preservation of training course on environmental management for employees by supporting sufficient resources so that all employees take part in implementing the policy. Management is also required to thoroughly communicate to all related parties on environmental training outcome. Activities to promote quality of life and safety of employees are regularly held including annual activities i.e. annual physical and eyes checkup by physicians from a hospital, training on first aid on a yearly basis to share knowledge and understanding on first aid process including general tips. This welfare helps to create

employees awareness on the importance of their own health and wellness including their family and surrounding people. In addition, the Company set up a training course on basic fire prevention and fire evacuation drills in office buildings and plants. Safety week at workplace activity is also held to create awareness on the importance of safety, occupational health, and workplace condition. In addition, many other activities to promote working skill development for employees in several areas i.e. V-FAST Workshop promoting cross- functional teamwork and stipulating related employees to utilize their utmost capacity and proficiency.



• Diversity and Equality Opportunity

The Company is aware of workforce value and is confident that human resources are the most significant factor driving business operation, hence, it pays attention to taking care of employees for continued support and training. Shared Value Committee takes care of staff development and supports 9 programs in total namely

- 1) Pranda Group learning center
- 2) Bilateral Education Program and job promotion for the disabilities
- 3) Quality of life development project

- 4) Savings cooperatives
- 5) Creation of innovation project
- 6) Sharing and connecting benefits to society and community
- 7) Child development center
- 8) 7 tips toward energy saving
- 9) Debt- problem solving and legal advice.

In addition to the 9 projects above, the Company has provided fund and the issuance of warrants to purchase common stock of the Company and/ or its subsidiaries (ESOP program) and 300 rooms of welfare dormitory for employees, offer s appropriate remuneration and welfare package, provides an opportunity for career growth, encourages employees' engagement, set up annual physical checkup, and provides a free meal for employees of all levels. Such performance results in a significantly lower turnover rate. This year turnover rate among skilled labors is less than 2%. In addition, in compliance with Thai labor standard, it is in opposition with human rights violation, child labor abuse, and forced labor whereas supports safety workplace with occupational health standard, equitable treatment, and respect for equality.

In terms of job standard, the Company has a clear policy and practice guideline on employment of child labor, opposition to forced labor. Employees are not required to put money or documents at their first working day. The Company promotes equitable opportunity and fair treatment among employees, and accepts employees' rights by setting up welfare committee for a regular meeting, of which topics aim for effective communication and creative activities. In addition, the Company sets up hygiene system and safety workplace as well as provides safety and hygienic conditions at work for all employees.

05 Involvement of the Company on Community and Society Development

• Market Role and Jobs Creation

It has been over 14 years that the Company has had "Bilateral Education Program, in which selected students in scarce areas from welfare schools nationwide particularly adding an incremental value from the silver jewelry project from 5 schools of welfare (Maejan, Chiangrai province, Loei province, Nann province, Tak province, and Petchaboon province) that operates silver jewelry project on behalf of HRH Princess

Maha Chakri Sirindhorn. The Bilateral Education System project supports students to further their education in vocational certificate level majoring in jewelry accessories in collaboration with Kanjanapisek College, Royal Goldsmith College, and College of Arts and Crafts Bangkok under the Department of Vocational Education, the Ministry of Education.

Outcome of Bilateral Education System Project as follows:

Impoverished Youth:

Received an opportunity for higher education free of charge, obtain knowledge, skill, and direct experience on jewelry profession, had vocational certificate that was officially recognized, and gained job and career security in the future.

Department of Vocational Education:

Developed into effective and efficient education management in collaboration with public sector to create personnel of choice in the public sector, more importantly, saved budget in many other areas.

Business Entrepreneurs:

Gained the standard of personnel creation and development from government sector in order to generate skilled labor, this would become the Company's major encouragement as well as overall industry in the future.

• Community Engagement

In addition, the Company helps and supports social activities in many other areas by emphasizing on staff involvement as well as volunteer in several activities including donation to organizations holding public activities. From past to present, the Company has continuously carried out various social activities as follows:

Education and Profession

The Company has a policy to promote and support education as follows:

• Bilateral Education Program

This project has continuously been pursued since 2000 with 163 students in total and 13 batches, of which 859 students, 10 batches graduated. Bilateral Education Program has expanded widely to open an opportunity to general schools as well as children, relatives of employees.



In addition, "Pee Fak Nong" project for bilateral students offers an opportunity for them to study jewelry field. In 2011 academic year, the Company signed memorandum of understanding (MOU) with Kanjanapisek College, Royal Goldsmith in the personnel development project on accessories and jewelry, supported 54 million baht for the period of 7 years, offered bachelor degree scholarships majoring in gems and jewelry design for bilateral students, employees' children, and the schools under the royal patronage of His Majesty the King Bhumibol Adulyadej (Rajaprajanugroh) and HRH Princess Maha Chakri Sirindhorn (Welfare schools).

In addition, the Company promoted education for employees using the Company's office as location opening transferred teaching system majoring in gems and jewelry on vocational certificate level, and majoring in management on advanced vocational certificate. There have been employees participating in this program for 3 batches, in total 95 employees, of which 85 already graduated.

- **Short Course on Gems and Jewelry for the Hearing Disabilities**

The Company in collaboration with Kanjanapisek College, Royal Goldsmith opened a class for hearing impaired students, in accordance with the royal initiative of HRH Princess Maha Chakri Sirindhorn, to learn about business operation so that they could have direct experience on the job. Selected students are able to take a tour at jewelry manufacturing process, at the same time, involved in preparing teaching materials as well as video presentation and sign language for the class of hearing impaired students. The Company strives to give an opportunity to the hearing disabilities for jobs creation or professions, hence, hopes to see them proud of themselves, utilize



their utmost ability, and live their normal lives with other people without being a burden to their family or society. At present, a number of students completed the course, of which 6 students have been recruited by the Company from such pilot project.

The Company also granted learning equipments on gems and jewelry i.e. tools, materials that are useful for the hearing disabilities to Nakornpathom School for the Deaf as well as gave education guideline on future profession and had recreation activities at a meeting room of Nakornpathom School for the Deaf. Today, the Company opens for a job position for 30 people of hearing disabilities. This figure accounts for 60:1, higher than the law which is 100: 1. As a result, this year the Company received an honorary award on "Listed Company that Promotes Jobs and Profession for the Disabilities" from the Ministry of Social Development and Human Security.



Sharing and Connecting Benefits to Society

- The Company takes part in supporting Children's Day activities i.e. Children's day activities at Bangna metropolitan police station, at Watpongply Kindergarten, Pongpoyanusorn School, Wat Srieam Anusorn School, Wan Thong Community, Rung Sawang Community, Likit 4 Community. The Company not only supports activities for the youth and people in the community but also builds a good relationship between one another.
- The Company takes part in the development of Watpongply Kindergarten. This is a continued activity focusing on the surrounding community whereby volunteer employees help to remove furniture, clean up classrooms, renovate and build new classrooms, paint buildings, install ceiling fans, improve landscape, make merit, give candles and offerings as well as lunch meal to Buddhist monks.
- The Company promotes "Art for All" camping activity to the disabilities. Pranda Jewelry Public Company Limited and its subsidiaries Prima Gold International Company Limited donated money to the Art for All camping activity for further activities in the future. This Art for All camping activity intends to share an opportunity with the disabilities to learn arts together with the other youth. This activity is held by Faculty of Fine and Applied Arts, Chulalongkorn University in collaboration with 5 other major organizations.
- The Company supports Green Market Network by setting up space for farmers, retail manufacturers and entrepreneur to sell goods and processed products, organic products, healthy food, hydroponic products on the first Thursdays of the month. This project has been pursued since 2011 to up until the present time.
- The Company is involved in blood donation with Thai Red Cross. Pranda Jewelry Public Company Limited and its subsidiaries Crystalline Company Limited have had a campaign to encourage management and employees to donate blood to Thai Red Cross every three month since 1991 until the present time. So far, blood donation accounts for 6,000 units.
- Site Visit: The Company has allowed education institutions and other organizations to visit and learn of Company's business operation from past to present.
- The Company promotes social and environmental business network. Pranda Group and founder members of Social Venture Network: SVN Thailand which are the combination of businessmen aiming to exchange business perspectives as well as strengthen business linkage among one another on business operation related to social and environmental responsibility. Such collaboration has a mission to promote and support business awareness that leads to respect in society and environment, in human rights and surrounding community as well as equitable treatment with all related parties.

Brief History and Honorary Rewards of PRANDA Group

2013

- The Company received honorary award called "Sustainability Initiative of the Year", JNA Award 2013 for the second time from the committee consisting of international knowledgeable persons as the Company has adhered to the organization development on a sustainable basis with good morals and ethics.
- The Company has additionally invested in Pranda & Kroll GmbH & Co. KG in the amount of 9.6 million Euro or equivalent to about 409 million Baht, making the Company to have the registered and paid-up capital in the amount of 13 million Euro. This investment increases the shareholding percentage of the Company from 51 percent to 75 percent.
- The Company purchased 2,000,000 ordinary shares of P.T. Sumberkreasi Ciptalogam, having a par value of 1,000 Indonesian Rupee, representing 50 percent of the issued and paid-up capital of P.T. Sumberkreasi Ciptalogam at the book value amounting to 1.4 Singapore dollars or around 35 million Baht. The Company also divested its investment in P.T. Sumberkreasi Ciptalogam by selling 1,240,000 ordinary shares, representing 31 percent of the issued and paid-up capital of P.T. Sumberkreasi Ciptalogam to shareholders of P.T. Sumberkreasi Ciptalogam in the value of 0.7 million USD or around 22 million Baht, decreasing the shareholding percentage of the Company in such company from 50 percent to 19 percent.



"Sustainability Initiative of the Year", JNA Award 2013

- The Company approved to dissolve Guangzhou Pangda Zhubao Shoushi Youxian Gongs, a subsidiary, on 27 September 2013.
- Prima Gold International Co., Ltd. has the power to control the determination of financial and operating policy including the voting right and interest at 55 percent in PT Pranda Marketing Indonesia.
- The Company received a recognition of being "Excellent" in 2013 valuation in the Annual General Meeting (AGM) of the shareholders from the Office of the Securities and Exchange Commission (SEC), in cooperation with the Thai Listed Companies Association and the Thai Investors Association.
- The Company received "Excellent" recognition (five stars) of Corporate Governance Report of Thai Listed Companies 2013 from the Thai Institute of Directors (IOD).
- Nakorn Ratchasima plant of Pranda Jewelry Plc. received the Certificate of the Standard on Prevention and Solution to Drug Problems in an Establishment for the year 2013 and the White Plant Certificate pursuant to the Action plan to defeat the drug on a sustainable basis for the year 2013.

- The Company received the Excellent Labor Relation and Welfare Award 2013 from the Department of Labor Protection and Welfare, the Ministry of Labor.
- The Company received the certificate and the trophy for the Excellent Labor Relation and Welfare Award 2013 from the Director of Office of Labour Protection and Welfare Area 8.
- Korat plant of Pranda Jewelry Plc. received the trophy for the Excellent Academy and Establishment with Dual Vocational Training (5 stars) from Mr. Jaturon Chaisaeng, Minister of Education.
- PrimaGold International Co., Ltd. received Consumer Protection Guarantee on Thai Consumer Rights Day 2013 under the category of producer of gold jewelry with 96.5% purity and distributor of gold jewelry with the product label in compliance with the law from Mr. Warathep Rattanakorn, Minister Attached to the Prime Minister's Office.
- 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.

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 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 Kachornprasart on occasion that the Company has been acclaimed by the Department of Labor Protection and Welfare as the establishment which complies with the government's policy in promoting labor welfare by establishing standardized child care centre at the enterprise on continuous basis. The trophy given aims to set a good example to other corporations.
- Received certificates and a shield of honor at "68 years of Thai vocational education going forward to the future" event from Deputy Education Minister Narisara Chawaltanpipat on occasion that the Company has been chosen as the establishment which offers good cooperation with authorities from the Office of Vocational Education Commission in preparing educational and occupational training.
- The annual general meeting of shareholders had approved the issuance of Employee Stock Option Plan (ESOP) in amount of 14,251,410 units which would be contributed for free to Directors and employees of the Company and/or subsidiaries. The warrants carry five year terms from the issue date with the exercise ratio equivalent to 1 warrant to 1 common share. The exercise price is three baht per share.

- The Company has set up the savings co-operatives for employees in Pranda group as a way to provide various financial services and promote savings among employees.
- Crystalline Co., Ltd. has obtained the copyright of V&A jewelry brand from England-based Victoria & Albert Museum (V&A), the world's largest museum of decorative arts, design and jewelry products.
- The Company has raised investment in Guangzhou Pangda Zhubao Shoushi Yixian Gongsu 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 sold 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 the international market for Prima Gold International Co., Ltd. and co-invested in LG Pranda (now operated under the name of KZ Pranda) to import and distribute silver and gold products.

1995

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

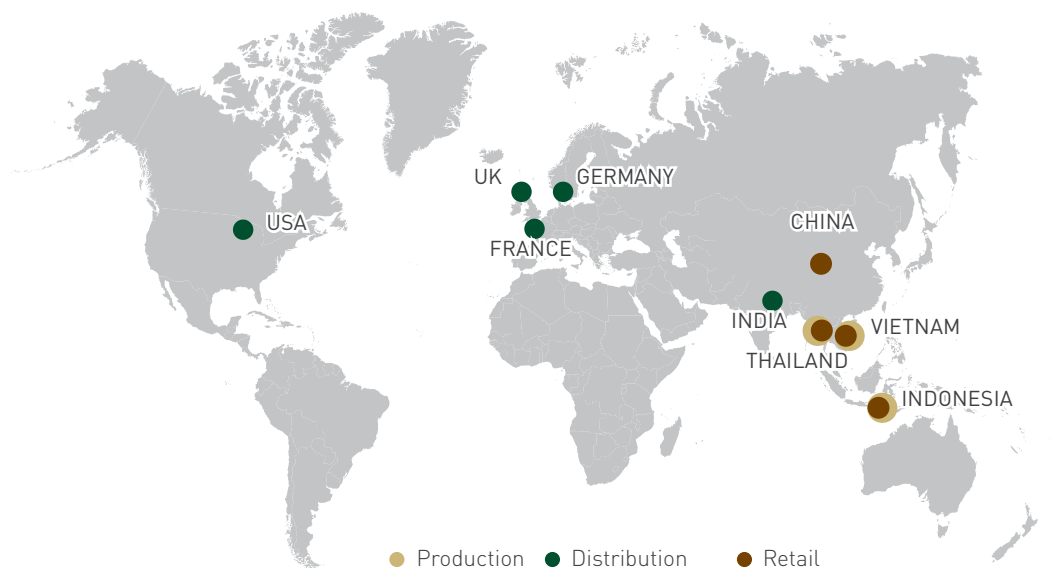
- Commenced export trading operations under Pranda Design.

Our Business

Pranda Jewelry Public Company Limited (PRANDA) was founded in 1973 known as Pranda Design Company Limited which later renamed to Pranda Jewelry Limited on April 27, 1984. The Company has listed its common stocks on the Stock Exchange of Thailand on July 6, 1990 and converted into Public Company Limited on June 3, 1994. Today, the company has total registered capital of Baht 410 million with Baht 409.14 million was issued and paid up. Its head quarter is located at 28 Soi Bangna-Trad 28, Bangna District, Bangkok 10260.

PRANDA's core operations are production, distribution and retail of fine jewelry products. Today, the Company has become the leader in Thai jewelry exports with its customer base covering key regions from North America to Europe and Asia.

The company has established a balanced management structure as follows:



Production:

By taking advantage of the economies of scale production, PRANDA is able to produce quality products at a reasonable price. The Company also diversified its production risk to cover almost every product ranges. PRANDA operates 7 factories in 4 countries with production capacity of more than 10 million pieces of jewelry per year.

Distribution:

PRANDA has its own distribution companies, distributors and agents internationally. To diversify market risk as well as expanding its market, PRANDA distributors are located in key regions worldwide including US, UK, Germany, France, Italy, Spain, Japan and India. Currently, PRANDA has set up five subsidiaries of distribution base.

Retail:

In order to access the jewelry consumers directly, PRANDA has set up subsidiaries, which are proficient in retail management, to manage its own retail outlets and franchise businesses throughout Asia and Middle East. These subsidiaries, today, are located in Thailand, Indonesia, Vietnam and China.

Revenue Structure of Pranda Jewelry PLC and its subsidiaries, excluding related party transactions. (Group by Business Unit)

Company	% Holding	2013		2012		2011		2010		2009	
		Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Production											
Pranda Jewelry Pcl.		1,399	37.04	1,914	45.24	1,799	42.90	1,545	37.78	1,319	35.63
Crystalline Co., Ltd.	96	159	4.21	173	4.09	167	3.98	153	3.74	141	3.81
Pranda Vietnam Co., Ltd. (Production)	100	26	0.69	6	0.14	38	0.91	46	1.12	21	0.57
Guangzhou Pangda Zhubao Shoushi Youxian Gongsì	100	-	-	4	0.09	18	0.43	14	0.34	16	0.43
Pranda & Kroll GmbH & Co. KG	75	69	1.83	77	1.82	70	1.67	87	2.13	69	1.86
Total revenue from Production		1,653	43.77	2,174	51.38	2,087	49.77	1,806	44.17	1,519	41.03
Distribution											
H.Gringoire s.a.r.l.	100	120	3.18	150	3.55	156	3.72	144	3.52	129	3.48
Pranda UK Limited	100	71	1.88	101	2.39	147	3.51	184	4.50	204	5.51
Pranda North America, Inc.	100	828	21.92	756	17.87	705	16.81	1,009	24.68	1,014	27.39
Pranda & Kroll GmbH & Co. KG	75	84	2.22	114	2.69	150	3.57	155	3.79	153	4.13
Pranda Jewelry Private Ltd.	51	113	2.99	142	3.36	169	4.03	113	2.76	70	1.89
Total revenue from Distribution		1,216	32.19	1,263	29.85	1,329	31.70	1,644	40.21	1,617	43.68
Retail											
Primagold International Co., Ltd.	100	671	17.77	689	16.28	683	16.29	587	14.36	518	13.99
Pranda UK Limited	100	14	0.37	18	0.43	-	-		0.00		0.00
Guangzhou Pangda Zhubao Shoushi Youxian Gongsì	100	9	0.24	18	0.43	20	0.48	16	0.39	8	0.22
Pranda Trading (Shenzhen) Limited	100	3	0.08	-	-	-	-	-	-	-	-
Pranda Vietnam Co., Ltd.	100	31	0.82	15	0.35	3	0.07	3	0.07	2	0.05
PT Pranda Marketing Indonesia	55	52	1.38	-	-	-	-	-	-	-	-
Total revenue from Retail		780	20.65	740	17.49	706	16.84	606	14.82	528	14.26
Sales revenue		3,649	96.61	4,177	98.72	4,122	98.31	4,056	99.19	3,664	98.97
Pranda Lodging Co., Ltd.	83	8	0.21	10	0.24	10	0.24	14	0.34	14	0.38
Other revenues		120	3.18	44	1.04	61	1.45	19	0.46	24	0.65
Total Other revenues		128	3.39	54	1.28	71	1.69	33	0.81	38	1.03
Total revenues		3,777	100.00	4,231	100	4,193	100	4,089	100	3,702	100

1) Nature of Product

PRANDA's products has categorized into 2 groups as follows:

1.1 OWN BRAND MANUFACTURING (OBM)

Own Brand Manufacturing (OBM): OBM is divided into 2 categories: Precious Product, which is made from high value metal such as gold, and Lifestyle Product, which is fashion jewelry brand made from silver, brass or alloy.

Currently, the Company has positioned its own brand to capture mid - high level jewelry consumers in various regions. Major brands are

- **Prima Gold:** 99.9% pure gold jewelry, primarily for market in Asia and Middle East.
- **Julia:** Diamond with 18K white gold jewelry, primarily for Indonesian market
- **Merii:** Fashion Jewelry with Cubic Zirconia, primarily for Thai market
- **Cai:** Silver fashion jewelry, primarily for European market
- **Ariva:** Silver fashion jewelry, primarily for US market

Majority of jewelry under these brands are distributed by the Company's retail business. Others are channeled through own distribution subsidiaries or regional distributors and retailers.

1.2 ORIGINAL DESIGN MANUFACTURING (ODM)

Original Design Manufacturing (ODM): PRANDA has joined with its customers to design and manufacture the jewelry. The Company also channels its products through Direct Television, department stores, chain stores, catalogs, and website to its customers in US, Germany, UK, France, Spain, Australia, Russia and Japan.

In 2013, PRANDA was able to retain its potential customers in US and EU. The Company is confident that its market diversification and expansion to US, Europe and Asia will enable the Company to sustain its long term growth.

2) Market and Competition

2.1 Key Marketing Policies in 2013

2.1.1 Own Brand Manufacturing (OBM)

PRANDA Group intends to expand PRANDA retail network for its own brands to support a long-term sustainability. The major markets are Thailand, Indonesia and Vietnam. The key milestones in 2013 were as follows:

In Thailand, Prima Gold International, one of PRANDA's subsidiaries, launched a new concept of jewelry flagship store under the brand "PRIMA". The shop consists of three brands: Prima Gold, Prima Diamond and Prima Art. In September last year, PRIMA opened its first branch at Central Plaza Bangna. The new concept outlet was design with modern and luxurious style to serve the high-end customers.

In addition, Prima Gold has also launched a new brand to capture customers in early working age. Prima Gold also joined with Hello Kitty to launch a new 99.9% pure gold Hello Kitty limited collection. This collection was well received by the target customers.

In Vietnam, Pranda Vietnam has expanded its outlet in the mid to high end department stores, as well as introducing Prima Art brand at these department stores which were well received. By year end, Pranda Vietnam opened a new flagship store under the brand PRIMA in the key jewelry shopping area in Ho Chi Minh City, Vietnam. Prima Gold and Prima Art both were presented at this new store to capture high-end customers.

In Indonesia, Pranda Marketing Indonesia launched a new branch for the brand Julia, 18K gold with diamond jewelry, for customers in working age in the potential 2nd tier city. Moreover, the wedding band product was introduced and very well received.

As for the Century Gold brand, a 96.5% gold jewelry, the Company has ceased its operation in 2013 since the Thai 96.5% gold market was highly competitive. Thus, it was not worth investing in this business.

2.1.2 Original Design Manufacturing: ODM

For ODM products, PRANDA was focusing on maintaining its existing customer bases in US and Europe. In 2013, US market continued to grow, while the recession in EU economy had affected the Company's revenue. Nonetheless, PRANDA has introduced a global distribution base strategy to diversify its market risk as well as expanding its market.

Revenue Structure: Domestic and Overseas

	Year 2013		Year 2012		Year 2011		Year 2010		Year 2009	
	Revenue	%	Revenue	%	Revenue	%	Revenue	%	Revenue	%
Revenue from Overseas Markets	2,825	77.42	3,043	72.85	3,286	79.72	3,376	83.23	3,018	82.37
Revenue from Domestic Markets	824	22.58	1,134	27.15	836	20.28	680	16.77	646	17.63
Total	3,649	100	4,177	100	4,122	100	4,056	100	3,664	100

2.2 Industry Competitiveness

Gems and jewelry industry in Thailand depended mainly on export sector. It was ranked No.4 among Thai exports with the value of 10,085 US dollar or Baht 305,820 million. This reflected the excellent competitiveness of this industry in the global market.

Considering only real jewelry, Thailand was still a major producer for real jewelry. According to the net exporter data, Thailand exported real jewelry in an amount of Baht 107,968 million in 2013. 95% of real jewelry was imported in form of raw material to produce value added products for exporting. This underlined that Thailand jewelry industry could still sustain its competitive advantage in the global market.

The major competitors are China and India. The production in these two countries was labor intensive which was similar to Thailand. However, quality of Thai gems is far better than those in China and India. To avoid the competition, which may become more intense in the future, the jewelry industry has to transform from OEM to ODM due to the fact that ODM allowed for sustainability of customer base. ODM also changed the form of competition from price base to quality base.

Industry Trend and Competition

Gems and jewelry exporters mostly are small and medium enterprises (SMEs) with market share of nearly 80%. Considering only real jewelry exporters, there are more than 900 companies. The real jewelry export is ranked No. 4 among all exporters.

PRANDA still holds a high level of competitive advantage due to its various production operations for manufacturing of gold and silver jewelry, as well as, its flexibility to handle various types of customers' orders. In addition, PRANDA also owns a Design & Product Development Center, which enables the Company to shorten the production time and efficiently respond to the customers' need.

PRANDA's overseas Distribution Operation in US, Europe and Asia allows PRANDA to continuously access new market. Its Retail Operation under its own brand allows the Company to diversify its market risk as well as explore for a potential market.

Since there are many jewelry business operators, the competition in this industry tends to be more intense in terms of price and quality. Thus, producer has to increase productivity, look for new market, as well as, develop its retail business to diversify risks.

3) Product procurement

3.1 Procurement of products

The Company utilizes a mass production for silver product. For High & Medium "Gold Handicraft", PRANDA employs skilled artisan with using of modern technology machinery. The Company has developed technology which enhances jewelry's beauty and durability. Meanwhile, its production process incurred with a very low loss rate.

PRANDA's production and sales were seasonal. It depended on customer's demands which were highest during Christmas and New Year. This seasonal demand did not have any adverse impact to the Company's operation as its production is well planned. The Company and its subsidiaries' quarterly sales during 2011–2013 were as follows:

Quarter	2013		2012		2011	
	Million Baht	%	Million Baht	%	Million Baht	%
1	971	27	966	23	955	23
2	760	21	876	21	797	20
3	988	27	1,106	26	1,126	27
4	930	25	1,229	30	1,244	30
Total	3,649	100	4,177	100	4,122	100

Production Capacity and Actual Production (For the last 5 years)

Production Base	Capacity Million Pieces				
	2013	2012	2011	2010	2009
In Thailand					
Bangna Plant, Bangkok	2.40	2.40	2.40	2.40	2.40
Plant in Suranaree Industrial	4.50	4.50	4.50	2.00	2.00
Crystalline Plant	2.00	2.00	2.00	2.00	2.00
Overseas					
Pranda Plant in Vietnam	0.50	0.37	0.67	0.67	0.40
Pranda Plant in Guangzhou, China	0.00	0.136	0.13	0.15	0.15
Pranda & Kroll Plant in Germany	0.042	0.042	0.04	0.04	0.03
Total	9.44	9.45	9.74	7.22	6.98

Raw Materials and Suppliers

Unit: Million Baht

Raw Material	2013	2012	2011	2010	2009
Overseas :-					
Gold	498	639	517	551	506
Silver	-	6	-	-	-
Alloy	-	-	-	3	2
Components	41	31	34	36	37
Gems	74	56	47	47	78
Others	50	58	64	71	87
Total	663	790	662	708	707
Domestic :-					
Gold	242	260	283	181	52
Silver	377	410	605	499	415
Alloy	2	3	3	2	1
Components	5	11	12	5	4
Gems	295	309	297	326	271
Other	101	94	77	113	96
Total	1,022	1,087	1,277	1,126	839
Overalls	1,685	1,877	1,939	1,834	1,546

Raw material Usages

	2013	2012	2011	2010	2009
Overseas Raw Material (%)	39	42	34	39	46
Domestic Raw Material (%)	61	58	66	61	54
Total	100	100	100	100	100

The procurement of raw material will be conducted through various suppliers. The Company will purchase not more than 30% of raw material from each supplier. This allows the Company to have a good relationship with its suppliers as well as lower the risk in case there is a change or loss of any particular suppliers.

3.2 Environmental Impacts from production processes or waste disposal

The Company has no record of environmental abuse. Jewelry industry normally does not cause any environmental impact as the companies reuse the raw material and waste from production process. In addition, PRANDA was chosen to be the workplace with good hygiene, safety and pollution-free. The Company was certified by Department of Health, Bangkok, to be a nice workplace to be in on Monday, June 17, 2002 at the Conference room, 2nd floor, Bangkok Youth Center (Thai-Japan), Din Daeng.

4) Undelivered Goods

Consisted of goods in transit and work-in-process goods

Risk Factors

Risk factors for gems and jewelry industry

In 2013, Thai gem and jewelry industry has suffered a trade deficit for three consecutive years. The value of deficit reached Baht 249,000 million due to the value of imports higher than the value of exports. This enormous amount of trade deficit incurred as a result of the imports of gold worth of Baht 456,628 million or 82.3 % of total imports. However, considering only exports and imports excluding gold, Thai trading incurred a surplus of Baht 107,968 million, which suggested that Thai gems and jewelry industry was still very competitive in the global arena.

The key risk factors for gems and jewelry industry consisted of a slow recovering of key partners, together with, a high uncertainty in economy of the European Union, which was No.2 market for Thai the export, while US was No.3 and India was No. 5. Other key factors are the banning of gold jewelry imported from Thailand which was exempted from import tariffs under free trade (FTA) Thailand – India. Under this agreement, the value of raw material and production cost incurred in Thailand has to be not less than 20% of total product value. Therefore, as China and Malaysia has transferred their products via Thailand to India, the condition on the country of origin was distorted.

As a result of Quantitative Easing 3 (QE 3) Policy of the US Federal Reserve and the projection that the economy of the European Union will recover, Baht has been fluctuated causing a disruption in customer orders. Also, the fluctuation in price of gold and silver has affected the demand–supply of jewelry market worldwide.

Pranda Jewelry PCL. was well aware of both internal and external risks. The Company has apportioned the Financial Committee to monitor the Company's risk management. Details on major risk factors and risk management were as follows:

Risk factors that affect the Company's operation

1. Strategic Risk

As a result of the market diversification among market in US, Europe and Asia, revenues from sales might be deviated from the set target. Meanwhile, the profit projection might be differed from the agreed budget due to an uncertainty in global economy.

To cope with these situations, PRANDA has held a World Strategic Meeting annually to review the Group's direction and strategies to ensure that they are still up to date with the current world economic situation and the market condition in each country. Every company under PRANDA Group has to prepare a Strategic Action Plan for the following year and a 5-year plan with complete details, including goal, Key Performance Indicators (KPIs), marketing plan, financial and investment plan, as well as an action plan. The Group's performance will be reported to the Finance Committee for acknowledgement at least once every quarter. The business plan may be revised to ensure that the plan is still up to date and the Group's performance is in line with the set goal.

In 2011, the Company has adjusted its management structure to be consistent with its strategic plan. The restructuring will lead to a systematic assessment of the investment plan and allow for problem solving in a timely manner. The major goal of this operation is to reduce the Group's risk and increase return on investment (ROCE).

2. Operational Risk

2.1 Risk from personnel shortage

As the Company aims at expanding its own brands and retail business in both Europe and Asia, requirement in product design for each country may be varied. Consequently, the Company may face with a shortage in experienced staff in many fields, including marketing, design, production and R&D.

PRANDA has managed its personnel risk as follows:

- To be able to continuously provide skilled craftsmen to the plant, PRANDA, joined with the Department of Vocational Education, Golden Jubilee Royal Goldsmith College and Bangkok Arts and Crafts College, has established a dual education system school within the plant. Each year, more than 100 students has enrolled into the jewelry program under the vocational education curriculum. Once the students are graduated, they will be recruited as a full-time employees at the Company. This project has been carried on for the past 13 years.
- To be able to keep the employees with the Company in the long run, PRANDA has provided the following benefits to its employees:
 - Financial benefits includes saving cooperative to encourage its employees to save money, staff loans and provident fund, etc. In 2013, the Company, together with the Government Housing Bank, has provided a long-term housing loan for its employees at a lower interest rate than the rate offered from the commercial banks.
 - Knowledge building benefits includes libraries, internet room, internal and external training courses.
 - Health benefits includes aerobic and yoga classes.
 - Quality of life benefits includes free housing, free meal and, Child Care Center.
 - Financial Aids for wedding, child birth, parents' death, in-patient medical care (on top of the fund provided by the social security), group life insurance, annual physical checkup, etc.
 - Morale welfare includes incentives, the annual banquet, retirement party and sport day, etc.
- In term of personnel development, the Company has prepared a proactive personnel development plan by using KPIs and competency test. As a result, the recruitment process, training and assessment process will be more efficient as well.
- To cultivate a decent corporate culture, PRANDA has initiated three core values, Teamwork, Continuous Improvement, and Stakeholder Focus, for its employees to incorporate into their day-to-day works. The Company believes these core values are the foundation for its long-term sustainability.
- In order to comply with the international labor standards and well received by foreign customers, the Company has brought in the Thai Labor Standards to enhance its operation, including providing safe workplace, good hygiene, preventing of human rights violations, and promote fairness for everyone.
- PRANDA has adopted the ISO9001:2008 to enhance its operational efficiency as well as to build trust from both domestic and international customers. Currently, the Company has passed the assessment by the Bureau Veritas Thailand and was certified by the United Kingdom Accreditation Service (UKAS) on September 3, 2013. This certification will last for three years.

2.2 Risk from fluctuation of raw material price

Even though the global economy starts to recover, however it still posts a sign of uncertainty. Consequently, the gold and silver price has been continuously fluctuated as they are main raw material for real jewelry production.

PRANDA has managed the risk incurred from raw material price fluctuation as follows:

- Regarding raw material price: The Company pass through the actual raw material price to the customer, thus the Company will not have any gain or loss on raw material no matter which direction the price goes.
- The Company has signed a forward contract with the financial institution to guarantee the future price.

3. Financial Risk

Majority of PRANDA's revenues are in foreign currency, including US Dollar and EURO. The fluctuation of exchange rate may impact the Company's revenues and profits. Other financial risks comprise risk from timely debt collection, risk from interest rate changes according to market condition and risk from cancellation of bank loan.

PRANDA has managed its financial risk under prudent monetary policy as follows:

- Use alternative financial instruments, including forward contract and natural hedge to prevent the risks.
- The Company has conducted a credit check of its existing and new customers based on their performance and financial status. Debt collection process is closely monitored. PRANDA also reviews customers' credit line on a regularly basis. In curtain case, customers may be requested to put some deposit on the order before the order is processed.
- The Company has acquired revolving loans from several banks to avoid loan cancellation. In addition, PRANDA also tries to maintain its debt to equity ratio (D / E) to be less than 1 times in order to reduce interest expenses and fluctuation that may incur in the future.

General Information and Other Important Information

1. Other Information

Head Office and Branch Office

Company Name	Pranda Jewelry Public Company Limited		
Symbol	PRANDA		
Core Business	Production and distribution of retail of fine jewelry		
Head office	28 Soi Bangna-Trad 28, Bangna, Bangkok 10260 Thailand		
Registration	0107537001986		
Telephone	+66 2769 9999		
Fax	+66 2769 9998		
Registered Capital	410,000,000 THB		
Paid Capital	409,144,800 THB		
Home Page	www.pramda.com		
Responsible Person	Mrs. Sunanta Tiasuwan	Email : Sunanta@pranda.co.th	
	Mr. Pramote Tiasuwan	Email : pramote@pranda.co.th	
	Mrs. Pranee Khunprasert	Email : pranee@pranda.co.th	
Branch Office	332-333 Suranaree Industrial Zone, Muang Nakhonratchasima, 30000 Thailand.		
Core Business	Production of fine jewelry		
Telephone	+66 044 212 593-4		
Fax	+66 044 334 718		
Responsible Person	Mr. Somsak Sriruengmon		
Email	Somsak_s@pranda.co.th		

2. The Company's Shareholding Exceeded 10% of Paid Capital. (December 31, 2013)

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, distribution and retail of fine jewelry.	100	USD 1.50 Million	USD 1.50 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.	75	EUR 14.96 Million	EUR 14.96 Million
Primagold International Co., Ltd. No. 1093/64 12th Floor, Central City Bangna Tower, Bangna-Trad Rd., Bangna Sub-district, Bangna District, Bangkok 10260 Telephone +66 2745 6111 Fax +66 2745 6117 Home Page: www.primagold.co.th Responsible Person: Ms. Rungnapa Ngowngamratana Email: rungnapa@primagold.co.th	Jewelry retail in Thailand.	100	THB 200 Million	THB 200 Million
PT Pranda Marketing Indonesia ([has power of control and own more than half of voting power by Primagold International Co.,Ltd.) JL.I Gusti Ngurah Rai No.1, Jakarta 13420, Indonesia Telephone +62 21 819 9280-2 Fax +62 21 819 9223 Responsible Person: Mr. Kenny Salmon Email: Kenny_salmon@yahoo.com	Jewelry retail in Indonesia.	55	-	-

Company Name / Address	Business	% of Holding	Registered Capital	Paid-up Capital
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 UK and Europe.	100	GBP 0.5 Million	GBP 0.5 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 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. Prida Tiasuwan (Acting) Email: prida@pranda.co.th	Jewelry retail in China	100	USD 2.0 Million	USD 0.3 Million

Company Name / Address	Business	% of Holding	Registered Capital	Paid-up Capital
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	Investment 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
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. Naraen M Tejawani Email: naraen@pranda.co.in	Distribution of fine jewelry in India.	51	INR 1 Million	INR 1 Million
P.T.Sumberkreasi Ciptalogam (Formerly known as P.T. Pranda SCL Indonesia) JL.I Gusti Ngurah Rai No.1, Jakarta 13420,Indonesia Telephone +62 21 819 9280-2 Fax +62 21 819 9223 Responsible Person: Mr. Johnny Salmon Email: Johnny@prandascl.com	Production and distribution of fine jewelry.	19	IDR 4,000 Million	IDR 4,000 Million
KZ – PRANDA Co., Ltd. No. 75/51 Ocean Tower 2 Condominium Building 24th 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. Heechan Song Email: hcsong@koreazinc.co.kr	Import and distribution of silver and pure gold fine and bars.	40	THB 30 Million	THB 9 Million

Company Name / Address	Business	% of Holding	Registered Capital	Paid-up Capital
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

3 Other Reference Persons

Securities Depository	Thailand Securities Depository Co., Ltd. 62 The Stock Exchange of Thailand Building, Rachadapisek Road, Klongtoey, Bangkok 10110, Thailand	Telephone +66 2229 2800 Fax +66 2654 5427 TSD Call center +66 229 2888 Email: TSDCallCENTER@set.or.th www.tsd.co.th
Auditor	EY Office Limited (Formerly known as Ernst & Young Office Limited) 33rd Floor, Lake Rajada Office Complex 193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110	Telephone +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	Telephone +66 2264 8000 Fax +66 2657 2222 www.weerawongcp.com

Other Important Information

-None-

Shareholders

1. List of Major Shareholders

(a) Top ten major shareholders as of the closure date of the register book on 27 December 2013 are as follows:

List of Major Shareholders	No. of Shares	Shareholding Percentage
1. Founding family	134,341,480	32.84%
Mr. Prida Tiasuwan	21,996,420	5.38%
Ms. Pittaya Tiasuwan	17,930,960	4.38%
Mrs. Panidda Tiasuwan	16,288,560	3.98%
Mrs. Pranee Khunprasert	10,176,860	2.49%
Mrs. Prapee Sorakraikitikul	9,876,860	2.41%
Mr. Pramote Tiasuwan	9,280,560	2.27%
Mrs. Ratchara Pornrungrroj	9,042,360	2.21%
Mrs. Sunanta Tiasuwan	2,700,500	0.66%
Children of founders	22,605,500	5.53%
Pranda Holding Co., Ltd. ^{/1}	14,442,900	3.53%
2. CITIBANK NOMINEES SINGAPORE PTE LTD-UBS AG LDN BRANCH A/C CLIENT NRBS	18,309,200	4.47%
3. STATE STREET BANK AND TRUST COMPANY	12,732,300	3.11%
4. GOLDMAN SACHS & CO	11,644,700	2.85%
5. THE BANK OF NEW YORK MLLON	10,288,300	2.51%
6. Bualuang Siriphol Corporate Governance	9,435,800	2.31%
7. Bualuang Siriphol Corporate Governance RMF	5,990,500	1.46%
8. Mr. Pitak Pisetsit	4,020,000	0.98%
9. HSBC PRIVATE BANK (SUISSE) SA	3,529,300	0.86%
10. CITIBANK NOMINEES SINGAPORE PTE LTD-HOST-PLUS PT LTD-HOPTPLUS SUPERANNUATION FUND-PARADICE GLOBAL SMALL CAPS	3,416,700	0.84%
Total	213,708,280	52.23%

Note: ^{/1} Pranda Holding Co., Ltd.'s shareholders are as follows:

List of Shareholders		No. of Shares	Shareholding Percentage
1. Ms.Juranee	Tiasuwan	200,000	20%
2. Mr. Pitipong	Tiasuwan	170,000	17%
3. Mrs.Pranee	KhunPrasert	120,000	12%
4. Mrs.Prapee	Sorakraikitikul	110,000	11%
5. Mr.Pramote	Tiasuwan	110,000	11%
6. Mrs.Panidda	Tiasuwan	100,000	10%
7. Ms.Pittaya	Tiasuwan	100,000	10%
8. Mr.Chaisak	Saktanaset	50,000	5%
9. Mr.Manat	Barameechai	20,000	2%
10.Mr. Christopher	Catansaero	20,000	2%
Total		1,000,000	100%

(b) There is no major shareholder who has a power to determine significant management or operating policy of the Company.

- The Company is not engaged as a holding company.
- The Company has no agreement with its major shareholder on the matter having an impact on the offering for sales of securities and the management of the Company.
- The issuance of other securities includes warrants.

On 18 April 2008, the Annual General Meeting of Shareholders of the Company resolved to approve the issuance and offering for sales of the warrants to purchase ordinary shares of the Company in registered form and non-transferable to be allotted to directors and employees of the Company and/or subsidiaries under ESOP Project, in the number of 14,251,410 units. The warrants will be issued free of charge and the exercise price is 3 Baht per 1 unit at the exercise ratio of 1 unit of warrants for 1 ordinary share. The term of warrants shall be 5 years from the issuance date and the exercise period is every 6 months. On 11 February 2009, the Company's Board of Directors' meeting no. 2/2552 resolved to allocate the warrants and determine the issuance date of the warrants to be on 27 February 2009, and the first exercise date on 28 August 2009 and the last exercise date on 27 February 2014.

As of 31 December 2013, the remaining number of warrants to purchase ordinary shares was as follows:

	(No. of Unit)
Balance as of 1 January 2013	3,246,446
Number of exercised warrants during 2013	(2,862,246)
Balance as of 31 December 2013	<u>384,200</u>

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 to 2013 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

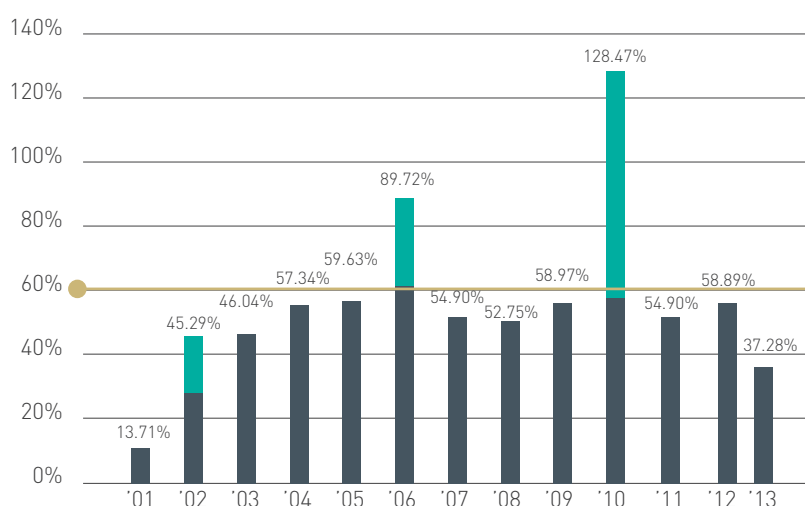
Year	Net profit (million baht)	% of dividend payment	Dividend pay-out (million baht)	Number (million shares)	Dividend per share (baht)
2010	343.79	58.33	200.54	401.09	0.50
Interim dividend from the profit for period at the nine-month period ended 30 September 2011	408.03	9.88	40.33	403.33	0.10
2011	441.14	45.76	201.86	403.71	0.50
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	414.27	49.08	203.33	406.66	0.50
2013 ³	219.73	37.28	81.9	409.52	0.20

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 2013, the Company's Board of Directors had a resolution to approve the dividend payment in the rate of Baht 0.20 per share, will pay to shareholders after the Annual General Shareholders' Meeting had a resolution to approve on April 21st, 2014.

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



Pranda's maximum
Annual Dividend Payment
59.63%
of the net profit from separate
Financial Statements

■ Extra Dividend ■ Annual Dividend

Management Structure

1) The Board of Directors

The Company's Board of Directors as at December 31, 2013 is composed of ten directors including Independent Directors, management 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:

Name		Position	Date of office ¹
1. Mr. Prida	Tiasuwan	Chairman	22 April, 2013 ²
2. Mrs. Prapee	Sorakraikitikul	Director	22 April, 2013 ²
3. Mrs. Sunanta	Tiasuwan	Director / Chair of Group Executive Committee / Chair of Group Finance Committee	20 April 2011
4. Mrs. Pranee	Khunprasert	Director	20 April 2011
5. Mr. Pramote	Tiasuwan	Director / Chair of Group Corporate value Committee	20 April 2012
6. Mrs. Panidda	Tiasuwan	Director	20 April 2011
7. Mrs. Pittaya	Tiasuwan	Director	22 April, 2013 ³
8. Mr. Verachai	Tantikul	Independent Director / Chair of the Audit Committee	20 April 2012
9. Mrs. Sarita	Bunnag	Independent Director	22 April, 2013 ²
10. Mrs. Rawittha	Pongnuchit	Independent Director	14 August, 2012

Note: ¹ Date in office is the term for holding office by the whole panel of directors according to the term stipulated in the Company's regulations.

² The 2012 annual shareholders' meeting held on April 22, 2013 had resolutions to re-appoint the following directors including, Mr. Prida Tiasuwan, Mrs. Prapee Sorakraikitikul and Mrs. Sarita Bunnag

³ The 2012 annual shareholders' meeting held on April 22, 2013 had resolutions to appoint a new director.

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

Scope of Responsibilities of the Board of Directors

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).
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.

Meeting participation of the Board of Directors and Sub-Committees is as follows:

Directors		Meeting attendance/ Total meetings (times)					
		The Board of Directors Totaling 14 times	Group Executive Committee Totaling 10 times	Audit Committee Totaling 4 times	Nomination and Remuneration Committee Totaling 2 time	Group Finance Committee Totaling 4 times	Group Corporate Values Committee Totaling 4 times
1. Mr. Prida	Tiasuwan	11/14					
2. Mrs. Prapee	Sorakraikitikul	14/14	9/10		2/2	4/4	
3. Mrs. Sunanta	Tiasuwan	14/14	9/10		2/2	4/4	
4. Mr. Pramote	Tiasuwan	14/14	10/10		2/2	3/4	4/4
5. Mrs. Pranee	Khunprasert	14/14	10/10		2/2	4/4	
6. Mrs. Panidda	Tiasuwan	14/14			2/2		
7. Mr. Verachai	Tantikul	14/14		4/4	2/2		
8. Mrs. Sarita	Bunnag	14/14		4/4			
9. Mrs. Rawitha	Pongnuchit	14/14		4/4			
10.Ms. Pittaya	Tiasuwan		8/10			4/4	
11.Mr. Decha	Nunthanacharoenkul		10/10			4/4	
12.Mr. Chartchai	Theekaveerakit		10/10				0/4
13.Mr. Chanat	Sornkraikittikul		9/10			4/4	
14.Mr. Dusit	Chongsuthanamane					4/4	
15.Mr. Somsak	Srireungmont						1/4
16.Mrs. Niraratana	Thanalekhapattana						3/4
17.Mrs. Chavee	Jarukornvasin						4/4
18.Ms. Sasisopa	Wattakeecharoen						4/4
19.Ms. Suphorn	Rungpittayathorn						2/4
20.Mr. Kanching	Devahasdin Na Ayudhaya						3/4

Remark

- 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.

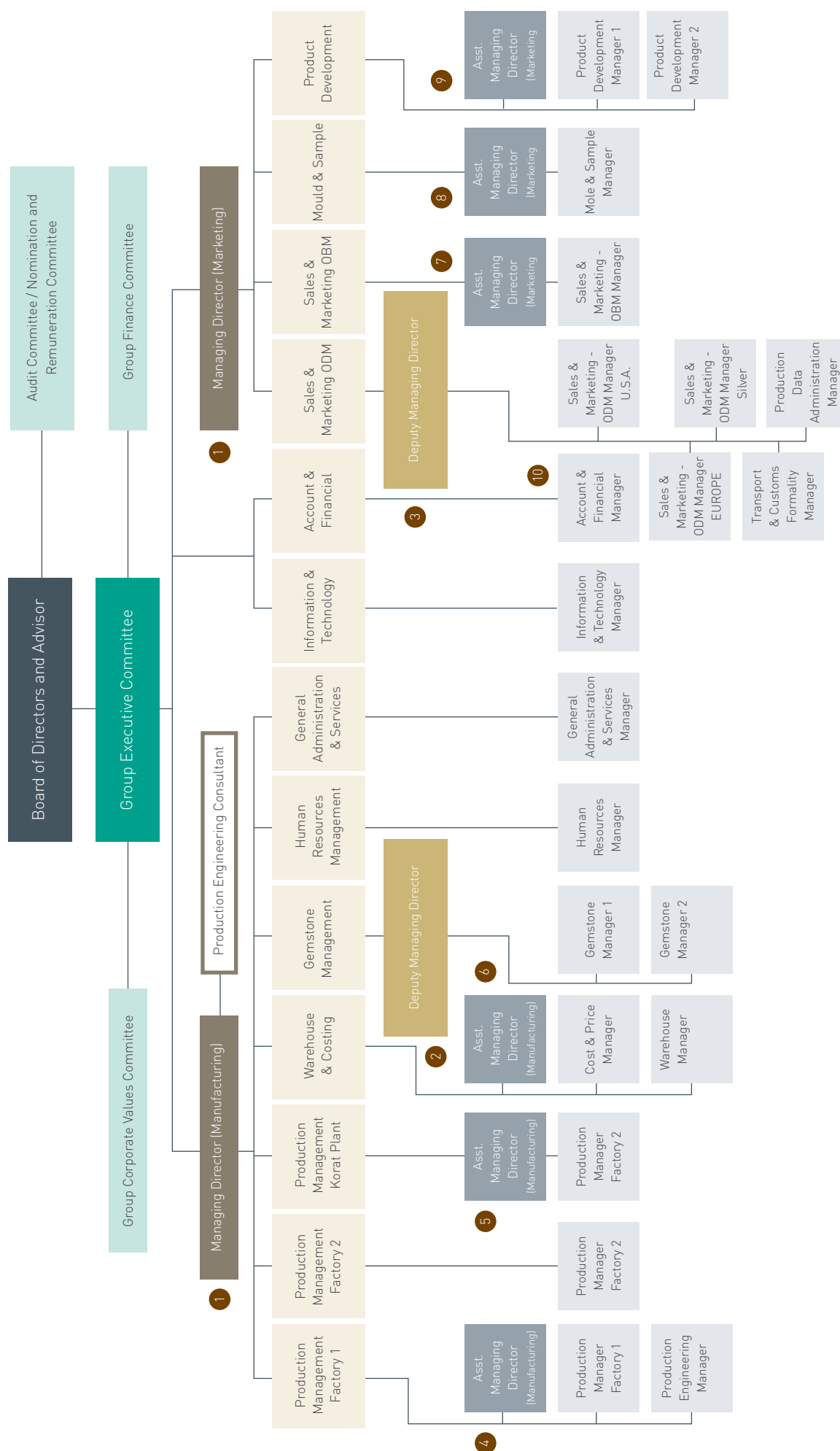
2. Executives

Name of executives^{/1} as at December 31, 2013 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	Wattakeecharoen	Assistant Managing Director (Marketing)
7. Mrs. Nirarat	Tanalekhapat	Assistant Managing Director (Marketing)
8. Mrs. Chawee	Jarukornvasin	Assistant Managing Director (Manufacturing)
9. Mr. Somsak	Srirueangmon	Assistant Managing Director (Manufacturing)
10. Ms. Suporn	Rungpitayatorn	Assistant Managing Director (Manufacturing)
11. Mr. Thanes	Panjakrid	Accounting and Finance Department Manager

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

Internal Management Structure of Pranda Jewelry PCL.



3. The Corporate Secretary: Mr. Dusit Chongsutthanamanee

The Board of Directors appointed Mr. Dusit Chongsutthanamanee as the Corporate Secretary on December 19, 2008 which 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.

4. Remuneration of Directors and Executives of the Company

1. Remuneration to Executives. Remuneration in the form of cash between January 1, 2013 and December 31, 2013.

(A) Remuneration to directors^{/1}

(Unit: Million Baht)

Name		Salary / Bonus	Position's Allowance	Total
1. Mr. Prida	Tiasuwan	5.312		5.312
2. Mr. Verachai	Tantikul		0.778	0.778
3. Mrs. Sarita	Bunnag		0.727	0.727
4. Mrs. Rawittha	Pongnuchit		0.529	0.529
5. Mrs. Panidda	Tiasuwan	1.410		1.410
6. Mrs. Prapee	Sorakraikitikul	2.145		2.145
Total		8.867	2.034	10.901

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

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

	Type	No. (person)	Amount (Million Baht)
Executive Directors and Executives	Salary and Bonus	12	26.143

- Note:
1. Four 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 2013, 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	0.180
2. Mrs. Panidda	Tiasuwan	0.048
3. Mrs. Prapee	Sorakraikitikul	0.113
Total		0.341

(B) Executive directors and executives

	No. (Person)	Amount (Million Baht)
Executive directors and executives	12	0.838

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
3. Mrs. Prapee	Sorakraikitikul	0.70	4.91
Total		2.10	14.73

(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	6	3.36	23.58

Corporate Governance

The Company is determined to conduct business on the Good Corporate Governance principle. The Company has educated and encouraged employees to practice good and ethical conducts. The Company has conducted business responsibly and has respected shareholders and all stakeholders fairly by stipulate Good Corporate Governance Policy in writing since 2000. This policy is a framework for the Board of Directors, management and all employees to practice in all level of businesses regularly to create a commonly good corporate culture within the organization. These practices include equality of treatment among stakeholders, working honestly, full and transparently for the best interest of the Company. These practices will help ensure confidence for shareholders, investors and other stakeholders. The Board of Directors has ensured that the Company is operating according to the Good Corporate Governance Principle of the Stock Exchange of Thailand and regulation stipulated by the Office of Securities and Exchange Commission and Capital Market Supervisory Board to ensure international standard of corporate governance and to create efficient management for sustainable business growth.



From such determination, the Company has been evaluated **“Excellent”** for Corporate Governance Report of Thai Listed Company 2013 from a corporate governance survey conducted by Thai Institute of Directors. Pranda Jewelry PCL. is one of 87 listed companies that scored Excellent, from a total of 526 companies under assessment. Such recognition reflect the Company’s determination to promote Good Corporate Governance Practice, which is the key measure to indicate that the Company has efficient organization management that can sustainably create shareholders’ value.

The Company is committed to the Good Corporate Governance Policy and has reviewed and reinforced the related policy every year. On 25 February 2013, the Company’s Board of Directors approved the revision of “Corporate Governance Manual” (3rd Edition). The revision has classified Good Corporate Governance into five areas according to the Good Corporate Governance for Listed Companies guideline 2006 of the Stock Exchange of Thailand. The Company also included some key policies relevant to the Good Corporate Governance practice and distributed the handbook to every employee of the Company for strict compliance. The Company’s Good Corporate Governance Policies are as followed:

1. Corporate Governance Policy

The Board of Directors of the Company had determined a written Good Corporate Governance policy in the “Corporate Governance Manual, the 3rd Edition by determining the framework for the Board of Directors, Executives and all employees to follow. The suggestion for the Good Corporate Governance, the execution follow-up, as well as informing the hints and the protection mechanism of the informant are included in the manual. The manual is divided into 3 key parts, namely, Part 1 the Corporate Governance principles, Part 2 Business ethic, and Part 3 Important policies and other regulations relevant to the Corporate Governance principles.

The Corporate Governance principles of the Company are in accordance with His Majesty the King's self-sufficiency philosophy with the royal remark for sustainable development. The philosophy focuses on the balance and readiness to quick changes which places an importance upon knowledge usage with carefulness and morality which are the same as the Company's 8 fundamental principles, including:

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 all related parties;
6. Business Ethics
7. Vision to Create Long Term Value to the Company;
8. Corporate Social Responsibility

2. Sub-Committees

The sub-committees structure comprises of Group Executive Committees, Audit Committees, Nomination and Remuneration Committees, Group Finance Committees and Group Corporate Value Committees, whose scope of responsibilities and functions are as follow:

1. Group Executive Committees

Group Executive Committee comprised of seven members, four of which are from the Board of Directors the rest three are selected from persons who are knowledgeable and specialized in the industry. Names of the Board of Group Executive Committee members are as follow:

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

Name of the advisor to the Group Executive Committees.

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

Scope of Responsibilities of the Group Executive Committees

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 relevant regulations and laws.
5. To consider and approve the position structure and salary structure as well as other benefits of the Company's employees and endorse the management structure from the division level downward.

6. To consider and screen the Company's quarterly and yearly performance as well as budget and asset management prior to submission 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 achievement 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.

2. Audit Committees

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.

Presently the Audit Committees is comprised of three members; all of them are the Independent Directors. Their term of office is one year. The Company's Board of Directors would appoint the Audit Committees and assign the internal audit department's manager to act as the Audit Committee's secretary. Names of Audit Committees members are as follow:

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 specialist

Qualifications

1. They are appointed by the Board of Directors or shareholders.
2. An entire 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 operational decision of the company, parent company, subsidiaries, affiliates, or juristic persons, who may have the conflict of interest. They must not be directors of the parent company, subsidiaries, and affiliates of other listed companies.
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 Committees

1. To ensure the accuracy and adequacy of the Company's financial report.
2. To ensure the Company's appropriate and the effective internal control and internal audit system, and to consider the independence of the internal audit unit as well as provide comments on the appointments, transfers, and removal of the head 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 accounting auditor and to propose remuneration of such persons. The Audit Committee will meet with accounting auditors without executive presence at least once a year.
5. To consider interrelated transactions and items which may cause and conflict of interest to make it compliant with laws and regulations of the Stock Exchange of Thailand to ensure that such transactions are made on reasonable basis and generates the greatest benefits to the company.
6. To prepare report on the Audit Committees and disclose it in the Company's annual report. Such report must be signed by Chairman of the Audit Committees. The report must feature at least of the following information:
 - 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 appropriateness of the accounting auditors.
 - E. Opinions on transactions which may cause any 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 Chairman of the Audit Committee deems shareholders and the public should 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.

3. Nomination and Remuneration Committees

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

Name	Position
1. Mr Veerachai 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 Committees:

1. Mr.Prida Tiasuwan
2. Ms Pittaya Tiasuwan

Scope of responsibilities of the Selection and Remuneration Committees

1. To propose criteria and guidelines in selecting the Company's Board of Directors, Group Executive Directors, Group Finance Committee 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 procedures of performance appraisal for high-ranking executives to the Board of Directors.
4. To evaluate the performance of the Company's Board of Directors, Executive Directors, Finance Committee 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.
6. To empower the chairman of the Nomination and Remuneration Committee to pursue operations to ensure the compliance with abovementioned roles and responsibilities in an efficient and effective manner.
4. To perform duties and responsibilities in compliance with the laws, rules and regulations as well as policies of the Stock Exchange of Thailand.
5. To authorize the Finance and Risk Management Committee chairman to supervise and ensure the compliance with the aforementioned responsibilities and duties with optimal efficiency and effectiveness.

4. Group Finance Committees

The Company's Board of Directors has approved the appointment of the Group Finance Committees on May 12, 2004. The resolution of the Company's Board of Directors on December 9, 2008 has approved 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 Committees

1. To acquire funding according to resolutions of the meeting of the Board of Directors to be used in the Group's business operation.
2. To analyze the potential investment project feasibility, risk and expected benefits and propose to the Company's Board of Directors for approval.
3. To control, supervise and analyze performance of the subsidiaries and potential investment projects for the Board of Director's consideration and improvement.

5. Group Corporate Values Committees

The 4/2557 meeting of the Board of Directors held on February 5, 20014 has resolved to appoint the Group Corporate Values Committee. The Committee comprised of one chairman and eight directors to promote and support the core values within the group. To achieve this goal, the Committee needs to promote the sense of participation of employees throughout the entire organization, formalize participative activities, improve activities on an ongoing basis, as well as to seamlessly apply activities and programs into real work environment and daily routine of the employee to emphasize the Group's corporate value. Name of the Group Corporate Values Committee members are as follows:-

Name	Position
1. Mr. Pramote Tiasuwan	Chairman
2. Mr. Somsak Srirueangmon	Director
3. Mr. Chartchai Teekaveerakit	Director
4. Ms. Nirarat Tanalekhat	Director
5. Mrs. Chawee Jarukornvasin	Director
6. Ms. Sasisopa Wattakeecharoen	Director
7. Ms. Suporn Rungpitayatom	Director
8. Mr. Kanching Devahastin Na Ayudhaya	Director
9. Mr. Pitiphong Tiasuwan	Director

Name of advisors to the Group Corporate Values Committees

1. Mr. Prida Tiasuwan
2. Mrs. Panidda Tiasuwan
3. Mr. Chainarong Jitmetta
4. Ms. Rungrapa Ngongamratana

Scope of Responsibilities of the Group Corporate Values Committees

1. To integrate the organization's vision into operational practices under the core values framework on the concrete and appropriate basis.
2. To promote and support the core values creation throughout the entire organization.
3. To systemize, administer, appraise and develop activities or programs which respond to the core values systematically as well as to support the application where 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 encourage them to share the same vision 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.

3. Selection and Appointment of Directors and Executives

1. Independent directors must have following qualifications
 - (A) They must not hold over than 1% of total voting shares of the Company, subsidiaries, and joint venture firms, and must not be a major shareholder or person who has controlling authority of the Company. This also includes shareholding of related persons of such independent director.
 - (B) They must not be or used to be Directors who had a part in management; employees, staff, advisors who earned fixed monthly salary. They must not hold controlling authority over the company, the parent company, subsidiaries and associated firm, or major shareholders of the Company.

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

- (C) They must not share the same bloodline or legitimate relationship as parents, spouse, sibling or sons and daughters as well as consort of sons/daughters of executives, major shareholders, persons with controlling authority or those who are proposed to become executives or those who have controlling 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 controlling authority of the Company in the manner that may obstruct their independent 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 characteristic for not fewer than two years before the date being submitted to the Office of Securities and Exchange Commission's approval.

Business relationship shall include normal business transactions such as 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 party for the amount more than 3% of net tangible assets of the company or more than 20 million baht, whichever is lower. The amount of the financial obligations can be calculated according to calculation method of connected transactions under the Announcement of Capital Market Supervisory Board

relating to the connected transactions. The obligation calculation shall include the amount of financial obligations of the parties which incurred one year before having such business relationship.

- (E) They should not be or used to be the accounting auditors of the Company, parent companies, and subsidiaries, joint venture firms, major shareholders or persons who have controlling authority of the Company. They shall not be partner of the accounting auditor where auditors of companies, parent company, subsidiaries, affiliated firms or person with controlling interest of the company. Unless they were free 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 professional service which include providers of legal and financial advisory services and earns service charges of more than two million baht per year from companies, parent company, subsidiaries, affiliated firms, major shareholders or persons who have controlling authority of the Company. They shall not be significant shareholders, persons having control over or partnership of the profession providers except they were free from such characteristics for not fewer than two years prior to the date being forwarded for approval from the Office.
- (G) They must 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 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 its subsidiaries.
- (I) They should not possess any other characteristics 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 controlling authority of the Company. Their ruling could be made in manner of collective decision.

2. Selection Process of Directors and Executives

1. **Selection of Directors** : The Nomination and Remuneration Committee will consider and select qualified candidate for directorship and propose to the Board of Directors to further 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 will be in accordance with the composition of the Board of Directors as stipulated in the Announcement of the Securities and Exchange Commission before proposing to the Company's Board of Directors Meeting. The Board meeting will appoint independent directors.
3. **Selection of High-Ranking executives** ^{/1} : The Nomination and Remuneration Committee will take responsibility for considering and selecting appropriate and qualified candidates based on their ability to support and strengthen business operation and competitiveness. The Nomination and Remuneration Committee will propose the appointment of such high ranking executives for the Board of Directors approval.

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

4) Managing Operations of Subsidiaries and Affiliates

1. Managing, supervising and taking responsibilities of subsidiaries and affiliates

According to the Company's regulation, in order to propose names and to vote appointing directors in subsidiaries and affiliates, such proposition and vote must receive approval from the Board of Director, whereby the proposition will be made from

the Board of Directors. The appointed person to be director in subsidiaries or affiliates has obligation to act in the best interest for their respective subsidiary or affiliate. Such director must obtain approval from the Company's Board of Directors prior to exercising such vote for the motion that, should it happen at the Company level, will also require Board of Directors' approval. In all, sending the Company's representative to represent the Company in any particular subsidiary or affiliate will be in accordance to the Company's shareholding in such company.

In case of subsidiary, the Company's appointed person must supervise the subsidiary to strictly comply to the regulation regarding to the information disclosure and connected transaction in regarding obtaining or disposal of assets, and make sure the record is complete and accurate. Such record will be made in similar standard to that was made with the Company. Such representative must keep complete record and book-keeping of such subsidiary to allow accounting verification, all within timeframe required for the Company to finalize financial statements.

The Company has determined PRANDA Group Financial Policy to manage the Company's subsidiaries and affiliates as follow:

1. Subsidiaries and affiliates must submit Annual Business Plan to the Company
2. Subsidiaries and affiliates must submit Annual Manpower Plan to the Company
3. Subsidiaries and affiliates must submit Annual Capital Expenditure Plan to the Company
4. Subsidiaries and affiliates must submit Annual Budget Plan to the Company

Those business plans must be submitted to the Board of Directors for approval with a submission deadline by October of every year. The Company's subsidiaries and affiliates must review and evaluate all those plans by April of the following year.

The Company's subsidiaries and affiliates must clarify these plans in written should the outcome different from the plan. Moreover, if the subsidiaries or affiliates want to make loan from any financial institutions, pledge guarantee or entering into any legally-binding obligation including appointing accounting auditor, such subsidiary or affiliate must obtain prior approval from the Company's Executive Board.

2. Agreement made between the Company and other shareholders to manage subsidiaries and affiliates

There is no special agreement in managing subsidiaries and affiliates, and the shared benefits are according with the shareholding.

5) 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 of power and responsibilities for the sake of personal gains or anybody's gains. They must not disclose confidential information of the Company for personal or anyone's gains without the due consent of the Company. They must not perform any actions that may result in the conflict of interests with the Company without first informing the Company. They must also not allow any outsider to get access to the Company's inside information which has yet to be disclosed to the public. Base on the above prohibitions, they must not trade the Company's shares for personal or anyone's gains. The Company will imposed penalty 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 obligation to report 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 any acquisition, disposal, transfer or receipt of the Company's securities. During 2013, the Company's Board of Directors has reported the shareholding by comparing an increase (decrease) between December 27, 2013 and December 28, 2012 as follows:

No.	Name		No. of shares (Shares)		No. of shares increase (decrease) during the period (Shares)
			27 December 2013	28 December 2012	
1	Mr. Prida	Tiasuwan	21,996,420	21,856,420	140,000
2	Mrs. Pittaya	Tiasuwan	17,930,960	17,870,960	60,000
3	Mrs. Panidda	Tiasuwan	16,288,560	15,948,560	340,000
4	Mrs. Pranee	Khunprasert	10,176,860	10,036,860	140,000
5	Mrs. Prapee	Sorakraikitikul	9,876,860	10,357,060	(480,200)
6	Mr. Pramote	Tiasuwan	9,280,560	9,140,560	140,000
7	Mrs. Sunanta	Tiasuwan	2,700,500	2,560,500	140,000
8	Mr. Chanat	Sorakraikitikul	390,000	340,000	50,000
9	Ms. Suporn	Rungpiayatorn	136,000	104,000	32,000
10	Mrs. Chawee	Jarukornvasin	42,000	36,000	6,000
11	Ms. Sasisopa	Wattakeecharoen	80,000	32,000	48,000
12	Mr. Somsak	Srirueangmon	32,000	64,000	(32,000)
13	Mr. Thanes	Panjakrid	50,000	30,000	20,000
14	Mr. Decha	Nunanajaronkul	10,000	-	10,000

Remark: 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 decline in number of shares were from the disposal and transfers of securities.

6) Auditor Remuneration

The Auditors of Pranda Jewelry PCL. were Mr. Narong Puntawong, Certified Public Accountant No. 3315 and/or Mrs. Chonlaros Suntasvaraporn, Certified Public Accountant No. 4523, and/or Mr. Supachai Phanyawattano, Certified Public Accountant No. 3930 from Ernst & Young Office Limited

The Company and subsidiaries paid Ernst & Young Office Company Limited following service fees for accounting year 2013:

Unit: Baht

	The Company	Subsidiaries
1. Audit fee	2,400,000	1,145,000
2. Fee for examine investment promotion certificate	120,000	-

7) Compliance with the Good Corporate Government in other areas

Section 1 The Shareholders' Rights

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, including the lawful basic rights such as receiving the Company's shares of profit, stock trading or transferring, attending the Shareholders' Meeting to vote for appointment or demotion of directors, determination the remuneration of directors, the appointment and remuneration of the accounting auditor and other matters which affect the Company.

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

The Board of Directors places an emphasis on organizing the Annual General Shareholders' 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. Therefore, the Company arranges regular Shareholders' Meeting to comply with the law and the guidelines in the AGM Checklist manual of the Thai Investors Association, the Thai Listed Companies Association, and the Office of Securities and Exchange Commission.

During 2013, the Company held one shareholders' meeting, the Shareholders' Annual General Meeting of 2012" on Monday April 22, 2013 at 14.00 hrs. The meeting was held at Suan Luang Room Novotel Bangna, Bangkok. The Company provided buses for picking up and dropping off investors during 12.00 – 13.30 hrs. at the meeting point at Phuti-Anant Sport Stadium, which is about 20 meters away from Bangna BTS station. The Company also provided an appropriate treat for attended shareholders as well as facilities to accommodate Shareholders' Meeting such as registration desk, computerized ballot counting, etc. Upon the Meeting's adjourn, participated shareholders were invited to visit the Company's operation.

Prior to the Meeting Date

With the resolution of the Meeting of the Board of Directors to schedule the Shareholders' Annual General Meeting 2013, the Company had provided adequate information for the shareholders' decision making with reasonable time before the meeting date. The Company implemented the following:

- The Company informed the meeting schedule and agendas to the shareholders through the electronic information communication system of the Stock Exchange of Thailand and the Company's website prior to the meeting from March 13, 2013, or 37 days prior to the Shareholders' Meeting date.
- The Company appointed the Thailand Securities Depository Company Limited (TSD), the Company's registrar, to send shareholders the invitation letter of the Shareholders' Annual General Meeting 2012 with meeting agendas on April 5, 2013. The invitation sending date was comply with the regulation stipulating that a listed company shall send the invitation letter to the shareholders at least 14 days prior to the Shareholders' Meeting date, so shareholders will have sufficient time to 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 22, 2013, or 31 days before the meeting date. The meeting invitation package comprised:
 - Facts, rationales, 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 who retired by rotation. 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 verification document, and voting procedures.

- Complete profile of Independent Directors whom the shareholders can appoint as proxies.
 - Meeting attending procedures
 - The Company's regulations which were specifically related to the shareholders' meeting
 - Map to the Shareholders' Meeting 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 form which is not complicated; Form B. proxy form with detailed agendas; and Form C. only for foreign shareholders who appoints custodians in Thailand as securities keepers.
 - Reply envelop to return the proxy form to the Company (in case the shareholders assign proxy to the Independent Director)
- Announcement and advertisement of meeting invitation had been in the newspapers on April 17-19, 2013, 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 regularly 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 until 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 2012, 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 "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 issued 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 agenda.

The Meeting Date

The Company had facilitated participated shareholders. The Meeting was conducted with transparency and could be verified. The Company also allowed shareholders to make inquiries and suggestions for each agenda.

- The Company focused on providing convenience for shareholders by providing transportation to pick up and drop off shareholders.
- The barcode registration and voting system were prepared for the shareholders' registration at least an hour ahead of the meeting and continue until the meeting is adjourned. The Company also provides appropriate souvenir and hospitality for participating shareholders.
- All nine Board members had attended the Shareholders' Meeting. Senior executive and accounting auditor also attended the meeting to clarify any questions and receive suggestion from shareholders.
- Before starting the meeting agenda, the Meeting Chairman will assign Managing Director to explain the meeting and voting procedures.
- The meeting was proceeded according to the agenda orders as indicated in the meeting invitation.
- The Company requires voting ballot count on agendas that required Shareholders' approval. For the director selection agenda, the vote will be made separately for each director to ensure transparency and traceability.
- The participating shareholders, after the meeting convened, have the right to vote in agendas of which was in consideration and the resolution has not been finalized.

- The meeting and voting of each agenda will be completely recorded.
- After the meeting adjourned, the Company had invited shareholders to visit the Company's business and facilities.

There were 150 participants who attended the Shareholders' Annual General Meeting 2012 both 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 2012, 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 2012.

The report of the Shareholders' Annual General Meeting of 2012 was made 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 authorized directors. The meeting report was submitted to the Stock Exchange of Thailand and the Office of Securities and Exchange Commission, 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 May 3, 2013 prior to the dissemination date of within 14 days after the meeting date as stipulated by law.

With the aforementioned proceeding, the Company was rated 99.25 points from 100 points, with the range of "Excellent" from the Evaluation of the Annual General Meeting (AGM) by the Thai Investors Association, the Thai Listed Companies Association, and the Office of 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 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. The Company will 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 must be used in every agenda, including the agenda of the appointment of the individual Director for transparency and verification.
5. To indicate the code of ethics for the usage of insider's information and the Company's securities trading to prevent the Directors, Executives, and employees from the access of the internal information for their own or others' benefits. The Company has informed everyone in the organization of the guideline and policy for operation with consistent follow-up measures.
6. The Board of Directors and Executives are obliged 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 transaction.

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 dated February 25, 2013 (3rd edition) which can be downloaded via www.pranda.com. In 2013, the treatment toward the stakeholders of the Company can be summarized as follows:

1) Respect the rights of the stakeholders

1.1 Shareholders

The Company is determined to be a good representative of the shareholders by performing business with transparency and creating the utmost satisfaction to the shareholders with the long-term growth of the Company with good and continuous return. The Company is determined 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 insider's information usage. Every year, the Company pays the dividend according to the Company's dividend payout policy of no more than 60% of the Company's net profit. 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, resulting in the higher payout ratio. During 2010, the Company's dividend payout ratio was especially high at 128% of net profits as the Company considers ratio based on the Company's free cash flow 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 and believes that human resource is the most crucial factor of the business operation. Thus, the Company ensures that employees receive continuous training and development. Under the supervision of the Group Corporate Values Committee, the Company promotes a total of nine development 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.



Apart from the aforementioned 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. The Company also provides annual health check and free meals for all levels of employees, etc. With those assistant programs, the Company's employee turnover rate is low. In this year, the turnover rate of the skilled employees is less than 2%. The Company strictly complies with The Thai Labor-Standard practice, and does not support any violation of the human rights, children labor, labor abuse, while the working environment must me pleasant, safe, and comply with the professional health principle with no discrimination and with respect to equality.

1.3 Customers

The Company equally treats all customers by providing high quality and reliable products and services with the implementation of the quality management system ISO 9001: 2008. The Company is determined to manufacture international standard gems and jewelry by professionals through the strict quality control process and on time delivery for the highest customers' satisfaction. With our attention for continuous improvement, the Company passed the quality evaluation from Bureau Veritas (Thailand) and was certified by UKAS from United Kingdom for three years.

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 dishonest. The Company strictly complies with contract and condition as agreed, and compliance with obligation to all creditors by following the condition stipulated in the loan contract and providing full disclosure of the actual financial status of the Company. The Company has determined the procurement policy to appropriately, fairly and efficiently performs business with the trading partners.

1.5 Competitors

The Company performs business under fairness competition without seeking for confidential information of competitors with dishonest and illegal means such as paying competitors' staff, etc. The Company will not destroy the competitor's name with false and unfair accusation or treatments.

1.6 Society

The Company performs the business with regards to community, society, and environment by continuously and intently raising awareness of social responsibility and environment among all levels of employees. The Company deems social responsibility as the crucial role of the Company and has stipulated the code of ethics. The Company's executive must support affairs that deems beneficial for society. The Company will not conduct any action that will damage country's name, natural resources and environment. The Company will not cooperate or support any person to conduct illegal business or threaten natural security. The Company also aims to educate the awareness of social responsibility toward the society and within the Company and all levels of the employees to strictly oblige with the relevant laws and regulations.

For 2013, 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 improved productivity. Apart from signing the Universal Declaration of Human Rights of the UN Global Compact, the Company also stipulated in the code of ethics concerning the respect of law and human rights principles which are included in the Corporate Governance Guideline (3rd edition), dated February 25, 2013.

3) Good labor practice and respect employee's rights

The Company has determined a good labor practice and respect for employee's rights to be consistent with the international labor standard. In 2013, the Company passed the evaluation based on BSCI (Business Social Compliance Initiative). The Company was also awarded a "2013 Outstanding Workplace" for outstanding labor relationship and employee's benefits from Department of Labour Protection and Welfare.

4) Enhancement of quality of life in the workplace

The Company has stipulated the labor policy to enhance quality of life in the workplace which is included in the Corporate Governance Guideline (3rd Edition). The practices to enhance quality of life in the workplace as follows:

4.1 Activities for employee knowledge development

1. Knowledge Center of Pranda Group

It aims to develop skill, knowledge and capability of executives and staffs to work with efficiency, visions, and ability to cope with the ever changing world. The project was organized by an academic committee who organized many courses in the past years such as economics, 10-year Production Vision Seminar, Step towards Architecture of Craftsmanship, English Course, Computer Course, IT Course, Gemology Course, Mold Formation and other courses. 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 Company's library offer book borrowing, catalog and internet searching services. The library contained more than 3,000 new books and more than 400 staffs borrowing books from the library a month. In addition, there are more than 10 computers with high-speed internet provided for employees and dependents of the Company and subsidiaries.

3. Innovation promotion

The project aims to encourage employees' creativity, modification of equipment and process to improve productivity and reduce costs. In each year, there are more than 100 project submissions for the contest. The awarded works were implemented to the Company's affiliated companies within Thailand and overseas.

4. Support transfer education system

The Company also promotes the education for the employees by utilizing the Company's venue for transfer education in the gemology to receive the Certificate of Technical Vocation and in the management to receive the certificate of Higher Vocational Certificate. There were already 4 classes with more than 100 graduates.

5. Scholarship

The Company's PRANDA Jewelry Group of Companies Saving Cooperative provided more than 62 scholarships, totaling Baht 83,000 to staff's children who are attending in primary school, vocational school, and undergraduate degree every year.

4.2 Activities for employees' financial support

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

The Company has established the Saving Cooperative for employees of Pranda Jewelry Group of Companies to encourage staffs to save money 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 90 million. In 201, the Saving Cooperative was rated "Excellent Cooperative Standard" by the Cooperative Promotion Office.

2. Debt restructuring and legal consulting project

This project is aimed to solve employees' debt problem and to provide legal consultant in regards to debt issue. This project has helped more than 350 employees with loan value more than Baht 55 million. This project receives support from external financial institutes, such as Islamic Bank of Thailand.

3. Other financial supports

The Company also provides other financial assistance to the employees such as mortgage loan, refinance loan, provident fund, selling products at low prices, funeral financial support for 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 the last 25 years to decrease the burden of child care 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. Staff dormitory

The Company provides a dormitory for the staff which consists of 3 buildings with 100 rooms for each building. The dorm is divided into men-only, woman-only, and family dormitories. There are about 1,000 employees staying in the dormitory.

3. Children's Day activities

In every year, the Company holds Children's Day activities 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. Provide 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 on the Company's premise
5. Arrange Safety week event
6. Arrange Sport Day

4.5 Activities to promote good workplace environment

1. The 7 standards project

The project aims to effectively utilize the natural resources, promote safety, protect environmental problem, and to develop cleanliness and tidiness 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-specific standard manual which are distributed to some companies within PRANDA group such as PRANDA (Korat branch) and PRANDA Vietnam Co, Ltd. The evaluation is performed every 3 months. The project will stimulate the monitoring and improvement of every area which helps reduce and prevent any loss.

2. Energy saving projects

For energy saving, the recycle bank is established to preserve environment and reduce global warming. The bank is operated by an additional task force to revise the recycle bank manual and promote the bank in order to encourage staffs 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 general plastic, PET, and glass bottles.

4.6 Activities for ethic development

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

1. The aims 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 during 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 staffs and has stipulated the policy about providing environmental training for them. 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 environment management. All levels of the executives will be responsible for program implementation and will be role models 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 regularly and intently educates all levels of staff with the awareness of social and environmental responsibility. Staffs should hold personal responsibility to society not to conduct any means to destroying the country's fame, natural resources and the environment. Staffs must not support or cooperate with any person who conduct illegal action or that could harm society or threaten 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 as a guideline. It is also a part of the sharing and returning benefits to the society projects. The details of the activities in 2013 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 intention to conduct business with transparency, compliance to the corporate governance, and will not support any form of corruption, directly or indirectly. 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 every transaction in every country and relating organization. In order to comply with the policy, the Company will consistently reexamine the operation procedures to ensure compliance to any change of the law, business, and to maintain the Company's reputation.

8) Whistle blowing and witness protection

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 action. In order to provide equal treatment to all stakeholders with fairness which is in compliance to the Good Corporate Governance principles, the Company has provided channels to receive clues, complaints, opinions or suggestions, to show that the complaint are affected or has risk of being affected that 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 unethical 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:

	E-mail	Telephone no.
Board of Director	board@pranda.co.th	0-2769-9923, 0-2769-9405
Corporate Secretary Office	cs@pranda.co.th	0-2769-9431, 0-2769-9403
Investor Relations	ir@pranda.co.th	0-2769-9431, 0-2769-9436
Public Relations	pr@pranda.co.th	0-2769-9494, 0-2769-9432

The Corporate Secretary is responsible for collection document from the aforementioned channels to summarize and propose to the Board of Directors for acknowledgement on quarterly basis. 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, timely, 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 equally receive the news and information of the Company. The Company's channels for information disclosure include:

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, etc.
2. Other public media – newspapers, magazines, and the Company's press release.
3. The Company's website www.pranda.com which are displayed in both Thai and English.
4. Information for the analysts and the investors upon visiting the Company.

In 2013, the Company had regularly provided information and held activities according to the communication plan which complied to the Company's business strategy and direction. With the priority being quality of information disclosure, the Company disclosed information through the following departments:

Corporate Communication Department has the duty to publicize and disseminate news, information, activities of the Company. In the previous year, the Company held 2 press conferences on business direction, 10 special management interviews on television programs, 24 interviews with various news agencies and 138 press releases. The Company also published quarterly Pranda Group Newsletter in both Thai and in English on the Company's website.

Corporate Secretary Office has a duty to disseminate information as stipulated by the regulations of the Stock Exchange of Thailand (SET) and the Office of Securities Exchange Commission (SEC) with accuracy, completeness, and transparency through the proper protocol. The office issued 30 news reports to the SET during 2013.

Investor Relations 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 regularly attended by the Company's top executives. Managing Directors and the relevant top executive will present the Company's operation result as well as providing additional information and

answering to questions during the analyst meeting. Investor and press can inquire about the Company's information from the investor relation department through following four channels.

Mr. Dusit Chongsutthanamee

Investor Relations

Pranda Jewelry Public Company Limited



28 Soi Bangna-Trad 28, Bangna, Bangkok
10260 Thailand



ir@pranda.co.th



02-769-9431, 0-2769-9436 (Direct Line) or

02-769-9999, 0-2361-3311 Extension 431, 436



0-2746-9351

In 2013, there were many important activities of the Company. Firstly, the Opportunity Day, hosted by the Stock Exchange of Thailand on March 25, 2013 and August 28 2013, which 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 arranged a total of 22 Company site visits that were attended by 88 investors. The Company hosted three conference call with 5 investors. The Company also discloses earning releases through 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, Thaistedcompany.com, and the Wall Street Journal
4. Webboard of the Thai Value Investor Association in Pranda Room at www.thaivi.org
5. Emails distribution of about 1,000 shareholders and fund managers

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 various 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 quarterly Management Discussion and Analysis (MD&A) to 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 Company has provided the corporate website is for the shareholders and general public to search for publicly disclosed information. The important informations on the website are 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 of Pranda Group of Companies
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 Director's Conflict of Interest

The Company stipulates the policy of the report of the Director's conflict of interest that all Directors and Executives shall report their or their related persons' conflict of interest to the Company according to 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 report 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 according to the disclosure requirement of the Office of SEC and the SET. The disclosed 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 suggestion from the Nomination and Remuneration Committee and shall be proposed to the Board of Directors prior to presenting to the shareholders' meeting for shareholders' 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 disclosed the names, roles, and duties of the Board of Directors and the Sub-Committees in the annual report under topic "Management Structure", including the meeting times and participations of each directors during 2013.

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. The guidelines for responsibilities of the Board of Directors are as follow:

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. The composition, qualification, and scopes and duties of the Board of Directors are 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 members. Presently, there are 3 Independent Directors. There are 10 members of the Board of Directors, consisting of 4 Executive Directors and 6 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 topic 3 "Director and Executive Selection and Appointment".

1.3 Election and term of service

At every annual ordinary meeting of shareholders, a-third of the Board of Directors will be retired by rotation. If such requirement could not be met, directors who would be retired during the first year and the second year after the Company's registration will be determined by drawing lots to find who would be first to retire. In the subsequent years, Directors who hold office for the longest period will be retired. Directors retired by rotation can be re-appointed in the following years. The directors, excluding independent directors, must retire at 72 years of age.

1.4 Directorship 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 Directorship 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 appointment resolution.

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

The Company has separated the position of the Chairman of the Board 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 of interest. The roles, duties and responsibilities are clearly separated as follows:

The Chairman of the Board has a duty as the strategic and supportive leader to encourage all members of the Board of Directors to cooperate in 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 and the Company, namely, arranging 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 relevant regulation 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 specific matters

The Board of Directors has appointed Sub-Committees which include knowledgeable experts to preliminarily screen assigned matters which lead to initial accuracy, clearness, and completeness prior to proposing to the Board of Directors for consideration or approval, 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 comprises of 4 Directors from 7 Executive Directors and other 3 non-Directors members. 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.

2.2 Audit Committee Audit Committee comprises 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 Stock Exchange of Thailand and relevant 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 acting as a chairman of the committee. 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 selected from experts with knowledge and expertise in funding, business analysis and risk management that may impact the Company's operation.

2.5 Group Corporate Values Committee The Group Corporate Values Committee consists of 1 Director of the Board and other 8 members are selected from executives of the Company and related companies to promote and connect the Company's vision to the habitual operation throughout the Group in the same direction under the scope of the Core Value concretely and appropriately.

3) Roles, Duties and Responsibilities 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 authorities, duties and responsibilities of the Board of Directors under topic "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 Code" in the written form as a guideline and the best practice for the Directors, Executives, and all levels of staff to understand the ethical standard 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" (3rd Edition), which is distributed to the Directors and all levels of staff in the Company to signed, acknowledge, and strictly oblige.

3.4 The Board of Directors stipulates the ethics code regarding 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 to prevent Executives and related persons to use insider's information as follow:

When there is a transaction with possibility 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 comply with the regulated disclosure requirement.

The disclosure of business connection or business with interest relating to the Directors or Senior Executives shall be reported every 3 months as the information for monitoring such transaction and to be the data disclosure regarding connected transaction in the note to financial statements.

3.5 The Company's Board of Directors stipulates the code of ethics concerning connected transactions for the Company and its subsidiaries to make it a policy to handle connected transactions to reflect a normal business operation and to provide the utmost benefit to the Company. The Audit Committee or the Company's accounting auditor will verify an appropriateness of price and rationale of the transaction. The Board of Directors of the Company shall perform in accordance with the regulations concerning Securities Exchange; notification, order, or regulation of the Stock Exchange of Thailand, as well as any relevant regulation regarding information disclosure of connected transactions, and the acquisition and disposal of the important assets of the Company according to the accounting standard stipulated by the Federation of Accounting Professions.

For the transaction according to the section 89/12 of the Securities and Exchange Act (No. 4) B.E. 2551 engaged by the Company or its subsidiaries with Directors, Executives, or related persons, the Board of Directors can approve those transactions in principle for the executive to carry out only when those connected transactions is deemed to be conducted by a reasonable person would perform in similar circumstance, and terms of trade must be absence of the influence of the related Directors, Executives or other related persons. This applies for any transaction size over 1% of the Company's total revenue of each accounting period-end. These transactions must be reported to the Board of Directors as required.

- 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 both 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 making investment decision, as well as to separate duties of the operator and the evaluator to create the check and balance appropriately.

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) Follow-up evaluation system. The summary of the evaluation covering 5 topics is included in the "Internal Control and Audit."

- 3.7 The Board of Directors stipulates the risk management policy 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 policy to prevent and mitigate risks,

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 indicated under the topic "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 in advance so the Directors can make time to attend every meeting in order to maintain the Company's benefit. Special meetings may be held as appropriate.
- 4.3 The meeting invitation letter with meeting document shall be sent to all Directors at least 7 days prior to the meeting, so every Director can has adequate time to study meeting agendas.
- 4.4 Each Board meeting will have duration of 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 improved 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 assessments 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.

6) Remuneration

The Company appropriately stipulates the remuneration of the Company's Directors and Executive Directors, and Executives to motivate and maintain quality Directors and Executive Directors, and Executives. The remuneration is comparable to the companies within the similar industry. The remuneration is appropriate with the benefit contributed by 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 indicated under the topic "Management Structure".

7) Development of Directors and Executives

- 7.1 The Board of Directors has encouraged and supported trainings and classes to those who are related with the Company's Corporate Governance system such as Directors, Audit Committee members, Executives, Corporate Secretary, etc. for continuously improve operation under the program "Sustainable Business Management." The program was designed to help the Company's Executives to be able to plan with strategy, analysis, and problem solving and lead the Company to succeed sustainably.
- 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 the Office of Securities 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 responsibilities, 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 follow:

Trainings participation by the Board of Directors

Directors		Program						
		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. Ms. Pittaya	Tiasuwan		Class 26/2004					
8. Mr. Verachai	Tantikul	Class 37/2003						
9. Mrs. Sarita	Bunnag	Class 22/2002		Class 1/2004		Class 1/2005	Class 5/2007	Class 2/2008
10. Mrs. Rawitha	Pongnuchit	Class 59/2005						

7.4 The Board of Directors stipulates that the Executives and relevant staffs to receive the training in the Corporate Secretary course concerning the Good Corporate Governance, Internal Auditing, 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 Director 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 according to the business code of ethics. The Board of Directors has established projects to develop knowledge development to improve skills of the Executives to be suitable with their duties and their assigned tasks.

Internal Control and Audit

Internal Control

In the Board of Directors' meeting no. 5/2014 held on 24 February 2014, the Board evaluated the internal control system from the assessment report of the Audit Committee and summarized that according to the evaluation of the Company's internal controls which has been divided into 5 major components, i.e. Corporate and Environmental Control, Risk Management, Control Activities, Information and Communication System, and Monitoring System, the Board opined that the Company had adequate and appropriate internal control system.

The Audit Committee performed the duties and responsibilities specified in the Audit Committee Charter approved by the Board of Directors of the Company with the knowledge, capability, carefulness and adequate independency for benefits of all stakeholders on an equal basis. The Audit Committee opined that the internal control system of the Company is sufficient and appropriate, and effective and efficient to the operation, the financial report is accurate, credible and in accordance with generally accepted accounting standards, and the operation is in accordance with the good corporate governance system and in compliance with the laws, regulations and obligations relevant to the business operation of the Company. The internal control system 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 and relationship between internal functions, work specification of each position, and appropriate power and responsibility assignment of each position in order to achieve the determined goal. The Company also supported 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 taking into account the importance and preservation of the benefit of the investors and stakeholders with equality; and disclosure of information with accuracy, complete, transparency, and timely manner.

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, and ability for appropriate assigned work in order to promote the potentiality of the Company's staff to reach the excellence and standard on a continuous basis.

The Company signed the declaration of intent to join the "Thai Private Sector Collective Action Coalition against Corruption", organized by the Thai Institute of Directors (IOD), an institution accepted domestically and internationally for its leading role in corporate governance.

2. Risk Management

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

The Company has clearly set up the scope of duty and authorized financial amount of each level of the management in written form, in which the important responsibilities are separated, such as approving, transaction recording, information processing, and asset maintenance, to mutually cross check the transaction. However, for 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 taking into consideration the utmost benefit of the Company and its shareholders.

4. Information and Communication

The Company places an importance upon accuracy, credibility, and timely manner of the information and communication system and continuous development of the information system which includes financial and operation information system, policy, and regulations to promote accurate and quick decision making. The Company also established systematic information processing procedure and information system controlling in terms of the access of the information and usage of the information. 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 in an efficient and timely manner. The information is published on www.pranda.com.

5. Monitoring System

In 2013, the Company had organized 13 meetings of the Board of Directors in order to consider and review the performance of the management to ensure its following of the goal. The Company has 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 to assess the operating performance. In 2013, there were 4 meetings of the Audit Committee to review the internal control system and follow the operation as well as to report the summary to the Board of Directors within appropriate period.

Report of 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. Such persons have full qualifications in accordance with the guidelines specified by the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission and also have knowledge, abilities, experiences and visions beneficial to the operation of the Audit Committee of the Company. The Audit Committee performed the duties in accordance with the Audit Committee Charter approved by the Board of Directors of the Company and the regulations of the Office of the Securities and Exchange Commission. 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 2013, the Audit Committee had organized 4 meetings and all of which were attended by all members of the Committee and the external and internal auditors to consider and review financial statements and connected transactions of the Company and its subsidiaries, listen to explanation, and provide suggestion which is beneficial to accuracy, completeness, and credibility of financial statements, including efficiency improvement of the corporate internal control. There was no management of the Company attended the meetings. The results of each meeting had been summarized and proposed to the Board of Directors of the Company for acknowledgement and proceeding of improvement. The performance and operation of the Audit Committee can be significantly summarized as follows:

1. Accuracy, completeness and credibility of the financial reports: The Audit Committee had jointly considered and reviewed the quarterly and annual financial reports for the year 2013 with the Auditor to ensure that the financial reports of the Company and its subsidiaries were prepared fairly in accordance with generally accepted accounting principles, in all material respect, there was the disclosure of sufficient, complete and credible information, and the Committee provided remarks and acknowledged problem solving guidelines which created benefit to the Company. The Committee has also encouraged the application and implementation of IFRS in accordance with the guidelines of Federation of Accounting Professions and the Office of the Securities and Exchange Commission (SEC).

2. Sufficiency of internal control and internal audit systems: The Committee had supervised the internal auditing to ensure its compliance with the accounting professional standards 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 problem resolution continuously, and provided suggestion to the Internal Auditing Office and the Management for operation improvement. The Committee also considered and supported man power and development of personnel of the Internal Auditing Office on a continuous basis. The Audit Committee opined that the internal control system and the internal auditing were sufficient. The opinion was performed toward the annual auditing plan, the auditing report of the Internal Auditing Office, and the performance review report of procedures and systems, and proposed to the Management for further improvement as indicated by the findings of the internal auditors.

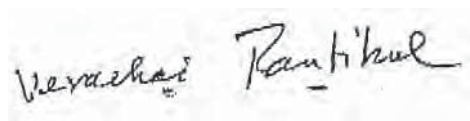
3. Risk management: During the previous year, the Audit Committee had placed an importance upon corporate risks by considering and reviewing risks which might have an impact on the Company's operation and target.

4. Compliance with relevant regulations and laws: The Audit Committee constantly reviews to ensure the Company's compliance with the laws governing securities and exchange, the regulations of the Stock Exchange of Thailand and the laws related to the business operation of the Company. The Committee opined that the compliance list contains sufficient information and the Company has duly complied with the laws governing securities and exchange, the regulations of the Stock Exchange of Thailand and the laws related to the business operation of the Company.

5. Connected transaction or transaction with potential conflicts of interest: The Audit Committee had considered and reviewed the connected transactions of the Company and its subsidiaries and affiliated companies, including the transactions with potential conflicts of interest, 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 regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.

6. Consideration of the selection and appointment of the Auditor: The Audit Committee considered selection, appointment and remuneration of the Company's auditor in 2013 to propose to the Board of Directors of the Company to further propose to the shareholders' Annual General Meeting 2012 to be held on 24 April 2013 for approval. The Committee would consider performance, independency, and appropriateness of the remuneration. The list of candidates would be proposed to the shareholders' Annual General Meeting for approval.

The Audit Committee had considered and opined that the Company's implementation and disclosure of financial reports were accurate, appropriate, and credible. Its internal control system, internal auditing, and risk management were appropriate and efficient. Moreover, the Company was in compliance with laws, regulations, and agreements. Connected transactions were carefully considered with strictness and the practices sufficiently followed the good corporate governance 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

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, 2013, the Company had no 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.

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. 7).

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.

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, 2013. The Consolidated Financial Statements are as follows:

1) Overview of business operations and significant changes

For 2013, 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 the fourth rank income contributor based on export values, generating the country worth of over Baht 306,000 million. The fine jewelry export amount to over Baht 113,000 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 should economic turnaround but still having uncertainty in high level. 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 the core business which consists of production, distribution and retail. Moreover, the Group also has strong markets in USA, EU and Asia.

In 2013, The Group had restructured the business to support our growth strategy in the future with the following details:

- To increase its stake holding in Pranda & Kroll GmbH & Co. from 51% to 75% for more flexibility of management, which this company has running business in production and distribution of its own jewelry brand in the European market.
- Selling of partial investment in Pranda SCL to existing shareholders. The holding of shares decreased from 50% to 19% in line with the Group's long term strategy to run business in retail with our own brand which Pranda SCL has run business in jewelry production.
- To divest of Pranda Guangzhou due to intense price competition in China. As a result, the Company had lost in several years.

The Group's competitiveness is very good due to the Group has production operation to produce a variety of gold & silver jewelry. To serve with customer's needs, the Group has the flexibility to accommodate a variety of customer's orders. The Group also has its own Design & Product Development Center to shorten the time of production and fulfill customer's needs more effectively.

The Group also has Distribution Operation in U.S., Europe and Asia which could open new markets continuously. Including the Group also has Retail Operation by using our own brand to diversify the risk and look for potential markets in the future.

The Gems & Jewelry industry trend is expected to be more intensify in competition in both price and product quality. Because of there are a lot of competitors in the market. So manufacturers have to increase productivity and find new markets in order to reduce the risk of relying on key customers. Moreover, the jewelry companies need to develop a retail market to diversify their risk as well.

2) The operating results and profitability

- **Total revenues**

The Group had total revenues in year 2013 and 2012 amounting to Baht 3,776.6 million and Baht 4,230.5 million respectively which a decrease of Baht 453.9 million, or decreased by 10.7% due to the decreasing in sales of Baht 527.9 million. The total revenues are divided to sales and other income as followings:

Consolidated	2013		2012		Increase / (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales Revenue	3,648.8	96.6%	4,176.7	98.7%	(527.9)	(12.6%)
- Production	1,653.1	43.7%	2,173.5	51.4%	(520.4)	(23.9%)
- Distribution	1,216.2	32.2%	1,263.2	29.8%	(47.0)	(3.7%)
- Retail	779.5	20.7%	740.0	17.5%	39.5	5.3%
Other Revenues	127.8	3.4%	53.8	1.3%	74.0	137.5%
Total Revenues	3,776.6	100.0%	4,230.5	100.0%	(453.9)	(10.7%)

- **Sales revenue**

In 2013, The Group had sales amounting to Baht 3,648.8 million, a decrease amounted to Baht 527.9 million from 2012, representing a decrease of 12.6% which was primarily due to the decrease in revenues from domestic and overseas market, the dramatically drop in gold & silver price and the decrease in revenues from distribution operation amounted to Baht 47.0 million due to EU and India market. The revenues from retail operation increased by Baht 39.5 million, driven by an increase of sales in Indonesia, Vietnam but domestic sales was flat compared with the year earlier.

- **Other revenues**

In 2013, The Group had the other income of Baht 127.8 million, an increase amounted to Baht 74.0 million, representing an increase of 137.5% which was primarily due to the gain on exchange rate by Baht 81.0 million, driven by the appreciation of the THB against foreign currency.

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

Cost of sales	2013		2012 (Restated)		Increase / (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales revenue	3,648.8	100.0%	4,176.7	100.0%	(527.9)	(12.6%)
Cost of sales	2,611.2	71.6%	2,759.5	66.1%	(148.3)	(5.4%)
Total Selling & Admin Expenses	1,012.8	27.8%	945.7	22.6%	67.1	7.1%
- Selling Expenses	481.0	13.2%	486.7	11.7%	(5.7)	(1.2%)
- Administrative Expenses	531.8	14.6%	459.0	11.0%	72.8	15.9%

- **Cost of sales**

The Group had the cost of sales of Baht 2,611.2 million, a decrease amounted to Baht 148.3 million from 2012, representing a decrease of 5.4% which the decrease was in line with the lower sales revenue and the dramatically dropped in gold & silver price.

- **Selling and Administrative expenses**

The Group had selling & admin expenses of Baht 1,012.8 million, representing an increase of Baht 67.1 million from 2012 or 7.1%. The increase was primarily due to Administrative expenses increased from 2012 by Baht 72.8 million or 15.9%. The increase was primarily due to the annual adjustment for employees, the expenses of new building's surrounding environment and the expenses of new subsidiaries in Indonesia, which is in line with the Group's direction to expand the market in AEC and the marketing expenses from expanding the market base from its own brand

• **Profits**

Consolidated	2013		2012 (Restated)		Increase / (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales revenue	3,648.8	100.0%	4,176.7	100.0%	(527.9)	(12.6%)
Cost of sales	2,611.2	71.6%	2,759.5	66.1%	(148.3)	(5.4%)
Gross Profit	1,037.6	28.4%	1,417.2	33.9%	(379.6)	(26.8%)
Selling and Admin expenses	1,012.8	27.8%	945.7	22.6%	67.1	7.1%
Operating Profit	24.8	0.7%	471.5	11.3%	(446.7)	(94.7%)
Gain on exchange rate	92.7	2.5%	11.7	0.3%	81.0	692.3%
Impairment loss on goodwill	-	-	33.7	0.8%	-	-
Income tax (expenses)	30.4	0.8%	(30.3)	(0.7%)	60	200%
Profit of Equity holders of the Company	164.6	4.5%	449.9	10.8%	(285.3)	(63.4%)

- **Gross Profit**

In 2013, The Group had Gross Profit amounted to Baht 1,037.6 million, decreasing by Baht 379.6 million or 26.8% when compared to the previous year. The Group implemented a price promotion to boost the sales due to the declining of European and India market from the previous year, including the proportion in sales of gold jewelry had increased which had lower margin than silver jewelry together with disadvantage from economy of scale. As a result, the gross profit margin decreased from 33.9% to 28.4%.

- **Operating Profit**

In 2013, The Group had Operating Profit amounted to Baht 24.8 million, decreasing by Baht 446.7 million or 94.7% when compared to the previous year. The decrease was primarily due to the declining of sales revenue, the dramatically drop in gross profit and the increase of selling and admin expenses. As a result, the operating profit margin decreased from 11.3% to 0.7%.

- Profit of Equity holders of the Company

In 2013, the Group had Profit of Equity holders of the Company amounted to Baht 164.6 million, decreasing by Baht 285.3 million or 63.4% when compared to the same period of the previous year but the lesser decline of the profit of equity holders derived from gain on exchange rate and income tax from Chinese factory liquidation.

• Return on Equity (ROE)

The Group had return on equity (ROE) in 12 month periods has decreased from 16.64% in 2012 to 5.92% in 2013 due to the decrease of profit of equity holders of the company according to the above article.

For the operations of year 2013, the Board of Directors had a resolution to approve dividend payment and propose to the Annual General Shareholders' meeting on 21 April 2014 in the rate of Baht 0.20 per share or representing to return on dividend (Dividend Yield) about 2.19% per annum (dividend rate of Baht 0.20 per share/average share price over the year equal to Baht 9.14 per share) representing to 37.3% of the net income of separate financial statements will be paid to the shareholders who entitle to receive dividend on 17 March 2014 and compiled a list under section 225 of the Securities and Exchange Commission Act. The closing register book is on 18 March 2014 and the dividend payment shall be on 9 May 2014.

3) The Abilities of Asset Management

• Components of the assets

Tables comparing the financial positions for year 2013 and 2012

Unit : Million Baht

Statement of Financial Position	31-Dec-13	%	31-Dec-12 [Restated]	%
Cash and cash equivalents	287.9	6.3%	614.7	13.5%
Current investments - deposits with financial institutions	8.2	0.2%	24.9	0.6%
Trade account receivables and other receivables	757.0	16.7%	708.0	15.6%
Short-term loans to related parties	16.0	0.4%	16.0	0.4%
Inventories, net	1,981.2	43.7%	1,900.9	41.8%
Other current assets	82.9	1.8%	53.7	1.2%
Total current assets	3,133.2	69.1%	3,318.2	73.0%
Total non-current assets	1,401.0	30.9%	1,229.7	27.0%
Total Assets	4,534.2	100.0%	4,547.9	100.0%

• Quality of Assets

The Group had total assets of Baht 4,534.2 million, a decrease of Baht 13.7 million or decreased by 0.3% from the previous year. The current assets decreased amounting to Baht 185 million, mainly from the decreasing of cash and cash equivalents of Baht 326.8 million and current investments – deposits with financial institutions of Baht 16.7 million.

4) Liquidity and Capital Adequacy of the Group

4.1 Liquidity

- Components of the Cash Flows**

The Group had net cash flow from its operations decreased from Baht 537.9 million to Baht (190.2) million mainly due to the decrease in profit, the increase of accounts receivable and inventories, and the increase of accounts payable.

From the net cash flow used in investing activities increased from Baht (176.9) million to Baht (227.7) million due to the Group invested in purchasing machineries and equipment for replacement and increase production efficiency, including the Group invested in new building. The detail of capital expenditures was shown in No. 2.3.

From the net cash flow from financing activities increased from Baht (179.1) million to Baht 133.9 million due to the increase in bank overdrafts, short-term loans and long-term loans from financial institutions. The Group invested in a new office building including R&D Center as well as to expand a production plant at headquarters office.

From operating, investing and financing activities, the Group had the net cash flow as at year 2013 decrease of Baht 326.8 million and combined with the cash flow at beginning of the year of Baht 614.7 million, the total cash flow at the end of the year was Baht 287.9 million.

Tables comparing Cash flow for year 2013 and 2012

Unit: Million Baht

Statement of Cash Flows	31-Dec-13	31-Dec-12
Cash flows from (used in) operating activities	(190.2)	537.9
Cash flows from (used in) investing activities	(227.7)	(176.9)
Cash flows from (used in) financing activities	133.9	(179.1)
Translation adjustment	(42.8)	(4.4)
Net cash flows	(326.8)	177.5
Cash at the beginning of the year	614.7	437.2
Cash at end of the year	287.9	614.7

- Liquidity Ratios**

The Group had decreased in liquidity ratio from 2.54 times to 2.29 times due to the bank overdrafts and short-term loans from financial institutions. The group, however, still had high liquidity.

- Ability to pay short-term debts**

The Group had short-term debts of Baht 1,366.6 million and the short-term assets of Baht 3,133.2 million. Therefore, The Group had an ability to pay all short-term debts.

4.2 Capital Expenditures

- **Previous Capital expenditures**

The Group had total investment of Baht 253.4 million, divided into 2 types as follows:

1. The investment in production base was about Baht 180 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 73.4 million, including 2.1) Primagold International Co., Ltd. 2.2) Pranda North America, Inc. 2.3) H.Gringoire s.a.r.l 2.4) Pranda & Kroll 2.5) Pranda UK and 2.6) Pranda Jewelry Pvt. Ltd. for customers services and goods distributions.

- **Capital Expenditures Plan**

The Group has set budget of Baht 50 million to expand its customer bases in Asia market, and more investment to develop R&D Center as well as to expand a production plant at headquarter office for the amount of Baht 50 million. The Group also planned to purchase machines and equipments for replacement for the amount of Baht 80 million. The total investment is Baht 180 million, which come from cash flow amount of Baht 130 million and other Baht 50 million from financial institutions.

4.3 Source of Funds

- **Capital Structure**

The Group has total liabilities slightly increased from Baht 1,785.3 million to Baht 1,888.9 million, representing an increase of 5.8%. As a result, the debt-to-equity (D/E) ratio was 0.69 times while the previous year was 0.63 times. This could be implied that the Group still has strong financial structure.

- **Shareholders' equity**

The Group had decreased the shareholders' equity from Baht 2,762.6 million to Baht 2,645.4 million due to the dividend payment for year 2012 was amount of Baht 203.3 million.

- **Liabilities**

The Group had total liabilities of Baht 1,888.9 million, an increase of Baht 103.5 million. There was an increase in current liabilities of Baht 58.6 million, mainly was bank overdrafts and short-term loans from financial institutions. The Group had non-current liabilities of Baht 44.9 million which long-term loans increased of Baht 32.1 million and provision for long-term employee benefits increased of Baht 12.8 million.

5) Main factors which possible affected future operations and finance positions

Foreign Exchange Rate

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

Cost of raw material

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

Report of the 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, 2013 is credible and in compliance with the general accepted accounting standard and related laws and regulations.



Mr. Prida Tiasuwan
Chairman

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 2013, 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.

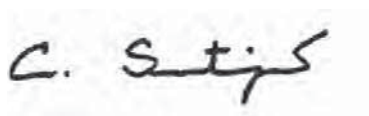
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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 2013 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 4 to the financial statements regarding the change in accounting policy due to the adoption of Thai Accounting Standard 12 Income Taxes. The Company has restated the consolidated and separate financial statements for the year ended 31 December 2012, presented herein as comparative information, to reflect the adjustments resulting from such change. The Company has also presented the consolidated and separate statements of financial position as at 1 January 2012 as comparative information, using the newly adopted accounting policy for income taxes. My opinion is not qualified in respect of this matter.



Chonlaros Suntiasvaraporn
Certified Public Accountant (Thailand) No. 4523

Ernst & Young Office Limited
Bangkok: 24 February 2014

Financial Statements

Pranda Jewelry Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2013

(Unit: Baht)

		Consolidated financial statements			Separate financial statements		
		31 December	31 December	1 January	31 December	31 December	1 January
	Note	2013	2012	2012	2013	2012	2012
			(Restated)			(Restated)	
Assets							
Current assets							
Cash and cash equivalents	8	287,963,601	614,739,661	437,253,918	92,648,965	389,733,182	207,069,570
Current investments - deposits with financial institutions		8,207,623	24,879,071	885,000	-	-	-
Trade and other receivables	9	757,028,737	707,978,091	879,279,828	1,055,755,320	987,157,667	1,194,827,620
Short-term loans to related parties	7	16,000,000	16,000,000	16,000,000	6,689,700	53,704,940	52,415,660
Current portion of long-term loans related parties	7	-	-	-	33,379,000	14,649,930	43,866,780
Inventories	10	1,981,157,662	1,900,885,375	1,817,190,175	863,306,981	915,781,465	838,910,318
Other current assets		82,881,828	53,717,794	67,734,458	26,427,141	22,258,253	19,375,521
Total current assets		3,133,239,451	3,318,199,992	3,218,343,379	2,078,207,107	2,383,285,437	2,356,465,469
Non-current assets							
Restricted bank deposits	11	4,015,613	3,946,341	4,089,880	-	-	-
Investment in convertible debentures issued by subsidiary	12	-	-	-	32,022,900	34,079,100	36,949,500
Investments in subsidiaries	13	-	-	-	953,195,404	705,713,730	687,348,431
Investments in associates	14	-	49,901,407	61,178,303	-	-	-
Other long-term investments	15	24,341,967	9,815,332	9,778,398	23,201,847	9,815,332	9,778,398
Advances for investment	7	-	-	-	5,643,142	4,929,725	5,118,431
Amounts due from related party	7	-	-	-	50,027,504	48,899,004	49,247,925
Long-term loans to related parties	7	-	30,485,700	7,822,500	170,900,480	292,188,920	277,934,440
Investment properties	16	504,103,750	506,961,598	509,820,574	489,603,099	490,229,931	490,858,481
Property, plant and equipment	17	705,798,133	495,698,085	434,788,241	549,962,664	368,729,543	300,703,127
Leasehold rights	18	28,106,075	30,590,475	33,074,875	-	-	-
Other intangible assets	19	35,664,532	33,985,006	31,293,238	19,916,442	17,271,723	13,790,190
Deferred tax assets	28	83,483,661	55,236,653	56,479,630	61,343,134	31,449,169	30,163,002
Other non-current assets		15,523,719	13,076,350	11,144,388	668,446	1,232,986	1,964,695
Total non-current assets		1,401,037,450	1,229,696,947	1,159,470,027	2,356,485,062	2,004,539,163	1,903,856,620
Total assets		4,534,276,901	4,547,896,939	4,377,813,406	4,434,692,169	4,387,824,600	4,260,322,089

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 2013

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		31 December	31 December	1 January	31 December	31 December	1 January
		2013	2012	2012	2013	2012	2012
			(Restated)			(Restated)	
Liabilities and shareholders' equity							
Current liabilities							
Bank overdrafts and short-term loans from							
financial institutions	20	457,669,643	196,562,529	398,132,419	240,000,000	-	270,000,000
Trade and other payables	21	743,708,304	934,860,665	1,001,418,762	519,900,931	787,262,641	855,781,462
Current portion of long-term loans	22	113,222,761	77,538,137	32,156,281	105,310,000	69,800,000	25,000,000
Income tax payable		1,148,177	11,744,940	47,101,608	-	8,022,297	18,076,797
Other current liabilities		50,817,471	87,296,245	48,087,847	15,418,774	33,490,226	15,443,852
Total current liabilities		1,366,566,356	1,308,002,516	1,526,896,917	880,629,705	898,575,164	1,184,302,111
Non-current liabilities							
Long-term loans, net of current portion	22	328,448,076	296,316,922	85,568,231	300,423,100	269,110,000	50,110,000
Provision for long-term employee benefits	23	192,806,437	179,997,462	165,416,492	158,585,002	150,072,141	137,763,155
Other non-current liabilities		1,058,364	1,012,919	1,296,823	-	-	-
Total non-current liabilities		522,312,877	477,327,303	252,281,546	459,008,102	419,182,141	187,873,155
Total liabilities		1,888,879,233	1,785,329,819	1,779,178,463	1,339,637,807	1,317,757,305	1,372,175,266

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 2013

(Unit: Baht)

		Consolidated financial statements			Separate financial statements		
		31 December	31 December	1 January	31 December	31 December	1 January
	Note	2013	2012	2012	2013	2012	2012
			(Restated)			(Restated)	
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	410,000,000	410,000,000
Issued and fully paid up							
409,144,800 ordinary shares of Baht 1 each							
(2012: 406,282,554 ordinary shares of Baht 1 each)							
(1 January 2012: 403,331,754 ordinary shares of Baht 1 each)	25	409,144,800	406,282,554	403,331,754	409,144,800	406,282,554	403,331,754
Share premium	25	786,086,643	780,362,151	774,460,551	786,086,643	780,362,151	774,460,551
Retained earnings							
Appropriated - statutory reserve	26	41,000,000	41,000,000	41,000,000	41,000,000	41,000,000	41,000,000
Unappropriated		1,560,263,414	1,598,989,193	1,391,505,454	1,858,822,919	1,842,422,590	1,669,354,518
Other components of shareholders' equity		(75,943,724)	11,757,126	16,711,751	-	-	-
Equity attributable to owners of the Company		2,720,551,133	2,838,391,024	2,627,009,510	3,095,054,362	3,070,067,295	2,888,146,823
Non-controlling interests of the subsidiaries		(75,153,465)	(75,823,904)	(28,374,567)	-	-	-
Total shareholders' equity		2,645,397,668	2,762,567,120	2,598,634,943	3,095,054,362	3,070,067,295	2,888,146,823
Total liabilities and shareholders' equity		4,534,276,901	4,547,896,939	4,377,813,406	4,434,692,169	4,387,824,600	4,260,322,089

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

Directors

Pranda Jewelry Public Company Limited and its subsidiaries

Income statement

For the year ended 31 December 2013

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012 (Restated)	2013	2012 (Restated)
Revenues					
Sales	29	3,648,839,165	4,176,711,919	2,703,282,571	3,125,120,504
Other income					
Interest income		5,576,640	12,810,693	30,416,686	40,831,129
Gain on exchange		92,746,647	11,728,673	106,105,222	11,546,210
Others		29,446,434	29,286,221	66,266,834	58,561,183
Total revenues		<u>3,776,608,886</u>	<u>4,230,537,506</u>	<u>2,906,071,313</u>	<u>3,236,059,026</u>
Expenses					
Cost of sales		2,611,158,515	2,759,502,303	2,209,566,273	2,303,894,706
Selling expenses		481,040,234	486,662,014	92,065,574	80,499,904
Administrative expenses		531,765,827	459,025,998	303,732,567	370,817,146
Other expenses					
Impairment loss on investments in subsidiaries	13	-	-	68,731,399	21,980,407
Impairment loss on goodwill		-	33,735,265	-	-
Total expenses		<u>3,623,964,576</u>	<u>3,738,925,580</u>	<u>2,674,095,813</u>	<u>2,777,192,163</u>
Profit before share of loss from investments in associates, finance cost and income tax expenses		152,644,310	491,611,926	231,975,500	458,866,863
Share of loss from investments in associates	14.2	(13,310,919)	(12,616,513)	-	-
Profit before finance cost and income tax expenses		<u>139,333,391</u>	<u>478,995,413</u>	<u>231,975,500</u>	<u>458,866,863</u>
Finance cost		(54,785,278)	(45,844,578)	(41,000,588)	(32,127,800)
Profit before tax income (expenses)		<u>84,548,113</u>	<u>433,150,835</u>	<u>190,974,912</u>	<u>426,739,063</u>
Tax income (expenses)	28	30,378,810	(30,326,025)	28,757,544	(11,186,359)
Profit for the year		<u>114,926,923</u>	<u>402,824,810</u>	<u>219,732,456</u>	<u>415,552,704</u>

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

Pranda Jewelry Public Company Limited and its subsidiaries

Income statement (continued)

For the year ended 31 December 2013

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
			(Restated)		(Restated)
Profit attributable to:					
Equity holders of the Company		164,606,348	449,968,371	<u>219,732,456</u>	<u>415,552,704</u>
Non-controlling interests of the subsidiaries (loss)		<u>(49,679,425)</u>	<u>(47,143,561)</u>		
		<u>114,926,923</u>	<u>402,824,810</u>		
Earnings per share	30				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.4040</u>	<u>1.1124</u>	<u>0.5393</u>	<u>1.0273</u>
Diluted earnings per share					
Profit attributable to equity holders of the Company		<u>0.4026</u>	<u>1.1044</u>	<u>0.5375</u>	<u>1.0199</u>

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 2013

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
Profit for the year	114,926,923	402,824,810	219,732,456	415,552,704
Other comprehensive income:				
Exchange differences on translation of financial statements in foreign currency	(37,048,489)	(5,194,489)	-	-
Other comprehensive income for the year	(37,048,489)	(5,194,489)	-	-
Total comprehensive income for the year	77,878,434	397,630,321	219,732,456	415,552,704
Total comprehensive income attributable to:				
Equity holders of the Company	135,333,005	445,013,746	219,732,456	415,552,704
Non-controlling interests of the subsidiaries (loss)	(57,454,571)	(47,383,425)	-	-
	77,878,434	397,630,321	219,732,456	415,552,704

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 2013

Consolidated financial statements													(Unit: Baht)
	Equity attributable to owners of the Company												
	Other components of shareholders' equity												
	Other comprehensive income			Total other components of shareholders' equity			Equity attributable to non-controlling interests of the subsidiaries			Total shareholders' equity			
	Issued and paid-up share capital	Share premium	Retained earnings	Exchange differences on translation of financial statements in foreign currency	Deficit from change in shareholding of subsidiary	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity					
Balance as at 31 December 2011 - as previously reported	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			
Cumulative effect of change in accounting policy													
for Income Taxes (Note 4)	-	-	-	58,086,746	-	-	-	58,086,746	80,224	58,166,970			
Balance as at 31 December 2011 - as restated	403,331,754	774,460,551	41,000,000	1,391,505,454	16,711,751	-	16,711,751	2,627,009,510	[28,374,567]	2,598,634,943			
Ordinary shares issuance from exercised warrants (Note 25)	2,950,800	5,901,600	-	-	-	-	-	8,852,400	-	8,852,400			
Dividend paid (Note 33)	-	-	-	[242,484,632]	-	-	-	[242,484,632]	-	[242,484,632]			
Total comprehensive income for the year - restated	-	-	-	449,968,371	[4,954,625]	-	[4,954,625]	445,013,746	[47,383,425]	397,630,321			
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	[65,912]	[65,912]			
Balance as at 31 December 2012 - as restated	406,282,554	780,362,151	41,000,000	1,598,989,193	11,757,126	-	11,757,126	2,838,391,024	[75,823,904]	2,762,567,120			
Balance as at 31 December 2012 - as previously reported	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			
Cumulative effect of change in accounting policy													
for Income Taxes (Note 4)	-	-	-	58,604,834	[251,531]	-	[251,531]	58,353,303	6,950	58,360,253			
Balance as at 31 December 2012 - as restated	406,282,554	780,362,151	41,000,000	1,598,989,193	11,757,126	-	11,757,126	2,838,391,024	[75,823,904]	2,762,567,120			
Ordinary shares issuance from exercised warrants (Note 25)	2,862,246	5,724,492	-	-	-	-	-	8,586,738	-	8,586,738			
Dividend paid (Note 33)	-	-	-	[203,332,127]	-	-	-	[203,332,127]	-	[203,332,127]			
Total comprehensive income for the year	-	-	-	164,606,348	[29,273,343]	-	[29,273,343]	135,333,005	[57,454,571]	77,878,434			
Effect from change in shareholding in subsidiary (Note 13.3)	-	-	-	-	-	-	[58,427,507]	[58,427,507]	58,427,507	-			
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	[302,497]	[302,497]			
Balance as at 31 December 2013	409,144,800	786,086,643	41,000,000	1,560,263,414	[17,516,217]	[58,427,507]	[75,943,724]	2,720,551,133	[75,153,465]	2,645,397,668			

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

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2013

	Separate financial statements				(Unit: Baht)	
	Issued and paid-up share capital	Share premium	Retained earnings			Total shareholders' equity
			Appropriated	Unappropriated		
Balance as at 31 December 2011 - as previously reported	403,331,754	774,460,551	41,000,000	1,639,191,516	2,857,983,821	
Cumulative effect of change in accounting policy for Income Taxes (Note 4)	-	-	-	30,163,002	30,163,002	
Balance as at 31 December 2011 - as restated	403,331,754	774,460,551	41,000,000	1,669,354,518	2,888,146,823	
Ordinary shares issuance from exercised warrants (Note 25)	2,950,800	5,901,600	-	-	8,852,400	
Dividend paid (Note 33)	-	-	-	[242,484,632]	[242,484,632]	
Total comprehensive income for the year - restated	-	-	-	415,552,704	415,552,704	
Balance as at 31 December 2012 - as restated	406,282,554	780,362,151	41,000,000	1,842,422,590	3,070,067,295	
Balance as at 31 December 2012 - as previously reported	406,282,554	780,362,151	41,000,000	1,810,973,421	3,038,618,126	
Cumulative effect of change in accounting policy for Income Taxes (Note 4)	-	-	-	31,449,169	31,449,169	
Balance as at 31 December 2012 - as restated	406,282,554	780,362,151	41,000,000	1,842,422,590	3,070,067,295	
Ordinary shares issuance from exercised warrants (Note 25)	2,862,246	5,724,492	-	-	8,586,738	
Dividend paid (Note 33)	-	-	-	[203,332,127]	[203,332,127]	
Total comprehensive income for the year	-	-	-	219,732,456	219,732,456	
Balance as at 31 December 2013	409,144,800	786,086,643	41,000,000	1,858,822,919	3,095,054,362	

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 2013

	Consolidated financial statements		Separate financial statements	
	2013	2012 (Restated)	2013	2012
Cash flows from operating activities				
Profit before tax	84,548,113	433,150,835	190,974,912	426,739,063
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	80,786,005	79,058,587	46,108,305	45,312,748
Amortisation of leasehold rights	2,484,400	2,484,400	-	-
Write-off machinery and equipment	5,259,069	2,533,028	861,508	928,344
Amortisation of discounted value of government bond	(36,934)	(36,934)	(36,934)	(36,934)
Doubtful accounts (reversal)	(7,247,138)	(26,995,423)	54,254,794	142,558,415
Write-off bad debts	22,777,256	1,720,326	22,777,256	1,720,326
Reduce cost to net realisable value of inventories (reversal)	16,373,888	(5,732,501)	6,100,000	3,750,000
Loss (gain) on sales of property, plant and equipment	3,842,129	(548,155)	(194,819)	(470,550)
Share of loss from investments in associates	13,310,919	12,616,513	-	-
Long-term employee benefits expenses	18,862,669	17,508,707	14,591,480	14,284,430
Impairment loss on investments in subsidiaries	-	-	68,731,399	21,980,407
Impairment loss on goodwill	-	33,735,265	-	-
Loss from sales of investment in associates	708,359	-	45,057	-
Fair value adjustment on other long-term investment	(733,579)	-	-	-
Unrealised loss (gain) on exchange	11,484,060	(4,681,355)	(78,579,034)	9,843,919
Interest income	(6,679,797)	(12,810,693)	(30,416,686)	(40,831,129)
Interest expenses	51,267,155	41,612,908	38,766,838	32,127,800
Profit from operating activities before changes in operating assets and liabilities	297,006,574	573,615,508	333,984,076	657,906,839
Operating assets (increase) decrease				
Trade and other receivables	(63,028,722)	189,649,432	(221,432,556)	46,980,318
Inventories	(32,404,773)	(70,822,225)	46,374,484	(80,621,147)
Other current assets	1,630,940	17,397,315	(1,624,655)	(2,882,732)
Other non-current assets	(1,667,456)	(4,222,333)	564,540	731,709
Operating liabilities increase (decrease)				
Trade and other payables	(265,035,172)	(96,217,393)	(361,606,318)	(54,958,631)
Other current liabilities	(43,250,813)	37,162,756	(23,360,309)	17,834,554
Provision for long-term employee benefits	(6,981,196)	(2,927,737)	(6,078,619)	(1,975,444)
Other non-current liabilities	45,445	(283,904)	-	-

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 2013

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		(Restated)		
Cash flows from (used in) operating activities	(113,685,173)	643,351,419	(233,179,357)	583,015,466
Cash paid for interest expenses	(52,587,576)	(40,362,353)	(38,066,147)	(30,877,845)
Cash paid for corporate income tax	(23,903,852)	(65,025,700)	(11,702,951)	(22,527,026)
Net cash flows from (used in) operating activities	(190,176,601)	537,963,366	(282,948,455)	529,610,595
Cash flows from investing activities				
Decrease (increase) in current investments -				
deposits at financial institutions	16,671,448	(23,994,071)	-	-
Decrease (increase) in restricted bank deposits	(69,272)	143,539	-	-
Decrease (increase) in short-term loans to related parties	-	-	48,465,920	(1,258,000)
Decrease (increase) in long-term loans to related parties	-	(23,270,000)	10,871,573	16,497,510
Increase in investments in subsidiaries	-	-	(9,371,000)	(40,345,706)
Increase in investments in associates	-	-	(11,687,115)	-
Net cash received from acquisition of subsidiary	545,395	629,767	-	-
Acquisition of property, plant and equipment	(253,428,878)	(134,027,218)	(180,534,808)	(109,845,103)
Acquisition of other intangible assets	(7,119,330)	(8,423,999)	(5,508,796)	(7,275,402)
Proceeds from sales of property, plant and equipment	10,304,154	591,459	194,874	470,564
Cash receipt from interest income	5,402,354	11,419,636	21,355,879	34,641,386
Net cash flows used in investing activities	(227,694,129)	(176,930,887)	(126,213,473)	(107,114,751)

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 2013

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2013	2012 (Restated)	2013	2012
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	261,107,114	(201,569,890)	240,000,000	(270,000,000)
Cash receipt for long-term loans	160,773,098	300,000,000	145,473,100	300,000,000
Repayment of long-term loans	(92,957,320)	(43,869,453)	(78,650,000)	(36,200,000)
Proceeds from ordinary shares issuance from exercised warrants	8,586,738	8,852,400	8,586,738	8,852,400
Dividend paid	(203,332,127)	(242,484,632)	(203,332,127)	(242,484,632)
Payment to non-controlling interests of the subsidiary	(302,497)	(65,912)	-	-
Net cash flows from (used in) financing activities	133,875,006	(179,137,487)	112,077,711	(239,832,232)
Decrease in translation adjustment	(42,780,336)	(4,409,249)	-	-
Net increase (decrease) in cash and cash equivalents	(326,776,060)	177,485,743	(297,084,217)	182,663,612
Cash and cash equivalents at beginning of year	614,739,661	437,253,918	389,733,182	207,069,570
Cash and cash equivalents at end of year	287,963,601	614,739,661	92,648,965	389,733,182
Supplemental cash flow information				
Non-cash transactions				
Construction payables	44,177,272	-	44,177,272	-
The conversion of the Company's related trade accounts receivable to become investment in subsidiary	-	-	279,592,073	-
The conversion of the Company's long-term loan to related party to become investment in subsidiary	-	-	123,250,000	-
Payables from acquisition of investments in associates	-	-	23,263,335	-
Receivables from sales of investments in associates	21,735,840	-	21,735,840	-

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 2013

1. General 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 Thai Financial Reporting 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>2013</u> Percent	<u>2012</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

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2013</u> Percent	<u>2012</u> Percent
Pranda & Kroll GmbH & Co. KG	Manufacture and distribution of jewelry	Germany	75	51
Pranda Jewelry Private Limited	Distribution of jewelry	India	51	51
Pranda Trading (Shenzhen) Limited	Distribution of jewelry	China	100	100
<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	75	51
PDU (UK) Limited (Held by Pranda UK Limited)	Distribution of jewelry through website	United Kingdom	100	100
<u>Controlled by the subsidiary</u>				
PT Pranda Marketing Indonesia (controlled and had equity interest of 55 percent by Primagold International Co., Ltd.)	Retail jewelry	Indonesia	55	-

On 31 March 2013, Primagold International Co., Ltd., a subsidiary, entered into an agreement with the shareholders of PT Pranda Marketing Indonesia, assigning control over the financial and operating policies of PT Pranda Marketing Indonesia to Primagold International Co., Ltd., by means of a majority of directors on the Board of that company, as well as voting rights and an equity interest of 55 percent, effective from 31 March 2013, even though the subsidiary is not a shareholder, as described in Note 13.2 to the financial statements. Therefore, the Company considered this company as the subsidiary of the group.

As described in Note 13.3 to the financial statements, as of 30 September 2013, the Company increased investments in a subsidiary, Pranda & Kroll GmbH & Co. KG, by Euro 9.6 million, or approximately Baht 409 million, by converting long-term loans of Euro 2.9 million and trade accounts receivable of Euro 6.6 million and making cash payment of Euro 0.14 million. As a result, the Company's total investment in this subsidiary totals Euro 13 million, or approximately Baht 573 million, and its shareholding increased from 51 percent to 75 percent.

- b) Subsidiaries are fully consolidated, on the date 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

Below is a summary of accounting standards that became effective in the current accounting year and those that will become effective in the future.

(a) Accounting standards that became effective in the current accounting year

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:

IFRS 8	Operating Segments
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Accounting Standard Interpretations:

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

Accounting Treatment Guidance for Transfers of Financial Assets

These accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance do not have any significant impact on the financial statements, except for the following accounting standard.

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base and recognise the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria. The Company and its subsidiaries have changed this accounting policy in this current period and restated the prior year's financial statements, presented as comparative information, as though the Company and its subsidiaries had initially recognised the tax effects as deferred tax assets or liabilities. The cumulative effect of this change in accounting policy has been presented in Note 4 to the financial statements.

(b) Accounting standards that will become effective in the future

		<u>Effective date</u>
Accounting Standards:		
TAS 1 (revised 2012)	Presentation of Financial Statements	1 January 2014
TAS 7 (revised 2012)	Statement of Cash Flows	1 January 2014
TAS 12 (revised 2012)	Income Taxes	1 January 2014

		<u>Effective date</u>
TAS 17 (revised 2012)	Leases	1 January 2014
TAS 18 (revised 2012)	Revenue	1 January 2014
TAS 19 (revised 2012)	Employee Benefits	1 January 2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	1 January 2014
TAS 24 (revised 2012)	Related Party Disclosures	1 January 2014
TAS 28 (revised 2012)	Investments in Associates	1 January 2014
TAS 31 (revised 2012)	Interests in Joint Ventures	1 January 2014
TAS 34 (revised 2012)	Interim Financial Reporting	1 January 2014
TAS 36 (revised 2012)	Impairment of Assets	1 January 2014
TAS 38 (revised 2012)	Intangible Assets	1 January 2014
Financial Reporting Standards:		
TFRS 2 (revised 2012)	Share-based Payment	1 January 2014
TFRS 3 (revised 2012)	Business Combinations	1 January 2014
TFRS 4	Insurance Contracts	1 January 2016
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations	1 January 2014
TFRS 8 (revised 2012)	Operating Segments	1 January 2014
Accounting Standard Interpretations:		
TSIC 15	Operating Leases - Incentives	1 January 2014
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2014
TSIC 29	Service Concession Arrangements: Disclosures	1 January 2014
TSIC 32	Intangible Assets - Web Site Costs	1 January 2014
Financial Reporting Standard Interpretations:		
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies	1 January 2014
TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014
TFRIC 17	Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18	Transfers of Assets from Customers	1 January 2014

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

4. Cumulative effect of changes in accounting policies due to the adoption of new accounting standard

During the current year, the Company and its subsidiaries made the changes described in Note 3 to the financial statements to its significant accounting policies, as a result of the adoption of Thai Accounting Standard 12 Income Taxes. The cumulative effect of the changes in the accounting policies has been separately presented in the statements of changes in shareholders' equity.

The amounts of adjustments affecting the statements of financial position and the statements of income and comprehensive income are summarised below.

	(Unit: Thousand Baht)					
	Consolidated financial statements			Separate financial statements		
	As at	As at	As at	As at	As at	As at
	31 December 2013	31 December 2012	1 January 2012	31 December 2013	31 December 2012	1 January 2012
Statements of financial position						
Increase in investments in associates	-	5,574	1,847	-	-	-
Increase in deferred tax assets	83,484	55,237	56,480	61,343	31,449	30,163
Decrease in non-current assets	(159)	(2,451)	(161)	-	-	-
Increase in non-controlling interests of the subsidiaries	563	7	80	-	-	-
Increase in unappropriated retained earnings	82,762	58,605	58,086	61,343	31,449	30,163
Decrease in other components of shareholders' equity	-	(252)	-	-	-	-

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the year ended	For the year ended	For the year ended	For the year ended
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
Statements of income				
Increase (decrease) in share of loss from investment in associates		5,574	(3,727)	-
Increase (decrease) in income tax		(30,020)	3,282	(29,894)
Increase in profit attributable to equity holders of the Company		24,124	518	29,894
Decrease (increase) in loss attributable to non-controlling interest of the subsidiaries		322	(73)	-
Increase in basic earnings per share (Baht per share)		0.0592	0.0013	0.0734
Increase in diluted earnings per share (Baht per share)		0.0590	0.0013	0.0731
Statements of comprehensive income				
Increase in exchange differences on translation of financial statements in foreign currency		252	-	-

5. Significant accounting policies

5.1 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.

5.2 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.

5.3 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.

5.4 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.

5.5 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.

- d) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment loss (if any).

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.

5.6 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.

5.7 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	10 - 40 years
Leasehold improvements	period of lease (2 - 40 years)
Machinery and equipment	3 - 13 years
Furniture, fixtures and office equipment	2 - 20 years
Motor vehicles	2 - 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.

5.8 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.

5.9 Business combinations

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.

5.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

5.11 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 - 10 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.

5.12 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.

5.13 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.

5.14 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

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.

5.15 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.

5.16 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.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit and loss.

5.17 Provisions

Provisions are recognised when the Company and its subsidiaries 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.

5.18 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

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

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

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

6. 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.

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 and believes that no loss will result. In determining tax assessment, the Company's management has used judgment to asses of the result of the tax assessment.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Impairment of investments in subsidiaries

Impairment testing on investments in subsidiaries requires management to make estimates of the cash flows to be generated by the subsidiaries and to determine an appropriate discount rate to calculate the present value of those cash flows.

7.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
	2013	2012	2013	2012	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	1,304	1,212	Normal business price close to those charged to other customers
Purchases of goods and raw materials	-	-	307	328	With reference to market price
Loan interest income	-	-	25	30	Per loan agreement
Interest income on overdue payment	-	-	2	3	Interest rate at 7.5 percent per annum
Guarantee fee income	-	-	3	3	1 percent per annum
Service income	-	-	36	30	Agreed between the parties
Management income	-	-	10	10	Agreed between the parties
Service expenses	-	-	2	3	Agreed between the parties
Commission payments	-	-	-	1	Agreed between the parties
<u>Transactions with associates</u>					
Sales of goods	-	9	-	9	Normal business price close to those charged to other customers
Purchases of goods and raw materials	418	420	377	418	With reference to market price
Service income	1	-	1	-	Agreed between the parties
<u>Transactions with related companies</u>					
Sales of goods	13	14	7	4	Normal business price close to those charged to other customers
Purchase of goods	39	46	1	1	With reference to market price
Loan interest income	1	2	-	-	Per loan agreement
Service expenses	6	5	4	5	Agreed between the parties
Service income	1	1	-	-	Agreed between the parties
<u>Transactions with management and directors</u>					
Commission payments	2	1	2	1	Agreed between the parties

As at 31 December 2013 and 2012, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<u>Trade accounts receivable - related parties (Note 9)</u>				
Subsidiaries	-	-	852	858
Associates	-	19	-	19
Related companies (related by common directors)	28	9	24	5
Total	28	28	876	882
Less: Allowance for doubtful accounts	-	-	(194)	(232)
Total trade accounts receivable - related parties, net	28	28	682	650
<u>Other receivables - related parties (Note 9)</u>				
Subsidiaries	-	-	238	230
Related companies (related by common directors)	2	2	1	-
Subsidiary and related company's directors	35	11	23	-
Total	37	13	262	230
Less: Allowance for doubtful accounts	-	-	(155)	(145)
Total other receivables - related parties, net	37	13	107	85
<u>Advances for investment</u>				
Subsidiary	-	-	6	5
<u>Amounts due from related party</u>				
Subsidiary	-	-	50	49
<u>Trade and other payables - related parties (Note 21)</u>				
Subsidiaries	-	-	35	7
Associates	-	1	-	-
Related companies (related by common directors)	45	2	-	-
Total trade and other payables - related parties	45	3	35	7

During the year 2013, the Company has recorded allowance for doubtful accounts for its trade and other receivables - subsidiaries and loans to subsidiaries in the income statement for the year 2013, a total of Baht 61 million (2012: Baht 151 million).

Loans to related parties

As at 31 December 2013 and 2012, the balances of loans between the Company and those related parties and the movement are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<u>Short-term loans to related parties</u>				
Subsidiaries	-	-	7	55
Related companies (related by common directors)	16	16	-	-
Total	16	16	7	55
Less: Allowance for doubtful accounts	-	-	-	(1)
Total short-term loans to related parties, net	<u>16</u>	<u>16</u>	<u>7</u>	<u>54</u>
<u>Current portion of long-term loans to related parties</u>				
Subsidiaries	<u>-</u>	<u>-</u>	<u>33</u>	<u>15</u>
<u>Long-term loans to related parties</u>				
Subsidiaries (net of current portion)	-	-	171	298
Related companies (related by common directors)	-	30	-	-
Total	-	30	171	298
Less: Allowance for doubtful accounts	-	-	-	(6)
Total long-term loans to related parties, net	<u>-</u>	<u>30</u>	<u>171</u>	<u>292</u>

Short-term loans to related parties

Consolidated financial statements

A local subsidiary granted short-term loans to a related company, A-List Corporate Co., Ltd, and these loans are subject to interest at the rate of 7 and 8 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. During the year 2013, Primagold International Co., Ltd. and Pranda Singapore Pte. Limited repaid all the outstanding loans to the Company.

Short-term loan to a subsidiary, Pranda & Kroll GmbH & Co. KG is subject to interest at the rate of 7.5 percent per annum. This loan is unsecured and repayable the principle and interests within June 2014.

Subsequently, in January 2014, the Company granted an additional short-term loan to a subsidiary, Pranda & Kroll GmbH & Co. KG, of Euro 0.3 million or approximately Baht 14 million. This loan is subjected to interest at the rate of 7.5 percent per annum, unsecured and repayable the principle and interests within September 2014.

Long-term loans to related parties

Consolidated financial statements

A local subsidiary granted a long-term loan of USD 1 million, or approximately Baht 33 million (2012: USD 1 million or approximately Baht 30 million), to PT Pranda Marketing Indonesia, a subsidiary company. The loan is subject to interest at the rate of 7.5 percent per annum, has a term of 5 years (maturity in 2016), and is secured by the pledge of all shares of this company.

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

Separate financial statements

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.

The long-term loan granted to a subsidiary, Pranda Singapore Pte. Limited, is unsecured and repayable on demand. No interest is to be charged. During the fourth-quarter of the current year, Pranda Singapore Pte. Limited repaid all outstanding loan to the Company.

The long-term loan granted to a subsidiary, Pranda & Kroll GmbH & Co. KG, is repayable every quarter as from March 2015 to December 2017. Loan is unsecured and interest is repayable every quarter at the rate of 7.5 percent per annum. In September 2013, a meeting of the Company's Board of Directors passed a resolution to increase the Company's investment in a subsidiary, Pranda & Kroll GmbH & Co. KG, by converting the Company's trade accounts receivable - subsidiary (Pranda & Kroll GmbH & Co. KG) and long-term loans to subsidiary (Pranda & Kroll GmbH & Co. KG), amounting to Euro 6.6 million (or approximately Baht 280 million) and Euro 2.9 million (or approximately Baht 123 million), respectively, as described in note 13.3 to financial statements.

During the year 2013, movements of loans to related parties were as follow:

(Unit: Million Baht)

Loans to related parties	Related by	Consolidated financial statements				Balance as at 31 December 2013
		Balance as at 31 December 2012	Increase during the year	Decrease during the year	Transaction elimination	
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	Subsidiary*	30	-	-	(30)	-

* Became subsidiary since 31 March 2013, previously presented as related company

(Unit: Million Baht)

Loans to related parties	Related by	Separate financial statements				
		Balance as at 31 December 2012	Increase during the year	Decrease during the year	Unrealized gain (loss) on exchange rate	Balance as at 31 December 2013
Primagold International Co., Ltd.	Subsidiary	50	-	(50)	-	-
Pranda & Kroll GmbH & Co. KG	Subsidiary	116	12	(121)	-	7
Pranda UK Ltd.	Subsidiary	191	-	(4)	17	204
Pranda Singapore Pte. Limited.	Subsidiary	11	-	(11)	-	-
PT Pranda Marketing Indonesia	Subsidiary*	-	8	(8)	-	-

* Became subsidiary since 31 March 2013, previously presented as related company

Directors and management's benefits

During the years ended 31 December 2013 and 2012, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Short-term employee benefits	76	79	38	38
Post-employment benefits	1	1	1	1
Other long-term benefits	3	2	1	-
Total	80	82	40	39

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 34.3.1 to the financial statements.

8. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash	4,143	3,635	404	384
Bank deposits	283,821	460,470	92,245	238,714
Deposit receipt	-	150,635	-	150,635
Total	287,964	614,740	92,649	389,733

As at 31 December 2013, bank deposits and deposit receipt carried interests between 0.05 to 2.70 percent per annum (2012: between 0.05 and 2.80 percent per annum).

9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	830	-	208,835	157,971
Past due				
Up to 3 months	2,873	3,310	105,885	89,474
3 - 6 months	3,045	7,364	58,456	55,923
6 - 12 months	2,003	5,295	93,150	108,327
Over 12 months	19,444	12,050	410,127	470,823
Total	28,195	28,019	876,453	882,518
Less: Allowance for doubtful debts	-	-	(193,959)	(232,328)
Total trade accounts receivable - related parties, net (Note 7)	28,195	28,019	682,494	650,190
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	237,612	203,458	55,554	46,743
Past due				
Up to 3 months	258,610	289,786	99,212	100,217
3 - 6 months	49,389	36,535	23,511	12,094
6 - 12 months	26,430	19,408	4,658	4,170
Over 12 months	188,879	182,652	139,777	151,021
Total	760,920	731,839	322,712	314,245
Less: Allowance for doubtful debts	(86,213)	(93,461)	(56,797)	(70,664)
Total trade accounts receivable - unrelated parties, net	674,707	638,378	265,915	243,581
Total trade accounts receivable, net	702,902	666,397	948,409	893,771
<u>Other receivables</u>				
Other receivables - related parties (Note 7)	36,785	13,130	261,129	230,370
Other receivables - unrelated parties	14,386	26,207	285	6,330
Accrued interest income	1,319	1,582	1,318	1,582
Accrued income	2,779	1,804	-	-
Total	55,269	42,723	262,732	238,282
Less: Allowance for doubtful debts (Note 7)	(1,142)	(1,142)	(155,386)	(144,895)
Total other receivables, net	54,127	41,581	107,346	93,387
Total trade and other receivables, net	757,029	707,978	1,055,755	987,158

10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2013	2012	2013	2012	2013	2012
Finished goods	1,342,423	1,164,692	[111,952]	[110,084]	1,230,471	1,054,608
Work in process	211,030	306,809	-	-	211,030	306,809
Raw materials	631,860	625,099	[114,233]	[99,728]	517,627	525,371
Factory supplies	13,424	12,461	-	-	13,424	12,461
Goods in transit	8,606	1,636	-	-	8,606	1,636
Total	2,207,343	2,110,697	[226,185]	[209,812]	1,981,158	1,900,885

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2013	2012	2013	2012	2013	2012
Finished goods	269,948	251,611	[67,833]	[75,135]	202,115	176,476
Work in process	200,381	289,798	-	-	200,381	289,798
Raw materials	552,345	536,508	[108,227]	[94,825]	444,118	441,683
Factory supplies	8,320	6,417	-	-	8,320	6,417
Goods in transit	8,373	1,407	-	-	8,373	1,407
Total	1,039,367	1,085,741	[176,060]	[169,960]	863,307	915,781

11. 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.

12. 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 2013, 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 32 million (2012: Baht 34 million), with the interest rate of 7.5 percent per annum.

13. 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	
	2013	2012		2013	2012	2013	2012
				(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	3.35	3.35	Million USD	100	100	112,523	112,523
Pranda & Kroll GmbH & Co. KG	14.96	5.34	Million EUR	75	51	573,303	164,341
Pranda Jewelry Private Limited	1	1	Million Indian Rupee	51	51	436	436
Pranda Trading (Shenzhen) Limited	0.4	0.3	Million USD	100	100	12,470	9,219
Total						1,631,397	1,219,184
Less: Allowance for impairment of investments						(678,202)	(513,470)
Investments in subsidiaries, net						953,195	705,714

During 2013 and 2012, no dividend income was received from its investments in subsidiaries.

13.1 Subsidiary - 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.

During the year 2013, the Company made the additional investment in subsidiary of USD 0.1 million, or approximately Baht 3 million. As a result, the Company's total investment in this subsidiary company is USD 0.4 million, or approximately Baht 12 million, and its shareholding remains unchanged at 100 percent.

Subsequently, in January 2014, the Company made additional investment in subsidiary of USD 0.15 million, or approximately Baht 5 million, and its shareholding remains unchanged at 100 percent.

13.2 Subsidiary - PT Pranda Marketing Indonesia

On 31 March 2013, Primagold International Co., Ltd. entered into an agreement with the shareholders of PT Pranda Marketing Indonesia, assigning control over the financial and operating policies of PT Pranda Marketing Indonesia to Primagold International Co., Ltd., through the majority of the Board of Directors of that company including voting power and granting an equity interest of 55 percent in this company, effective from 31 March 2013. However, the subsidiary is not a shareholder and without transferring any consideration to the shareholders of PT Pranda Marketing Indonesia but has power to control and owns more than half of the voting power. Therefore, the Company considered this company as the subsidiary of the group.

PT Pranda Marketing Indonesia has registered share capital of 4 thousand million Indonesian Rupiah (4,000 ordinary shares of 1,000,000 Indonesian Rupiah each) or approximately of Baht 12 million and has paid up capital of 1 thousand million Indonesian Rupiah or approximately of Baht 3 million.

The fair value of assets acquired and liabilities assumed from PT Pranda Marketing Indonesia as at the acquisition date (31 March 2013) were summarised below.

	(Unit: Thousand Baht)
Cash and cash equivalents	545
Trade and other receivables	2,580
Inventories	64,241
Other current assets	14,839
Equipment	676
Deferred tax assets	535
Other non-current assets	780
Trade and other payables	(48,872)
Other current liabilities	(151)
Provision for long-term employee benefits	(928)
Deferred tax liabilities	(16)
Convertible long-term loans	(28,806)
Net assets of the subsidiary	<u>5,423</u>

Revenue and loss of PT Pranda Marketing Indonesia has been included in the consolidated income statement for the year 2013 since the acquisition date amounting to Baht 53 million and Baht 3 million, respectively (If the business combination had taken place at the beginning of the current year, the revenue and loss of PT Pranda Marketing Indonesia would have been included in the consolidated income statement for the year ended 31 December 2013 of Baht 67 million and Baht 4 million, respectively).

13.3 Subsidiary - Pranda & Kroll GmbH & Co. KG

On 27 September 2013, a meeting of the Company's Board of Directors passed a resolution to increase the Company's investment in a subsidiary, Pranda & Kroll GmbH & Co. KG, by Euro 9.6 million, or approximately Baht 409 million, by converting long-term loans of Euro 2.9 million and trade accounts receivable of Euro 6.6 million and making cash payment of Euro 0.14 million. The Company increased investments in this subsidiary on 30 September 2013, as a result, the Company's total investment in this subsidiary totals Euro 13 million, or approximately Baht 573 million, and its shareholding increased from 51 percent to 75 percent.

The Company recorded the effect as a result of the change in shareholding of the subsidiary, amounting to Baht 58 million, under the caption of "Deficit from change in shareholding of subsidiary" in the other components of shareholders' equity in the consolidated financial statements.

13.4 Subsidiary - Guangzhou Pangda Zhubao Shoushi Youxian Gongsi

On 27 September 2013, a meeting of the Company's Board of Directors passed a resolution to dissolve a subsidiary, Guangzhou Pangda Zhubao Shoushi Youxian Gongsi, on 27 September 2013. At present, the subsidiary is in the process of dissolution, which might take approximately for 1 year. This subsidiary is not a significant segment of the Group, therefore, there is no significant impact on the consolidated financial statements.

During the current year, the Company recorded impairment loss on investment in this subsidiary of Baht 56 million in the separate income statement for the year ended 31 December 2013. As a result, as at 31 December 2013, the Company has made full allowance for impairment loss on investment in this subsidiary totaling Baht 112 million.

14. Investments in associates

14.1 Details of associates:

			(Unit: Thousand Baht)			
Company's name	Nature of business	Country of incorporation	Consolidated financial statements			
			Shareholding Percentage		Investments value - equity method	
			2013 (Percent)	2012 (Percent)	2013 (Percent)	2012 (Percent)
KZ-Pranda Co., Ltd.	Import and distribution of raw materials -precious metals	Thailand				
- Cost			40	40	3,600	3,600
- Accumulated share loss					(3,600)	(84)
					-	3,516
P.T. Sumberkreasi Ciptalogam (held by the subsidiary company)	Manufacture and distribution of jewelry	Indonesia				
- Cost			-	50	-	39,409
- Accumulated share profit					-	11,833
- Translation adjustment					-	(4,857)
					-	46,385
Total carrying amounts based on equity method					-	49,901

(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	
			2013	2012	2013	2012	2013	2012	2013	2012
			(Percent)	(Percent)						
KZ-Pranda Co., Ltd.	Import and distribution of raw materials - precious metals	Thailand	40	40	3,600	3,600	(3,600)	(3,600)	-	-

On 1 October 2013, the Company acquired 2,000,000 ordinary shares with a par value of 1,000 Indonesian Rupiah each of P.T. Sumberkreasi Ciptalogam, an associate held by Pranda Singapore Pte. Limited, which is a 100-percent owned subsidiary of the Company. This represents 50 percent of the issued and paid up share capital of P.T. Sumberkreasi Ciptalogam. The purchase price was the net book value of SGD 1.4 million, or approximately Baht 35 million. The Company then disposed of 1,240,000 ordinary shares of its investment in P.T. Sumberkreasi Ciptalogam, representing 31 percent of the issued and paid up share capital of P.T. Sumberkreasi Ciptalogam, by sale to a shareholder of P.T. Sumberkreasi Ciptalogam, at a price of approximately USD 0.7 million, or approximately Baht 22 million, which was close to a fair value. The term of payment to the Company will be made in 2014 and 2015 amounting to USD 0.5 million and USD 0.2 million, respectively. The Company recognised loss on the sale of this investment in the 2013 consolidated financial statements and separate financial statements of approximately Baht 0.7 million and Baht 0.1 million, respectively. As a result of the sale, the Company's shareholding in this company decreased from 50 percent to 19 percent, and the balance of the investment has therefore been recorded as other long-term investments. Investment in P.T. Sumberkreasi Ciptalogam under the equity method has consequently not been recorded in the Company's consolidated financial statements since 1 October 2013.

14.2 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	
	2013	2012
		(Restated)
P.T. Sumberkreasi Ciptalogam	(9,795)	(16,133)
KZ-Pranda Co., Ltd.	(3,516)	3,516
Total	(13,311)	(12,617)

During 2013 and 2012, the Company and its subsidiaries received no dividend income from their investments in associates.

14.3 Financial information of associates

Financial information of the associates are summarised below.

(Unit: Million Baht)

Company's name	Paid-up capital as at		Currency	Total assets as at		Total liabilities as at		Total revenues for the years ended		Profit (loss) for the years ended	
	31 December			31 December		31 December		31 December		31 December	
	2013	2012		2013	2012	2013	2012	2013	2012	2013	2012
KZ-Pranda Co., Ltd.	9	9	Million Baht	139	236	146	227	1,975	2,245	(16)	14
P.T. Sumberkreasi Ciptalogam	-	4,000	Million Indonesian Rupiah	-	210	-	175	-	143	-	(38)

14.4 Investment in associates with capital deficit

In 2013, 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 obligation, 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 for the years ended 31 December		Cumulative unrecognised share of losses up to 31 December	
	2013		2013	
	2013	2012	2013	2012
KZ-Pranda Co., Ltd.	3	-	3	-

15. Other long-term investments

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Investments in government bonds	9,852	9,815	9,852	9,815
Investment in other company - P.T. Sumberkreasi Ciptalogam, which the Company's shareholding is 19 percent (as described in Note 14.1)	14,490	-	13,350	-
Total other long-term investments	24,342	9,815	23,202	9,815

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

16. Investment properties

The net book value of investment properties as at 31 December 2013 and 2012 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 2013:</u>						
Cost	667,381	66,852	734,233	667,381	20,245	687,626
<u>Less:</u> Accumulated depreciation	-	(42,113)	(42,113)	-	(10,007)	(10,007)
<u>Less:</u> Allowance for loss on impairment	(188,016)	-	(188,016)	(188,016)	-	(188,016)
Net book value	<u>479,365</u>	<u>24,739</u>	<u>504,104</u>	<u>479,365</u>	<u>10,238</u>	<u>489,603</u>
<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>

A reconciliation of the net book value of investment properties for the years 2013 and 2012 is presented below.

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Net book value at beginning of year	506,962	509,821	490,230	490,858
Depreciation	(2,858)	(2,859)	(627)	(628)
Net book value at end of year	<u>504,104</u>	<u>506,962</u>	<u>489,603</u>	<u>490,230</u>

The fair value of the investment properties stated below:

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
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, land and building for rent have been determined based on valuations performed by an accredited independent valuer in 2011, using the market prices.

The Company and its subsidiaries have mortgaged their investment properties with a total net book value as at 31 December 2013, amounting to approximately Baht 486 million (2012: Baht 486 million) (the separate financial statements as at 31 December 2013: Baht 489 million, 2012: Baht 490 million) as collateral against credit facilities received from commercial banks.

17. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements							
	Land improvements	Buildings and building improvements	Leasehold improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction
Land	improvements	improvements	improvements	equipment	equipment	vehicles	Total
Cost:							
98,594	9,658	421,780	36,617	207,711	428,916	32,106	1,270,208
-	-	216	739	6,589	21,007	2,442	134,027
-	(264)	(1,625)	(656)	(3,791)	(17,006)	(3,430)	(26,834)
-	791	9,240	-	15,334	12,013	-	-
-	-	-	-	-	1,006	-	1,006
(102)	-	(1,845)	(467)	(442)	(1,345)	(219)	(4,420)
98,492	10,185	427,766	36,233	225,401	444,591	30,899	1,373,987
-	-	99	2,442	10,590	20,516	4,499	292,042
(3,014)	-	(11,981)	-	(3,096)	(36,478)	(2,751)	(57,565)
-	-	-	-	-	1,514	389	1,903
-	-	-	-	-	-	-	5,564
-	1,115	18,121	-	3,529	15,115	261	-
201	-	3,751	1,948	1,877	4,156	507	12,440
95,679	11,300	437,756	40,623	238,301	449,414	33,804	1,628,371
Accumulated depreciation:							
-	6,531	279,477	24,394	151,481	341,046	20,658	823,587
-	360	15,113	2,222	18,230	29,046	4,237	69,208
-	(153)	(1,077)	(656)	(2,619)	(16,413)	(3,340)	(24,258)
-	-	-	-	-	426	-	426
-	-	(1,035)	(196)	(381)	(824)	(71)	(2,507)
-	6,738	292,478	25,764	166,711	353,281	21,484	866,456
-	428	13,268	4,210	20,195	29,761	3,860	71,722
-	-	(1,641)	-	(2,615)	(32,285)	(1,619)	(38,160)
-	-	-	-	-	838	389	1,227
-	-	2,204	1,294	1,456	3,255	1,286	9,495
-	7,166	306,309	31,268	185,747	354,850	25,400	910,740

2012 (Baht 36 million included in manufacturing cost, and the balance in selling and administrative expenses)

17. Property, plant and equipment (continued)

	Separate financial statements							(Unit: Thousand Baht)
	Buildings		Furniture, fixtures and office equipment		Assets under installation and under construction			
	Land improvements	and building improvements	Machinery and equipment	fixtures and office equipment	Motor vehicles	under construction		
	Land					Total		
Cost:								
1 January 2012	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
Additions	-	-	74	8,185	8,390	1,568	200,931	219,148
Disposals	-	-	-	(1,389)	(5,896)	(814)	(245)	(8,344)
Transfers	-	1,115	18,121	3,529	4,025	-	(26,790)	-
Capitalised interest	-	-	-	-	-	-	5,564	5,564
31 December 2013	88,570	11,300	350,109	211,888	261,004	19,815	279,371	1,222,057
Accumulated depreciation:								
1 January 2012	-	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
Depreciation for the year	-	428	9,121	19,072	11,968	2,028	-	42,617
Depreciation on disposals	-	-	-	(1,374)	(5,294)	(814)	-	(7,482)
31 December 2013	-	7,166	256,284	165,703	215,853	15,255	-	660,261

17. Property, plant and equipment (continued)

	Separate financial statements						(Unit: Thousand Baht)
	Land improvements	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total
Allowance for impairment loss:							
1 January 2012	-	-	-	11,833	-	-	11,833
31 December 2012	-	-	-	11,833	-	-	11,833
31 December 2013	-	-	-	11,833	-	-	11,833
Net book value:							
31 December 2012	88,570	3,447	84,751	53,558	33,473	5,020	368,730
31 December 2013	88,570	4,134	93,825	46,185	33,318	4,560	549,963
Depreciation for the year							
2012 (Baht 31 million included in manufacturing cost, and the balance in selling and administrative expenses)							40,890
2013 (Baht 32 million included in manufacturing cost, and the balance in selling and administrative expenses)							42,617

As at 31 December 2013, 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 665 million (2012: Baht 630 million) [The separate financial statements: 2013: Baht 500 million, 2012: Baht 474 million].

The Company and its subsidiaries have mortgaged/pledged their property, plant and equipment with a total net book value as at 31 December 2013 amounting to approximately Baht 400 million (2012: Baht 225 million) as collateral against credit facilities received from commercial banks [The separate financial statements: 2013: Baht 323 million, 2012: Baht 142 million].

18. Leasehold rights

A local subsidiary company has mortgaged leasehold rights with a total net book value as at 31 December 2013 of approximately Baht 15 million (2012: Baht 16 million) as collateral for credit facilities received from commercial banks.

19. Intangible assets

The net book value of intangible assets as at 31 December 2013 and 2012 is presented below.

	(Unit: Thousand Baht)					
	Consolidated financial statements			Separate financial statements		
	Computer software	Brand names	Total	Computer software	Brand names	Total
Cost:						
As at 1 January 2012	48,138	-	48,138	20,640	-	20,640
Additions	5,122	3,302	8,424	3,973	3,302	7,275
Acquisition of subsidiaries 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
Addition	7,069	50	7,119	5,458	50	5,508
Disposals	(69)	-	(69)	-	-	-
Translation adjustment	2,251	-	2,251	-	-	-
As at 31 December 2013	63,966	3,352	67,318	30,071	3,352	33,423
Accumulated amortisation:						
As at 1 January 2012	16,845	-	16,845	6,850	-	6,850
Amortisation during the year	6,991	-	6,991	3,793	-	3,793
Acquisition of subsidiaries during the year	182	-	182	-	-	-
Translation adjustment	14	-	14	-	-	-
As at 31 December 2012	24,032	-	24,032	10,643	-	10,643
Amortisation during the year	6,206	-	6,206	2,864	-	2,864
Accumulated amortisation for disposal	(65)	-	(65)	-	-	-
Translation adjustment	1,480	-	1,480	-	-	-
As at 31 December 2013	31,653	-	31,653	13,507	-	13,507
Net book value:						
31 December 2012	30,683	3,302	33,985	13,970	3,302	17,272
31 December 2013	32,313	3,352	35,665	16,564	3,352	19,916

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

	Interest rate (percent per annum)	(Unit: Thousand Baht)			
		Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Bank overdrafts	7.70, 9.45	12,305	5,174	-	-
Short-term loans from financial institutions	3.35, 3.60 - 3.90	445,365	191,389	240,000	-
Total		457,670	196,563	240,000	-

As at 31 December 2013, 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, and investment properties.

As at 31 December 2012, bank overdrafts and short-term loans from financial institutions of the Company were secured by the mortgage of the Company's land with structure 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 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.

21. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Trade and other payables - related parties (Note 7)	45,007	2,711	34,978	6,787
Trade payables - unrelated parties	518,921	820,095	388,394	723,383
Other payables - unrelated parties	81,348	34,886	52,329	24,317
Accrued expenses	98,432	77,169	44,200	32,776
Total trade and other payables	743,708	934,861	519,901	787,263

22. Long-term loans

(Unit: Thousand Baht)

Loan	Interest rate (percent per annum)	Repayment schedule	Consolidated financial statements		Separate financial statements	
			2013	2012	2013	2012
1	MLR - 0.5	Quarterly installment as from June 2007 to December 2014	25,110	50,110	25,110	50,110
2	MLR - 1	Quarterly installment as from November 2012 to February 2019	244,000	288,800	244,000	288,800
3	MLR - 1	Quarterly installment as from October 2013 to October 2017	136,623	-	136,623	-
4	MLR	Monthly installment as from January 2007 to December 2017	3,633	4,542	-	-
5	MLR + 0.5	Monthly installment as from July 2009 to December 2015	3,341	4,747	-	-
6	MLR	Monthly installment as from October 2009 to June 2016	13,772	18,525	-	-
7	13.50	Monthly installment as from September 2013 to August 2028 (Indian Rupee loan)	15,192	-	-	-
8	2.48	Monthly installment as from July 2007 to June 2022 (USD loan)	-	7,131	-	-
Total			441,671	373,855	405,733	338,910
Less: Current portion of long-term loans			(113,223)	(77,538)	(105,310)	(69,800)
Long-term loans, net of current portion			328,448	296,317	300,423	269,110

During the current year, the Company withdrew long-term loan of Baht 145 million. The 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 October 2013 to October 2017.

The long-term loans of the Company are secured by the mortgage of land with structures, including the future construction thereon, and 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 fourth-quarter of the current year, this subsidiary repaid all the outstanding long-term loan.

During the current year, Pranda Jewelry Private Limited, its subsidiary, has long-term loan from an Indian financial institution of Indian Rupee 30 million or approximately Baht 15 million. The loan is subject to interest rate at 13.50 percent per annum. Interest and principal is repayable monthly for 15 years. Such loan is secured by the mortgage of a building of this subsidiary.

23. 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	
	2013	2012	2013	2012	2013	2012
Defined benefit obligation at beginning of year	171,350	156,947	8,647	8,469	179,997	165,416
Current service cost	11,417	10,539	945	1,010	12,362	11,549
Interest cost	6,164	5,631	336	329	6,500	5,960
Increase from business combination	928	-	-	-	928	-
Benefits paid during the year	(5,644)	(1,767)	(1,337)	(1,161)	(6,981)	(2,928)
Provision for long-term employee benefits at end of year	<u>184,215</u>	<u>171,350</u>	<u>8,591</u>	<u>8,647</u>	<u>192,806</u>	<u>179,997</u>
(Unit: Thousand Baht)						
Separate financial statements						
	Post-employment benefits from employee's retirement		Other long-term employee benefits plan		Total	
	2013	2012	2013	2012	2013	2012
Defined benefit obligation at beginning of year	142,302	130,245	7,770	7,518	150,072	137,763
Current service cost	8,262	8,344	798	847	9,060	9,191
Interest cost	5,233	4,800	299	293	5,532	5,093
Benefits paid during the year	(4,946)	(1,087)	(1,133)	(888)	(6,079)	(1,975)
Provision for long-term employee benefits at end of year	<u>150,851</u>	<u>142,302</u>	<u>7,734</u>	<u>7,770</u>	<u>158,585</u>	<u>150,072</u>

Long-term employee benefit expenses included in the consolidated statements of income was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	Post-employment benefits from employee's retirement		Other long-term employee benefits plan		Total	
	2013	2012	2013	2012	2013	2012
Current service cost	11,417	10,539	945	1,010	12,362	11,549
Interest cost	6,164	5,631	336	329	6,500	5,960
Total expenses recognised in statements of income	17,581	16,170	1,281	1,339	18,862	17,509
Line items under which such expenses are included in statements of income						
Cost of sales	8,522	8,569	840	929	9,362	9,498
Selling and administrative expenses	9,059	7,601	441	410	9,500	8,011
	17,581	16,170	1,281	1,339	18,862	17,509

(Unit: Thousand Baht)

	Separate financial statements					
	Post-employment benefits from employee's retirement		Other long-term employee benefits plan		Total	
	2013	2012	2013	2012	2013	2012
Current service cost	8,262	8,344	798	847	9,060	9,191
Interest cost	5,233	4,800	299	293	5,532	5,093
Total expenses recognised in statements of income	13,495	13,144	1,097	1,140	14,592	14,284
Line items under which such expenses are included in statements of income						
Cost of sales	7,491	7,272	816	843	8,307	8,115
Selling and administrative expenses	6,004	5,872	281	297	6,285	6,169
	13,495	13,144	1,097	1,140	14,592	14,284

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(Percent per annum)	(Percent per annum)	(Percent per annum)	(Percent per annum)
Discount rate	1.0 - 6.5	1.0 - 3.9	3.9	3.9
Future salary increase rate	2.0 - 7.0	2.0 - 7.0	3.0 - 7.0	3.0 - 7.0
Staff turnover rate (depending on age)	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 three periods are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		
	Post-employment	Other long-term	Total
	benefits from employee's retirement	employee benefits plan	
Year 2013	184,215	8,591	192,806
Year 2012	171,350	8,647	179,997
Year 2011	156,947	8,469	165,416
Year 2010	144,096	8,496	152,552

(Unit: Thousand Baht)

	Separate financial statements		
	Post-employment	Other long-term	Total
	benefits from employee's retirement	employee benefits plan	
Year 2013	150,851	7,734	158,585
Year 2012	142,302	7,770	150,072
Year 2011	130,245	7,518	137,763
Year 2010	120,556	7,517	128,073

24. 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 2012	6,197,246
Number of exercised warrants during the year 2012	(2,950,800)
Outstanding units as at 31 December 2012	3,246,446
Number of exercised warrants during the year 2013	(2,862,246)
Outstanding units as at 31 December 2013	384,200

25. Share capital / share premium

Presented below is a summary of movements in share capital during the years ended 31 December 2013 and 2012.

	Issued and fully paid-up share capital		Share premium		Date of registration of additional shares with the Ministry of Commerce		Date of listing securities on the Stock Exchange of Thailand	
	2013	2012	2013	2012	2013	2012	2013	2012
	(Thousand Baht)	(Thousand Baht)						
Balance outstanding at the beginning year	406,283	403,332	780,362	774,461				
Increase in share capital from exercised warrants in February	384	384	769	768	8 March 2013	5 March 2012	12 March 2013	9 March 2012
Increase in share capital from exercised warrants in August	2,478	2,567	4,956	5,133	10 September 2013	6 September 2012	11 September 2013	10 September 2012
Total	2,862	2,951	5,725	5,901				
Balance outstanding at the ending year	409,145	406,283	786,087	780,362				

26. 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.

27. Expenses by nature

Significant expenses by nature are as follows:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2013	2012	2013	2012
Salary and wages and other employee benefits	985,199	947,519	598,333	571,332
Depreciation and amortisation	83,270	81,543	46,108	45,313
Raw materials and consumables used and purchase of finished goods	1,864,620	2,093,443	1,559,582	1,796,457
Changes in inventories of finished goods and work in process	(81,952)	(47,332)	71,080	(56,784)
Decrease of inventory to net realisable value (reversal)	16,374	(5,733)	6,100	3,750
Doubtful accounts (reversal)	(7,247)	(26,995)	54,255	142,558
Commission and sales promotion expenses	110,171	105,525	31,292	21,330
Rental expenses from operating lease agreements	63,722	60,314	421	672

28. Income tax

Tax expenses (income) for the years ended 31 December 2013 and 2012 are made up as follows:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2013	2012 (Restated)	2013	2012 (Restated)
Current income tax:				
Current income tax charge for the year	(3,786)	29,321	-	12,710
Adjustment in respect of current income tax of previous year	1,136	(238)	1,136	(238)
Deferred tax:				
Relating to origination and reversal of temporary differences	(27,729)	541	(29,894)	(1,721)
Effects of changes in the applicable tax rates	-	702	-	435
Tax expense (income) reported in the statements of income	(30,379)	30,326	(28,758)	11,186

Reconciliation between tax expenses (income) and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2013 and 2012 are as follows;

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2013	2012 (Restated)	2013	2012 (Restated)
Accounting profit before tax	84,548	433,151	190,975	426,739
Applicable tax rate	15% - 40%	15% - 40%	20%	23%
Accounting profit before tax multiplied by applicable tax rate	7,713	108,354	38,195	98,150
Adjustment in respect of current income tax of previous year	1,136	(238)	1,136	(238)
Effects of changes in the applicable tax rates	-	702	-	435
Previously unrecognised deferred tax assets on impairment loss of investments in subsidiaries	(11,252)	-	(11,252)	-
Deferred tax assets which were not recognised during the year	46,827	45,856	12,133	38,679
Effect of elimination entries on the consolidated financial statements	(10,549)	(809)	-	-
Effects of:				
Promotional privileges (Note 29)	(70,015)	(123,124)	(71,805)	(124,708)
Non-deductible expenses	6,507	1,662	6,085	898
Additional expense deductions allowed	(3,275)	(2,077)	(3,250)	(2,030)
Others	2,529	-	-	-
Total	(64,254)	(123,539)	(68,970)	(125,840)
Tax expenses (income) reported in the statements of income	(30,379)	30,326	(28,758)	11,186

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)			
Consolidated financial statements			
	As at 31 December 2013	As at 31 December 2012 (Restated)	As at 1 January 2012
Deferred tax assets			
Allowance for doubtful accounts	2,364	1,932	1,988
Reduce cost of inventories to net realisable value	10,026	6,428	5,451
Provision for long-term employee benefits	34,033	32,051	29,518
Difference between tax and accounting of revenue recognition	997	1,121	2,095
Unused tax loss	5,113	2,342	1,832
Unrealised profit from inter-sales transactions	5,734	8,369	13,450
Allowance for impairment of investments in subsidiaries	22,505	-	-
Others	2,773	3,966	2,782
Total	83,545	56,209	57,116
Deferred tax liabilities			
Difference of depreciation for accounting and tax purpose	61	972	636
Total	61	972	636
Total deferred tax assets, net	83,484	55,237	56,480

(Unit: Thousand Baht)			
Separate financial statements			
	As at 31 December 2013	As at 31 December 2012 (Restated)	As at 1 January 2012
Deferred tax assets			
Allowance for doubtful accounts	1,392	1,392	1,392
Reduce cost of inventories to net realisable value	1,026	-	-
Provision for long-term employee benefits	31,717	30,014	27,612
Unused tax loss	4,221	-	-
Allowance for impairment of investments in subsidiaries	22,505	-	-
Others	482	43	1,159
Total	61,343	31,449	30,163

In October 2011, the cabinet passed a resolution to reduce the corporate income tax rate from 30 percent to 23 percent in 2012, and then to 20 percent from 2013. In addition, in order to comply with the resolution of the cabinet, in December 2011, the decreases in tax rates for 2012 - 2014 were enacted through a royal decree. The Company has reflected the changes in the income tax rates in its deferred tax calculation, as presented above.

As at 31 December 2013, the Company has deductible temporary differences totaling Baht 1,333 million (2012: Baht 1,326 million), on which deferred tax assets have not been recognised as the Company believes such deductible temporary differences cannot be utilised.

As at 31 December 2013, the subsidiaries have deductible temporary differences and unused tax losses totaling Baht 1,311 million (2012: Baht 998 million), on which deferred tax assets have not been recognised as the subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

29. Promotional privileges

- 29.1 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	
	2013	2012	2013	2012	2556	2555
Sales						
Domestic sales	26,145	205,811	538,016	596,139	564,161	801,950
Export sales	1,163,735	1,376,604	975,387	946,567	2,139,122	2,323,171
Total sales	1,189,880	1,582,415	1,513,403	1,542,706	2,703,283	3,125,121

- 29.2 A subsidiary company (Pranda Vietnam Company Limited) was granted tax privileges by the Government of Vietnam for the manufacture of gold and silver jewelry. Subject to certain imposed conditions, the privileges include a 40% reduction of corporate income tax (reduce from 25% to 15%) on income derived from the promoted operations for a period of 40 years from the date the promoted operations commenced generating revenues.

30. 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						
Profit for the year		Weighted average number of ordinary shares		Earnings per share		
2013	2012	2013	2012	2013	2012	
(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)	
	(Restated)				(Restated)	
Basic earnings per share						
Profit attributable to equity holders of the Company	164,606	449,968	407,433	404,509	0.4040	1.1124
Effect of dilutive potential ordinary shares						
Warrants	-	-	1,408	2,923		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	164,606	449,968	408,841	407,432	0.4026	1.1044
Separate financial statements						
Profit for the year		Weighted average number of ordinary shares		Earnings per share		
2013	2012	2013	2012	2013	2012	
(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)	
	(Restated)				(Restated)	
Basic earnings per share						
Profit attributable to equity holders of the Company	219,732	415,553	407,433	404,509	0.5393	1.0273
Effect of dilutive potential ordinary shares						
Warrants	-	-	1,408	2,923		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	219,732	415,553	408,841	407,432	0.5375	1.0199

31. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operation decision maker has been identified as Board of Executive Directors.

For management purposes, the Company and its subsidiaries are organised into business units based on its business activities and have three reportable segments as follows:

- 1) Production of jewelry
- 2) Distribution of jewelry
- 3) Retail jewelry

Other segments are dormitory rental in Thailand and investment.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

Inter-segment revenues are eliminated on consolidation.

The following tables present revenues, profit (loss) and total assets information regarding the Company and its subsidiaries' operating segments for the years ended 31 December 2013 and 2012.

(Unit: Million Baht)

	Total													
	Production		Distribution		Retail		Others		Segments		Eliminations		Consolidated	
For the years ended														
31 December	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
														(Restated)
Revenues														
Revenues from external customers	1,615	2,109	1,300	1,357	734	711	-	-	3,649	4,177	-	-	3,649	4,177
Revenues from intersegment	1,275	1,202	2	23	259	267	-	-	1,536	1,492	(1,536)	(1,492)	-	-
Total revenues	2,890	3,311	1,302	1,380	993	978	-	-	5,185	5,669	(1,536)	(1,492)	3,649	4,177
Results														
Segment profit (loss)	75	428	(144)	(100)	(4)	26	(7)	(6)	(80)	348	188	206	108	554
Unallocated revenues and expenses														
Interest income													6	13
Gain on exchange													93	12
Other income													29	29
Depreciation and amortisation													(83)	(82)
Impairment loss on goodwill													-	(34)
Share of loss from investments in associates													(13)	(13)
Finance cost													(55)	(46)
Tax income (expenses)													30	(30)
Non-controlling interests of the subsidiaries													50	47
Profit attributable to equity holders of the Company for the year													165	450
Segment total assets	4,714	4,638	1,004	961	893	944	71	47	6,682	6,590	(2,148)	(2,092)	4,534	4,498
Investments in associates under equity method	-	4	-	-	-	-	-	46	-	50	-	-	-	50
Total	4,714	4,642	1,004	961	893	944	71	93	6,682	6,640	(2,148)	(2,092)	4,534	4,548

Geographic information

Revenue from external customers is based on locations of the customers.

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2013	2012
Revenue from external customers		
Thailand	821,758	1,134,803
United States of America	1,155,664	1,242,342
Germany	565,646	592,676
Others	1,105,771	1,206,891
Total	3,648,839	4,176,712

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2013	2012
Non-current assets		
(other than financial instruments and deferred tax assets)		
Thailand	1,216,376	1,055,286
Others	101,178	119,174
Total	1,317,554	1,174,460

Major customers

For the year 2013, the Company and its subsidiaries have revenue from two major customers in totaling amount of Baht 1,187 million, arising from sales by the production and distribution segments (2012: Baht 1,109 million derived from two major customers, arising from sales by the production and distribution segments).

32. 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 2013, the Company contributed Baht 11 million to the fund (2012: Baht 10 million).

33. Dividends

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht per share)
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>
Final dividends for 2012	Annual General Meeting of the shareholders on 22 April 2013	203,332	0.50
Total dividends paid for the year 2013		<u>203,332</u>	<u>0.50</u>

34. Commitments and contingent liabilities

34.1 Capital commitments

As at 31 December 2013, the Company and its subsidiaries had capital commitments totaling of approximately Baht 78 million (2012: Baht 146 million), relating to acquisition of computer software, building construction and building improvements) (separate financial statement 2013: Baht 78 million 2012: Baht 145 million).

34.2 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	
	2013	2012	2013	2012
Payable:				
In up to 1 year	42	39	1	1
In over 1 and up to 5 years	69	78	-	-
In over 5 years	25	32	-	-

34.3 Guarantees

34.3.1 The Company has issued guarantees to secure bank overdrafts and credit facilities of its subsidiaries. As at 31 December 2013, there were outstanding guarantees of Baht 561 million, EUR 0.3 million and USD 6.6 million (2012: Baht 411 million, EUR 0.3 million and USD 6.6 million), totaling of Baht 793 million (2012: Baht 627 million).

34.3.2 As at 31 December 2013, there was outstanding bank guarantee of Baht 18 million (2012: Baht 18 million) has been issued by a bank to meet obligations of the Company to the Revenue Department as described in Note 34.5 to the financial statements.

34.3.3 As at 31 December 2013, the Company and its subsidiaries have outstanding standby-letters of credit of USD 8 million and EUR 0.3 million, totaling of Baht 276 million (2012: USD 17 million and EUR 0.3 million or approximately 532 million) (separate financial statement: 2013: USD 6 million and EUR 0.3 million or Baht 210 million) (2012: USD 15 million and EUR 0.3 million or Baht 471 million).

34.4 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 2013, the Company recorded accumulated expenses a total of approximately Baht 21 million (2012: Baht 12 million).

34.5 Tax assessment by the Revenue Department

In 2012, 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.

35. Financial instruments

35.1 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 2013							
	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	4	-	-	113	171	288	0.05 - 2.70
Current investment - deposits with financial institutions	8	-	-	-	-	8	2.90 - 9.50
Trade and other receivables	14	-	-	-	743	757	-
Short-term loans to related parties	16	-	-	-	-	16	7.00, 8.00
Deposits at banks with restrictions	3	-	-	-	1	4	1.70 - 2.35
Other long-term investments	-	10	-	-	14	24	2.80
Total	45	10	-	113	929	1,097	
Financial liabilities							
Bank overdraft and short-term loans from financial institutions	458	-	-	-	-	458	3.35 - 9.45
Trade and other payables	68	-	-	-	676	744	2.30 - 3.40
Long-term loans	-	1	13	428	-	442	(1)
Total	526	1	13	428	676	1,644	

(1) MLR, MLR-0.5, MLR-1, MLR+0.5, 13.50

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2012

	Fixed interest rates					Non- interest bearing	Total	Interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years	Floating interest rate				
Financial assets								
Cash and cash equivalents	249	-	-	176	190	615	0.05 - 2.80	
Current investment - deposits with financial institutions	25	-	-	-	-	25	3.05, 8.00 - 9.50	
Trade and other receivables	13	-	-	-	695	708	2.12, 8.00	
Short-term loans to related parties	16	-	-	-	-	16	7.00, 8.00	
Deposits at banks with restrictions	4	-	-	-	-	4	0.25 - 2.35	
Other long-term investments	-	-	10	-	-	10	2.80	
Long-term loan to related party	-	30	-	-	-	30	7.50	
Total	307	30	10	176	885	1,408		
Financial liabilities								
Bank overdraft and short-term loans from financial institutions	197	-	-	-	-	197	MOR, 4.05 - 5.60, 7.70	
Trade and other payables	319	-	-	108	508	935	(1)	
Long-term loans	1	6	-	367	-	374	(2)	
Total	517	6	-	475	508	1,506		
(1) MOR, MMR, MLR								
(2) MLR, MLR-0.5, MLR-1, MLR+0.5, 2.48								

(Unit: Million Baht)

Separate financial statements as at 31 December 2013

	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	-	-	-	58	35	93	0.125 - 0.65
Trade and other receivables	-	-	-	-	1,056	1,056	-
Short-term loans to related parties	7	-	-	-	-	7	7.50
Amounts due from related party	-	-	-	-	50	50	-
Long-term loans to related parties	33	171	-	-	-	204	7.50
Investment in convertible debentures issued by subsidiary	-	32	-	-	-	32	7.50
Other long-term investments	-	10	-	-	13	23	2.80
Total	40	213	-	58	1,154	1,465	
Financial liabilities							
Bank overdraft and short-term loans from financial institutions	240	-	-	-	-	240	3.35 -3.85
Trade and other payables	6	-	-	-	514	520	2.30 - 3.40
Long-term loans	-	-	-	406	-	406	(1)
Total	246	-	-	406	514	1,166	

(1) MLR-1, MLR-0.5

(Unit: Million Baht)

Separate financial statements as at 31 December 2012

	Fixed interest rates				Non-		
	Within	1-5	Over	Floating	interest	Total	Interest rate
	1 year	years	5 years	interest rate	bearing		(% per annum)
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	5.00, 6.50
Amounts due from related party	-	-	-	-	49	49	-
Long-term loans to related parties	15	229	63	-	-	307	7.50
Investment in convertible debentures							
issued by subsidiary	-	34	-	-	-	34	7.50
Other long-term investments	-	-	10	-	-	10	2.80
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

(1) 1.35, 3.4, LIBOR+2

(2) MLR-1, MLR-0.5

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			
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	(Baht per 1 foreign currency unit)									
US dollar	12	13	14	24	24	24	10	23	32.76	30.58
Euro	-	1	-	-	7	15	-	-	44.96	40.50
Pound Sterling	-	-	-	-	7	7	-	-	53.83	49.27
Indian Rupee	-	-	-	-	69	69	-	-	0.51	0.55
Vietnam Dong	6,254	3,234	758	298	-	-	-	-	0.0016	0.0015

Foreign exchange contracts outstanding are summarised below.

Consolidated financial statements as at 31 December 2013			
Foreign currencies	Amount	Contractual exchange rate	Contractual maturity date
<u>Forward contracts to "Sell"</u>			
US dollar	8,229,982	31.38 - 33.07 Baht per US dollar	January - July 2014
Euro	44,686	41.50 - 41.80 Baht per Euro	January - February 2014
Pound Sterling	14,241	50.31 Baht per Pound Sterling	March 2014
<u>Forward contracts to "Buy"</u>			
US dollar	130,366	0.76 - 0.77 Euro per US dollar	January - March 2014

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
Euro	137,527	0.79 - 0.81 Euro per US dollar	February 2013

Separate financial statements as at 31 December 2013			
Foreign currencies	Amount	Contractual exchange rate	Contractual maturity date
<u>Forward contracts to "Sell"</u>			
US dollar	8,229,982	31.38 - 33.07 Baht per US dollar	January - July 2014
Euro	44,686	41.50 - 41.80 Baht per Euro	January - February 2014
Pound Sterling	14,241	50.31 Baht per Pound Sterling	March 2014

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

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

35.2 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.

36. 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 2013, the Group's debt-to-equity ratio was 0.69:1 (2012: 0.63:1) and the Company's debt-to-equity ratio was 0.43:1 (2012: 0.43:1).

37. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2014.

Director and Management Biography

Mr. Prida Tiasuwan

Board Chairman

Education

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

Training on director's role and skills

- Director Accreditation Program (DAP), Class 37/2005

Experience

- Vice President of Thai Gem and Jewelry Traders Association for two times
- Director of Listed and Authorized Companies Association
- Director of Thailand-US Business Council
- Director of The Thai Chamber of Commerce for two times
- Board Chairman of Social Venture Network Asia (Thailand)
- Commissioner Law Reform Commission of Thailand
 - Sub Committee Chairman of Law Reform on Fair Trade and Consumer Protection
- Director Assembly of Thailand Reform
- Director Duang Prateep Foundation for Klongtoey Slum

Present Position

- Other listed companies
 - None -
 - Non-listed businesses
 - Chairman of Board of Pranda Group, 6 companies
 - Director of Pranda Group, 5 companies
 - Director & Treasurer May 1992 Memorial Foundation
-

Mrs. Prapee Sorakraikitikul

Director / 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 6 companies
 - Advisor of the Thai Gem and Jewelry Business Traders Association
 - Chair of the Thai Gem and Jewelry Business Committee of the Thai Chamber of Commerce
 - 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 Executive Committee / 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
- Top Executive Program, 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, 9 companies
 - Director of Bridge view Company Limited

Mr. Pramote Tiasuwan

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

Education

- Ordinary National Diploma in Technology. (Mechanical Engineers) 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, 4 companies

Mrs. Pranee Khunprasert

Director / Managing Director (Marketing) / 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

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

Training on director's role and skills

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

Present Position

- Other listed companies
 - None -

- Non-listed businesses
 - Chairman of Board of Pranda Group, 1 company
 - Director of Pranda Group, 1 company

Ms. Pittaya Tiasuwan

Director / Deputy Managing Director (Manufacturing) / Finance Director

Education

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

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, 2 company

Mr. Verachai Tantikul

Independent Director / Audit Committee

Education

- LL.M., the University of California, at Berkely, U.S.A.
- Barrister-at-law, Thai Bar Association
- LL.B (Honors,D), 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 Bunnag

Independent Director / Audit Committee

Education

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

Training on director's role and skills

- Director 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
 - Amanah Leasing Public Company Limited
 - Advisor to Board of Directors of Islamic Bank of Thailand

Present Position

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

Mrs. Rawitha Pongnuchit

Independent 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)
- Top Executive Program in Commerce and Trade Class 1
- Top Executive Program in Justice Management (Class 3)
- 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
- Clearing Director of Thai Asset Management Corporation
- Chairman of the Audit Committee / Director of KTB Law Co., Ltd.
- Advisor to the Finance Minister
- 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
- Director of Airport Authority of Thailand Public Company Limited
- Representative of the Ministry of Finance in the Committee of the Tourism Authority of Thailand (TAT), the Ministry of Tourism and Sport
- Chairman of the Executive Committee of Office of Market Affairs Administration of Bangkok Metropolitan

- Clearing Director of Thai Asset Management Corporation
- The Committee in the Sub-Committee on Monetary, Fiscal, Banking, and Financial Institution, Senate

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
 - Sub-Committee in studying and monitoring the contracts, Ministry of Transport
 - Advisor of The Institute of Management Consultants Association of Thailand
 - Permanent Advisor of the Economics and Finance Academy
 - Vice President of the Revenue Officers Association
 - Director of the Fiscal Policy Research Institute Foundation (FPRI)
 - Director of the Capital Market Academy Alumni Association
 - Director of Class 1, Top Executive program in Commerce and Trade (TEPCOT)
 - Chairman of the Class 59 of the Director Certificate Program (DCP59)
 - Board of Chairman of Pootra Corporation Co., Ltd.
 - Independent Director, Member of the Audit Committee of NamHeng Concrete (1992) Co., Ltd.

Lt.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 (Norboror1) the Office of the Civil Service Commission, Class 6
- Certificate, the National Defense College, Class 34

Training on director's role and skills

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

Experience

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

Present Position

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

Mr. Decha Nuntanajaroenkul

Deputy Managing Director (Marketing) / 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

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

Education

- BA. George Mason University, Vigeinia, U.S.A.
- MBA – South Eastern University, Washing Ton DC.

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) / 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, USA

Present Position

- Other listed companies
- None -
- Non-listed businesses
- Director of Pranda Group, 2 company

Mrs. Sasisopa Wattakeecharoen

Assistant Managing Director (Marketing) / Group Corporate Values Committee

Education

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

Experience

- Worked experience in Production Management field more than 25 years

Present Position

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

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 -
 - Non-listed businesses
 - None -
-

Mrs. Chawee Jarukornvasin

Assistant Managing Director (Manufacturing) / Group Corporate Values Committee

Education

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

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) / Corporate Value Committee

Education

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

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 24 years

Present Position

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

Mr. Dusit Chongsutthanamane

Finance Director / Corporate Secretary

Education

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

Experience

- Chairman of Siri Assets Company Limited
- 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
-

Details of Directors and Executives

The name of the Subsidiary Companies		PRANDA	Subsidiary Companies										Associated Companies										Related Companies					
			Country										Foreign										Country				Foreign	
			*PMG	CTL	PLG	*PNA	HGG	PUK	PVN	PSG	PKL	PDI	PDU	PSZ	PMI	KZ-PRANDA	P.Holding	Forward Freeland	A-List	SCL								
The list of the Board of Directors			x	/	x+⊕	/+//	/+//	/+//	x	/	/	x	/	⊕	x+⊕	x+⊕	x+⊕				x+⊕	/				x+⊕		
1. Mr. Prida	Tiasuwan	/	/+//	/+//	/+//	x+⊕	/+//	x	/	/	/	x	/	⊕	x+⊕	x+//	x+//				x+⊕	/				x+⊕		
2. Mrs. Prapee	Sorakraikitikul	/	/+//	/+//	x+⊕	x+//	/+⊕	x+//	/	x+//	/	/+⊕	/	/							/			/		/		
3. Mrs. Sunanta	Tiasuwan	/+//	/+//	/+//	/+//	/+//	/+//	//	/+//	/+//	/	/	x+⊕+⊕	x+//	/	/+//	/+//	//					/			/+//		
4. Mr. Pramote	Tiasuwan	◆+//+□	/+//	/+//	/+//	/+//	/+//		/+//			/+//									/		/					
5. Mrs. Pranee	Khunprasert	⊕+//	x+⊕	/+//					//		//			//			/+//	//			/					//		
6. Mrs. Panidda	Tiasuwan	/		x+⊕																	/							
7. Mr. Verachai	Tantikul	✱+//																										
8. Mrs. Sarita	Bunnag	/																										
9. Mrs. Rawitha	Pongnuchit	/																										
10. Ms. Pittaya	Tiasuwan	/+//		/+//		//		//				//		//							/							
11. Mr. Decha	Nuntanajaroenkul	//			//	⊕	⊕	⊕	⊕	⊕					⊕	⊕												
12. Mr. Chartchai	Teekavirakij	//	/+⊕																									
13. Ms. Rungnapa	Ngowngamratana		/+⊕																									
14. Mr. Sutha	Sutaparvong		/																									
15. Ms. Lamiad	Pancharoen		//																									
16. Mr. Chanat	Sorakraikitikul	//+■	//											//	/+//						/					//		
17. Ms. Maureen	Kelley				/+⊕																							

Note : 1. X = Chairman / = Director // = Executive * = Chair of the Adit C0mmittee ● = 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 , PMG

PRANDA	=	Pranda Jewelry Pcl	PDI	=	Pranda Jewelry Pvt Ltd.
PMG	=	Primagold International Co., Ltd.	PDU	=	PDU (UK) Limited
CTL	=	Crystaline Co., Ltd.	PSZ	=	Pranda Trading (Shenzhen)
PLG	=	Pranda Lodging Co., Ltd.	PMI	=	PT Pranda Marketing Indonesia
PNA	=	Pranda North America, Inc.	KZ - PRANDA	=	KZ-Pranda Co., Ltd.
HGG	=	H.Gringoire s.a.r.l.	P.Holding	=	Pranda Holding Co.,Ltd.
PUK	=	Pranda UK Ltd.	Forward Freeland	=	Forward Freeland Co., Ltd.
PVN	=	Pranda Vietnam Co.,Ltd.	A-list	=	A-list Corporate Co., Ltd.
PSG	=	Pranda Singapore Pte Ltd.	SCL	=	P.T. Pranda SCL Indonesia
PKL	=	Pranda & Kroll GmbH Co. KG			



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