

Persisting through Turbulent Times with Diverse Market Base

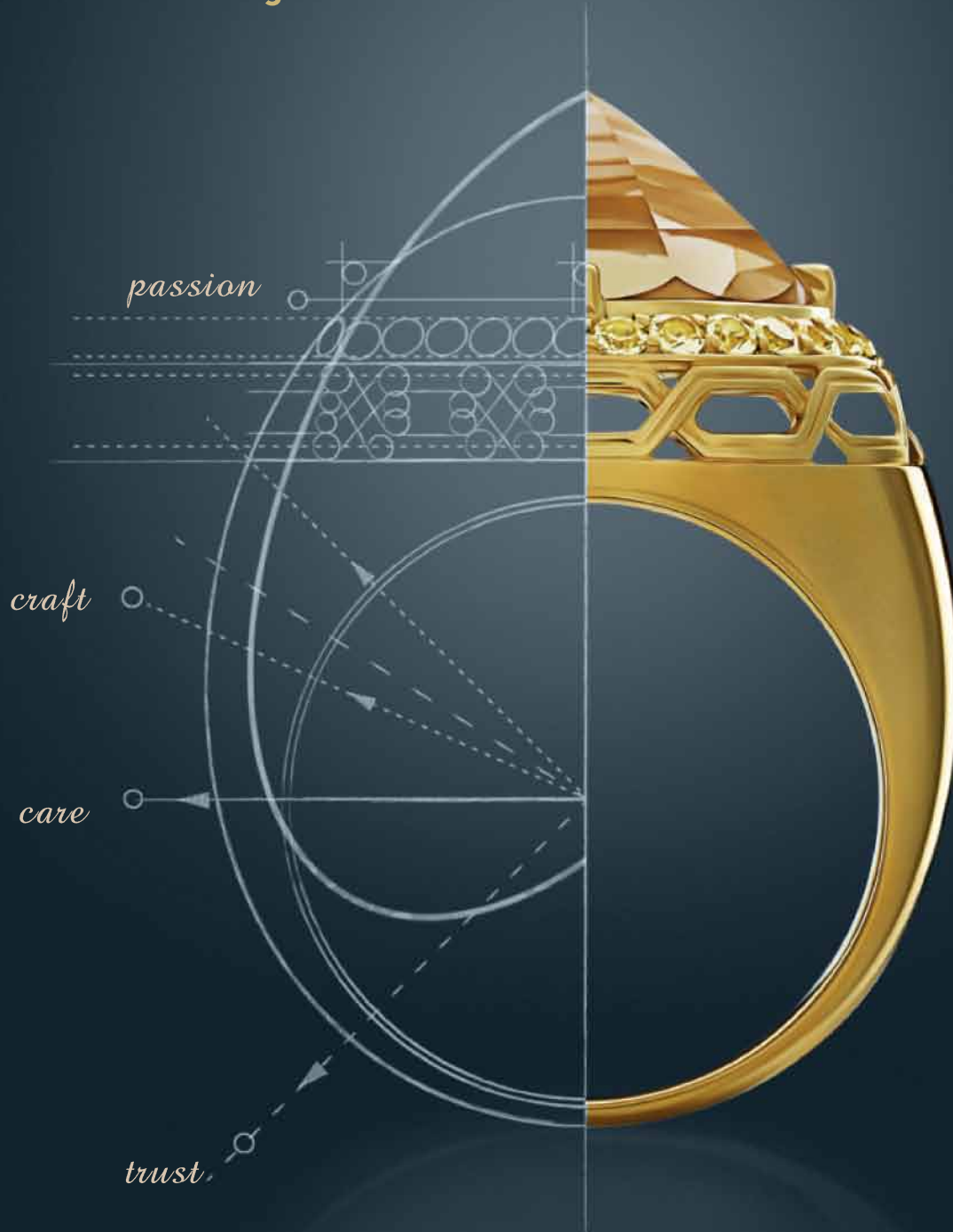


Annual Report 2014

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”





Fragility of Global Economy

For the past decades, the growth of world economy has depended on the Western economy, consisting of mainly the United States and European Union. When the subprime mortgage crisis hit the United States followed by the European debt crisis, these greatly caused the inevitable decline of the world economy since it has been globally connected in both trading and investing.

Although the US economy has clearly shown a sign of recovery, the EU economy remains dull with growth rates lower than expected. Furthermore, Asian countries with large national economy, namely China, Japan, and India, still require rapid economic structural reforms. Besides, the challenges the Company needs to confront including high fluctuation of oil price, unpredictable fluctuation of currency exchange and interest rates, variation of precious metal prices which directly affect the jewelry industry as well as the political conflict between Russia and the EU. All of the problems mentioned evidently demonstrate the fragile recovery of global economy.

PRANDA in Crisis

During the past four decades, PRANDA has encountered several crises. The political crisis in Thailand during 1973-1976 affected the country's trade and investment sectors. Thai Baht devaluation from oil price crisis in 1984 damaged the manufacturing sector and the confidence of trading counterparties. The financial institution crisis in 1997 that caused Thai Government's decision on floating Baht resulted in PRANDA's first and only loss in 1998. Nevertheless, the global crises mentioned earlier have also affected PRANDA's performance.

PRANDA has tackled and overcome those crises by the proficient and experienced management team. In addition, PRANDA has been highly competitive in the global market and has been fully supported by stakeholders.



TIMELINE

1973-1976

The political crisis in Thailand

1984

Thai Baht devaluation from oil price crisis

1997

Thailand financial crisis



2014: Diverse Market Base Supporting the Business

In 2014, even though the operating performance was lower than anticipated due to the decreasing orders from Original Design Manufacturing (ODM) customers affected by the slow recovery of EU economy, it was not hugely detrimental since the Company has diversified its risks into various market base including distributor and retail base.

The enforced retail business strategy generated leap in growth of the domestic and international retail business sectors. This outcome was considered a positive encouragement to pursue the retail business and make owned brand to be recognized by consumers which then will become a pillar of PRANDA in the future.



Sustainable Growth of PRANDA

Among the constantly increasing competition and challenging situations in the future including economic conditions, international politics, trade barriers, fluctuation of raw material prices, and changes in consumers' demand.

PRANDA is ready, from production to marketing, to carry out the Growth Strategy at its full capacity. The Original Design Manufacturing (ODM) business will be expanded by utilizing experience and market expertise to create growth opportunities for partners. At the same time, the Own Brand Manufacturing (OBM) business will be expanded by offering differentiated products that suit partners' target markets.

Thus, PRANDA believes that the Growth Strategy mentioned above would help maintain the competitiveness and build long-term sustainability to the business.



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 to 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 expression of designed 18K gold jewelry with premium quality gemstones



Julia
JEWELRY

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



Merii
PARIS

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)



caï

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

GROUP STRUCTURE

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.

PRODUCTION		DISTRIBUTION		RETAIL	
Sales Contribution	Gross Margin	Sales Contribution	Gross Margin	Sales Contribution	Gross Margin
38%	20%	37%	25%	25%	54%
Production capacity approximately 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 range. PRANDA operates factories based in 3 countries including Thailand, Vietnam and Indonesia with production capacity approximately 10 million pieces of jewelry per year.		Own distribution bases in 5 countries and worldwide partners PRANDA has its own distribution companies and agents both in Thailand and overseas. 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 5 subsidiaries of distribution base in 5 countries including US, UK, France, Germany and India		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 business throughout Asia and Middle East. These subsidiaries, today, are located in Thailand, Indonesia and Vietnam	

TIMELINE

1973 - 1991

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

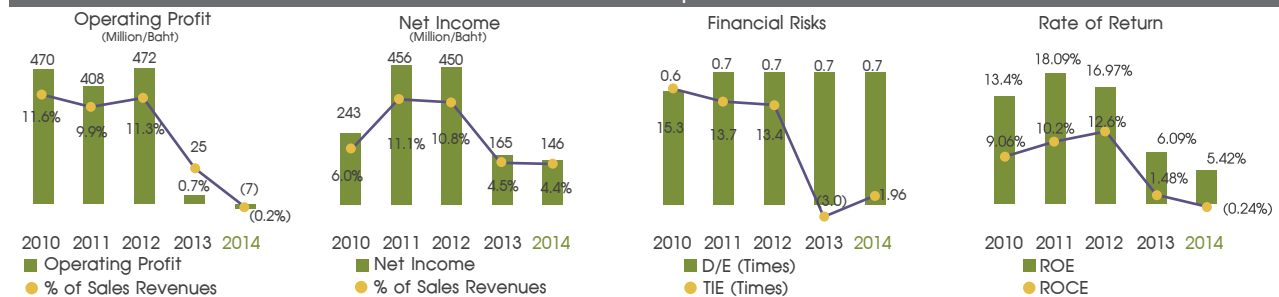
1992 - 2002

- 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.

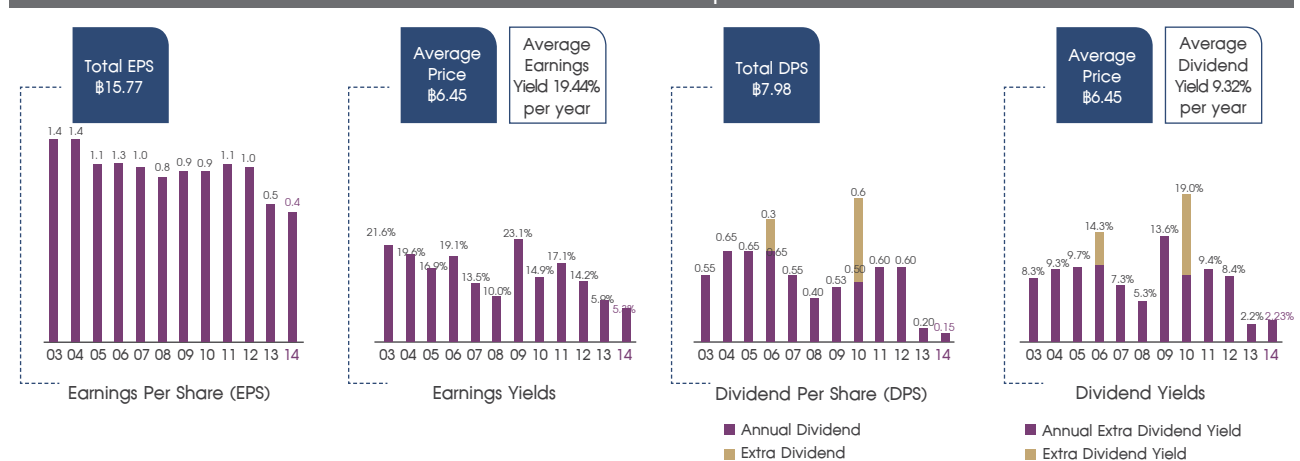
2003 - 2014

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

Financial Perspective



Shareholder Perspective



Note : Average Price and Earning Yield for 14 year period

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Financial Highlights

Consolidated Financial Statements	2014	2013	2012 (Restated)	2011 ^{/9}	2010 ^{/9}
FINANCIAL PERFORMANCE					
Sales Revenues (Million Baht)	3,295	3,649	4,177	4,122	4,056
Gross Profit (Million Baht)	1,001	1,038	1,417	1,379	1,337
Gross Profit Margin	30.39%	28.44%	33.93%	33.46%	32.96%
EBITDA ^{/1} (Million Baht)	74	106	551	491	544
EBITDA Margin	2.24%	2.90%	13.18%	11.92%	13.40%
Operating Profit ^{/2} (Million Baht)	(7)	25	472	408	470
Operating Profit Margin ^{/3}	(0.22%)	0.68%	11.29%	9.91%	11.59%
Profit to Equity (Million Baht)	146	165	450	456	243
Profit Margin to Equity	4.42%	4.51%	10.77%	11.07%	6.00%
FINANCIAL POSITION (Million Baht)					
Current Assets	2,834	3,133	3,318	3,218	3,008
Total Assets	4,598	4,534	4,548	4,320	4,022
Current Liabilities	1,430	1,367	1,308	1,527	1,398
Total Liabilities	1,877	1,889	1,785	1,779	1,517
Equity Attributable to Owners of the Company	2,721	2,654	2,763	2,540	2,505
RATE OF RETURN					
ROA ^{/4}	3.19%	3.62%	10.15%	10.94%	5.87%
ROCE	(0.24%)	1.48%	12.56%	10.21%	13.39%
ROE ^{/5}	5.42%	6.09%	16.97%	18.09%	9.06%
RISKS					
Current Ratio (Times)	1.98	2.29	2.54	2.11	2.15
Quick Ratio ^{/6} (Times)	0.64	0.77	1.03	0.86	0.95
Times Interest Earned ^{/7} (Times)	1.96	(3.03)	13.40	13.72	15.34
Debt to Equity Ratio (Times)	0.69	0.71	0.65	0.70	0.61
DATA PER SHARE					
Book Value Per Share	6.97	6.68	7.02	6.39	6.25
Earnings Per Share to Equity	0.36	0.40	1.11	1.14	0.61
Dividend Per Share ^{/8}	0.15	0.20	0.60	0.60	0.50
Extra Dividend Per Share	-	-	-	-	0.60
Paid-up Shares (Million Shares)	409.53	409.14	406.28	403.33	400.67

Note :

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

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

^{/3} Operating Margin = Operating Profit/Net Sales

^{/4} Return on Assets = Net Profit/Total Average Assets

^{/5} Return on Equity = Net Profit/Average Shareholders' Equity

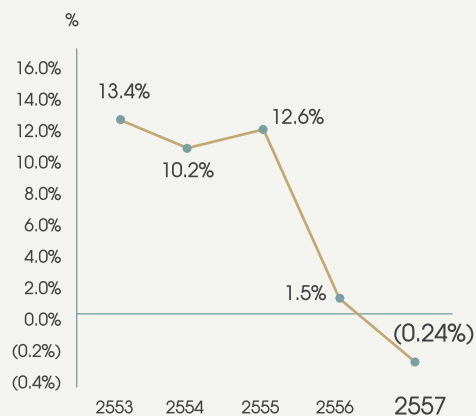
^{/6} Quick Ratio = (Cash and Cash at Bank + Marketable Security + Account Receivable and Notes Receivable)/Current Liability

^{/7} Times Interest Ratio = (Operating Cash Flow + Operating Interest + Tax)/Operating and Investing Interests

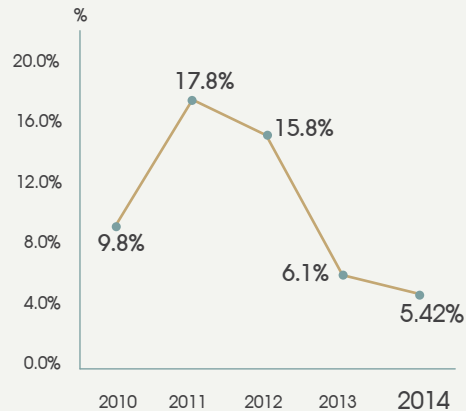
^{/8} For operation result of year 2013, the Company's Board of Directors had a resolution to approve the dividend payment in the rate of Baht 0.15 per share if the Annual General Shareholders' Meeting had a resolution to approve on April 21st, 2015.

^{/9} Year 2009-2011, the accounting standard of TAS 12 : Income Taxes was not effective to implement.

RETURN ON CAPITAL EMPLOYED : ROCE



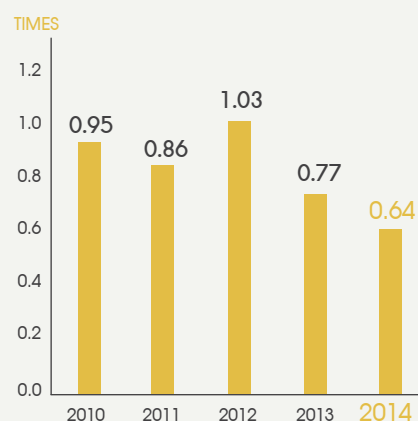
RETURN ON EQUITY : ROE



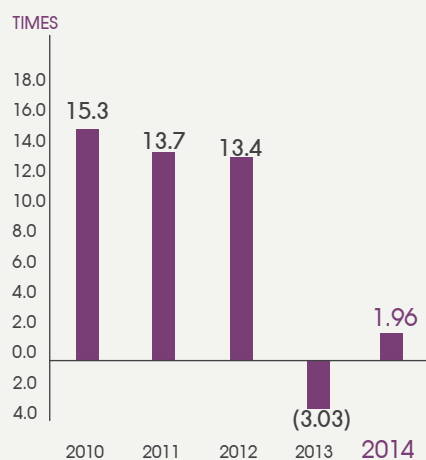
CURRENT RATIO



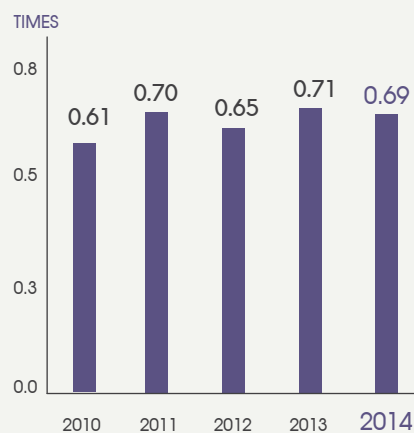
QUICK RATIO



TIMES INTEREST EARNED : TIE



DEBT TO EQUITY RATIO : D/E



Message from Chairman



Mr. Prida Tiasuwan
Chairman

Dear Shareholders,

Since the emergence of the Subprime Mortgage Crisis in the United States of America in 2008, the worldwide economy had extremely declined in the subsequent year followed by the European debt crisis. The economy of the USA for the year 2014 has clearly demonstrated a sign of recovery inferring from the cancellation of Quantitative Easing (QE) of the US central bank and the GDP growth of 2.3%. The unemployment rate also gradually dropped from 9.6% to 6.4%. On the other hand, the European economy has hardly recovered considering from the minimal GDP growth of 0.8%, unemployment rate at 11.9%, and the high public debt-to-GDP ratio of 90.9%. The situation was further aggravated by the geopolitical conflict prompting the EU's sanctions against Russia.

The problems mentioned above have resulted in the high fluctuation of gold and silver prices, being 21.3% and 40.4% respectively. The cancellation of QE has also lowered the gold and silver prices by 10.3% and 19.6% respectively. This has inevitably affected the fine jewelry industry.

Pranda Jewelry Public Co., Ltd., which has the major markets in both the US and the EU, has undoubtedly been influenced by the sluggish economy growth in the Western world for many years. Nonetheless, the company believes that our organization structure which comprises of 3 business operations; the Mass Craftsmanship, the Global Distribution base covering important markets around the world, and the Retail Base in the emerging market, together with over 4-decade-long expertise will push us through this difficult time successfully.

Although the company was facing with undesirable performance, our retail operation sector gains an increase in both revenue and profit, especially the domestic retail company, Primagold International Co., Ltd., has 23% growth in sales turnover, compared to the same period of previous year (excluding discontinued business of Century Gold brand). despite the political turmoil in Thailand causing the dull economy in the country last year. This success demonstrates that the business growth during the tough period is achievable with an appropriate brand management. Additionally, we also see the growth in sales turnover from our retail business in the Asian Economic Community (AEC), namely 33% growth in Indonesia and 65% growth in Vietnam.

In 2014, the company's performance had a Baht 354 million decrease in sales, equivalent to 9.70%, mainly due to our production operation having a decline of purchase orders from European market. Furthermore, the drop of gold and silver prices, averaged out at 14.9%, led to the net profit 145 million baht which was our lowest profit in 15 years since the financial institution crisis in Thailand.

Nonetheless, the financial position of the company remains strong considered from the Debt to Equity ratio of 0.69 times. The liquidity of the company also stays sufficient judging from the Current Ratio of 1.98 times. In addition, the financial institutions continually support the company's business fairly well.

For our short-term strategies to regain our operating performance, the following measures shall be applied:

- Focusing on improving our own brands in domestic and international markets
- Expanding the existing market base as well as seeking for an emerging market with high potential
- Increasing our competitiveness through online business
- Committing in design and development of products and manufacturing technologies
- Improving the manufacturing process with innovative technologies for higher productivity
- Managing the production cost for competitive advantage

If the company is able to execute the aforementioned strategies, which are in accordance with our Core Strategy of emphasizing the sales growth of own brands along with maintaining the important customer base for sustainable business alliance together with increasing the production efficiency, this should result in comparable sales between the business of Own Brand Manufacturing (OBM) and Original Design Manufacturing business (ODM) in the future, and equal distribution of sales and profits among the business operations.

For 2015, the global economy is expected to recover more than the previous year since the US and the EU have estimated to display further growth this year. The Asian market, on the other hand, is believed to maintain the same growth as last year. With the recovering global economy and our short-term strategies mentioned above, the company is anticipating a satisfactory operation this year.

Lastly, as a representative of the Board of Directors and the Executive Board, I would like to express my appreciation to our shareholders, employees, and all stakeholders who involve in our business for always giving your trust and support to us. The Board of Directors and the Executive Board continue to abide by the UN Global Compact whereby the 4 major policies, normally human rights, labor standards, environmental protection, and anti-corruption. We also implement the sufficiency economy principles, including moderation, reasonableness, and having a self-immunity, as given by His Majesty the King, to our management standards. We additionally follow the principles of corporate governance concerning transparency, accountability, business ethics, as well as corporate social responsibility. We considerably hope to receive your support as always.



Mr. Prida Tiasuwan
Chairman



Board of Directors and Advisors / Board of Group Executive Committee



1. Mr. Prida Tiasuwan
Board Chairman

2. Mrs. Prapee Sorakraikitikul
Vice Chairman / Finance & Risk Management Director /
Nomination and Remuneration Director

3. Mrs. Sunanta Tiasuwan
Director / Chair of Group Executive Committee /
Chair of & Risk Management Finance Committee /
Nomination and Remuneration Director

4. Mr. Pramote Tiasuwan
Director / Managing Director (Manufacturing) /
Chair of Core Values & CSR Committee /
Finance & Risk Management Director / Nomination and
Remuneration Director

5. Mrs. Pranee Khunprasert
Director / Managing Director (Marketing) / Finance & Risk
Management Director / Nomination and Remuneration
Director

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

7. Ms. Pittaya Tiasuwan
Director / Executive Director / Finance & Risk Management
Director



8. Mr. Verachai Tantikul

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

9. Mrs. Rawittha Pongnuchit

Independent Director / Audit Committee

10. Mr. Chamnon Watanagase

Independent Director / Audit Committee

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

Advisor to the Company's Board of Directors

12. Mrs. Sarita Bunnag

Advisor to the Company's Board of Directors

13. Mr. Decha Nuntanajaroenkul

Executive Director / Finance & Risk Management Director

14. Mr. Chartchai Teekaveerakit

Executive Director / Core Values & CSR Director

15. Mr. Chanat Sorakraikitikul

Executive Director / Finance & Risk Management Director

Managing Directors



1



2



3



4



5



6



7



8

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. **Mrs. 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



9. Mr. Vinod Tejawani

Managing Director Pranda Jewelry Private Limited

10. Mr. Kenny Salmon

Managing Director PT Pranda Marketing Indonesia

11. Ms. Runghapa Ngowngamratana

Managing Director Primagold Internation Co., Ltd.

12. Mr. Prida Tiasuwan (Acting)

Managing Director Pranda Trading (Shenzhen) Limited

13. Mrs. Sunanta Tiasuwan

Managing Director Pranda Singapore Pte. Limited

14. Mrs. Panidda Tiasuwan

Managing Director Pranda Lodging Co., Ltd.

15. Mr. Heechan Song

Managing Director KZ-Pranda Co., Ltd

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. Mrs. Nirarat Tanalekhatapat
Assistant Managing Director
(Marketing)

7. Ms. Sasisopa Wattakeecharoen
Assistant Managing Director
(Marketing)

8. Ms. Suporn Rungpitayatorn
Assistant Managing Director
(Manufacturing)

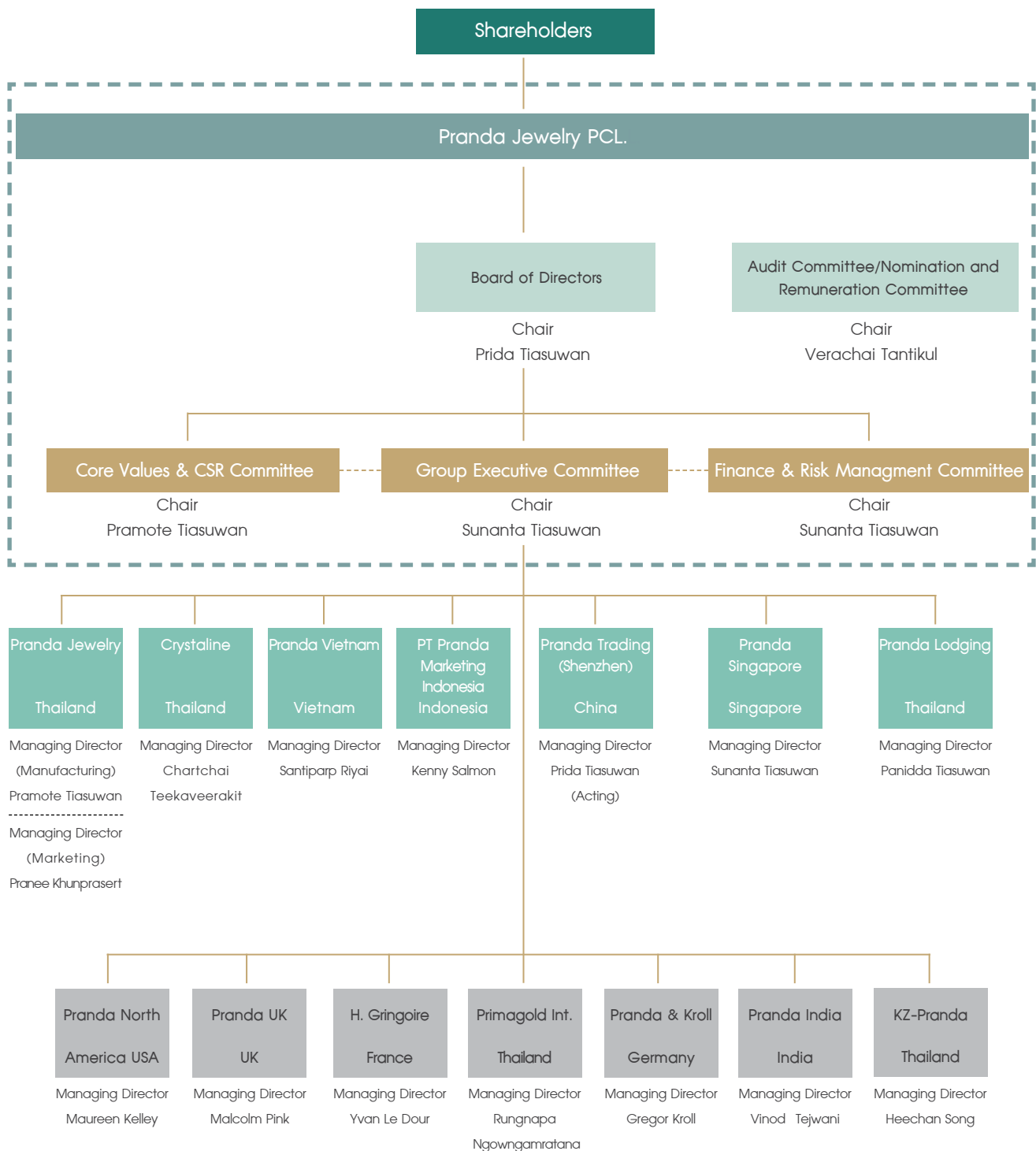
9. Mrs. Chawee Jarukornvasin
Assistant Managing Director
(Manufacturing)

10. Mr. Somsak Sirueangmon
Assistant Managing Director
(Manufacturing)

11. Mr. Thanes Panjakrid
Accounting and Finance
Department Manager

12. Mr. Dusit Chongsutthanamanee
Finance & Risk Management
Director

Group Organization Chart

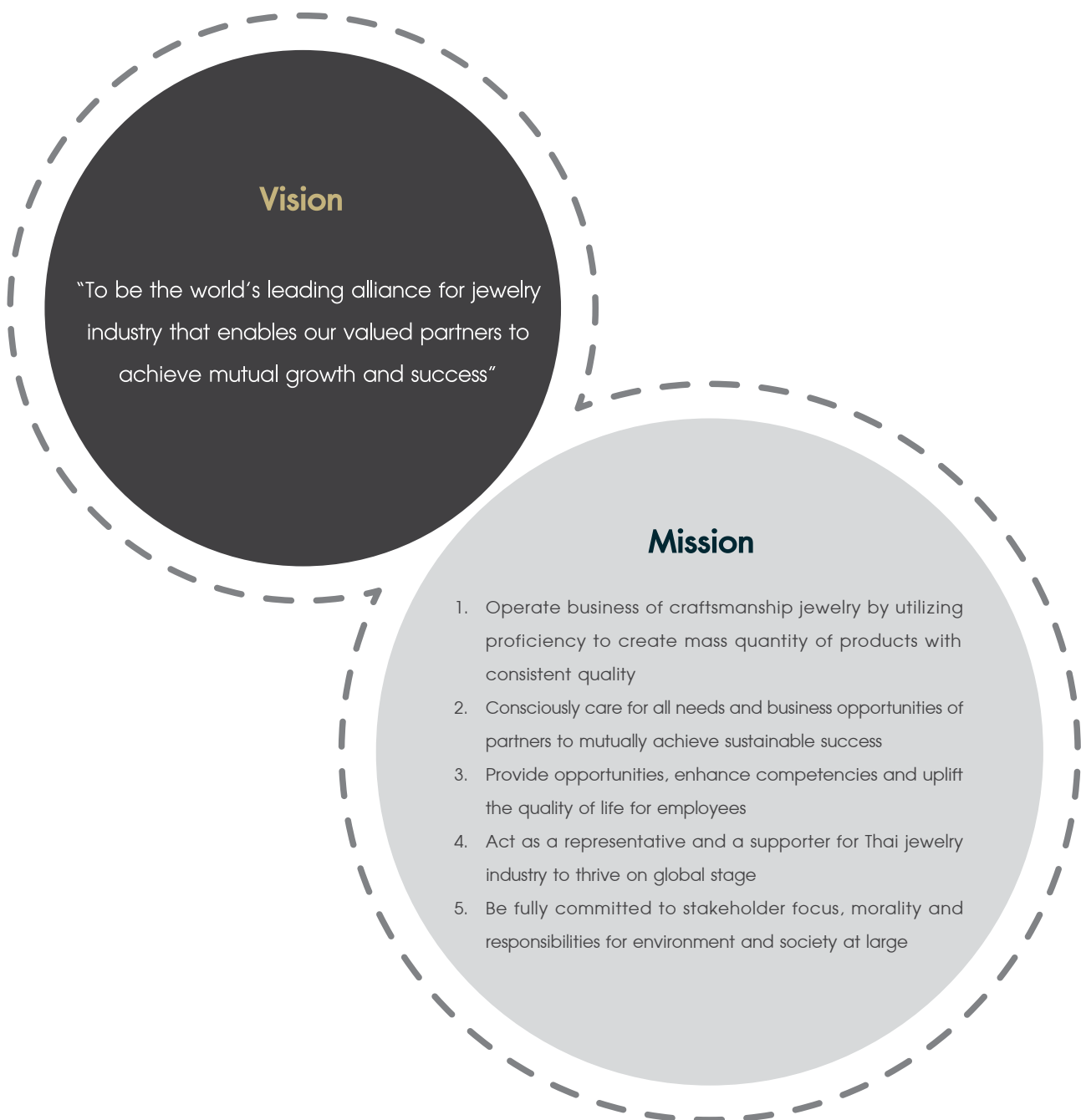


Policy and Business Overview

Pranda Group's core businesses are production, distribution and retailing of 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.

On 23 February 2015, the Board of Directors had a resolution to review the mission and strategies of the company as follows:

1.) Vision, Mission, Strategies and Core Values of Pranda Group



Strategies

- **Growth Strategy**

1. Emphasize on expanding Original Design Manufacturing (ODM) business by utilizing experience and market expertise to create growth opportunities for partners
2. Grow Original Brand Manufacturing (OBM) business by offering differentiated products that suit partners' target markets

- **Mass Craftsmanship Strategy**

1. Create culture of working with care, paying attention to every detail by means of mutually held core values
2. Continuously enhance skill and competencies of personnel to become a part of professional team specializing in each particular field
3. Increase employees' happiness by enhancing overall quality of life, which is a key factor that would reflect through the quality of craftsmanship jewelry
4. Prepare personnel for future business expansion by arranging "Bilateral Education Program" to continuously and systematically develop a great number of skilled craftsmen

- **Retail Business Strategy**

1. Develop trustworthy retail brands in ASEAN market, known for high quality and unique products
2. Expand market reach to end consumers through a network of owned retail stores and franchises

- **Sustainability Strategy**

1. Allocate resources and operations to achieve the balance of sales in 50% ODM and 50% OBM
2. Develop efficient financial management system, rigorously comply with strict financial discipline, and improve risk management system within the group
3. Apply the management principles with respect to social responsibility covering economy, society and environment in participative manners
4. Strictly adhere to the principles of corporate governance, corporate social responsibility, and the UN Global Compact
5. Be a learning organization for continuous improvement

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

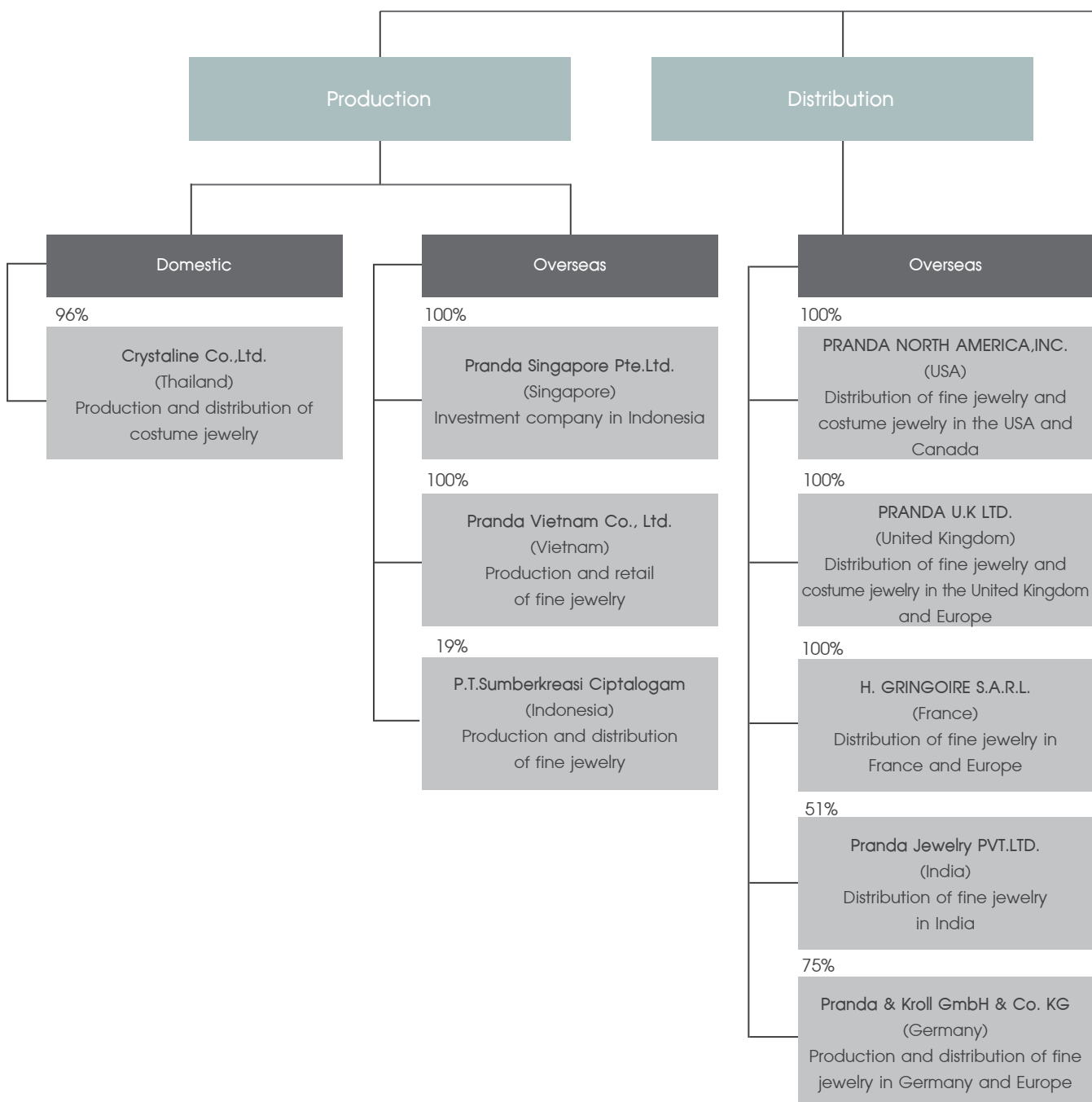
We see the importance of our stakeholders. Therefore, we do care and are responsible for customers, suppliers, colleagues, shareholders, the environment and society at large.

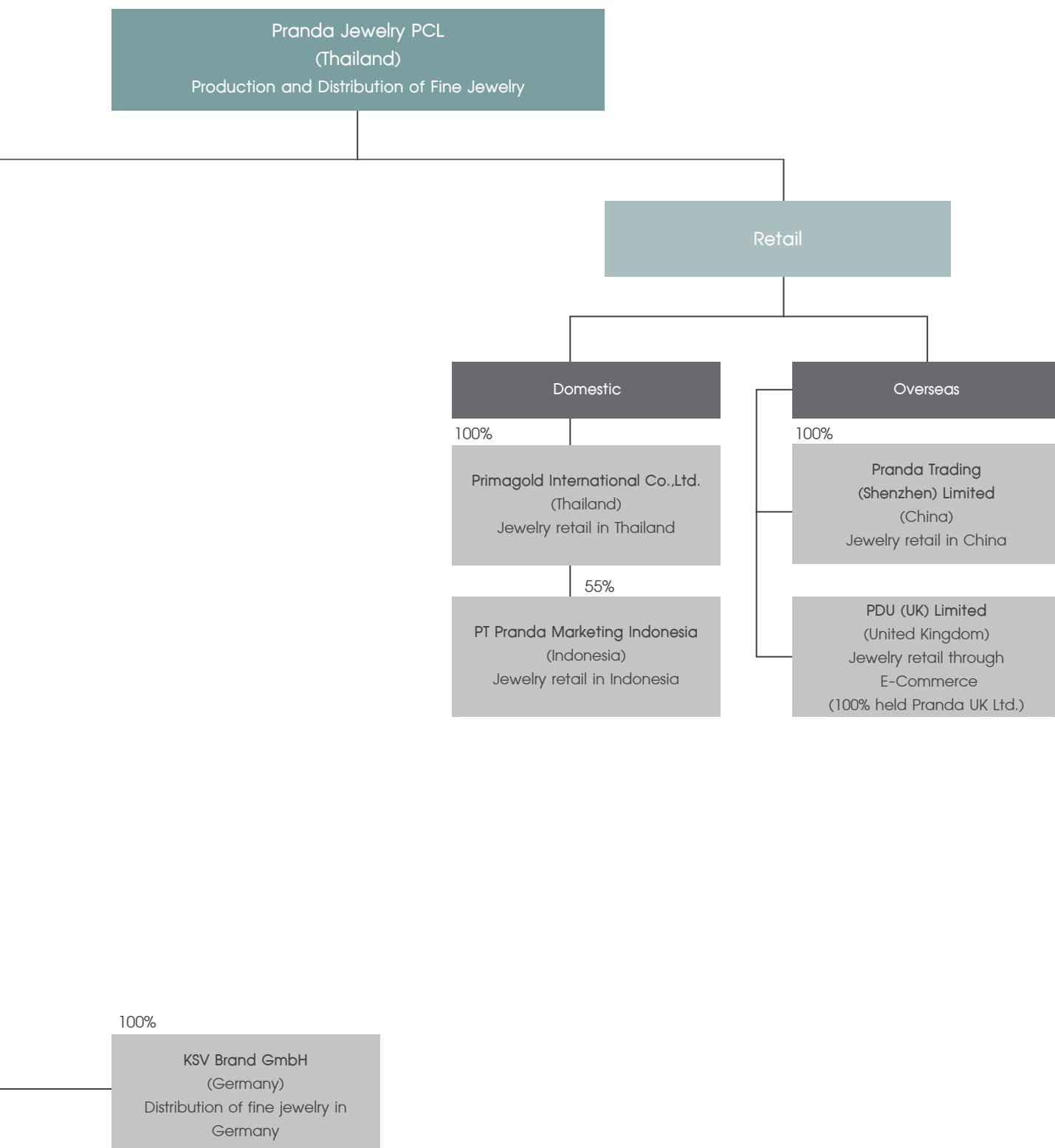
2.) Significant Developments and Events

On 31 December 2014, The company had no changes in the shareholding structure, management and business.

3. Corporate Structure

The company has policy to operate a balanced organization structure that comprises of production base, distribution and retail subsidiaries and affiliates, as shown in the corporate structure chart.





PRANDA's Direction



Pranda Jewelry Public Company Limited, which has been operating jewelry business for over 4 decades, has classified its business into 2 categories including Original Design Manufacturing (ODM) and Own Brand Manufacturing (OBM).

The future direction of Original Design Manufacturing (ODM) will emphasize on utilizing experience and market expertise to create growth opportunities for partners. For Own Brand Manufacturing (OBM), the business expansion will move towards offering differentiated products that suit partners' target markets. The long-term objective of Own Brand Manufacturing (OBM) business will continuously become more significant towards revenue and operating income.

In terms of production, the Company focuses on mass craftsmanship production, producing mass quantity of high quality products by skilled craftsmen working with care and paying attention to every detail, to serve overall customer needs. For distribution, the management of distribution bases located in US, UK, France and Germany will focus on main objective towards being the efficient distributors providing services to increase more value added to the company.

For retail business, the Company aims to develop trustworthy retail brands, known for high quality and uniqueness, in ASEAN market and expand market reach to end consumers through a network of owned retail stores and franchises. As a result, the retail business will become the main sector which significantly influences the business in long run.

Corporate Social Responsibility

The Pranda Group is considered the first company in Thailand to sign the principles of the UN Global Compact since 2002 onwards. The principles engage in the compliance of Human Rights, the practice of Labor Standards, Environmental Awareness and Anti-Corruption in every form. This has been the company's practice to date, including the issuance of policies regarding social and environmental responsibilities included in the "Corporate Governance Manual" revised version 3/2013 for compliance and practice.

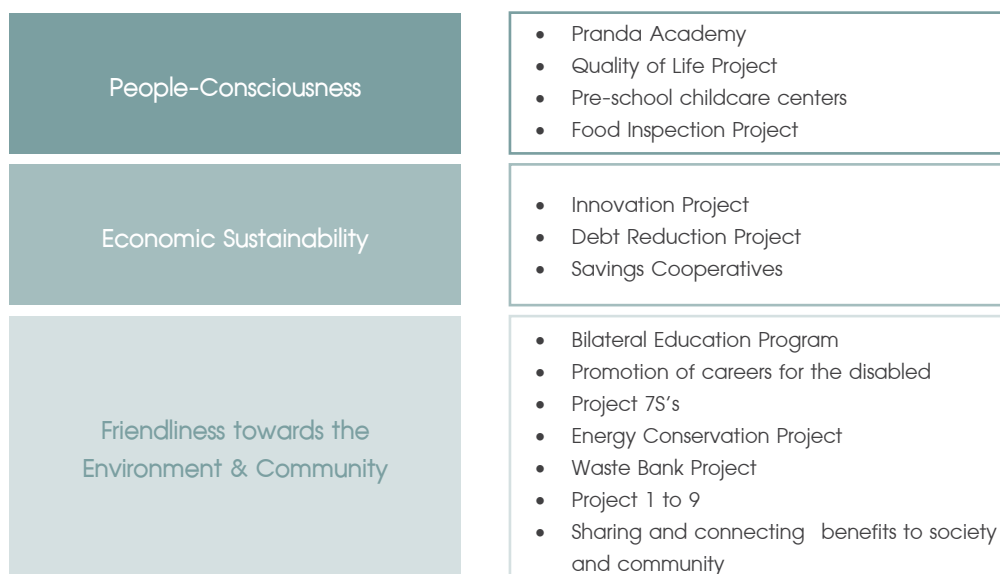
Overall Business Policies of the Company and Its Subsidiaries Regarding Social & Environmental Responsibility and Stakeholders

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 in which, the Company's conduct is as follows:

- 1) Operate according to principles of good governance and social responsibility.
- 2) Respect the rights of and show fairness to all stakeholder groups.
- 3) Support activities for public benefit, and for the good of society and the environment, including the promotion of government or private organizations whose mission is beneficial to society and the environment.
- 4) Encourage employees at all levels to see the importance of and engage in the performance of the company's activities with regard to social responsibility, also encouraging its employees to engage volunteer work with the community at large through activities that benefit the public.
- 5) The Company does not support the activities that are contrary to morality or cause a negative impact on the confidence and trust of stakeholders, including shareholders, employees, communities which the company is in business with, clients-partners and government agencies, as well as the surrounding society and nation.

Strategy and Framework of Social Responsibility

Pranda Jewelry Public Company Limited including its subsidiaries (Pranda Group) show awareness in all business activities of the social responsibility guidelines, taking into account all stakeholder groups. Therefore, we have a framework for corporate social responsibility that covers the economic, societal and environmental impact whose ultimate goal is the sustainability of business. In order that the corporate social responsibility is enacted throughout the organization in a systematic way, the Company has set up a joint committee to promote these values together with social responsibility, in order to drive the operations towards cross-functional systems from 2007 onwards.



For the stakeholder policy, the company has set up a code of conduct towards stakeholders, written, announced and made known since 2000 onwards: The stakeholders are grouped as follows:

Responsibilities of the Management for Shareholders

- 1) Discharge duties and responsibilities honestly. Make decisions in good faith and with transparency, and for the mutual benefits of the company and shareholder.
- 2) Conduct business in such a way that strives to create progress, stability and bring the best possible return for shareholders.
- 3) Perform in the fullest capacity in exercising the expertises in achieving the best possible benefits of the company and the shareholders.
- 4) Preserve the company's property in preventing damage or loss and irregular depletion of all assets.
- 5) Present the accurate performance report to the company board of directors and shareholder's meeting.
- 6) Refrain from exploiting, abusing, or taking advantage of the authoritative power to gain personal interests and benefits.
- 7) Do not disclose the company confidential information for the benefits of personal interests or the interests of the others without approval of company authority.
- 8) Do not do any act in any way that may cause conflict of interests without informing the company.

Responsibilities of the Management for Customers

- 1) Offer only top quality products and services to customers and consumers.
- 2) Ensure that customers receive complete and accurate information about the products and services.
- 3) Provide product quality assurance and guarantee of services to customers in accordance with the company regulations.
- 4) Ensure that customers receive only best quality products and best services. No delivery of items that are known to have been defects, damage or may cause harm to customers.
- 5) Set up customers services mechanism whereby customers find most convenience to make complaints, if any ; and guarantee to them that correction will be made immediately.
- 6) Strive to reduce costs while keeping high quality of the products and services.
- 7) Continuously explore new ways to enhance the benefits of customers.
- 8) In case of inability to meet any customers' requirement, notify them at earliest convenience, ideally in advance; and assist them in finding the best solution.

Responsibilities of the Management for Employees

- 1) Ensure that each and every employee receives appropriate remuneration according to ability, responsibility and his/her performance.
- 2) Promote, support and enhance employee knowledge for their advancement and enhancement of their career stability.
- 3) Encourage employee involvement in problem - solving and in achieving the organization goal.
- 4) Create a safe, secure and healthy environment in the workplace.
- 5) Employee rewards and punishments must be issued on the basis of accuracy and fairness and all action must be taken with integrity.
- 5) Provide rewards and take disciplinary action on the principle of righteousness, fairness and being in good faith.
- 6) Comply with the Labor Low and related regulations to the welfare of the employees.
- 7) Avoid any improper or unjust conduct against employees that may deter their promotion or advancements.
- 8) Respect the humanity of all employees and their human rights.

Responsibilities of The Management for Business Partners and Creditors

- 1) Strictly adhere to the agreements with the business partners and creditors / lenders. In case of inability to meet the terms and conditions, notify the parties concerned immediately in order to settle the matters and best mutual solution that should prevent possible damage, loss and conflicts.
- 2) Provide complete and accurate financial information.
- 3) Never receive or demand from the business partners and creditors lenders, any benefits in cash or in kind that would not occur otherwise in the honest course of doing business. Should this seen happening in any circumstances, notify the parties concerned immediately to settle the matters for the best solution.

Responsibilities of the Management for Adherence to the Rules of Competition

- 1) Compete under the rules of fair competition.
- 2) Never, by illegal and improper means, seek for an inside competitor's information.
- 3) Never conduct with the intention to destroy good image of competitor by any unfair practices such as using false information against them.

Responsibilities of the Management for the Society

- 1) Support social activities that are of benefits to the communities and society as a whole.
- 2) Never involve in any conduct that will jeopardize good image of the country, and cause irreparable harm to the natural resources and environment.
- 3) Never, directly or indirectly, cooperate or support any individual who is committed in illegal conducts that do harm to the society and the national security.
- 4) Regularly and continuously instill in the employees at all levels a sense of responsibility for the society as a whole.
- 5) Assure that all employees adhere to and comply with the laws related to business operations.

Responsibilities of the Employees for the Company

- 1) Discharge duties with responsibility, honesty and loyalty in achieving prosperity and security of the company and employees.
- 2) Embrace the common policy to create and maintain unity among employees and to create an efficient teamwork in coordinating and problem solving.
- 3) Devote all efforts and endeavors to conduct duties with attentiveness and perseverance with a view to build a quality company, and to maximize the company's profits and drive it to being the world class jewelry company.
- 4) Make the best use of the company property with care and economy, and never use for personal benefits, and to prevent damage or loss, and irregular depletion of all assets.
- 5) keep the company information confidential at all time and never disclose all or part of it without approval.
- 6) Be cooperative with peer employees and the management in all possible ways that make benefits to the company, meanwhile, respect the rights and privileges entitled to one another.

- 7) Be attentive and cooperate on doing everything possible that provides safe and healthy working environment.
- 8) Hold responsibility for sharing knowledge and working experiences with one another when opportunities provide for the benefits and accomplishment of the goal of the company.
- 9) Never involve in creating or disseminating false information about the company, management and peer employees.
- 10) Be responsible for notifying an appropriate authority when knowing of misconduct in the organization
- 11) Never take advantage of the authoritative power to gain personal benefits.

Social Responsibility in Business Processes (CSR-in-Process)

1. Business Operation with Fairness

- **All business competition must be performed fairly and levelly:** The company adheres to ethical principles and laws to conduct business honestly under the framework of free competition by encouraging employees to recognize the importance of adhering to policies of fair business competition, avoiding monopolies or the wrongful use of superior market position.
- **Respect the intellectual property rights of others:** The company adheres to guidelines not to involve itself in any activities that involve the violation of others' property, including violations of intellectual property.
- **Promoting responsibility toward the supply chain:** The company has established relationships with partners in the supply chain through fair operation and the establishment of appropriate terms and conditions with the appropriate parties which promote participation and elevate the importance of the social responsibility of the partners.

2. Anti-Corruption

The company adheres to the principles of good corporate governance according to accepted anti-corruption standards that combat corruption in all forms, designating as a practice that neither the management nor employees should demand or offer properties or other dishonest benefits to any parties involved so as to create wrongful gain, and disseminating the Company's anti-corruption policy to the executives and employees at every level in such a way that they know and understand it.

3. Respect for Human Rights

The Company places great importance on human rights - the rights and freedoms of individuals, conducting itself toward all employees with fairness and equality, under the labor laws which strictly protect human rights, including non-selective employment, not discriminating by race, nationality, skin color, religion, gender or disability. There will be no unfairness in the employee selection process, also allowing employees to make recommendations, give opinions or make a complaint against the Company in the channels provided, also protecting employees who report honestly about wrongdoing that has occurred in the workplace.

4. Equitable Treatment of Labor

The company aims to thoroughly develop all employees in order to improve their work skills: developing their knowledge and skills in order to help them make appropriate progress in their position, equally for both female and male employees, as well as to enhance their knowledge about the dynamics and changes in economics, society, technology and other subjects that will benefit and help improve the quality of life for the employees, supporting also those people with disabilities who are able to come in to work, and providing ready opportunities for career advancement, protecting the rights of the disabled as well as providing the appropriate facilities to improve the quality of life and well-being for all employees.

- **Avoidance of forced labor or child labor:** The Company will avoid all instances of forced labor or child labor which is strictly illegal. Employees are free to resign from their position independently by giving advance notice to the Company according to the designated time period.

- **Social protection:** The Company has adopted management policies of fair compensation, appropriate to the potential (of each employee), by equally considering the various compensations provided by companies in the same field, appropriate to the work position, experience, financial results of the Company, current economic and social state, as well as emphasizing safe work practices for both the physical and mental health (of employees), adhering to the principles of social responsibility and labor, coupled with driving forward the business, arranging the workplace and providing safety equipment and accident prevention according to international standards, as well as supporting the specific requirements of clients with respect to safety, environment, social responsibility and labor.

5. Responsibilities for Consumers

The Company adheres to fair and ethical marketing and sales policy, protecting the clients' confidential information with regard to sales, without using the information for its own benefit or that of other related parties wrongfully, in order to produce a safe and quality product that meets the needs of our customers and is not harmful to the health of consumers. It aims to increase the level of customer satisfaction through an efficient management system which undergoes a process of continual improvement and comprehensive evaluation.

6. Environmental Management

The company adheres to standard working procedures to prevent pollution or impact to the environment and community according to the standards, using efficient management technology to cover the use of electricity and energy with regard to water quality, air quality and waste management, and providing a ready channel for the lodging of any complaints from employees or the community which may arise from the operations of the Company, including participation in social and community development by operating as a good citizen of society, and supporting multiple activities that benefit the community and society as a whole.

7. Involvement of the Company on Community and Society Development

The Company adheres to principles of integrity and encourages people within the organization to have a philanthropic spirit in helping to contribute to the community, both those that surround the plant, and other locations which may be involved with our business, using the concept of building community engagement with the Company, creating knowledge, skills and abilities and providing income in return, with the goal of enhancing and enriching the quality of society and economic self-reliance in the long run.

8. The Creation of Innovation

The Company is aware of the importance of exploring and developing innovation in the various facets of work within the organization in order to create new things, whether at the individual level or at the organizational level, increasing the value of various processes and creating a good change in the returns for stakeholders, with regard to the economy, society and the environment - which will lead to achieving success and sustainability throughout the business.

Implementation and Report Preparation

1) Report Preparation Procedures

The Pranda Group prepares and publishes a report on the implementation of the concept of social responsibility in the annual report and on our website annually, for the benefit of all stakeholders, both internal and external, including shareholders, customers, creditors, suppliers, business partners, employees, society and the community, so that all are well aware of our determination and guidelines in driving forward the business, as well as the correlating results in the field of social responsibility.

Linking stakeholders

In the business of Pranda Jewelry Public Co., Ltd. (PCL) and its subsidiaries, it is not only to customers that our business must relate, but we must link with a number of other groups as well, including government regulators, and most importantly, customers, partners, employees, shareholders and the communities around the plant.

Therefore linking with stakeholders is an essential practice which helps the company to understand those stakeholders further than relating to them only as manufacturers and customers, but also taking into account our impact and dependency and contributing to the support of business processes linked to both short and long-term sustainability, with each group having different expectations and playing different roles in driving business growth; the Company has segmented the role of stakeholders as follows:

Stakeholder Connections

Stakeholder	Needs	Processes Used/ Communication Channels	Guidelines
Customers	<ul style="list-style-type: none"> On time delivery of quality products and services that meet the standards Transference of knowledge & technology through the products of the Company 	<ul style="list-style-type: none"> Small group discussions Providence of study opportunities Dissemination of knowledge by specialists in the field and by the Company's team Creation of a information journal to disseminate information Customer visits Readiness to hear the feedback and recommendations or complaints 	Support customer awareness of responsibility in safety and quality of products & services, including responding to their level of satisfaction.
Shareholders & Investors	<ul style="list-style-type: none"> Returns and continual growth of the company Management of the work according to sound managerial principles Complete, accurate and timely reports of the company's information and status 	<ul style="list-style-type: none"> Reports of work progress trimesterly and annually Annual general meeting of shareholders. Meetings with the company executives Visits to observe the business Communication of information through various channels such as websites Establishment of a corporate secretary and investor relations office to be a communication channel for providing various information about the Company's business 	Treatment of shareholders in accordance with the principles of good governance and establishing requirements for transparent and reliable disclosure of information to them.
Employees & their families	<ul style="list-style-type: none"> Fair compensation and other benefits as required by the law Progress and stability To develop their skills and work professionally A good working environment 	<ul style="list-style-type: none"> The establishment of Pranda Group Learning Academy Opening communication channels for the employees to share their opinions and suggestions Employee surveys 	To treat employees fairly, establishing and developing appropriate labor welfare which is attune to the needs of employees, with regard for human rights; developing their potential and continually retaining good and talented staff, and promoting ethics for employees

Stakeholder	Needs	Processes Used/ Communication Channels	Guidelines
Partners and Creditors	<ul style="list-style-type: none"> • Appropriate value for price, and also monitoring of the market price • Settling debts & financial matters in a timely manner as prescribed • Fair and equitable hiring and work procurement • The exchange of knowledge and experiences 	<ul style="list-style-type: none"> • Small group discussions • Group meetings • Visiting suppliers and being ready to listen to their feedback • Listening to their opinions and suggestions or requests 	Operating with all partners and creditors with equality and justice, adhering to the terms of the contract and business ethics, including communication so that partners know and understand the rules of purchasing/procurement and procedures for the selection and evaluation by monitoring and reporting the results of the operations to relevant parties.
Competition	<ul style="list-style-type: none"> • Conducting business with integrity, transparency and ethically • Competing fairly and according to the law 	<ul style="list-style-type: none"> • Receiving information from the media and the public arena 	Assigning rules and ethics for business processes and providing a system of internal control to avoid any action to obtain information or trade secrets of competitors by way of illegality.
Society as a whole	<ul style="list-style-type: none"> • Creating jobs and supporting the overall well-being of society • Good management of the environment • Joining to develop the community and society and preserving natural resources and the environment • Taking into account the impact on the community and the environment • Being an organization that shows responsibility toward the locals and the country and promotion and preservation of local culture • Disclosure of operations on a factual basis 	<ul style="list-style-type: none"> • Survey/assess needs and satisfaction • Regular visits to the area • Meetings to receive comments and suggestions • Collaborate with the community to arrange projects and activities that enhance the quality of life • Provide signs and banners to communicate various information and announcements • Holding events to observe and study the work processes (of the company) and promoting involvement in the development of society and economy all the way to environmental development • Hearing of comments, complaints and suggestions • Reports of information, news, activities • Tracking information and reports from the media 	Announcing the policies and safety practices for occupational and environmental health for employees to be aware of and strictly comply with, coupled with regular monitoring and evaluation, as well as making a public relations plan for the year which emphasizes involvement between the company, the employees and the community. Giving information, news and a knowledge base on a factual basis which benefits the sectors, including the economic, social and environmental dimensions, and communicating regularly with them via individuals, activities and media advertising.

For the prior year 2014 onwards, the Company's Board of Directors has appointed a joint committee, to promote shared values and social responsibility, with the committee consisting of 1 chairperson and 8 officials, altogether 9 people in total, to replace the old committee whose term has already expired. In addition, the joint committee to promote shared values and social responsibility has appointed a subcommittee to carry out various projects according to the company policy. The progress of the operation is as follows:

Performance of Each Major Project in 2014 onwards

- PRANDA Group Institute of Learning



To enhance the skills and knowledge of the management and staff to function effectively and to have a long-term vision, in order to keep up with the pace of the changing world, the company has arranged training for all levels of employees of all positions with various courses and curricula, for example, management development courses, knowledge of economics, English in business, communication techniques and teaching job skills effectively, knowledge of gemology, the manufacturing process of gems, the making of gem molds, and jewelry samples. These are just starting examples; the program includes many other courses, both internal and external courses, in total more than 120 courses, so that the personnel can be thoroughly trained, with training budgets exceeding 1 million Thai baht per year, and including a library facility which opens its services to employees and their children, for the loaning & returning of books – employees are able to search for information through the company's intranet, which includes over 3,000 copies of new books and journals.

- Quality of life Development Project

The Company has focused on improving the quality of life of employees from all sides with the preparation of various projects and activities, enhancing the quality of life of employees for the better since the year 2014, for example:

- (1) **Holding aerobic exercise activities:** In order to create a healthy body and mind.
- (2) **An internal co-op market for employees:** So that employees can sell used possessions for extra income.
- (3) **Providence of a shuttle vehicle for employees:** To provide an economical and safe means of travel for employees.
- (4) **The production of Father's Day and Mother's Day cards:** And the holding of a slogan contest to allow employees to realize their love for their parents and to help create remembrance of gratitude to their fathers and mothers.
- (5) **Sign-language training courses:** To encourage effective communication between hearing-impaired employees and other individuals.
- (6) **Promoting knowledge on how to improve the quality of life:** To present general knowledge to employees regarding health, nutrition and other useful knowledge.

- **Child Development Center**

The center has operated continuously for 26 years to help lighten the load of employees in caring for their children during work hours, and not only that but to support each child's development, in aspects of physical development, intelligence and behavior, and each year having no less than 50 children under its care. The company has provided child nurses who are full-time staff who have undergone specialized training in the area of childcare, so that the children will be ready to start school. The children in the center will be provided with the following aspects of care:

- (1) **Health services**, such as health check-ups, physical examinations to check their growth development, and instructions on how to care for children given to (the parents).
- (2) **Providence of nutritional services** arranging nutritious and well-balanced meals for the children in the right quantities, and teaching them to practice good health habits and table manners.
- (3) **Helping to promote the children's development**, such as muscle development, linguistic development, creativity, mental, emotional and social development so that they can learn to coexist with others, as well as to create preliminary good habits and discipline in their young lives.

- **Monitoring Food Quality**

The project is related to the health and hygiene of employees at every level, with the Company issuing a policy that restaurants and food providers within the organization can focus on improving not only the food taste but should also take into account and consider the selection of quality raw ingredients, clean, safe and free of contaminants, flavoring the dishes according to the principles of nutrition and ensuring that the food has nutritional value, in order for employees to obtain good health by good and nutritional eating. The action plan includes:

1. Providing low-fat food on the menus in all stores
2. Conducting trainings on cooking with herbs
3. Holding a "Health Food Promotion Week" event
4. Systematic removal of all oil residue in the cooking utensils & system, to prevent a hotbed of germs
5. Holding the 5S's and 7S's campaigns in conjunction with food stores

- **The Innovation Project**

The company supports and encourages all employees to initiate creativity within the workplace, allowing them to modify the equipment, tools and processes in order to increase efficiency, improve results and reduce production costs, and to create a knowledge base within the organization for use in the production process. In the past, there were a total of more than 100 innovation projects submitted to the company. All in all, the Company has taken these results and built upon them, expanding and implementing them to all branches and subsidiaries, both to affiliates within the country and abroad, affecting various aspects of product development as well.

- **Debt Reduction and Legal Counsel**

The project has been carried out continuously until today, to help employees solve their debt issues, as well as giving legal advice on proper debt management. This project has helped 450 employees to resolve their debts, and accomplished a total amount of 110 million baht in debt resolution, supported by loans from various financial institutions.

● Savings and Credit Cooperatives

The Company has instigated saving cooperatives for employees in the Pranda Jewelry Group in order to create savings habits among the staff. It is also a source of funds at low interest rates, in cases where employees have financial need. It currently has 2,300 members, with the funds of more than 100 million baht as of the past year 2014. The savings cooperative has received an "excellent" rating according to the standards of cooperatives by the Department for the Promotion of Cooperatives & the Ministry of Agriculture and Cooperatives. The cooperative has also regularly contributed funding to support the education of children of employees who have good academic results every year. This helps to lower the burden of (educational) costs for employees who are members of the cooperative.



● The Dual Education System

This project has continuously been pursued since 2000 onwards in collaboration with The Jubilee Royal Goldsmith College and the Bangkok College of Arts and Crafts' Department of Vocational Education, which accepts students at the vocational level, for a diploma in the Faculty of Jewelry. The committee will select students from welfare schools, Rajprachanukroh School, and other opportunity-providing schools all over the country, especially building on the silverware program from welfare schools in 5 locations which are Chiang Rai, Loey, Nan, Tak and Petchaboon provinces which participate in HRH Princess MahaChakriSirindhorn's silverware program for their studies, drawing these schools in to participate. Our program has operated continuously until today, with already 14 generations of students who have participated in the bilateral education program, a total of over 1000 students in all, and expanding to provide educational opportunities for the children and relatives of employees. Also the mentorship program assigns younger students to senior students so that they will have the opportunity to enter and study in the field of jewelry and also promotes education for employees by setting up training areas within the organization to hold study courses with credits transferable into the educational system in the field of jewelry making.

● Professional Encouragement for the Disable

The Company recognizes the importance of the opportunity to create jobs and careers for the hearing impaired and hopes to see the disabled taking pride in themselves and being able to demonstrate the abilities that they have, coexisting with ordinary individuals and not becoming a burden to their families or society; currently the Company has a total of 33 employees who are disabled individuals working with the company, a 60:1 ratio which is well above the legal standards of 100:1.

Not only does the company provide opportunity without obstacle for generally available, ready employment of disabled people, but the company also foresees the creation of opportunity for deaf students, in order to start developing their skills from an early age at the schooling level, for which in the year 2014 onwards the Company signed a memorandum of understanding (MOU) to provide schooling assistance at the vocational level for disabled individuals in the field of jewelry and gems at the School for the Deaf in Kanchanaburi province and at the School for the Deaf in Nakhon Pathom province in order to transfer the knowledge and experiences of jewelry crafting and workmanship and the making of various accessories to disabled individuals, also providing equipment and tools complete for the cutting of stones and other craftsmen's tools and accessories at every stage of production for use in teaching and learning in the two schools.

Aside from that the company has also offered support by pioneering a competition of jewelry craftsmanship skills, and provided the funding awarded to students in order to create another channel of motivation for disabled students.



● Project 7S's

The purpose of this project is to provide a cost effective use of everything from resources to energy and to foster safety in the workplace, as well as providing protection from environmental issues, which also promotes cleanliness and tidiness in the workplace. The operations of the Company in this arena are rooted in 7 "s" standards (words in Thai beginning with "s") which are Clear-up - Cleanliness - Convenience - Hygiene - Habit - Environment & Beauty, and two levels of standard guidelines have been issued: a central standard and a regional standard to be distributed to affiliates, with an area assessment carried out every 3 months, which is an activity that creates a catalyst to examine and diagnose and adapt all the locations to be clean and tidy and to help prevent and reduce losses that may occur in the workplace.

● Energy-Saving Projects

Even though the jewelry manufacturing industry is considered a lightweight industry which hardly affects the environment, the company has not been negligent in these matters, placing importance on and paying attention to the environmental impact of all issues.

In the management of wastewater: The company has issued a policy to protect the pipelines used to convey the water runoff from the manufacturing process. In the event that a pipe is damaged, the left over water must not be allowed to create ground leakage or contaminate natural sources of water. The protection is also in order to ensure that the water runoff from the entire manufacturing process is monitored and checked, and only after it is treated according to defined standards will it be discharged into natural bodies of water.

On the Reduction of Greenhouse Gas: There has been a project to replace all the air conditioners in order to avoid using those that contain refrigerant CFC-containing substances that damage the ozone layer in the atmosphere. It also provides an analysis on the energy-efficiency of the air conditioning machines to reduce power consumption and lead to reduction of carbon dioxide released in the power generation process. This project also modifies the air-conditioning system within the buildings to use the Chiller air conditioning system which is more efficient. Also the refrigerant used in the Chiller system is a non-CFC, which will reduce damage to the ozone layer of the atmosphere and lessen the occurrence of climate variability and global warming.

● Waste Bank

The company has set up a waste bank for recyclables to help reduce global warming. A manual on waste and recyclable materials has been published and broadcast to all employees so that they can thoroughly contribute. Each year, recyclable deposits are accepted and stored into the bank, with over 50,000 kilograms being resold each year - a value of more than 500,000 baht annually.

- 1 to 9 Project

The company has joined hands with Office for National Education Standards and Quality Assessment (ONESQA), a public organization, with the aim of developing and improving the quality and standards of educational institutions to be even better than before, including the development of a quality assurance system for educational quality by joining hands to advance the quality of education using the "1 to 9" method, with 1 agency assisting 9 educational institutions, with the (government) agency or private agency selecting at least 9 schools to develop within the network, committing to promote, support and follow up with a performance assessment to evaluate the results effected within the schools within the development network.

Business Practices That Affect Social Responsibility

In the year 2014 onwards, the Pranda Group has not committed any operations that violate the law with regard to the 8 principles (of Buddhism) and has not been accused of causing any negative impact on the public thru its business processes in any way that could affect the business reputation or credibility of the Pranda Group.

Activities to Contribute to Society and the Environment (After Process)

- Sharing and Implementing the Benefits to Society

Pranda Jewelry Public Co., Ltd. (PCL) and its subsidiaries are committed to conducting business according to the core principles of being a good corporate citizen on the basis of a consciousness and awareness of its own duties and responsibilities to the community and the nation, including placing great importance and focus on preserving the environment. Throughout the year 2014 onwards, the company has implemented projects to share and implement the benefits to society thru many activities, with an emphasis on the company staff being involved as volunteers in the various activities, and also donating money to other organizations that conduct activities that are beneficial to the public, whenever appropriate. For example:



(1) Joining to sponsor a Children's Day festival with government agencies, schools and communities around the plant, and providing computer equipment to various government agencies.



(2) Blood donation to help fellow humans in conjunction with the Thai Red Cross every 3 months, according to the "Unite in Love & Loyalty to Donate Blood to the Father and Mother of Our Land" campaign, dedicated to the glory of His Majesty the King.



(3) Planting trees around the street dividers: To landscape the area as a public green space and to provide a better environment.



(4) The promotion of organic farming: By supporting the “Farmer’s Friend Rice” campaign from the Thai Organic Trade Association cooperative of Yasothon province and the Earth Net Foundation, part of an incentive to promote the selling of organic products to replace the use of chemical fertilizers and pesticides and create a larger market for organic products.



(5) The promotion of religious traditions: By uniting with the surrounding communities to make an off-season offering of robes and other needs to monks, organizing events to dedicate large lent candles to the temple, and other offerings dedicated to Buddhist monks on the occasion of important religious festivals throughout the years.



(6) Support for the green market campaign: 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 onwards to up until the present time.



(7) Visits and study tours: The company has allowed education institutions and other organizations to visit and learn of company’s business operation from past to present.



(8) The Company promotes social and environmental business network: Pranda Group and founder members of Social Venture Network Thailand : SVN which are the combination of businessmen aiming to exchange business perspectives as well as related to social and environmental responsibility. Such collaboration has a mission to support business awareness that leads to respect in society and environment, in human rights as well as equitable treatment with all related parties.

Results of operations that benefit various stakeholder groups

No.	Task / Project / Activity	Employees	Products and Clients	Partners	Society	Environment
1.	Pranda Academy Center	♥	♥	♥	♥	♥
2.	Quality of Life Development Project	♥	♥		♥	
3.	Child Development Center	♥	♥		♥	
4.	Inspection of Food Quality	♥			♥	
5.	Innovation Project		♥	♥		♥
6.	Debt reduction and legal counsel	♥	♥			

No.	Task / Project / Activity	Employees	Products and Clients	Partners	Society	Environment
7.	Savings and Credit Cooperatives	♥	♥		♥	
8.	Bilateral Education	♥	♥		♥	
9.	Promoting Disability Employment	♥	♥		♥	
10.	7S's Project	♥	♥			♥
11.	Energy Conservation Project	♥	♥			♥
12.	Waste Bank	♥	♥			♥
13.	1 to 9 Project				♥	
14.	Sharing of social benefits to society	♥	♥		♥	

Activities by Affiliates After the CSR Process

Pranda Jewelry Public Co., Ltd. (PCL) factory in NakhonRatchasima has been continuously involved with the community and the community around the plant, performing the following in the past year 2014 onwards,

- Merit-making activities to forge the preservation of the Buddhist religion according to the way of the Buddhists, and merit-making donations to support activities with industries in the NakhonRatchasima province, facilities and protection for laborers in NakhonRatchasima, and the PutornMareung police station.
- Support of education and learning in various organizations, by...
 - Support of rewards for students such as stationery, food and snacks on the occasion of National Children's Day and the annual merit-making day of the Company to various schools in the area around the plant.
 - Welcoming the committees from various organizations to come in to observe and study the work & processes of the Company
 - Opening an opportunity to various educational institutions in NakhonRatchasima province to send their students for job training to develop their knowledge and skills
 - Training to develop the personnel, both those of the Company and government agencies such as the Bureau of Labor Protection and Welfare, the Social Security, the Office Against Drugs and the local police stations nearby, etc.

Primagold International Company Ltd., which operates wholesale retailing of various jewelry brands within the country, has a continual policy to join in developing the education of individuals all the way from childhood to womanhood, with the following activities being carried out in the past year 2014 onwards.

1. Support in the area of education, which has been an ongoing project for the Nong Pau temple school in Dan Chang district, SuphanBuri province, previously constructing and renovating the library to improve learning, procurement of books and various learning media into the library, and for the year 2014 onwards, finishing the renovation of the said school's cafeteria.
2. Scholarships to the students in Nong Pau temple school who have good academic results but are impoverished
3. Supporting of social activism through the Preusapa Prachatham Foundation.
4. To support the campaign to fight to end violence against women and children of ZONTA INTERNATIONAL, Area 6 District 17.



Brief History and Honorary Rewards of Pranda Group



2014

- The Company received the CSR Recognition 2014 award from The Stock Exchange of Thailand (SET) praising and encouraging for being a SET listed company which has a strong confidence in long-term growth among 45 candidates in the interviewing round. This achievement has illustrated our strong business vision on social responsibility. We have also set up an internal organization whose role is to significantly implement our social responsibility vision into our own management administration.



- The Company received the Authorized Economic Operator (AEO) certification, which is an international safety standards for workplaces and premises, employees, business partners, products, vehicles, corporate's information, auditing system, and countermeasure policy, from Thailand Customs Department. This certification warrants our deliveries and both domestic and international customs services to meet our customers' satisfaction.



- The Company received the Excellent Labor Relation and Welfare Award 2014 from the Department of Labor Protection and Welfare, the Ministry of Labor.



- The Company and Prima Gold International Co., Ltd. was awarded the "Thailand Tourism Standard" emblem from the Ministry of Tourism and Sports in recognition of our commitment to improve our companies to meet the standards. Consequently our companies have been given support in promoting to the Thai and international tourists. This has created an opportunity to expand our market, and eventually led to the advancement in tourism standard in Thailand.
- The Company received a commemorative certificate from Nakhon Pathom School for the Deaf for supporting the Occupational Development Project for the Disabled and Underprivileged Children. The Company also signed the cooperative establishment in educational management and job opportunity for the deaf students.
- The Company was granted an approval certificate for fulfilling the "Standards in Prevention and Resolution to Drug Problems in an Establishment 2014" from the Group of Labor Protection and Welfare Area 8, Ministry of Labor.
- The Company was evaluated "Excellent" for the quality assessment of the 2014 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 "Very Good" recognition (four stars) for the Corporate Governance Report of Thai Listed Companies 2014 from the Thai Institute of Directors (IOD).

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 & Krill 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.
- The Company approved to dissolve Guangzhou Pangda Zhubao Shoushi Youxian Gongsi, 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.
- Prima Gold 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.

2012

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

2011

- The Company received a recognition of being "Excellent and being a good example" from the Securities and Exchange Commission, in cooperation with the Thai Listed Companies Association, and the Thai Investors Association which held an Annual General Meeting (AGM) checklist to assess the AGM held in 2011.
- The Company received "very good" recognition (four stars) of Corporate Governance Report of Thai Listed Companies 2011 from the Thai Institute of Directors (IOD).
- The Company received an honor trophy of the business sector which provided career support to the disabled from the Office of Welfare Promotion, Protection and Empowerment of Vulnerable Groups, the National Office for Empowerment for Persons with Disability, in cooperation with the Council of Persons with Disabilities of Thailand Association. Today, PRANDA has supported all persons with all kinds of disabilities, totaling 31 persons, accounting for 60 to 1 which is higher than the regulated law of 100 to 1.
- The Company had signed an (MOU) of "The gems and jewelry personnel development project" with the Golden Jubilee Royal Goldsmith College, King Mongkut's University of Technology North Bangkok to support project operation with the fund of Baht 54 million for 7 years from 2011-2017 in order to provide an opportunity for poor students to pursue the Bachelor of Fine Art program in Royal Goldsmith, majoring in gems and jewelry design.
- The Company received the CREATIVE AWARD 2011 from the contest of "The Extreme colors of Ploi" which was organized by the Department of Export Promotion, the Ministry of Commerce and the Thai Gem and Jewelry Traders Association.
- PRIMA GOLD received the PM's Creative Award's Function Creations as it produced products from creativity and variety of components which include culture and innovation to increase product value and services, leading to economic growth development with sustainability.
- The Company's Nakorn Raschasirima 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 Gongsi for USD1.5 million, increasing the China subsidiary registered capital to USD2.35 million, representing 100% ownership

2007

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

- The Company won Thai Labor Standard award (TLS 8001-2003), Completion Level from the Department of Labor Protection and Welfare, the Ministry of Labor.
- The Company increased its investment in Primagold International Company Limited by 100 million baht, raising Primagold International registered and paid-up capital to 200 million baht. Pranda Jewelry Public Company Limited controls 100% in Primagold International.
- The Company raised the investment in Pranda & Kroll GmbH & Co. KG Limited by Euro 2.4 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, Bangkhuae and expanded to seven branches within the same year.

2003

- Received a shield of honor from the Department of Labor Protection and Welfare, the Ministry of Labor as the private establishment which implements activities which support and benefit female workers.
- Established a new production base in China under Pranda Guangzhou

- Increased investment in Primagold International Co., Ltd. By Baht 50 million raising the registered capital to Baht 100 million in which the company holds 100% stake.

2002

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

- Primagold 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 409.529 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 in production, PRANDA is able to produce quality products at a reasonable price. The Company also diversified its production risk to cover almost every product range. PRANDA operates factories based in 3 countries including Thailand, Vietnam and Indonesia with production capacity approximately 10 million pieces of jewelry per year.

Distribution
PRANDA has its own distribution companies and agents both in Thailand and overseas. 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 5 subsidiaries of distribution base in 5 countries including US, UK, France, Germany and India.

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 business throughout Asia and the Middle East. These subsidiaries, today, are located in Thailand, Indonesia and Vietnam.

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

Company	% Holding	2014		2013		2012		2011		2010	
		Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Production											
Pranda Jewelry Pcl.		1,027	30.74	1,399	37.04	1,914	45.24	1,799	42.90	1,545	37.78
Crystalline Co., Ltd.	96	134	4.01	159	4.21	173	4.09	167	3.98	153	3.74
Pranda Vietnam Co., Ltd. (Production)	100	11	0.34	26	0.68	6	0.14	38	0.91	46	1.12
Guangzhou Pangda Zhubao Shoushi Youxian Gongsì	100	-	-	-	-	4	0.09	18	0.43	14	0.34
Pranda & Kroll GmbH & Co. KG	75	65	1.94	69	1.83	77	1.82	70	1.67	87	2.13
Total revenue from Production		1,237	37.03	1,653	43.76	2,174	51.38	2,087	49.77	1,806	44.17
Distribution											
H.Gringoire s.a.r.l.	100	124	3.72	120	3.18	150	3.55	156	3.72	144	3.52
Pranda UK Limited	100	67	2.01	71	1.88	101	2.39	147	3.51	184	4.50
Pranda North America, Inc.	100	864	25.87	828	21.92	756	17.87	705	16.81	1,009	24.68
Pranda & Kroll GmbH & Co. KG	75	87	2.59	84	2.22	114	2.69	150	3.57	155	3.79
Pranda Jewelry Private Ltd.	51	83	2.49	113	2.99	142	3.36	169	4.03	113	2.76
Total revenue from Distribution		1,225	36.68	1,216	32.19	1,263	29.85	1,329	31.70	1,644	40.21
Retail											
Primagold International Co., Ltd.	100	695	20.79	671	17.77	689	16.28	683	16.29	587	14.36
Pranda UK Limited	100	17	0.51	14	0.37	18	0.43	-	-	-	-
Guangzhou Pangda Zhubao Shoushi Youxian Gongsì	100	-	-	9	0.24	18	0.43	20	0.48	16	0.39
Pranda Trading (Shenzhen) Limited	100	1	0.03	3	0.08	-	-	-	-	-	-
Pranda Vietnam Co., Ltd.	100	51	1.53	31	0.82	15	0.35	3	0.07	3	0.07
PT Pranda Marketing Indonesia	55	69	2.07	52	1.38	-	-	-	-	-	-
Total revenue from Retail		833	24.93	780	20.66	740	17.49	706	16.84	606	14.82
Sales revenue		3,295	98.63	3,649	96.61	4,177	98.72	4,122	98.31	4,056	99.19
Pranda Lodging Co., Ltd.	83	8	0.23	8	0.21	10	0.24	10	0.24	14	0.34
Other revenues		38	1.13	120	3.18	44	1.04	61	1.45	19	0.46
Total other revenues		46	1.37	128	3.39	54	1.28	71	1.69	33	0.81
Total revenues		3,341	100.00	3,777	100	4,231	100.00	4,193	100.00	4,089	100.00

1) Nature of Product

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

1.1 OWN BRAND MANUFACTURING (OBM)

Currently, the Company has positioned its own brand to capture different groups of medium to high jewelry consumers in various regions. The Company's brands are classified based on needs of customer groups including Consumer Brand and Trade Brand.

Consumer Brand is a brand which Company developed to meet the needs of end-consumers with full marketing communication which are as follows:

- Prima Gold: 99.9% pure gold jewelry, primarily for market in Asia and Middle East
- Prima Diamond: Superior diamond jewelry, primarily for Thai market
- Prima Art: Handcrafted art from 99.9% pure gold, primarily for market in Asia
- Julia: Diamond with 18K white gold jewelry, primarily for Indonesian market
- Merii: Fashion Jewelry with Cubic Zirconia, primarily for Thai market
- Ariva: Silver fashion jewelry, primarily for US market
- Cai: Silver fashion jewelry, primarily for European market
- Baldessarini: Luxury menswear and men's accessories, primarily for European market

Trade Brand is a brand which Company developed to satisfy the needs of business clients (B2B) to arrange jewelry into collection, which are as follows:

- HGG: 18K gold jewelry with premium gemstones, primarily for European market
- Esse: Handcrafted Marcasite jewelry, primarily for market in Europe

Majority of OBM brands are distributed by Company's retail business and others are channeled through distribution business or regional distributors and retailers.

1.2 ORIGINAL DESIGN MANUFACTURING (ODM)

The Company has experienced and specialized teams in product design and development towards developing the products with customers (Original Design Manufacturing: ODM) including Gold Jewelry, Silver Jewelry, Brass and Fashion Costume Jewelry mounted with precious stones or other materials to meet customers' requirements. The key customers are high and medium jewelry brands and jewelry stores located in different countries which are US, Germany, UK, France, Spain, Australia, Russia and Japan. The Company distributes its products through various channels including television shopping channels, department stores, chain stores, catalogs and websites.

2) Market and Competition

2.1 Key Marketing Policies in 2014

Company has categorized products into 2 main groups and has set up the policy as well as marketing strategy for the competitiveness as follows:

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 retail markets which Company operates its own stores are located in Thailand, Indonesia and Vietnam. The key milestones in 2014 were as follows:

In Thailand, due to the severe fluctuation in gold and silver market price, Company had emphasized on executing marketing activities to promote sales, strengthened its customer relationship management strategy and developed new products to expand customer base. Accordingly, Primagold International, one of PRANDA's subsidiaries, has operated its retail businesses for Prima Gold, Prima Diamond, Prima Art and fashion jewelry under Merii brand. In 2014, there was a sales growth of 23 percent year over year (excluding discontinued business of Century Gold brand).

In Vietnam, Pranda Vietnam has continuously expanded its retail business, Prima Gold, in Ho Chi Minh City and Hanoi and named Ms. Nyugen Thi Giang My, a well-known celebrity and businessperson in Vietnam, as the Brand Ambassador to increase brand awareness as well as boost up sales performance. In 2014, the growth rate was at 65 percent year over year.

In Indonesia, Pranda Marketing Indonesia mainly focused on expanding Julia brand, 18K gold with diamond jewelry, by focusing on developing the products at higher price range to increase sales from existing customers as well as towards product category of wedding rings to target a group of couples. For Prima Gold brand, there had been an opening of 2 new branches located in Surabaya and Grand Indonesia Jakarta. In 2014, sales in Indonesia was totally increased by 33 percent year over year.

For market expansion to other regions, the distribution channels are mainly via authorized retailers. The result of growth rate from this channel has been satisfactory especially in the countries located in the Middle East which are UAE and Oman. The distribution channel of Prima Gold product is also expanded into duty free stop in Dubai International Airport.

2.1.2 Original Design Manufacturing: ODM

In 2014, the Company still maintained the positive relationships with key existing customers both in US and Europe. However, regarding the slow recovery of economy in US and continuous economic downturn in Europe, the Company's revenue has been consequently affected. Nonetheless, PRANDA has continuously developed the competence in product design and product manufacturing to control the production cost to be as competitive as possible as well as focused on creating relationships with new potential customers as to diversify its risks and retain long-term sustainability to business.

Revenue Structure: Domestic and Overseas

	2014		2013		2012		2011		2010	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from Overseas Markets	2,477	75.17	2,825	74.42	3,043	72.85	3,286	79.72	3,376	83.23
Revenue from Domestic Markets	818	24.83	824	22.58	1,134	27.15	836	20.28	680	16.77
Total	3,295	100	3,649	100	4,177	100	4,122	100	4,056	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 10,080 US dollar or Baht 326,384 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 124,773 million in 2014. 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' 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 2012 - 2014 were as follows:

Quarter	2014		2013		2012	
	Million Baht	%	Million Baht	%	Million Baht	%
1	866	26	971	27	966	23
2	736	22	760	21	876	21
3	789	24	988	27	1,106	26
4	904	28	930	25	1,229	30
Total	3,295	100	3,649	100	4,177	100

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

Production Base	Capacity Million Pieces				
	2014	2013	2012	2011	2010
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	4.50	2.00
Crystalline Plant	2.00	2.00	2.00	2.00	2.00
Overseas					
Pranda Plant in Vietnam	0.50	0.50	0.37	0.67	0.67
Pranda Plant in Guangzhou, China	0.00	0.00	0.14	0.13	0.15
Pranda & Kroll Plant in Germany	0.03	0.04	0.04	0.04	0.04
Total	9.43	9.44	9.45	9.74	7.22

Raw Materials and Suppliers

Unit: Million Baht

Rew Material	2014	2013	2012	2011	2010
Overseas :-					
Gold	225	498	639	517	551
Silver	2	-	6	-	-
Alloy	-	-	-	-	3
Components	43	41	31	34	36
Gems	82	74	56	47	47
Others	58	50	58	64	71
Total	410	663	790	662	708
Domestic :-					
Gold	224	242	260	283	181
Silver	242	377	410	605	499
Alloy	2	2	3	3	2
Components	2	5	11	12	5
Gems	305	295	309	297	326
Other	64	101	94	77	113
Total	839	1,022	1,087	1,277	1,126
Overalls	1,249	1,685	1,877	1,939	1,834

Raw Material Usages

	2014	2013	2012	2011	2010
Overseas Raw Material (%)	33	39	42	34	39
Domestic Raw Material (%)	67	61	58	66	61
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 Dang.

Risk Factors

1. Risks in Business Operations

1.1 Strategic Risk

According to the strategy of Market Diversification into the U.S., European Community and Asia, the sales revenue of the Company may be weaker than target. As a result, the profit estimation may also be varied from the set budget due to the unstable world economy as mentioned above.

However, the Company has organized the annual executive seminar called “World Strategic Meeting” in order to review the existing business strategies to ensure that strategies correspond with the world’s economic situation and with the market environment in each country. At the meeting, all companies within Pranda Group have to propose the Strategic Action Plan for next year and the next five years. The Strategic Action Plan shall cover the Business Objectives, Key Performance Indicators (KPIs), as well as marketing, financial, investment and action plans. The Company also arranges the Finance Committee Meeting to report the operating performance of Pranda Group at least every quarter. This is an attempt to improve the business plan to be corresponding with the ever-changing global market and to monitor and ensure that the Company’s business plan shall meet the target.

In addition, the Company also implements the annual budget. The Executives of each company within Pranda Group have to recognize the current economic environment which may pose both opportunities and threats to the Company, and prepare for the risk management strategies for the case that the operating performance does not reach the target. The annual budget shall be approved by the Finance Committee.

1.2 Risks from Being Dependent on Major Customers

The Company still mainly relies on sales revenue from foreign major customers. If these customers encounter the decrease in sales volume due to their own countries’ economic downturn, it would also affect company’s sales revenue.

Although the Company has established a long and good relationship with these major customers for more than 20 years, the Company planned to reduce our dependency on these customers by distributing more goods to the other existing customers who have potential growth and searching for new customers both in existing and new markets. The Company also focuses on selling more of own brand products.

1.3 Risks in the Retail Market

The Company continues to expand our retail business in Thailand, Indonesia and Vietnam. The retail business can be at risk from the lower-than-expected operating performance due to the ever-changing consumers’ needs.

However, the Company has formulated the risk management strategies on investment as follows:

1. Market Risk

The Company has conducted a study on consumers’ purchasing behaviors towards jewelry, existing and new competitors, economic situation, legal issues, politics and other relevant factors in order to estimate the business feasibility and to select the appropriate products for specific markets before establishing a retail business.

2. Shop Location Risk

The Company usually opens a retail shop in leading department stores where the feasibility of location and consumer behavior have already been surveyed. Prior to opening a retail shop, marketing and sales managers are assigned to survey the location and evaluate the potential customers and competitors. The decision is based on the survey results, the estimated revenue, expenses, budgets for products and shop decoration in order to analyze the break-even point and payback period.

If the assessment on shop location is still uncertain, the Company will open a retail shop for a short period of 1-3 months for market testing. Until the number of customers is proven to be strong enough, the Company will then decide to open a retail shop in a longer term.

3. Operational Risk

The Company has conducted the business plan and the annual budget as well as monthly business review on sales, marketing, finance, inventory and obsolete goods management, personnel management and operational control. In addition, the Company has set up the indicators and operating targets for each individual, and performed continuous evaluation to ensure that their operations shall be in compliance with the Company's mutual plans and policies.

4. Property Safety Risk

Because the price of our jewelry products is very high, the Company has established the safety policy. The sales staff will be trained on theft prevention, preparation for emergency situations, product inspection upon customers' return or exchange, inspection during day shift swap, etc. In addition, the Company continuously inspects the inventory from each branch by our internal inspectors whose authorities are clearly defined. There are also CCTV, alarm systems and security staff in place at high-risk locations.

Moreover, the Company also has insurance for products both at shop locations and those transported items to prevent the damage and loss prevention in case of any incidents.

5. Price-Setting and Discount Risk

In retail business, price setting and discount are considered to be very important to the customers and business turnover. The Company has determined a clear price setting on every product brand by setting the initial profit margin. As for discounts, the marketing team of each brand will design a promotional plan to meet the customers' requirements. The sales promotion may include discounts, free gifts and offer on monthly installments. The expenses on promotional plan shall not affect the expected profit.

In addition, the Company invest in inventory by using gold lease. Thus, the cost of our gold-based inventory will depend on the world's gold market. This will enable the Company to set the product price based on gold price at a certain period.

1.4 Risk from Outdated Goods

Jewelry is the fashionable goods and its trends are changing all the time, perhaps resulting in the drop of sales volume and revenue for outdated products. Hence, the Company is necessary to set aside the allowance for outdated goods, thus decreasing our cash flow.

However, most of our inventory is precious metals which are not expired or deteriorated, the inventory can be further melted and processed to be raw materials for manufacturing new products. In addition, the Company has the policy not to maintain the finished goods for too long. When a certain product is being outdated, there will be a promotional plan to manage such product by opening a special showroom.

2. Production Risk

2.1 Risk of Personnel Shortage

The Company focuses on expanding our licensed brand market and retail business in Europe and Asia, whereas each country is different in terms of preferences on jewelry designs. The Company is encountering shortages in personnel with experiences on marketing, designs, production and innovation.

However, the Company has established risk management strategies on personnel shortages as follows;

- The Company supports the bilateral education program by collaborating with the Office of the Vocational Education Commission, Kanchanapisek Royal Goldsmith College and Bangkok Arts & Crafts College, to organize the program of “School in Factory”. About 100 students will be taken into this program to study the jewelry craftsmanship in vocational level. After completing the program, the students will be employed by the company. This program has been continuing for 14 years.
- In order to motivate the employees to work with us in a long term, the Company has determined the welfare and benefits scheme for employees as follows:
 - Financial Assistance such as savings cooperatives to encourage the employees on their savings, loan facilities to help alleviate employees’ debt burden, provident fund, home loan. In cooperation with Government Housing Bank, the Company offers the long term home loan with lower interest rates than the other commercial banks.
 - Knowledge Development Facilities such as libraries, internet rooms and training programs both internal and outside the company.
 - Health benefit such as aerobic classes
 - Benefits for quality life such as company apartments, free three meals and child care center for employees.
 - Other Financial Support such as at the employees’ wedding, childbirth, ordination, death of parents, in-patient hospitalization apart from the social security, group life insurance, annual health check-up, etc.
 - Other benefits to boost the morale such as rewards on hard work, annual office party, celebration and rewards for company staff with long years of services, sports day, etc.
- To establish personnel development, the Company has implemented the Proactive Personnel Development Plan by using the Key Performance Indicators (KPIs) and Competency Development. These systems help improve the selection, training and evaluation processes.
- To encourage Good Corporate Culture and to build a cooperative environment among the employees, the Company has created the organization’s core values named “Pranda’s Core Values” which comprises of three key values: Teamwork, Continuous Improvement and Stakeholders Focus. Every employee will be taught and trained on these values so that they are able to recognize these values to perform their operations. The Company believes that this is fundamental to our business in a long term.
- To be in compliance with the international labor standard and to be recognized among the foreign customers, the Company has adopted Thai workers’ standards, for example, workplace safety, hygiene, human rights protection and equitable treatments.
- The Company has implemented ISO9001: 2008 for an efficient operating system to build the confidence among the local and international customers. At present, the Company has been certified by The Bureau Veritas Thailand. We also receive the certificate from the UKAS, England, which is effective for three years from 3 September 2013-2 September 2016.

2.2 Risks From Fluctuation of Raw Material Prices

Although the world economy seems to recover, it is still unstable, thus resulting in the fluctuation of gold and silver prices, which is our major production cost.

The Company has performed the risk management strategies on the fluctuation of raw material price as follows:

- With regard to changing price of raw materials, the Company passes through the price of raw material to the customers, thus preventing us from being affected by profit or loss from price change.
- For future price of raw material, the Company books forward rate with the financial institutions.

3. Financial Risk

The Company's revenue is mostly in foreign currencies such as U.S. dollars and euros. The fluctuation of exchange rates can affect our revenue and profit. The Company also has the risk from the credit term given to the customers. Moreover, there are additional risks from changing interest rates according to market condition, and from the removal of credit facility from commercial banks.

The Company has established the financial risk management as follows:

- The Company hedges foreign exchange risk by using forward contract, and maintains foreign transaction in the same currency (Natural Hedge).
- The Company monitors the credit status of both existing and new customers, and a detailed study on the customer's operating performance and financial status shall be conducted in order to give the credit term to a customer. The Company has performed the strict debt collection process and reviewed the credit term of the customers on regular basis. Furthermore, some customers may be requested to place upfront deposits when making the orders with the Company.
- Although the company has acquired the loans from financial institutions with floating interest rates, the Management has closely monitored the movement of interest rate, and considered that the risk of changing interest rate is not significant to our business.
- The Company diversifies the use of revolving loan facility to several commercial banks in order to be safeguarded from any termination of credit line. The Company shall maintain the debt to equity ratio at not exceeding one time to reduce the burden of interest and volatility that may arise in the future.

4. Risks to the Rights or Investment of the Shareholders

The Company has the major shareholders who hold more than 25% of total shares of the Company.

The Company's major shareholder is the family who founded the Company. They ,altogether holding 133,583.180 shares, or 32.62% of total paid up shares, shall have the rights to oppose or disapprove the resolution of the general shareholders' meeting on a certain issue that requires, by law or regulations, no less than three-fourths voting of total shareholders attending the meeting and having the voting right to pass the approval resolution.

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, distribution and retail of fine jewelry		
Head office	28 Soi Bangna-Trad 28, Bangna, Bangna,Bangkok 10260 Thailand		
Registration	0107537001986		
Telephone	+66 2769 9999		
Fax	+66 2769 9998		
Registered Capital	410,000,000 THB		
Paid Capital	409,529,000 THB		
Home Page	www.pranda.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, 2014)

Company Name / Address	Business	% of Holding	% of Co-shareholder	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 www.cai-jewels.com Responsible Person: Mr. Gregor Kroll Email: gregor.kroll@pranda-kroll.de Co-shareholder : Mr. Gregor Kroll	Production and distribution of fine jewelry.	75		EUR 14.96 Million	EUR 14.96 Million
			25		
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. Runnapa Ngowngamratana Email: runnapa@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 Co-shareholder : 1) Mr.Johnny Salmon 2) Mr. Kenny Salmon 3) Mrs. Yuen Wan Ha	Jewelry retail in Indonesia	Assigned control over the financial and operating policies of PT Pranda Marketing Indonesia to Prima gold International Co., Ltd., including voting power and granting an equity interest of 55 percent in this company	55 25 20	-	-

Company Name / Address	Business	% of Holding	% of Co-shareholder	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@prandana.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 9533 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 518000 Telephone +86 0755 2553 3378 Fax +86 0755 2553 3378 Responsible Person: Mr. Prida Tiasuwan (Acting) Email: prida@pranda.co.th	Jewelry retail in China	100		USD 2.0 Million	USD 0.55 Million

Company Name / Address	Business	% of Holding	% of Co-shareholder	Registered Capital	Paid-up Capital
Pranda Singapore Pte. Limited					
No.163 Penang Road # 02-03 Winsland Housell, Singapore 238463 Telephone +65 6533 2611 Fax +65 6532 5092 Responsible Person: Mrs. Sunanta Tiasuwan Email: sunanta@pranda.co.th	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 Co-shareholder : Mr. Gregor Kroll	Distribution of fine jewelry in Germany	Holding by Pranda & Kroll GmbH & Co. KG 75%		EUR 25,000	EUR 25,000
			25		
Pranda Jewelry Private Limited					
Pranda House, Rewa State 512, Rewa Estate, M.G. Road, Mulund (West) - 400080 India Telephone +91 22 2568 2121, +91 22 2569 2121 Fax +91 22 2592 2121 Responsible Person: Mr. Vinod Tejwani Email: vinod@pranda.co.in Co-shareholder : Mr. Gunjan Jewelry Private Limited	Distribution of fine jewelry in India.	51		INR 1 Million	INR 1 Million
			49		
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 Co-shareholder : 1) Mr. Johnny Salmon 2) Mr. Kenny Salmon 3) Ms. Virsosa Salmon 4) Mrs. Yuen Wan Ha	Production and distribution of fine jewelry.	19		IDR 4,000 Million	IDR 4,000 Million
			21		
			20		
			20		
			10		

Company Name / Address	Business	% of Holding	% of Co-shareholder	Registered Capital	Paid-up Capital
KZ - PRANDA Co., Ltd.					
No. 75/51 Ocean Tower 2 Condominium Building 24 th Floor, Soi Sukhumvit 19, Sukhumvit Road, Khongtoey Sub-district, Wattana District, Bangkok 10110	Import and distribution of silver and pure gold fine and bars.	40		THB 30 Million	THB 9 Million
Telephone + 66 2204 1441-3					
Fax + 66 2204 1444					
Responsible Person: Mr. Heechan Song					
Email: hcsong@koreazinc.co.kr					
Co-shareholder : 1) Korea Zinc Co., LTD.			34.50		
2) LG International Corporation (Singapore) PTE Co., LTD.			14.50		
3) Ms. Thitima Sorakraikitikul			11.00		
Pranda Lodging Co., Ltd.					
28 Soi Bangna-Trad 28, Bangna Sub-district Bangna District, Bangkok 10260 Thailand.	Property rental / Properties.	83		THB 50 Million	THB 50 Million
Telephone +66 2361 3311, +66 2393 8779					
Fax +66 2361 3088, +66 2398 2143					
Responsible Person: Mrs. Panidda Tiasuwan					
Email: panidda@pranda.co.th					
Co-shareholder : 1) Pranda Holding Co.,LTD.			7		
2) Forward Freeland Co.,LTD.			7		
3) ARTICO CRAFTS Co.,LTD.			3		

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 2 229 2888 Email: TSDCallCenter@set.or.th www.tsd.co.th
Auditor	EY Office Limited (Formerly known as Ernst & Young Office Limited) 33 rd 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, 22 nd 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 30 December 2014 are as follows:

List of Major Shareholders	No. of Shares	Shareholding Percentage
1. Founding family	133,583,180	32.62%
Mr. Prida Tiasuwan	21,996,420	5.37%
Ms. Pittaya Tiasuwan	17,930,960	4.38%
Mrs. Panidda Tiasuwan	16,692,060	4.08%
Mrs. Pranee Khunprasert	9,896,860	2.42%
Mr. Pramote Tiasuwan	9,280,560	2.27%
Mrs. Ratchara Pornrungrroj	9,042,360	2.21%
Mrs. Prapee Sorakraikitikul	7,482,460	1.83%
Mrs. Sunanta Tiasuwan	2,700,500	0.66%
Relatives of founders	23,908,100	5.84%
Pranda Holding Co., Ltd. ^{/1}	14,652,900	3.58%
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	12,613,800	3.08%
4. GOLDMAN SACHS & CO	11,644,700	2.84%
5. THE BANK OF NEW YORK MELLON	10,288,300	2.51%
6. Bualuang Siriphol Corporate Governance	9,435,800	2.30%
7. Bualuang Siriphol Corporate Governance RMF	7,809,700	1.91%
8. NORBAX INC., 108	5,009,745	1.22%
9. Mr. Pitak Pisetsit	4,020,000	0.98%
10. CITIBANK NOMINEES SINGAPORE PTE LTD-HOST-PLUS PTY LTD-HOPTPLUS	3,746,100	0.91%
POOLED SUPERANNUATION TST-PARADICE GLO SMALL		
Total	216,460,525	52.84%

Investor can find the name list of the shareholders on the closing date of the share registration book for Annual General Meeting at the Company's website (www.pranda.com category Investor Relations : Shareholding Structure) before commencement of Annual General Meeting of shareholders 2014.

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

List of Major 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.

2. The Company is not engaged as a holding company.

3. 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.

4. 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 2014, the remaining number of warrants to purchase ordinary shares was as follows:

	(No. of Unit)
Balance as of 1 January 2014	384,200
Number of exercised warrants during 2014	(384,200)
Balance as of 31 December 2014	-

Dividend Policy

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

The Company's subsidiaries have also policy to pay net profit available from operating performance after legal reserves set aside. The Board of Directors will take into account the dividend payment from the Company's operating performance, financial conditions, and capital requirement before submitting for the shareholders' endorsement. Dividend payment record between 2001 and 2014 as follows;

Year	Net profit (million baht)	% of dividend payment	Dividend payout (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

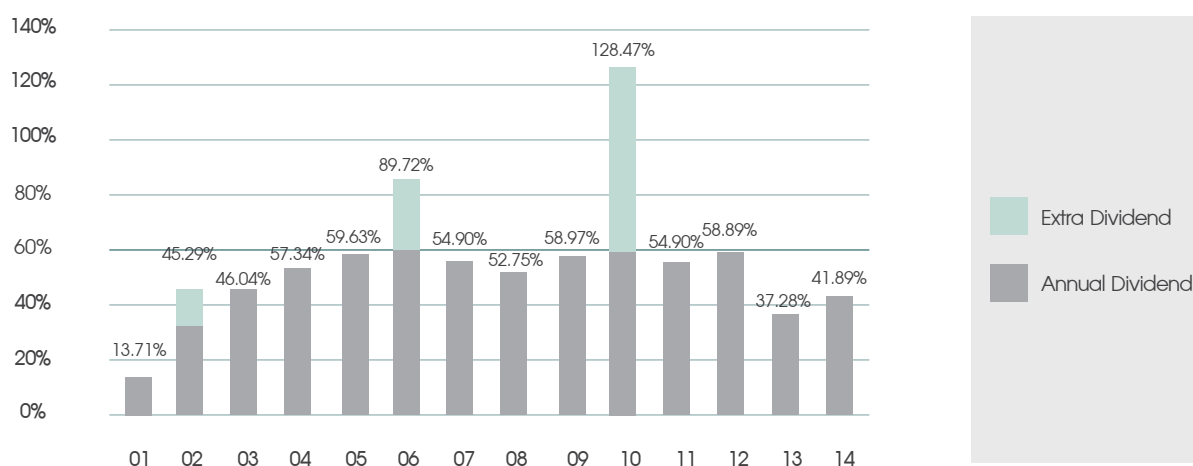
Year	Net profit (million baht)	% of dividend payment	Dividend payout (million baht)	Number (million shares)	Dividend per share (baht)
2010	343.79	58.33	200.54	401.09	0.50
Interim dividend from the profit for period at the nine-month period ended 30 September 2011	408.03	9.88	40.33	403.33	0.10
2011	441.14	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	219.73	37.28	81.9	409.52	0.20
2014 ^{/3}	146.62	41.89	61.43	409.52	0.15

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 sub 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 2014, the Company's Board of Directors had a resolution to approve the dividend payment in the rate of Baht 0.15 per share, will pay to shareholders after the Annual General Shareholders' Meeting had a resolution to approve on April 21st, 2015.

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



Pranda's maximum Annual Dividend Payment

59.63%

of the net profit from separate Financial Statements

Management Structure

1. The Board of Directors

The Board of Directors of the Company as of December 31, 2014 is composed of ten Directors including Independent Directors, Executive Directors, and Non-Executive Directors, all of whom are knowledgeable, competent, and well experienced in finance, accounting, management, and the other areas as deemed beneficial to the Company. The existing members of the Board of Directors of the Company are as follow:

1. Four Executive Directors
2. Six Non-Executive Directors, three of whom are Independent Directors

Name		Position	Date of Holding Directorship ^{/1}
1. Mr. Prida	Tiasuwan	Chairman of the Board	22 April, 2013
2. Mrs. Prapee	Sorakraikitikul	Vice Chairman	22 April, 2013
3. Mrs. Sunanta	Tiasuwan	Director / Chairman of Group Executive Committee / Chairman of Finance & Risk Management Committee	21 April, 2014 ^{/2}
4. Mrs. Pranee	Khunprasert	Director	21 April, 2014 ^{/2}
5. Mr. Pramote	Tiasuwan	Director / Chairman of Core Value and CSR Committee	20 April, 2012
6. Mrs. Panidda	Tiasuwan	Director	21 April, 2014 ^{/2}
7. Mrs. Pittaya	Tiasuwan	Director	22 April, 2013
8. Mr. Verachai	Tantikul	Independent Director / Chairman of Audit Committee / Chairman of Nomination and Remuneration Committee	20 April, 2012
9. Mrs. Rawittha	Pongnuchit	Independent Director / Member of Audit Committee	14 August, 2012
10. Mr. Chamnong	Watanagase	Independent Director / Member of Audit Committee	25 March, 2014 ^{/3}

Note: ^{/1} Date of Holding Directorship is the date of holding Director Position by the whole panel of Directors according the office term as stipulated in the regulation of the Company

^{/2} The 2013 Annual Shareholders' Meeting, held on April 21, 2014 has resolved to re-appoint the following Directors for another term; namely Mrs. Sunanta Tiasuwan, Mrs. Panida Tiasuwan, and Mrs. Pranee Khunprasert

^{/3} The Board of Directors' meeting dated on March 25, 2014 has resolved to appoint new Director.

The advisors to the Board of Directors of the Company are 1) Lt. Jg. Anan Panananda R.T.N., 2) Mrs. Sarita Bunnag

Authorized Directors

Authorized Directors of the Company, who have authority to sign on behalf of the Company, consist of Mrs. Sunanta Tiasuwan or Mrs. Prapee Sorakraikitikul or Mrs. Panidda Tiasuwan to jointly sign with Mr. Pramote Tiasuwan or Mrs. Pranee Khunprasert or Ms. Pittaya Tiasuwan, thus being two persons and affixed with the Company's seals.

Composition of the Board of Directors of the Company

1. The Directors of the Company are not mandatory to be the shareholders of the Company.
2. The Board of Directors comprises no less than five members, but no more than twenty members, and no less than one-half of total members shall reside within the Kingdom of Thailand.
3. The Board of Directors comprises the Independent Directors of at least one-third of total members, but no less than 3 members.
4. The Board of Directors comprises at least three Members of Audit Committee.
5. The Chairman of the Board of Directors must not be the same person as Managing Director of the Company.
6. The appointment of the Directors shall be in compliance with the regulations of the Company and the relevant laws, and shall be done with transparency and clearness. The nomination of Directors shall be proposed by the Nomination and Remuneration Committee by taking into account of his/her educational background and professional experiences, together with the adequate details to be used for consideration of the Board of Directors and the shareholders.
7. The Directors of the Company shall have the office term as stipulated in the regulation of the Company. The retiring Director is eligible to be re-elected.

Qualifications of the Board of Directors of the Company

1. The Directors must be qualified with knowledge, competency, integrity, and ethics, and have enough time to be able to dedicate his/her knowledge and competency to perform duties for the Company.
2. The Directors must have the qualifications, and not have prohibitive qualifications as stipulated by the Public Company Act, and they shall have no characteristic which may exhibit inappropriate qualifications to be untrustable to hold management position in the company which is hold its share by public as required by the regulations of the Securities and Exchange Commission (SEC).
3. The Directors shall not carry on any business of the same nature as or in competition with the Company, nor shall be a partner in any limited partnership or a director of private company carrying on business of the same nature and competitive to the business of the Company, whether for its own benefit or others, unless such action has been informed to the shareholders' meeting prior to making the resolution of appointment.
4. Independent Directors must have the qualifications in compliance with the regulations of the Securities and Exchange Commission.

Scope of Duties and Responsibilities of the Board of Directors

To perform their duties with responsibility, scrutiny, integrity, and compliance with the relevant laws, objectives and regulations of the Company, as well as the resolutions of shareholders' meeting as follows:

1. To determine the vision, mission, strategy, and policy of the Company, and to supervise business operations of the Company.
2. To appoint and change the Authorized Directors to have binding authority of the Company, or to determine any conditions as deemed necessary to protect benefit of the Company, but having no violation to the relevant laws.
3. To approve the appointment of top-level Executives.
4. To consider and monitor the following operations:
 - 4.1 To follow up the progress of business strategy and action plans which may affect the achievement of the strategy of the Group or may cause significant change to the strategy of the Group.
 - 4.2 To follow up the actual operation versus the business target, and review business projection at least once a quarter, as well as to determine the corrective plan when missing the projected target. The business target should cover both short term and long term target including the key performance index and the operating performance in comparison with the other competitors.
5. To perform human resource management as following:
 - 5.1 To cooperate with the Management of the Company to establish the vision and strategy pertaining to human resource development of the Company.
 - 5.2 To cooperate with the Management of the Company to consider and approve the remuneration strategies of the Group, and to determine the other incentive plans as per individual performance to motivate and retain high qualified and potential employees.
 - 5.3 To supervise the procedure to be transparent, appropriate, and beneficial to the nomination, removal, or dismissal of the Executive Directors, top-level Executives as well as the Board of Directors of the Company to ensure that the Company shall have the knowledgeable, competent, and experienced Management Team to be able to perform business operation of the Group in an effective and efficient manner.
 - 5.4 To ensure the effective procedure to evaluate the performance of top-level Executives in comparison with mutually predetermined operating target on quarterly and annually basis.
6. To ensure the completeness of following operations:
 - 6.1 To review and approve the vision, mission, strategies, policies, objectives, business plans, and budgeting plan, as well as to establish the effective communication channel to the employees at all levels of the Company.
 - 6.2 To report the accurate and correct annual financial statement to establish the confidence of the shareholders upon the financial information of the Company.
 - 6.3 To monitor the operating performance of the Group on regular basis to ensure that the Executive Directors and the Management of the Company have performed their operations in compliance with the laws and the determined policies.

- 6.4 To formulate the effective internal audit in every key business function of the Company.
- 6.5 To establish the effective risk management of the Company.
- 6.6 To ensure the transparent and complete information disclosure of the connected transactions with related parties, and to supervise those connected transactions to be reported to the Board of Directors on regular basis.
- 6.7 To conduct the efficient control system to provide the accurate, complete, and trustable information, in compliance with the policy, regulations, laws, and the other regulations pertaining to the protection of assets, and the effective use of resource for best benefits of the Company.
- 6.8 To establish the check and balance practice between the Management and the major shareholders as deemed appropriate by focusing on the composition of Independent Directors in the Board of Directors.
- 6.9 To ensure that the Management has provided the adequate information to the Board of Directors to be able to perform their duties and responsibilities in an effective manner.
- 6.10 To ascertain the completeness of meeting documents to be distributed prior to the meeting of the Board, to produce the complete minutes of the meeting, and to protect any amendment to the certified minutes.
- 6.11 To monitor the conflicts of interest which may arise.
- 6.12 To provide the adequate and efficient communication channels to all stakeholders of the Company and with the public, and follow up the succeeding operations as deemed appropriate.
- 6.13 To protect and promote the reputation of the Company.
- 7. To set up and determine the scope of duties and responsibilities of Sub-committees as follows:
 - 7.1 To appoint the Sub-committees as deemed appropriate or necessary so as to support the operation of the Board of Directors; namely the Group Executive Committee, the Audit Committee, the Nomination and Remuneration Committee, the Finance & Risk Management Committee, and the Corporate Values Committee.
 - 7.2 To consider and approve the roles and responsibilities of the Sub-committees, as well as to endorse on the changes of their composition including any other significant changes which may affect the performance of the appointed Sub-committees.
- 8. To evaluate the performance of the Board of Directors as follows:
 - 8.1 To formulate the criteria and procedure to evaluate the performance of the Board of Directors, and to review the evaluation on regular basis.
 - 8.2 To perform the self-assessment of the Board every year, and disclose the report of Corporate Governance of the Company in the annual report.
- 9. To empower the Chairman of the Board of Directors to supervise the Board to perform their duties and responsibilities as mentioned above in an effective and efficient manner.
- 10. To appoint the Corporate Secretary to help proceed the business activities of the Company and of the Board of Directors, such as the holding of shareholders' meeting, and to provide the advice to the Directors or the Company pertaining to compliance with the relevant laws and regulations. The Corporate Secretary is also responsible to ensure the accuracy, completeness, and transparency of the information disclosure of the Company's Directors and the Company as stipulated in the good corporate governance practices.

Authority of the Board of Directors

1. Appoint, remove, and empower to the advisor of the Board of Directors, Sub-committees, and Managing Director to perform duties.
2. Appoint the Executive Committee, or assign one or more Directors to perform duties on behalf of the Board, provided that such authorized person shall not have the authority to approve the transaction upon which he/she or his/her related person is deemed to have related interest or conflict of interest or any forms of possible conflict of interest with the Company or Subsidiaries ("Person who may hold conflict of interest" is defined as per the Notification of the Securities and Exchange Commission), unless such action has been allowed by the laws or the regulation of the Company, or entering into such transactions has been approved by the shareholders' meeting pursuant to the notifications of the Office of the Securities and Exchange Commission. However the said Directors or persons with possible related interest or conflict of interest with the Company or Subsidiaries shall not have the voting right on such transaction.
3. Advise the specialists or advisors (if any) or hire external specialists or advisors as necessary with the expenditure of the Company.
4. Approve to accept or cancel the credit line at the amount exceeding the approval limit of the Executive Committee.
5. Approve the loan given to the related party who is also the shareholder of the Company or the trading partners, or to the other companies at the amount exceeding the approval limit of the Executive Committee.
6. Approve to enter into the guarantee agreement upon credit facility for the related party who is also the shareholder of the Company or the trading partners, or for the other companies at the amount exceeding the approval limit of the Executive Committee.
7. Approve the founding, merger, or closing the Subsidiaries of the Company.
8. Approve the investment in or selling of stock and/or debt instrument at the amount exceeding the approval limit of the Executive Committee.
9. Approve to acquire or invest in fixed asset at the amount exceeding the approval limit of the Executive Committee.
10. Approve to renovate, eliminate, or liquidate fixed asset or intangible asset which is deemed to be damaged, lost, obsolete, or unusable at the book value exceeding the approval limit of the Executive Committee.
11. Approve the purchase of fixed asset with the value over Baht 20 million and being set in the budget plan, and with the value over Baht 5 million if not being set in the budget plan.
12. Approve the compromising agreement on dispute resolution as proposed by the Arbitrator or any claims or prosecutions on behalf of the Company whether for the case relevant or not relevant to normal business operation of the Company at the value exceeding the approval limit of the Executive Committee.
13. Approve to enter into the transaction which is not normal business practice of the Company at the amount exceeding the approval limit of the Executive Committee.
14. Approve to increase or decrease the capital of the Company, change the par value of the share of the Company, or amend the Memorandum of Association or the regulation and/or the objective of the Company.
15. Empower to the advisor of the Board, Sub-committees, Managing Director, Executives, or the other person to perform duties on behalf of the Board under the scope of authority of the Board of Directors.
16. Invite the advisor of the Board, Sub-committees, Managing Director, the relevant employee to give information or opinion, join meeting, or submit documents as deemed necessary.
17. Appoint and remove the Corporate Secretary of the Company.
18. The above authority of the Board pertaining to the acquisition and disposal of asset, and to the connected transactions shall be in compliance with the notification of the Capital Market Supervisory Board.

Authority of the Chairman of Board of Directors

1. Perform as the leader of business strategy of the Company.
2. The Chairman of the board or the assigned person is responsible to call for the meeting of the Board of Directors, and shall send the invitation notice to the Directors not less than seven days prior to the meeting date so as to provide the adequate time for the Directors to study and consider the detail of meeting agenda in advance.
3. Act as the chairperson in the Board of Directors' meeting, and make the final vote in case of having a tie vote.
4. Determine the meeting agenda in cooperation with the Chairman of the Executive Committee.
5. Direct the Board of Directors' meeting to be performed in an effective manner, provide adequate time for the Executive Directors to present supporting information, and facilitate any inquiries or opinions to be raised in the meeting independently, as well as to control the topic to be discussed, and summarize the resolution of the meeting.
6. Play important role to encourage the Directors of the Company to comply with the corporate governance principles, such as to declare intention to abstain from voting and exit the meeting room during the consideration of the agenda which he/she may have the conflict of interest.
7. Communicate complete information to all Directors.
8. Encourage the Directors to attend the shareholders' meeting, control the meeting to be performed in an effective manner, and answer the question from the shareholders.
9. Make the final vote in the shareholders' meeting when having a tie vote and the majority vote from the shareholders' meeting is required to pass the resolution.
10. Encourage the Directors of the Company to perform their duties and responsibilities in compliance with the relevant laws and the principle of good corporate governance.

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

Name	Meeting attendance / Total meetings (times)					
	The Board of Directors Total: 20 meetings	Group Executive Committee Total: 9 meetings	Audit Committee Total: 5 meetings	Nomination and Remuneration Committee Total: 2 meetings	Finance & Risk Management Committee Total: 4 meetings	Core Values and CSR Committee Total: 4 meetings
1. Mr. Prida Tiasuwan	10/20					
2. Mrs. Prapee Sorakraikitikul	18/20	9/9		2/2	4/4	
3. Mrs. Sunanta Tiasuwan	18/20	9/9		2/2	4/4	
4. Mr. Pramote Tiasuwan	19/20	9/9		2/2	3/4	4/4
5. Mrs. Pranee Khunprasert	20/20	9/9		2/2	4/4	
6. Mrs. Panidda Tiasuwan	20/20			2/2		
7. Mr. Verachai Tantikul	20/20		5/5	2/2		
8. Mrs. Rawittha Pongnuchit	19/20		3/5			
9. Mr. Chamnong Watanagase	14/14		4/4			
10. Mrs. Pittaya Tiasuwan		9/9			4/4	
11. Mr. Decha Nunthanajaroenkul		9/9			4/4	
12. Mr. Chartchai Theekaveerakit		9/9				2/4
13. Mr. Chanat Sorakraikitikul		9/9			4/4	
14. Mr. Dusit Chongsutthanamanee					4/4	
15. Mr. Somsak Sreungmon						4/4
16. Mrs. Niraratana Thanalekhapattana						4/4

Name	Meeting attendance / Total meetings (times)					
	The Board of Directors Total: 20 meetings	Group Executive Committee Total: 9 meetings	Audit Committee Total: 5 meetings	Nomination and Remuneration Committee Total: 2 meetings	Finance & Risk Management Committee Total: 4 meetings	Core Values and CSR Committee Total: 4 meetings
17. Mrs.Chavee Jarukornvasin						3/4
18. Ms. Sasisopa Wattakeecharoen						3/4
19. Ms. Suphorn Rungpittayathorn						3/4
20. Mr. Kanching Devahasdin Na Ayudhaya						4/4
21. Mr. Pitipong Tiasuwan						3/4

Remark:

- No. 1-9 are nine Members of the Board of Directors
- No. 2-5 and No. 10-13 are eight Members of the Group Executive Committee
- No. 7-9 are three Members of the Audit Committee
- No. 2-7 are six Members of the Nomination and Remuneration Committee
- No. 2-5, No. 10 - 11, and No. 13-14 are eight Members of the Finance & Risk Management Committee
- No. 4, 12, and No. 15-21 are nine Members of the Core Values and CSR Committee
- Figures in the table mean the number of meeting participation / number of total meetings to be hold when the Directors are in the position

2. Executives of the Company

The Executives of the Company¹ as of December 31, 2014 according to definition of the Securities and Exchange Commission are as follows:

Name	Position
1. Mr. Pramote Tiasuwan	Managing Director (Manufacturing)
2. Mrs.Pranee Khunprasert	Managing Director (Marketing)
3. Mrs.Pittaya Tiasuwan	Deputy Managing Director (Manufacturing)
4. Mr. Decha Nunthanajaroenkul	Deputy Managing Director (Marketing)
5. Mr. Chanat Sorakraikitikul	Assistant Managing Director (Marketing)
6. Ms. Sasisopa Wattakeecharoen	Assistant Managing Director (Marketing)
7. Mrs.Niraratana Thanalekhapattana	Assistant Managing Director (Marketing)
8. Mrs.Chavee Jarukornvasin	Assistant Managing Director (Manufacturing)
9. Mr. Somsak Sreungmont	Assistant Managing Director (Manufacturing)
10. Ms. Suphorn Rungpittayathorn	Assistant Managing Director (Manufacturing)
11. Mr. Thanes Panjakrid	Accounting and Finance Manager

Note: The Executives¹ mean the Managing Directors, or the Executives who hold the first four positions lower than the Manager of the Company (the top management position of the Company), the Executives who hold the position equivalent to the first four executive positions including those who hold management positions in the Accounting or Finance Division from the level of Division Managers or equivalent onwards.

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graph TD
    Board[Board of Directors and Advisor] --> GE[Group Executive Committee]
    GE --> Audit[Audit Committee /Nomination and Remuneration Committee]
    GE --> Finance[Finance & Risk Management Committee]
    GE --> CSR[Core Values & CSR Committee]
    
    GE --> MD_Man[Managing Director (Manufacturing)]
    GE --> MD_Mark[Managing Director (Marketing)]
    
    MD_Man --> PM_F1[Production Management Factory 1]
    MD_Man --> PM_F2[Production Management Factory 2]
    MD_Man --> PM_KP[Production Management Korat Plant]
    MD_Man --> WC[Warehouse & Costing]
    MD_Man --> GM[Gemstone Management]
    MD_Man --> HR[Human Resources Management]
    MD_Man --> GAS[General Administration & Services]
    
    MD_Man --> DMD_Man[Deputy Managing Director]
    DMD_Man --> PM_F1
    DMD_Man --> PM_F2
    DMD_Man --> PM_KP
    DMD_Man --> WC
    DMD_Man --> GM
    DMD_Man --> HR
    DMD_Man --> GAS
    
    MD_Man --> AM_F1[Asst. Managing Director (Manufacturing)]
    AM_F1 --> PM_F1
    AM_F1 --> PM_F2
    AM_F1 --> PM_KP
    AM_F1 --> WC
    AM_F1 --> GM
    AM_F1 --> HR
    AM_F1 --> GAS
    
    MD_Man --> AM_F2[Asst. Managing Director (Manufacturing)]
    AM_F2 --> PM_F1
    AM_F2 --> PM_F2
    AM_F2 --> PM_KP
    AM_F2 --> WC
    AM_F2 --> GM
    AM_F2 --> HR
    AM_F2 --> GAS
    
    MD_Man --> AM_F3[Asst. Managing Director (Manufacturing)]
    AM_F3 --> PM_F1
    AM_F3 --> PM_F2
    AM_F3 --> PM_KP
    AM_F3 --> WC
    AM_F3 --> GM
    AM_F3 --> HR
    AM_F3 --> GAS
    
    MD_Man --> AM_F4[Asst. Managing Director (Manufacturing)]
    AM_F4 --> PM_F1
    AM_F4 --> PM_F2
    AM_F4 --> PM_KP
    AM_F4 --> WC
    AM_F4 --> GM
    AM_F4 --> HR
    AM_F4 --> GAS
    
    MD_Man --> AM_F5[Asst. Managing Director (Manufacturing)]
    AM_F5 --> PM_F1
    AM_F5 --> PM_F2
    AM_F5 --> PM_KP
    AM_F5 --> WC
    AM_F5 --> GM
    AM_F5 --> HR
    AM_F5 --> GAS
    
    MD_Man --> AM_F6[Asst. Managing Director (Manufacturing)]
    AM_F6 --> PM_F1
    AM_F6 --> PM_F2
    AM_F6 --> PM_KP
    AM_F6 --> WC
    AM_F6 --> GM
    AM_F6 --> HR
    AM_F6 --> GAS
    
    MD_Man --> AM_F7[Asst. Managing Director (Manufacturing)]
    AM_F7 --> PM_F1
    AM_F7 --> PM_F2
    AM_F7 --> PM_KP
    AM_F7 --> WC
    AM_F7 --> GM
    AM_F7 --> HR
    AM_F7 --> GAS
    
    MD_Man --> AM_F8[Asst. Managing Director (Manufacturing)]
    AM_F8 --> PM_F1
    AM_F8 --> PM_F2
    AM_F8 --> PM_KP
    AM_F8 --> WC
    AM_F8 --> GM
    AM_F8 --> HR
    AM_F8 --> GAS
    
    MD_Man --> AM_F9[Asst. Managing Director (Manufacturing)]
    AM_F9 --> PM_F1
    AM_F9 --> PM_F2
    AM_F9 --> PM_KP
    AM_F9 --> WC
    AM_F9 --> GM
    AM_F9 --> HR
    AM_F9 --> GAS
    
    MD_Man --> AM_F10[Asst. Managing Director (Manufacturing)]
    AM_F10 --> PM_F1
    AM_F10 --> PM_F2
    AM_F10 --> PM_KP
    AM_F10 --> WC
    AM_F10 --> GM
    AM_F10 --> HR
    AM_F10 --> GAS
    
    MD_Man --> AM_F11[Asst. Managing Director (Manufacturing)]
    AM_F11 --> PM_F1
    AM_F11 --> PM_F2
    AM_F11 --> PM_KP
    AM_F11 --> WC
    AM_F11 --> GM
    AM_F11 --> HR
    AM_F11 --> GAS
    
    MD_Man --> AM_F12[Asst. Managing Director (Manufacturing)]
    AM_F12 --> PM_F1
    AM_F12 --> PM_F2
    AM_F12 --> PM_KP
    AM_F12 --> WC
    AM_F12 --> GM
    AM_F12 --> HR
    AM_F12 --> GAS
    
    MD_Man --> AM_F13[Asst. Managing Director (Manufacturing)]
    AM_F13 --> PM_F1
    AM_F13 --> PM_F2
    AM_F13 --> PM_KP
    AM_F13 --> WC
    AM_F13 --> GM
    AM_F13 --> HR
    AM_F13 --> GAS
    
    MD_Man --> AM_F14[Asst. Managing Director (Manufacturing)]
    AM_F14 --> PM_F1
    AM_F14 --> PM_F2
    AM_F14 --> PM_KP
    AM_F14 --> WC
    AM_F14 --> GM
    AM_F14 --> HR
    AM_F14 --> GAS
    
    MD_Man --> AM_F15[Asst. Managing Director (Manufacturing)]
    AM_F15 --> PM_F1
    AM_F15 --> PM_F2
    AM_F15 --> PM_KP
    AM_F15 --> WC
    AM_F15 --> GM
    AM_F15 --> HR
    AM_F15 --> GAS
    
    MD_Man --> AM_F16[Asst. Managing Director (Manufacturing)]
    AM_F16 --> PM_F1
    AM_F16 --> PM_F2
    AM_F16 --> PM_KP
    AM_F16 --> WC
    AM_F16 --> GM
    AM_F16 --> HR
    AM_F16 --> GAS
    
    MD_Man --> AM_F17[Asst. Managing Director (Manufacturing)]
    AM_F17 --> PM_F1
    AM_F17 --> PM_F2
    AM_F17 --> PM_KP
    AM_F17 --> WC
    AM_F17 --> GM
    AM_F17 --> HR
    AM_F17 --> GAS
    
    MD_Man --> AM_F18[Asst. Managing Director (Manufacturing)]
    AM_F18 --> PM_F1
    AM_F18 --> PM_F2
    AM_F18 --> PM_KP
    AM_F18 --> WC
    AM_F18 --> GM
    AM_F18 --> HR
    AM_F18 --> GAS
    
    MD_Man --> AM_F19[Asst. Managing Director (Manufacturing)]
    AM_F19 --> PM_F1
    AM_F19 --> PM_F2
    AM_F19 --> PM_KP
    AM_F19 --> WC
    AM_F19 --> GM
    AM_F19 --> HR
    AM_F19 --> GAS
    
    MD_Man --> AM_F20[Asst. Managing Director (Manufacturing)]
    AM_F20 --> PM_F1
    AM_F20 --> PM_F2
    AM_F20 --> PM_KP
    AM_F20 --> WC
    AM_F20 --> GM
    AM_F20 --> HR
    AM_F20 --> GAS
    
    MD_Man --> AM_F21[Asst. Managing Director (Manufacturing)]
    AM_F21 --> PM_F1
    AM_F21 --> PM_F2
    AM_F21 --> PM_KP
    AM_F21 --> WC
    AM_F21 --> GM
    AM_F21 --> HR
    AM_F21 --> GAS
    
    MD_Man --> AM_F22[Asst. Managing Director (Manufacturing)]
    AM_F22 --> PM_F1
    AM_F22 --> PM_F2
    AM_F22 --> PM_KP
    AM_F22 --> WC
    AM_F22 --> GM
    AM_F22 --> HR
    AM_F22 --> GAS
    
    MD_Man --> AM_F23[Asst. Managing Director (Manufacturing)]
    AM_F23 --> PM_F1
    AM_F23 --> PM_F2
    AM_F23 --> PM_KP
    AM_F23 --> WC
    AM_F23 --> GM
    AM_F23 --> HR
    AM_F23 --> GAS
    
    MD_Man --> AM_F24[Asst. Managing Director (Manufacturing)]
    AM_F24 --> PM_F1
    AM_F24 --> PM_F2
    AM_F24 --> PM_KP
    AM_F24 --> WC
    AM_F24 --> GM
    AM_F24 --> HR
    AM_F24 --> GAS
    
    MD_Man --> AM_F25[Asst. Managing Director (Manufacturing)]
    AM_F25 --> PM_F1
    AM_F25 --> PM_F2
    AM_F25 --> PM_KP
    AM_F25 --> WC
    AM_F25 --> GM
    AM_F25 --> HR
    AM_F25 --> GAS
    
    MD_Man --> AM_F26[Asst. Managing Director (Manufacturing)]
    AM_F26 --> PM_F1
    AM_F26 --> PM_F2
    AM_F26 --> PM_KP
    AM_F26 --> WC
    AM_F26 --> GM
    AM_F26 --> HR
    AM_F26 --> GAS
    
    MD_Man --> AM_F27[Asst. Managing Director (Manufacturing)]
    AM_F27 --> PM_F1
    AM_F27 --> PM_F2
    AM_F27 --> PM_KP
    AM_F27 --> WC
    AM_F27 --> GM
    AM_F27 --> HR
    AM_F27 --> GAS
    
    MD_Man --> AM_F28[Asst. Managing Director (Manufacturing)]
    AM_F28 --> PM_F1
    AM_F28 --> PM_F2
    AM_F28 --> PM_KP
    AM_F28 --> WC
    AM_F28 --> GM
    AM_F28 --> HR
    AM_F28 --> GAS
    
    MD_Man --> AM_F29[Asst. Managing Director (Manufacturing)]
    AM_F29 --> PM_F1
    AM_F29 --> PM_F2
    AM_F29 --> PM_KP
    AM_F29 --> WC
    AM_F29 --> GM
    AM_F29 --> HR
    AM_F29 --> GAS
    
    MD_Man --> AM_F30[Asst. Managing Director (Manufacturing)]
    AM_F30 --> PM_F1
    AM_F30 --> PM_F2
    AM_F30 --> PM_KP
    AM_F30 --> WC
    AM_F30 --> GM
    AM_F30 --> HR
    AM_F30 --> GAS
    
    MD_Man --> AM_F31[Asst. Managing Director (Manufacturing)]
    AM_F31 --> PM_F1
    AM_F31 --> PM_F2
    AM_F31 --> PM_KP
    AM_F31 --> WC
    AM_F31 --> GM
    AM_F31 --> HR
    AM_F31 --> GAS
    
    MD_Man --> AM_F32[Asst. Managing Director (Manufacturing)]
    AM_F32 --> PM_F1
    AM_F32 --> PM_F2
    AM_F32 --> PM_KP
    AM_F32 --> WC
    AM_F32 --> GM
    AM_F32 --> HR
    AM_F32 --> GAS
    
    MD_Man --> AM_F33[Asst. Managing Director (Manufacturing)]
    AM_F33 --> PM_F1
    AM_F33 --> PM_F2
    AM_F33 --> PM_KP
    AM_F33 --> WC
    AM_F33 --> GM
    AM_F33 --> HR
    AM_F33 --> GAS
    
    MD_Man --> AM_F34[Asst. Managing Director (Manufacturing)]
    AM_F34 --> PM_F1
    AM_F34 --> PM_F2
    AM_F34 --> PM_KP
    AM_F34 --> WC
    AM_F34 --> GM
    AM_F34 --> HR
    AM_F34 --> GAS
    
    MD_Man --> AM_F35[Asst. Managing Director (Manufacturing)]
    AM_F35 --> PM_F1
    AM_F35 --> PM_F2
    AM_F35 --> PM_KP
    AM_F35 --> WC
    AM_F35 --> GM
    AM_F35 --> HR
    AM_F35 --> GAS
    
    MD_Man --> AM_F36[Asst. Managing Director (Manufacturing)]
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3. The Corporate Secretary: Mr. Dusit Chongsutthanamanee

The Board of Directors has resolved to appoint Mr. Dusit Chongsutthanamanee as the Corporate Secretary of the Company on December 19, 2008. The Corporate Secretary is appointed to help proceed the business activities of the Company and of the Board of Directors, such as the holding of shareholders' meeting, and to provide the advice to the Directors or the Company pertaining to compliance with the relevant laws and regulations. The Corporate Secretary is also responsible to ensure the accuracy, completeness, and transparency of the information disclosure of the Company's Directors and the Company as stipulated in the good corporate governance practices.

Qualifications and Experience

1. Having basic knowledge of the laws and regulations governed by the governmental supervisory unit with regard to the Public Company Act and the relevant securities and exchange laws.
2. Having knowledge and understanding in the principles of good corporate governance and best practices for corporate governance.
3. Having knowledge in the business nature of Company, and having strong communication skill.

Roles and responsibilities of Corporate Secretary

1. To prepare and keep the important documents of the Company as follows:
 - (A) The registration of Director.
 - (B) Invitation notice to attend the Board of Directors' meeting, Minutes of the Board of Directors' meeting, and the Annual Report of the Company.
 - (C) Invitation notice to attend the shareholders' meeting, and Minutes of the shareholders' meeting.
2. To collect the report of related interest submitted by the Directors and the Executives.
3. To carry out the other tasks as stipulated by the Capital Market Supervisory Board.
4. To provide the basic advice pertaining to the laws, regulations of the Company to the Directors, and follow up the operation to ensure the compliance with the said rules and regulations on regular basis, as well as to report any significant changes to the Board of Directors.
5. To provide the advice to the Directors of the Company to prepare the report of related interest of the Directors, and to submit the said report to the Chairman of the Board and the Chairman of the Audit Committee.
6. To prepare the report of important information of the Company and/or summarize the resolutions of the Board of Directors' meeting so as to later report to the Stock Exchange of Thailand both in Thai and English version.
7. To prepare the draft of administrative policies, such as the Corporate Governance Policy, and so on.
8. To inform the resolutions and policies determined by the meeting of the Board of Directors and of shareholders to the related Executives, as well as monitor the succeeding operations to be in compliance with the said resolutions and policies.
9. To coordinate with the governmental supervisory units, such as the Stock Exchange of Thailand, the Securities and Exchange Commission, and the Ministry of Commerce.
10. To communicate with the shareholders in an appropriate manner to enable them to acknowledge the rights of the shareholders, and to receive the information of the Company.
11. To ensure that the Company and the Board of Directors shall perform business operations in compliance with the laws and regulations of the Securities and Exchange Commission, the Stock Exchange of Thailand, and the other relevant laws.
12. To organize the Secretary Office to be the center of corporate records of the Company, such as the register of juristic person, the memorandum and articles of association, the register of shareholder, and the other business licenses.
13. To facilitate the business activities of the Board of Directors.

4. Remuneration of the Directors and the Executives of the Company

1. Financial remuneration during January 1, 2014 and December 31, 2014.

(A) Remuneration for Director Position^{/1} comprises salary, bonus, and position allowance

(Unit : Million Baht)

Name	Meeting attendance / Total meetings (times)			
	Position	The Board of Directors (Salary and Bonus)	The Audit Committee (Position Allowance)	Total
1. Mr. Prida Tiasuwan	Chairman of the Board	5.506		5.506
2. Mr. Verachai Tantikul	Independent Director / Chairman of Audit Committee/ Chairman of Nomination and remuneration Committee		0.779	0.779
			0.519	0.519
3. Mrs. Rawittha Pongnuchit	Independent Director / Member of Audit Committee		0.360	0.360
4. Mr. Chamnong Watanagase	Independent Director / Member of Audit Committee			
5. Mrs. Panidda Tiasuwan	Director / Member of Nomination and remuneration Committee	1.416		1.416
6. Mrs. Prapee Sorakraikitikul	Director / Member of Finance & Risk Management Committee / Member of Nomination and remuneration Committee	1.717		1.717
Mrs. Sarita Bunnag ^{/2}	-		0.165	0.165
Total Remuneration		8.639	1.823	10.462

Note: ^{/1} The remaining 4 Directors do not receive the remuneration in the list (A), but receive the remuneration in the list (B)

^{/2} Has resigned from the director position of the Company since March 23, 2014

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

	Type of Remuneration	No. (person)	Amount (Million Baht)
Executive Directors and Executives	Salary, Bonus, Compensation Benefit for Retirement, and Special Income	12	33.016

Note: 1. Four Directors are entitled to receive remuneration for Executive Director Position.

2. The above remuneration is not included the remuneration for the Accounting and Finance Manager.

2. Other remunerations

2.1 Provident Fund

The Company has contributed the additional provident fund for the Directors, Executive Directors, and the other Executives in 2014 as per following details,

(A) Directors Position

Name	Amount (million Baht)
1. Mr. Prida Tiasuwan	0.187
2. Mrs. Panidda Tiasuwan	0.048
3. Mrs. Prapee Sorakraikitikul	0.058
Total	0.293

(B) Executive Directors and Executive Position

	No. (person)	Amount (million Baht)
Executive Directors and Executives	12	0.955

2.2 Employee Stock Option Plan (ESOP) to be allotted for the Directors and/or employees of the Company and/or its Subsidiaries.

The Annual Shareholders Meeting held on April 18, 2008 resolved to issue 14,251,410 units of ESOP Warrant with specific name of warrant holder and non-transferable to be allotted for the Directors and employees of the Company and/or its Subsidiaries. The issued ESOP Warrant determines no price of warrant to exercise the right to purchase the ordinary shares of the Company, and specify the exercise price at 3 Baht per share, and the exercise ratio at 1 warrant to 1 common share. The warrant will be expired in 5 years since the issue date, and allow the warrant holders to exercise their right every 6 months.

As a result, the Board of Directors' meeting No. 2/2009 dated on February 11, 2009 has resolved to approve the allocation and determined the issue date of the said warrant on February 27, 2009, and the first exercise period on August 28, 2009 and expiry on February 27, 2014

(A) Directors Position

Name	Warrant (million units)	% of issued warrants totaling to 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) Executive Directors and Executives Position

	No. (person)	Warrant (million units)	% of issued warrants totaling to 14,251,410 units
Executive Directors and Executives	6	3.36	23.58

5. Human Resource

The Company and Subsidiaries has total of 3,696 employees in 2014. The Company has paid the remuneration for the employees totaling to Baht 984 million, including salary, overtime expense, bonus, contribution for social security insurance, provident fund, and so on.

Number of employees and remuneration

2014	Production	Distribution	Retail	Others	Total
Employees in operation / Service Unit (persons)	2,587	5	230	4	2,826
Employees in office (persons)	624	149	94	3	870
Total (persons)	3,211	154	324	7	3,696

Corporate Governance

The Company is determined to conduct business on the Good Corporate Governance principle. The Company has educated and encouraged employees to comply with ethical conducts. The Company has conducted business with responsibility to the shareholders and all stakeholders on fair practice, thus stipulating Good Corporate Governance Policy in writing since 2000. This policy is the framework for the Board of Directors, management and all staff to be committed at all level of businesses on regular basis to encourage the common good corporate culture within the organization. These practices include equitable treatment to the stakeholders, and working with full effort, honesty, and transparency for the best interest of the Company. This practice will ensure confidence for the shareholders, investors and other stakeholders. The Board of Directors shall direct the Company to perform business in compliance with Good Corporate Governance Principle of the Stock Exchange of Thailand and the regulations stipulated by the Office of Securities and Exchange Commission and Capital Market Supervisory Board to ensure international standard of corporate governance and to support efficient management for sustainable business growth.



Very Good CG Scoring

In 2014, the Company received the recognition of being “Very Good” or “4 Stars” from the Corporate Governance Report of Thai Listed Company in 2014 which was commonly evaluated by the Stock Exchange of Thailand, the Securities and Exchange Commission and Thai Institute of Directors. Pranda Jewelry PCL. was one of 108 listed companies which were scored as “Very Good” from the total of 550 companies under assessment. In addition, the Company was one of 29 companies from 123 Top Quantile listed companies which had the market value of Baht 3,000–9,999 million.

The Meeting of Corporate Governance Report Steering Committee No. 1/2014 has resolved to revise the scorecard criteria for the corporate governance survey in 2014 to be in line with the guideline of ASEAN Corporate Governance Scorecard Company, thus resulting in only 29 listed companies were scored as “Excellent”, compared with 87 companies in 2013 evaluation.

1. Corporate Governance Policy

The Board of Directors of the Company established a written Good Corporate Governance policy in “the Corporate Governance Manual” since 2000. The CG Manual has been reviewed from time to time to be in line with the business strategy and corporate governance guideline for listed company issued by the Stock Exchange of Thailand in 2012, and to be ensured to cover all important aspects of good corporate governance practices. The Board of Directors approved “CG Manual (3rd edition)” on Feb 25, 2013 to be the operational framework for the Board of Directors, management and all staff. The Company has distributed the handbook to every employee of the Company together with the user’s manual for strict compliance. In addition, the CG Manual corporate also includes the follow-up procedure, whistle-blowing measures, and whistle-blower protection mechanism. The manual is divided into 3 key parts; namely, 1) Corporate Governance Principles, 2) Business Ethics, and 3) Important Policies and other Regulations relevant to the Corporate Governance principles.

The Corporate Governance Principles of the Company complies with the sufficiency philosophy of His Majesty the King together with the royal remark for sustainable development. The philosophy focuses on the balance and readiness to quick changes and emphasizes the use of knowledge with carefulness and morality, thus reflecting on 8 fundamental principles of the Company as follows;

1. Accountability to be responsible for our own decision and action, and able to explain the decision making
2. Responsibility to perform duty with sufficient capability and efficiency
3. Integrity
4. Equitable Treatment to the stakeholders
5. Transparency to be examined, and to disclose information 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 Board of Directors shall appoint Sub-Committees as deemed appropriate to oversee any particular matters of business operation of the Company so as to support efficient directive performance. Sub-Committee of the Company consists of Group Executive Committee, Audit Committee, Nomination and Remuneration Committee, Finance and Risk Management Committee, and Core Value and CSR Committee. The Board of Directors has reviewed the roles and responsibilities of each Sub-Committee on Feb 23, 2015 as per following details;

2.1 Group Executive Committee

Group Executive Committee of the Company comprises of seven members, four of whom are from the Board of Directors and the remaining three members are selected from knowledgeable and specialized persons in specific business areas. The existing members of Group Executive Committee are as follows:

Advisors to the Group Executive Committee

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

Name		Position
1. Mrs. Sunanta	Tiasuwan	Chairman of Sub-Committee
2. Mr. Pramote	Tiasuwan	Managing Director (Manufacturing)
3. Mrs. Pranee	Khunprasert	Managing Director (Marketing)
4. Ms. Pittaya	Tiasuwan	Deputy Managing Director (Manufacturing)
5. Mr. Decha	Nuntanajaroenkul	Deputy Managing Director (Marketing) Executive Director /
6. Mr. Chanat	Sorakraikitikul	Assistant Managing Director (Marketing)
7. Mr. Chartchai	Teekaveerakit	Executive Director

Authority of the Group Executive Committee

1. Appoint, remove, transfer, evaluate employees, and determine remuneration and welfare for employment condition
2. Appoint and remove the Committee as necessary to support operation of the Company
3. Advise specialists or advisors(if any) or hire external specialists or advisors as necessary with the expenditure of the Company
4. Issue the notification on working operation, and delegate Executive Director or Executive to be authorized to disburse the asset of the Company
5. Approve to accept or cancel the credit line within the limit of not exceeding Baht 50 million
6. Approve the loan given to the related party who is also the shareholder of the Company within the limit of not exceeding Baht 50 million / entity / year

7. Approve to enter into the guarantee agreement upon credit facility for the related party who is also the shareholder of the Company, or the trading partners, or the other companies within the limit of not exceeding Baht 50 million / entity
8. Approve to sell or purchase common stock and/or debt instrument within the limit of not exceeding Baht 10 million / year
9. Approve to invest in fixed asset within the limit of not exceeding Baht 20 million / year
10. Approve to renovate, eliminate, or liquidate fixed asset or intangible asset which is deemed to be damaged, lost, obsolete, or unusable within the total book value of not exceeding Baht 5 million
11. Approve for the expenditure of the Company which is over Baht 500,000
12. Approve for the goods, raw material, consumables within the value of not exceeding Baht 5 million
13. Approve to reprice or eliminate raw material and/or inventory which is deemed to be damaged or obsolete, upon which the book value of the Company may be deducted more than its actual value
14. Approve to compromise on dispute resolution proposed by the Arbitrator on behalf of the Company resulting from claim or prosecution within the limit of not exceeding Baht 2 million / year when the case is not relevant to normal business matter of the Company, and within the limit of not exceeding Baht 20 million / year when the case is relevant to normal business matter of the Company
15. Approve to send the staff for overseas training within the expenditure of not exceeding Baht 1 million each time
16. Approve to enter in the transaction which is not normal business practice of the Company within the limit of not exceeding Baht 10 million each time
17. Delegate any Executive staff to be authorized person of the Committee
18. Invite the relevant Executive or staff to give information or opinion, join meeting, or submit documents as deemed necessary
19. Issue the rules and regulations as deemed appropriate

Scope of Duties and Responsibilities of the Group Executive Committee

1. To determine the Company's goal and business strategy, to supervise the Company's operation to comply with the Company's vision, mission, strategy, and policies of the Board of Directors, laws, conditions, rules and regulations of the Company
2. To establish the guideline for the Company's business operation, development and expansion to comply with vision, mission, strategy, policies, and resolutions of the Board of Directors
3. To appoint the Company's Executives of all positions to perform their duties except the appointment of Top-level Executives who need prior approval from the Board of Directors, and to empower any persons to perform duties and responsibilities on behalf of the Committee as deemed appropriate
4. To determine rules and regulation on working operation of the Company's employees with no violation of or running against any relevant laws and regulations
5. To approve the position structure, salary structure, and the benefit scheme of the Company's employees, and to endorse the management structure from the Division level downward.
6. To review the Company's quarterly and yearly performance as well as budget and asset management prior to submission to the Board of Directors for approval
7. To approve the annual budget, as well as supervise, monitor, and appraise the operating performance to be in compliance with the policy, target, and budget as approved, and to approve bonuses and other rewards to the employees and any other benefits to motivate Company's employees
8. To ensure adequate and effective internal control system of the Company by cooperation with the Audit Committee
9. To empower Chairman of the Board of Directors to supervise the Committee to perform their duties and responsibilities as mentioned above in an effective and efficient manner.

Managing Director

Scope of Duties and Responsibilities

1. To manage business operation of the Company to be in compliance with policy, laws, objectives, articles of association, resolution of the Board of Directors, and any other rules and regulations.
2. To order or act any operation as appropriate to accomplish the duty as aforementioned in No.1, and to inform and report important matter to the Board of Directors and/or Group Executive Committee.
3. To determine rules and regulation on working operation for Company's employees with no violation of or running against any policy, rules and regulations, or any other resolutions of the Board of Directors or Group Executive Committee.
4. To empower or assign any persons to perform duty on behalf of Managing Director.
5. To encourage and develop business operation of the Company to be in compliance with laws, code of conduct, business ethics, and good corporate governance principles.
6. To perform any duties as assigned by the Board of Directors or Group Executive Committee.
7. Managing Director has no authority to perform action upon which he/she is deemed to have related interest or conflict of interest.
8. To hire, appoint, punish staff or employee and terminate employment, promote salary or benefits to employee, excluding the staff or employee who must be hired, appointed, punished, terminated by the Board of Directors as predetermined by the Company's regulation or the Board's resolution. On this regard, Managing Director may assign Deputy Director or the other person to perform duty on his/her behalf.
9. To determine employment condition for staff or employee, and to establish administrative procedure with no violation of or running against rules and regulations, or any other resolutions of the Board of Directors or Group Executive Committee.
10. To perform any tasks as assigned by the Company's regulation or by the Board of Directors or Group Executive Committee's resolution, and to determine the scope of duties and responsibilities of employees at all level for benefit of the Company.

2.2 Audit Committee

The Board of Directors has recognized the importance of good corporate governance, thus considering to appoint the Audit Committee since January 29, 1999 as the key instrument of the Board of Directors to supervise and control the Company's administration to ensure that the Company has widely accepted standards of accuracy, transparency, effective internal control system, as well as trustable and useful reporting systems both to investors and related parties. The Audit Committee shall fully perform their duties independently, and directly report to the Board of Directors as stipulated by the criteria and requirements of the Stock Exchange of Thailand. The composition and qualifications of the Audit Committee is determined to comply with the requirements of the Securities and Exchange Commission, while the scope of their duties and responsibilities is determined in compliance with the requirements of the Stock Exchange of Thailand and is clearly stated in the Charter of the Company. In addition, the internal auditors of the Company shall be responsible to review the adequacy of the Company's internal audit and internal control system, and submit the auditing results directly to the Audit Committee.

Presently, the Audit Committee comprises of three members, all of whom are the Independent Directors and have office terms of one year. The Company's Board of Directors has appointed the Audit Committees and assigned the Internal Audit Department's manager to serve as the secretary of the Audit Committee. The existing members of Audit Committee are as follows:

Name		Position
1. Mr. Verachai	Tantikul	Chairman
2. Mrs. Rawittha	Pongnuchit	Director
3. Mr. Chamnong	Watanagase	Director

Note: No. 3 Member is the accounting and financial specialist

Qualifications

1. To be appointed by the Board of Directors or shareholders.
2. All Members shall be Independent Directors of the Company and fully qualified with the qualification as prescribed by the notification of the Securities and Exchange Commission. The Member must not be the Directors, who is assigned or authorized by the Board of Directors to be able to make operational decision for the Company, Parent Company, Subsidiaries, Affiliates, or juristic persons which may have conflict of interest. In addition, the Member must not be the Directors of Parent Company, Subsidiaries, and Affiliates of any other listed companies.
3. All Member shall have adequate knowledge and experience to perform duty as the Audit Committee which is required to have at least one Director to have enough auditing knowledge, understanding or experience to ensure correct and proper financial statements of the Company.

Authority of the Audit Committee

1. Invite the relevant Executive or staff to give information or opinion, join meeting, or submit documents as deemed necessary, and able to access information at all level of the Company.
2. Advise specialists or advisors of the Company, or hire external specialists or advisors as necessary with the expenditure of the Company.

Scope of Duties and Responsibilities of the Audit Committee

1. To ensure correct and adequate financial statements of the Company, and that the Company has performed appropriate information disclosure by cooperation with the external auditors and with the Executive who is responsible to prepare financial statement of the Company.
2. To ensure that the Company has appropriate and effective internal control, and internal audit system, and to review the independence of the Internal Audit Unit as well as to provide recommendation to appoint, remove, and transfer the Head of Internal Audit Unit or any other Units which may be in charge of internal audit matter.
3. To ensure that the Company complies with the laws regarding the securities and the Stock Exchange, and with the regulations of the Stock Exchange of Thailand and/or the other laws relevant to the Company's businesses.
4. To select and nominate independent persons to act as the External Auditor of the Company, and to determine the remuneration of such persons. The Audit Committee shall hold meeting with the External Auditor with no presence of Management Staff of the Company at least once a year.
5. To review the related transactions or the other transactions which may cause conflict of interest to ensure compliance with the laws and regulations of the Stock Exchange of Thailand, and to ensure that such transactions are made on reasonable basis for best benefits to the Company.
6. To prepare the Report of the Audit Committees to be disclosed the Company's annual report. Such report shall be signed by the Chairman of Audit Committee, and contain at least following details:
 - A. Opinions on the accuracy, completeness, and reliability of financial statements of the Company.
 - B. Opinions on the adequacy of internal control system of the Company.
 - C. Opinions on compliance with the laws pertaining to the securities and Stock Exchange, and with the regulations of the Stock Exchange of Thailand and any other laws relating to the Company's business.
 - D. Opinions on the appropriateness of the External Auditors.
 - E. Opinions on transactions which may cause any conflict of interest.
 - F. Total number of Audit Committee meeting and participation of each Member.
 - G. Opinions or remarks which the Audit Committee obtains during their operation as prescribed in the Charter of the Company
 - H. The other matter as deemed necessary to be informed to the shareholders and the general investors under the scope of duties and responsibilities as assigned by the Board of Directors.

7. To review and ensure adequate and appropriate Charter of Audit Committee of the Company. The Audit Committee shall review the Charter upto changing situation, and propose to the Board of Directors for approval.
8. To perform the other tasks as assigned by the Board of Directors upon the endorsement of the Audit Committee.

2.3 Nomination and Remuneration Committee

The Board of Directors has approved to appoint the Nomination and Remuneration Committee since May 12, 2004. The Nomination and Remuneration Committee comprises of six members, one of whom is the Independent Director shall act as the Chairman of the Committee. The existing members of Nomination and Remuneration Committee are as follows:

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

Advisors to the Nomination and Remuneration Committee

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

Authority of the Nomination and Remuneration Committee

1. Advise specialists or advisors(if any) or hire external specialists or advisors as necessary with the expenditure of the Company.
2. Invite the relevant Executive or staff to give information or opinion, join meeting, or submit documents as deemed necessary.

Scope of Duties and Responsibilities of the Nomination and Remuneration Committee

1. To propose the suitable criteria and methodology to select the Directors, Group Executive Directors, Group Finance & Risk Management Committee Directors, Core Values & CSR Directors, Independent Directors and Top-level Executives and propose criteria and policy to consider their remunerations.
2. To nominate and propose the qualified persons to be selected as the Top-level Executive of the Company to the Board of Directors for approval of appointment and his/her remuneration.
3. To propose the suitable criteria, methodology, and procedures to evaluate the performance of Top-level Executives to the Board of Directors.
4. To evaluate the performance of the Directors, Executive Directors, Finance Committee Directors, Core Value Directors and Top-level Executives of the Company as assigned by the Board of Directors.
5. To review the remuneration policy of the Company to be suitable with present labour market environment.
6. To empower Chairman of the Nomination and Remuneration Committee to supervise the Committee to perform their duties and responsibilities as mentioned above in an effective and efficient manner.

2.4 Finance and Risk Management Committee

The Board of Directors has approved to appoint the Group Finance Committee on May 12, 2004. The Group Finance Committee has been revised by the Board's resolution on December 9, 2008. In addition, the Board of Directors has assigned risk management responsibility to the Group Finance Committee, thus changing name to be the Finance and Risk Management Committee on February 23, 2015. The existing members of Finance and Risk Management 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. Pittays Tiasuwan	Director
6.	Mr. Decha Nuntanajaroenkul	Director
7.	Mr. Chanat Sorakraikitikul	Director
8.	Mr. Dusit Chongsutthanamenee	Director

Advisors to the Finance and Risk Management Committee is Mr. Prida Tiasuwan

Authority of the Finance and Risk Management Committee

1. Advise specialists or advisors(if any) or hire external specialists or advisors as necessary with the expenditure of the Company.
2. Invite the relevant Executive or staff to give information or opinion, join meeting, or submit documents as deemed necessary.
3. Appoint the Sub-committee and/or add or replace any persons into the Risk Management Sub-committee and/or into the other Unit or Panel related to risk management matter as deemed appropriate, and determine their roles and responsibilities to meet operational objectives.

Scope of Duties and Responsibilities of the Finance and Risk Management Committee

1. To acquire funding according to resolutions of the Board of Directors to be used in the Group's business operation.
2. To conduct feasibility and profitability study of the investment projects to be proposed to the Board of Directors for approval.
3. To oversee and analyze operating performance of Subsidiaries and the other investment projects to propose to the Board of Directors for approval on improvement.
4. To provide opinion on the policy, risk management framework to be proposed to the Board of Directors for approval.
5. To formulate the acceptable Risk Appetite to be proposed to the Board of Directors for acknowledgement.
6. To monitor the development and operation of the Company to be in compliance with the risk management policy and framework on continuous basis to ensure effective and continuous risk management throughout the whole organization.
7. To review the report of risk management so as to follow up significant risk event, and to ensure that the Company performs adequate and proper risk management.
8. To cooperate with the Audit Committee on significant potential risks and with the Internal Audit Department to ensure that the Company performs appropriate internal control to be able to handle with and risk events and that Company adopts risk management system for the whole organization.
9. To report risk status and significant risk mitigation measures to the Board of Directors on regular basis.
10. To provide advice or suggestion to the Sub Risk-Management Committee(SRM) and/or the other Unit or Panel related to risk management matter, and to establish the suitable procedure to utilize information for the development of risk management system.
11. To empower the Chairman of Finance and Risk Management Committee to supervise the Committee to perform their duties and responsibilities as mentioned above in an effective and efficient manner.

2.5 Core Values and CSR Committee

The resolution of the Board of Directors' meeting No. 10/2014 on May 30, 2014 approved to amend the name to the Core Values Committee to be Core Values and Corporate Social Responsibility (CSR) Committee. The Committee comprises of nine members with the office terms of 2 years to promote and support the core values within the Group. To achieve this goal, the Committee needs to promote the sense of participation of the employees throughout the whole organization, formalize systematic participation of the employee in an ongoing basis, as well as to seamlessly apply such activities into working environment and routine operation of the employees so to to emphasize the Group's corporate value. The existing members of Core Values and CSR Committee are as follows:

Name		Position
1. Mr. Pramote	Tiasuwan	Chairman
2. Mr. Somsak	Sirueangmon	Director
3. Mr. Chartchai	Teekaveerakit	Director
4. Ms. Nirarat	Tanalekhapat	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. Pitipong	Tiasuwan	Director

Advisors to the Core Values and CSR Committee are;

1. Mr. Prida Tiasuwan
2. Ms. Pittaya Tiasuwan
3. Ms. Rungrapa Ngowngamratana

Authority of the Core Values and CSR Committee

1. Perform operation under the Corporate Value and CSR Policy of the Company.
2. To establish action / project / activity so as to represent the Company's Vision in the tangible and appropriate manner within the expenditure limit of not exceeding Baht 500,000.
3. To encourage the acknowledgement of the Corporate Value and CSR throughout the whole organization.
4. To systemize, administer, appraise and develop any actions or projects to promote the Corporate Values in a systematic manner as well as to support the appropriate application.
5. To promote communication and cooperation within the organization as a way to develop the cooperation among the employees to ensure all action to be in the common direction whereby promoting better understanding in the Corporate Policy and encourage them to share the common vision so as to achieve the Company's goals.
6. To prepare the operating report in an acceptable manner.

Scope of Duties and Responsibilities of the Core Values and CSR Committee

1. To establish the policy of Core Value and CSR of the Company.
2. To integrate the organization's vision into operational practices under the framework of Core Values and CSR in a tangible and appropriate manner.
3. To encourage the acknowledgement of Core Values and CSR throughout the whole organization.
4. To systemize, administer, appraise and develop any actions or projects to promote the Core Values and CSR in a systematic manner as well as to support the appropriate application.
5. To promote communication and cooperation within the organization as a way to develop the cooperation among the employees to ensure all action to be in the common direction whereby promoting better understanding in the Corporate Policy and encourage them to share the common vision so as to achieve the Company's goals.
6. To appoint Working Panel and Secretary of the Committee to support the duty and responsibility of the Core Values and CSR Committee as deemed appropriate.

3. Selection and Appointment of Directors and Top-level Executives

3.1 Qualifications of Independent Directors

- (A) Hold shares not exceeding 1% of total shares with voting right of the Company, Subsidiaries, Associates, major shareholders, or controlling parties of the Company, provided that the shares held by any related persons of the said Independent Director shall be included.
- (B) Is not or has never been an executive director, employee, staff, advisor receiving regular salary from, or controlling person of the Company, Parent Company, Subsidiaries, Associates, same-level Subsidiaries, major shareholders, or controlling parties of the Company, unless the foregoing status has ended for not less than 2 years prior to the date of submitting the application to the Securities and Exchange Commission (SEC), provided that such prohibition shall not include the case that such independent director has ever been an official or advisor of the government unit which is the major shareholder or controlling party of the Company.
- (C) Is not the person who has relationship by blood or legal registration under the status of father, mother, spouse, brothers and sisters, and children. The prohibitive persons also include spouses of daughters and sons of management, major shareholders, controlling person or the person who is in the process of nomination to be the management or controlling person of the Company or Subsidiaries.
- (D) Does not have nor used to have a business relationship with the Company, Parent Company, Subsidiaries, Associates, major shareholders, or controlling parties of the Company which may interfere independent judgement of such Independent Director, including not being nor never been a significant shareholder, or controlling person of any parties having business relationship with the Company, Parent Company, Subsidiaries, Associates, major shareholders, or controlling parties of the Company unless the foregoing status has ended for not less than 2 years prior to the date of submitting the application to the SEC.

The term of "business relationship" in foregoing paragraph shall include normal business transactions of rental or lease of immovable property, transaction related to assets or services, or giving or receiving financial assistance through loans, guarantees, providing assets as collateral, and any similar actions which results in the Company or the counterparty becoming indebted to the other party in the amount equal to or more than 3% of the net tangible assets of the Company or equal to or more than Baht 20 million, whichever is lower. In this regard, the calculation of such indebtedness shall be in accordance with the calculation method of the value of connected transaction under the Notification of Capital Market Supervisory Board governing the conditions of connected transaction mutatis mutandis, provided that all indebtedness incurred during the period of 1 year prior to the date of having business relationship with the above party shall also be included in the calculation.

- (E) Is not or has never been the auditor of the Company, Parent Company, Subsidiaries, Associates, major shareholders, or controlling parties of the Company, and is not a significant shareholder, controlling person, or partner of the auditing firm employing the external auditor of the Company, Parent Company, Subsidiaries, Associates, major shareholders, or controlling parties of the Company, unless the foregoing status has ended for not less than 2 years prior to the date of submitting the application to the SEC.

- (F) Is not or has never been the professional service provider including but not limited to legal service or financial advisor and receiving service fee exceeding Baht 2 million per year from the Company, Parent Company, Subsidiaries, Associates, major shareholders, or controlling parties, and is not a significant shareholder, controlling person, or partner of the firm providing such professional service firms, unless the foregoing status has ended for not less than 2 years prior to the date of submitting the application to the SEC.
- (G) Is not a director appointed to be the representative of Directors of the Company, major shareholders, or any other shareholders related to the major shareholders.
- (H) Does not operate the same and competitive business with the business of the Company or Subsidiaries, or is not a significant partner of the partnership, or is not an executive director, employee, staff, advisor receiving regular salary, nor holds shares in the amount exceeding 1% of the total shares with voting right of any other companies which operate the same and competitive business with the business of the Company or Subsidiaries.
- (I) Does not have any other characteristics which may impact the ability to express independent opinion regarding business operation of the Company. After being appointed as the Independent Director in accordance with the conditions under the article(A) - (H), such Independent Director may be assigned by the Board of Directors to make decision in respect of collective decision on business operation of the Company, Parent Company, Subsidiaries, Associates, same-level Subsidiaries, major shareholders, or controlling parties of the Company.

3.2 Selection of Directors and Top-level Executives

- 3.2.1 Selection of Directors:** The Nomination and Remuneration Committee shall consider and select qualified persons to be selected as the Director and propose to the Board of Directors to further propose to the shareholder's meeting for approval. When a director is retired by term, the Company opens for the shareholders to nominate qualified person who has qualifications as required by the laws pertaining to the securities and the Stock Exchange and as prescribed by the qualification of Directors of Company upon which the Company has submitted to the investors' information system of the Stock Exchange of Thailand to be selected as the Director of the Company. In this regard, the shareholder can submit the qualified person in the website of the Company, and send his/her profile to E-mail: board@pranda.co.th. The nominated person shall send the letter of acknowledgement to be nominated as the Director of the Company to the Company within Dec 31 each year. When all required document are in place, the Company will propose such nomination to the Nomination and Remuneration Committee of the Company. The Nomination and Remuneration Committee shall consider his/her qualifications to be in compliance with the relevant laws and regulations as well as his/her experience, knowledge, capability for best benefit of the Company to propose the qualified to the Board of Director for approval. Then, the Board of Director will further propose to the shareholder's meeting to select the Director of the Company. The voting result in the general shareholders' meeting shall be considered on the majority vote from the shareholders with voting right and attending the meeting. After being approved by the general shareholders' meeting or by the resolution of the Board's meeting (in case of replacement Director for the resigning Director), the Company shall hold orientation for newly appointed Director.
- 3.2.2 Selection of Independent Directors:** The selection of Independent Directors shall be in compliance with the composition of the Board of Directors and the qualification of Independent Director of the Company, and with the qualifications as prescribed in the Notification of the Securities and Exchange Commission before proposing to Board of Directors and/or to the general shareholders' meeting for approval.
- 3.2.3 Selection of Top-level Executive:** The Nomination and Remuneration Committee shall be responsible to select appropriate and qualified by considering his/her ability to support and strengthen business operation and competitiveness of the Company. The Nomination and Remuneration Committee will propose the nomination of of Top-level Executives to the Board of Directors for approval.

Note: Top-level Executives include the Company's president, senior vice president, assistant president and any other positions as determined by the Board of Directors.

4. Managing Operations of Subsidiaries and Affiliates

4.1 Managing, Supervising, and Taking responsibilities of Subsidiaries and Affiliates

The regulation of the Company stipulates that the nomination and the voting to appoint the Directors of Subsidiaries and Affiliates must be approved by the Board of Director, whereby the nomination shall be proposed by the Group Executive Committee. The appointed person to be the Director of Subsidiaries or Affiliates has obligation to act for best benefits of respective Subsidiary or Affiliate. Such Director is required to obtain prior approval from the Board of Directors of the Company to be able to vote on the significant decision that, should it happen at the Company level, will also require Board of Directors' approval. On this regard, the sending of Company's representative to represent the Company in any particular Subsidiary or Affiliate shall be performed in accordance with the Company's shareholding in such company.

In addition, the appointed Director of Subsidiary shall further supervise the Subsidiary to strictly comply with the regulations of information disclosure and connected transaction with regard to obtaining or disposal of assets, and ensure that the record on important transactions is complete and correct on the similar standard applicable to the Company. Such representative must keep complete record and book-keeping of Subsidiary to facilitate accounting verification and to be ready to prepare consolidated financial statement of the Company in timely basis.

The Company has established PRANDA Group Financial Policy so as to manage the Company's Subsidiaries and Affiliates as follow:

1. Subsidiaries and Affiliates are required to submit Annual Business Plan to the Company
2. Subsidiaries and Affiliates are required to submit Annual Manpower Plan to the Company
3. Subsidiaries and Affiliates are required submit Annual Capital Expenditure Plan to the Company
4. Subsidiaries and Affiliates are required submit Annual Budget Plan to the Company

The aforesaid business plans must be submitted to the Board of Directors for approval before the deadline by October of every year. Then, the proposed business plans of Subsidiaries and Affiliates will be reviewed and evaluated by April of the following year.

In addition, the Company's Subsidiaries and Affiliates must clarify the action plans in writing, should the outcome different from the plan. Moreover, in the case that the Subsidiaries or Affiliates request to ask for the loan from any financial institutions, or guarantee agreement, or to enter in legally-binding obligation including the appointment of the external auditor, such Subsidiary or Affiliate must obtain prior approval from the Executive Committee of the Company.

- 4.2 Agreement made between the Company and the other shareholders to manage Subsidiaries and Affiliates There is no special agreement in managing Subsidiaries and Affiliates, and the shared benefits shall be performed in accordance with the proportion of shareholding.

5. Inside Information Control

The Company has established the principles of the best practice and responsibilities for Executives and the use of inside information by the Company's employees in writing that can be summarized as follows: They must not abuse of power and responsibilities for the sake of their own or any others' benefits. They must not disclose confidential information of the Company to any persons for their own or any others' benefits without the prior consent of the Company. They must not perform any actions that may cause conflict of interests with the Company without prior informing to the Company. They must not use any inside information of the Company which has not been disclosed to the public to purchase/sell the shares of the Company for their own or any others' benefits. The Company has imposed punishment measures for the violation upon the use of inside information in irregular manner. The violators shall be subject to disciplinary punishment and/or lawsuits as deemed appropriate.

Regarding the report of security trading of the Board of Directors and Executives of the Company, 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 Board of Directors every time when there is any acquisition, disposal, transfer or receipt of the Company's securities. In 2014, the Board of Directors of the Company has reported their shareholding together with the comparison of any increase (decrease) during December 27, 2013 to December 27, 2014 as follows:

No.	No. of Shares (Shares)		No. of Shares (Shares)		No. of shares increase (decrease) during the period (Shares)
			Dec 27, 2014	Dec 27, 2013	
1.	Mr. Prida	Tiasuwan	21,996,420	21,996,420	0
2.	Mrs. Pittaya	Tiasuwan	17,930,960	17,930,960	0
3.	Mrs. Panidda	Tiasuwan	16,692,060	16,288,560	403,500
4.	Mrs. Pranee	Khunprasert	9,896,860	10,176,860	(280,000)
5.	Mr. Pramote	Tiasuwan	9,280,560	9,280,560	0
6.	Mrs. Prapee	Sorakraikitikul	7,482,460	9,876,860	(2,394,400)
7.	Mrs. Sunanta	Tiasuwan	2,700,500	2,700,500	0
8.	Mr. Chanat	Sorakraikitikul	440,000	390,000	50,000
9.	Mrs. Nirarat	Tanalekhapat	160,000	160,000	0
10.	Ms. Suporn	Rungpiayatorn	136,000	136,000	0
11.	Mrs. Chawee	Jarukornvasin	42,000	42,000	0
12.	Ms. Sasisopa	Wattakeecharoen	42,000	80,000	(38,000)
13.	Mr. Thanes	Panjakrid	42,000	50,000	(8,000)
14.	Mr. Decha	Nuntanjaroenkul	0	10,000	(10,000)
15.	Mr. Somsak	Sirueangmon	0	32,000	(32,000)

Remark:

- 1) An increase in 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 decrease in the number of shares arising from the selling and transfer of securities.

6. Auditors' Remuneration

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

The Company and Subsidiaries has paid the auditing fee to Ernst & Young Office Limited for the year 2014 as following:

			(Unit: Baht)
	The Company	Subsidiaries	
1. Auditing fee	2,460,000	1,145,000	
2. Fee for examine investment promotion certificacate	120,000	-	

7. Compliance with Good Corporate Governance Principles in the Other Areas

Section 1: Rights of Shareholders

The Company realizes the importance of Good Corporate Governance principles, and recognizes the rights of the shareholders with respect of being the investors in the securities and the owners of the Company. The Company supports the shareholders to be able to execute their legitimate rights, such as sharing of Company's profit, trading or transferring stock, attending the Shareholders' Meeting and voting to appoint or remove the Directors and determine the remuneration of the Directors, and to appoint the external auditors and determine the remuneration of the external auditors, and to approve on the other significant matters which may affect the Company.

Apart from the above basic rights, the Company encourages the additional rights of shareholders beyond their legitimate rights; e.g. providing important and updated information via the Company's website.

The Board of Directors places an emphasis on organizing the Annual General Shareholders Meeting to open the opportunity for the shareholders who are the business owners to acknowledge the Company's operating results, to participate in decision making on important matters of the Company, and to monitor the operation of the Board of Directors and Management of the Company. Therefore, the Company shall hold the Shareholders Meeting in compliance with the relevant laws and the guidelines as prescribed in the AGM Checklist Manual which is jointly prepared by Thai Investors Association, Thai Listed Companies Association, and the Office of Securities and Exchange Commission.

In 2014, the Company held one shareholders' meeting, namely "the Annual General Shareholders' Meeting for the year 2013" on Monday April 21, 2014 at 14.00 hrs. The Meeting was held at Suan Luang Room, Novotel Hotel, Bangna, Bangkok. The Company also provided the shuttle buses to pick up and drop the attending shareholders during 12.00-13.30 hrs. at the meeting point of Phuti-Anant Sport Stadium, which was about 20 meters away from Bangna BTS station. In addition, the Company provided an appropriate welcome to the attending shareholders as well as the facilities to accommodate Shareholders' Meeting, such as computerized meeting registration platform and electronic voting ballot. After the Meeting, the participating shareholders were invited to join on-site Company Visit.

Prior to the Meeting Date

After the Board of Directors had resolved to fix the date of Annual General Shareholders' Meeting for the year 2013, the Company provided the adequate information to be used for decision making of the shareholders at the reasonable time before the meeting date as per following procedures:

- The Company assigned Thailand Securities Depository Co., Ltd. on behalf of the registrar of the Company to send the invitation letter to the General Shareholders' Meeting for the year 2013 together with the meeting agenda to the shareholders on April 4, 2013, or 17 days prior to the meeting date, which was more than 7 days prior to the meeting date as required by the laws, so as to allow the shareholders to have sufficient time to study information in advance before attending the meeting.
- The Company had also posted the aforementioned invitation letter, meeting agenda, and meeting documents on the Company's website since March 26, 2014, or 27 days prior to the meeting date. The invitation letter and attached meeting documents comprised:
 - Facts, rationales, and the opinions of the Board of Directors
 - The copy of the previous Annual General Shareholders' Meeting to be certified
 - The Annual Report of the Company together with the important information concerning the Company and the operating results in the past year
 - The details of information to be used for consideration of every agenda. For example, the agenda to appoint the Directors to replace the Directors who retired by rotation was attached with the short profile of the Director including age, educational background, past and present positions, the holding of Company's shares, number of terms of his/her position in the Company, positions in the other listed companies and other businesses which may cause conflict of interest with the Company, and the other legal disputes.

- Explanation of proxy appointment, meeting registration, verification document to be presented to attend the meeting, and voting procedures.
- The profiles of Independent Directors who may be appointed to be the shareholders's proxies to attend the meeting.
- Meeting attending procedures
- The Company's regulations related to the shareholders' meeting
- Map to the meeting place
- Three proxy forms as stipulated by the Department of the Business Development, Ministry of Commerce; namely Form A to be used for general proxy appointment which was not complicated, Form B to be used for proxy appointment for specific agenda, and Form C to be used for foreign shareholders who appointed custodians in Thailand to be their securities keepers.
- Reply envelop to return the proxy form to the Company (in case that the shareholders appointed the Independent Director to be proxy holder)
- The Company had advertised the meeting invitation in the newspapers on April 17-19, 2013, before the meeting date as required by the Company's regulations and the Public Limited Company Act B.E. 2535
- The Company had established the guideline to be performed in every year meeting to open for the shareholders to be able to propose the meeting agendas to be discussed in the General Shareholders' Meeting, to nominate qualified to be selected as the Director of the Company, to send inquiries in advance to be answered in the Shareholders' Meeting. The shareholders were invited to unofficially submit the aforementioned subjects in advance via the Company's website at www.pranda.co.th or www.pranda.com during October to December until the written documents from the shareholders would be received. Then, the Company would disclose the reasons of the Board of Directors to include or not include the proposed subject by the shareholders in the Shareholders' Meeting through the information platform of the Stock Exchange of Thailand for equal public acknowledgement.

For the Annual General Shareholders' Meeting in 2013, there was no shareholder to propose the additional meeting agenda, nor nominated person to be the Directors, nor any advanced questions in the Shareholders' Meeting. In addition, the Board of Directors of the Company had included the agenda on the other matter (if any) for the shareholders to propose subjects to be considered in the Meeting to be in compliance with Section 105 of the Public Limited Company Act B.E. 2535, stipulating that the shareholders having shares in total of no less than one-thirds of the total issued shares may ask the meeting to consider the other matters apart from matters indicated in the meeting invitation. It appeared that there was no matter to be proposed for consideration in the Meeting. There were only some suggestions and inquiries which were recorded in the meeting agenda.

On The Meeting Date

The Company had facilitated participating shareholders and conducted the shareholders' meeting with transparency and accountability. The Company also opened for shareholders to make any inquiries and suggestions for each agenda. On this regard, the Company held the meeting as per following details;

- The Company offered the equitable convenience for every shareholder no matter for major, retail, or institutional shareholder by providing reception staff to verify document to attend the meeting and facilitate meeting registration.
- The Company organized the shuttle bus to pick up and drop attending shareholders.
- The Company prepared the barcode registration and voting system. The meeting registration was opened for the shareholders at least 2 hour ahead of the meeting time, and was allowed for the shareholders arriving after the meeting began to be eligible to attend the remaining meeting. The Company carried on the meeting registration until the meeting was declared to be closed. In addition, the Company gave the appropriate souvenir and hospitality to the attending shareholders.
- All ten members of the Board of Directors had attended the Shareholders' Meeting, accounting for 100% participation. Furthermore, Senior Executives and the external auditor also joined the meeting to clarify any questions and receive suggestions from the shareholders.
- Before starting the meeting, Chairman of the meeting assigned Managing Director of the Company to explain the meeting and voting procedures, and opened for the shareholders to raise any questions on meeting procedures.

- The meeting agendas were proceeded in accordance with the predetermined order as informed in the invitation notice.
- The Company already informed the stakeholding of individual Director of the Company in the invitation notice.
- The Company provided the voting ballot to facilitate vote counting on the agendas requiring shareholders' approval. For the agenda to select the Director, the voting was done separately for each individual Director to ensure transparency and accountability.
- The shareholders arriving after the meeting began shall be eligible to vote on the agenda which was in consideration but the resolution was still not finalized.
- The Company prepared the meeting minute and completely recorded voting result of each agenda.
- After the meeting was declared to be closed, the Company had invited the shareholders to join on-site Company Visit.

Total of 250 shareholders attended the Annual General Shareholders' Meeting for the year 2013, altogether holding the total shares of 201,746,132 shares, accounting for 49.26% of the total paid-up shares of 409,529,000 shares.

The Company did not facilitate the witness of vote counting in the General Shareholders' Meeting for the year 2013, but the Company will allow for the voluntary shareholder to be the witness of vote counting in next shareholders' meeting.

After the Meeting Date

The Company informed the resolution of the Annual General Shareholders' Meeting for the year 2013, indicating voting results on each agenda by separating into the number of voting for "Agree", "Disagree", and "Abstain". The meeting resolution was prepared in writing to submit to the Stock Exchange of Thailand as well as in the form of the online documents to submit via the SET Community Portal (SCP) on next business day after the completion of the meeting.

There was no request to change the order of the meeting agendas, and no request to consider other matter which was not informed in advance in the General Shareholders' Meeting for the year 2013.

The minute of the Annual General Shareholders' Meeting in 2013 was prepared in writing which completely included the significant information of each meeting agenda, the inquiries from the shareholders and explanation from the Board of Directors, as well as the suggestions and additional opinions raised by the meeting. The Corporate Secretary shall prepare the said minute to summarize the resolution of the meeting together with the detail of voting result by separating into the number of voting for each particular type and propose to be signed by the Chairman of the meeting and the Company's authorized Directors. The minute of the meeting would be submitted to the Stock Exchange of Thailand, the Office of Securities and Exchange Commission, and the Department of Business Development for examination and reference within 14 days after the meeting date as stipulated by regulation of SET. In addition, the Company also posted the meeting minute on the Company's website at www.pranda.com on May 7, 2014.

With the aforementioned procedures, the Company was scored as 100 from the full score of 100 on the recognition of being "Excellent" from the quality evaluation of Holding Annual General Shareholders' Meeting (AGM), jointly appraised by Thai Investors Association, Thai Listed Companies Association, and the Office of the SEC.

Section 2 : Equitable Treatment to the Shareholders

The Board of Directors and the Management of the Company have committed to treat the shareholders in compliance with the rules and regulations of the Stock Exchange of Thailand (SET) to maintain the status of the listed company, thus encouraging every shareholder to have the basic protection to be able to receive equitable news and information of the Company. Apart from the compliance with the regulation of the information disclosure of the SET and the SEC, the Company has established the additional channel to access the Company's information through the Company's website which is continuously developed and provides updated information both in Thai and in English, including Press Release, Analysis Meeting, Opportunity Day event which is held by the SET, and the equitable treatment to the shareholders as follows:

1. The Company opens for the shareholders to propose meeting agenda, to nominate qualified person to be the Director of the Company, and to submit the questions to be discussed in the shareholders' meeting in advance prior to the meeting date during October to December every year. On this regard, the proposal of additional meeting agenda and the nomination of Director shall be in compliance with the relevant law and the rules and regulations of the Company, whereas the Company shall disclose the stipulated details on the Company's website at www.pranda.com.
2. The Company prepares the proxy form for the shareholders who are unable to attend the meeting and assign the voting guideline to the others and/or the Independent Directors of the Company as the proxy holder to attend the meeting. The Company shall provide the detail of name, profiles, working experiences of every Independent Director for individual consideration to be appointed as the proxy in place of the shareholders. The proxy form will be attached with the invitation letter to the Annual General Shareholders' Meeting.
3. The Company shall not add new meeting agenda or change any important information without prior notice to the shareholders.
4. On the meeting date, the Company provides the voting ballot to be used in every agenda, including the agenda to appoint the individual Director for transparency and accountability.
5. Every shareholder is eligible to have one vote for one share.
6. The connected transaction is required to be approved by the shareholders' meeting as prescribed by the regulations of the SET. Furthermore, the Company shall disclose the detail of related transactions and the rationale to do such transactions to the shareholders before entering into the transactions.
7. The Company informs the details of the transactions with related parties to ensure that those transactions shall be conducted at fair and market price, and represent normal business undertaking.
8. The Company establishes the business ethics to govern the use of inside information and the security trading of Company's employee so as to prevent the Directors, Executives, and employees from abusing the inside information for their own or the others' benefits. The Company has distributed the code of conduct to every employee in the organization to be performed and followed up on regular basis. On this regard, there is no case of security trading of Directors/Executives from the use of inside information in the year 2014.
9. The Board of Directors and Executives are obliged to report their shareholding and the change of shareholding in accordance with the Section 59 of the Securities and Exchange Act B.E. 2551 as prescribed in the regulations of the SEC. In addition, the Directors and Executives have to report their every security trading to the Board of Directors.

Section 3 : Roles of the Stakeholders

The Company respects the rights of all stakeholders, thus implementing the policy to provide the full rights for each particular group of stakeholders, namely the internal stakeholders such as employees and Executives of the Company and Subsidiaries, and the external stakeholders such as shareholders, customers, trading partners and creditors, competitors as well as the public society. The Company has stipulated the "Code of Conduct for the Stakeholders" in the Business Ethics section, included in the Good Corporate Governance Manual (3rd edition) dated on February 25, 2013 which can be downloaded via www.pranda.com In 2014, the treatment to 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 for the shareholders by conducting business with transparency and the objective to maximize satisfaction to the shareholders, thus focusing on long-term growth of the Company with satisfying and continuous return. The Company recognizes to not perform any actions which may violate or deprive the right of the shareholders. The Company realizes to not being complained on disrespect manner against the basic rights of the shareholders or wrongdoing manner of the Directors or the Executive pertaining to the use of inside information. In addition, the Company regularly pays dividend to the shareholders every year in compliance with our dividend policy, stipulating that the Company shall pay dividend of no more than 60% of net profit of the Company. In past 5 years, the Company had paid the dividend at 54.90% - 58.97% of net profit as shown in the separate financial statement of the Company. Furthermore, the Company provided special dividend payment for the shareholders in 2002, 2006, and 2010, thus raising our rate of return. In particular, the dividend payout ratio of the Company in 2010 was as high as 128% of net profit, resulting from excessive free cash flow of the Company.

1.2 Employees

The Company recognizes the value of employees, and believes that human resource shall be the most important factor of the business operation. Therefore, the Company assigns Core Values and CSR Committee to be responsible to support our employees to receive continuous training and development. In doing so, the Company promotes 14 development projects as per details in the Section of "Corporate Social Responsibility"

Apart from 14 development projects as disclosed in the Section of "Corporate Social Responsibility", the Company commits to provide fair and equitable treatment to every employee with no discrimination of his/her birthplace, nationality, religion, gender, marital status, language, or working position. The Company disagrees with child or human abuse, and opposes to any forms of corruption. In addition, the Company has determined reasonable remuneration for the employees, including temporary income, such as minimum wage for unskilled employee at 300 Baht/day. The Company reviews the employees' benefit according to their working performance on annual basis. Thus, the average wage in 2014 stood at 450 Baht/day. In addition, the Company offers the other fringe benefit for the employee, including overtime, bonus, hardworking allowance, honorable ring for the staff working at the Company for 3, 10, and 20 years, free lunch, food voucher, yearly health check up, new year celebration, dormitory, etc. When including any other welfare, the average income of daily employee is at 560 Baht/day, whereas the wage base and welfare for each individual may be different from person to person. At present, the Company has set up long term benefits for the employee, such as Provident Fund, Saving Cooperative for staff in PRANDA Group.

With those programs, the Company can reduce the turnover rate of employee. In this year, the turnover rate of skilled employees is below 2%. The Company strictly complies with the Thai Labor-Standard practice, and does not support the violation of human rights, and child or human abuse. The Company has maintained the working environment to be in pleasant and safe conditions in compliance with the professional health principle. The Company has no discrimination practice, and respects to the principles of Human Equality.

1.3 Customers

The Company equally treats all customers by providing high quality and reliable products, and services, thus implementing the quality management system of "ISO 9001: 2008". The Company is determined to manufacture international standard gems and jewelry by professionals with the strict quality control process and on time delivery so as to serve the best customers satisfaction. With our continuous improvement, the Company has passed the quality evaluation from Bureau Veritas (Thailand) and has been certified by UKAS from United Kingdom, effective for 3 years since Sep 3, 2013 - Sep 2, 2016.

1.4 Trading Partners and Creditors

The Company commits to the agreement with the trading partners and creditors with fairness and equality, without asking for any unlawful benefits from the trading partners. The Company strongly complies with the terms and condition as agreed in the trading contract, and performs any obligation to the creditors as stipulated in the loan contract. Additionally, the Company has provided correct and complete financial status of the Company, and has established the procurement policy to conduct business with the trading partners in an appropriate, fair, and efficient manner.

1.5 Competitors

The Company performs business with fair competition, and does not seek for confidential information of the competitors in a dishonest or illegal manner, such as paying bribe to the staff of competitors, etc. The Company has never damaged the reputation of the competitors by means of false and unfair accusation or treatments.

1.6 Society

The Company conducts business together with the recognition of community, society, and environment, thus promoting the awareness of social responsibility and environment at all level of employees. The Company realizes the social responsibility as the crucial role of the Company and has established the Code of Business Ethics, stipulating that the Executives of the Company shall support the activity to be beneficial to the society, and the Company shall not conduct any action which may damage the reputation, natural resources, and environment of the country. The Company is prohibitive to cooperate or support any person to conduct illegal business or threaten the natural security. The Company also aims to promote the awareness of social responsibility and community service within the Company and all levels of the employees. The Management has supervised the Company to be in compliance with the relevant laws and regulations.

In this regard, the Company received no complaints from the stakeholders in 2014.

2) Respect of law and international human rights principles

The Company believes that the respect of law and the international human rights principles is the foundation of the business operation and personnel development, thus being important to support the value added and improved productivity. Apart from signing the Universal Declaration of Human Rights of the UN Global Compact, the Company has stipulated in the Code of Ethics concerning the respect of law and human rights principles which are included in the Corporate Governance Manual (3rd edition), dated on February 25, 2013.

3) Good labor practice and respect the rights of employees

The Company has determined a good labor practice and respected for the rights of the employees to be consistent with the international labor standard. The Company has passed the evaluation in compliance with BSCI (Business Social Compliance Initiative). In addition, the Company received the reward of being "Outstanding Workplace on labor relations and employees' benefits for the year 2014" from the Department of Labour Protection and Welfare.

The Company initiates to appoint the position of "Female Employee Advisor" in the workplace in compliance with the policy of Department of Labour Protection and Welfare. The Company provides female employee advisor with the training on the laws pertaining to the quality life development at the workplace and on personal business, as well as on the knowledge of health and safety workplace, family welfare, and economic, social, and cultural value. The said advisor shall be able to assist painful staff, and provide them with helpful suggestion or advice.

4) Enhancing 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 Manual (3rd Edition). Apart from 9 major projects as aforementioned, the Company organizes the additional activity and projects so as to improve the quality of working life as follows;

4.1 Activities for employee knowledge development

1. Library

To encourage and open for all employees to be able to obtain knowledge and education by themselves, the Company organizes the library to serve its staff and their family. The Company's library opens daily, serves more than 3,000 books and magazines, orders new books on weekly basis, offers free internet facility with more than 10 computer stations. The average participating staff is now more than 400 visits/month. Furthermore, the employees can search for interesting books in advance from the Company's Intranet System, and are allowed to borrow 5 books per week.

2. Support credit transfer educational system

The Company also encourages the education for the employees by holding in-house learning course in the subject of management and marketing which can be applied for credit transfer to receive Technical Vocation Certificate, and the subject of human resource management which can be applied for credit transfer to receive Higher Vocational Certificate. There have been 5 classes with more than 100 graduates so far.

3. Scholarship

The Company supports Saving Cooperative of PRANDA Jewelry Group to offer the scholarships for the children of employee who are studying in the primary, secondary, vocational school, and university. The Company granted 78 scholarships in 2014, and giving financial support to 8 students in the amount of more than Baht 110,000.

4.2 Activities for employees' financial support

1. Housing Loans

The Company cooperates with Government Housing Bank to promote special housing loan package for the employee to utilize their salary account for paying installment and receiving special low interest rate. This package can considerably save financial burden for the employees.

2. Other financial supports

The Company also provides the other financial assistance to the employees, such as provident fund, selling discount products, funeral financial support for father and mother or spouse, wedding financial support, maternity financial support, ordination financial support, hospitalization support, etc.

4.3 Activities to promote family institution

1. Nursery Center

The Company has operated Nursery Center for the last 25 years to decrease the burden of child care taking of Company's employees. As of today, there are 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 attending school.

1. Staff dormitory

The Company builds the dormitory for the employees, consisting of 3 buildings with 100 rooms each. The dormitory is divided into male, female, and family dormitories, currently serving for around 1,000 employees.

2. Children Day's activity

The Company organizes Children Day's Activity every year. The Company invites employees and their family to join the entertaining activities and gifts for children.

4.4 Activities for health

1. Provide exercise activities, such as the Aerobics, yoga in every week
2. Prepare exercise and sporting facility, such as Fitness room, basketball and soccer playground
3. Annual Health check up for staff
4. First Aid room with a nurse and a doctor in every week
5. Fitness room in the Company
6. Organize Safety Week event
7. Holding Sport Day

4.5 Activities for ethical support

1. The Company fosters the religion and culture as following practices;
2. Inviting monk to receive donation on every last Friday of the month
3. Pouring water on the hands of revered elders and ask for blessing in Songkran Festival
4. Celebrating the King's Birthday
5. Food donation on Religious Day

5) Environmental training for staff

The Company has realized the importance of staff and has established the policy to provide them with environmental training. Because the employees are deemed to be the valuable resources, all of them from every profession and level shall receive sufficient and continuous development on environmental preservation by giving knowledge and training on operational and environmental management. Furthermore, the Executives shall be responsible for participating in the environmental program and shall behave to be the role models to develop and maintain the environmental training system for the employees, thus responsible to support sufficient resources for every staff to participate in the follow up of the policy as well as to thoroughly communicate with the relevant party on the result of the environmental training.

6) Responsibility to the society and environment

The Company complies with the UN Global Compact regarding to 4 principle areas of human rights, labour standard, environmental preservation, and anti-corruption. In addition, the Company also regularly and intentionally educates all levels of staff with the awareness of social and environmental responsibility. Our staff shall have personal responsibility to the society, and not perform any actions which may destroy the country's reputation, natural resources and the environment. The employee of the Company must not support or cooperate with any persons who conduct illegal action or may cause any harm on or threaten the national security. The Company has stipulated the policy of social and environmental responsibility in the "Corporate Governance Manual (3rd edition)" dated on February 25, 2013 to be performed to represent the intention of sharing and returning benefits to the society. The details of the social activities in 2014 are summarized in the section of "Corporate Social Responsibility".

7) Anti-Corruption

The Company has established the policy and guideline with regard to anti-corruption measure, such as the business ethics on conflict of interest, the use of inside information, the security trading of employee, the code of conduct on giving or receiving any forms of gift, asset, or benefit which may be the motivators to perform or not perform own duty in an illegal manner, the prohibition to perform action for own, family, someone's interest, and the business ethics governing the Executives and all employees of the Company to be committed to the principles of corporate governance and the appropriate treatment to the stakeholders.

Pranda Jewelry Public Company declared the commitment to be a member of Collective Action Coalition to support anti-corruption in private sector on Nov 9, 2010. The said project, jointly arranged by Thai Institute of Directors (IOD), Thai Chamber of Commerce, Listed Company Association, and Thai Bankers' Association, represents the national concern and receive official support from the Government and Office of the National Anti-Corruption Commission.

The Company has established the Anti-corruption policy of Pranda Group on Oct 9, 2012 to govern the Directors, Management, employees by notification on internal Email platform and internal magazine. In addition, the Company includes the Anti-corruption policy in the Corporate Governance Manual, distributes the policy to the employees to be signed for acknowledgement, and discloses information on the Company's website. The anti-corruption policy is summarized as following:

Pranda Jewelry Public Company Limited and Affiliated Companies express strong intention to conduct business with transparency in compliance with corporate governance principles, and not support any forms of direct or indirect corruption. The Company prohibits the Directors, Executives, staff, and third parties having relation with the Company to perform any actions with the sign of corruption no matter by offering, promising, soliciting, demanding, giving or accepting bribes. The Company shall not tolerate any kinds of corruption in every business and every transaction occurring in every country and with related organization. In order to comply with the policy, the Company shall review the operating procedures on regular basis to ensure compliance with any changes in the law, business, and maintain the Company's reputation.

The Policy Guideline

1. This policy is governed by the Corporate Governance Manual, Business Ethics, and relevant regulations of the Company
2. The Directors, Executives, and employees shall be aware of the risk associated with corruption when performing the following matters;
 - 2.1 Being neutral in politics and political contribution. The Company has the policy to be neutral in politics, thus not supporting nor concentrating on any political party whether directly or indirectly, and not sharing the resource of the Company in the activity which may lead to political bias and/or cause damage from the participation of such activity.
 - 2.2 Charitable contribution and sponsorship. The Company shall oversee any charitable donations or financial supports which may be capable of being corrupted by establishing effective and prudent procedures and control to examine or verify relevant documents.
 - 2.3 Gifts, Hospitality, and Expenses. The Company stipulates that giving or receiving gifts or offering hospitality shall be done in an appropriate manner according to cultural practice, but should not have too much value or have intention to convince the receiver to perform or not perform his/her duty.

Anti-Corruption Measures

1. The Directors, Executives, and employees shall commit to the anti-corruption policy, corporate governance practice, and business ethics not to associate with any forms of corruption whether directly or indirectly.
2. The employee should not neglect to any suspicious circumstances associated with corruption by reporting to the supervisors or related persons via the provided communication channel, and giving factual information for investigation.
3. The Company has to use justice, and protect the staff who refuses the charge of corruption, or who inform the incident of corruption from being relegated or penalized. The Company shall perform the measures to protect the complainant or informant from being in trouble as stipulated in the regulations on personal practice and the whistleblowing policy of the Company.
4. The wrongdoer of corruption is deemed to be the offence of Business Ethics of the Company, thus shall be disciplinary penalized and submitted to the prosecution in case of illegal action.
5. The Company communicates the anti-corruption policy and measures, and informs the communication channel for sending the complaints or suggestions of wrongful actions within the organization in several manners, such as Director and employee's orientation, internal communication channel platform, Company's news letter, etc., to develop a better understanding in the implementation of such policy.
6. The Company discloses the anti-corruption policy and measures, and prepares the communication channel for sending the complaints or suggestions of wrongful actions to the stakeholders and public in several manners, such as the Company's website, annual report, etc.
7. The Company sets up the procedures to handle the corruption risk, including risk evaluation, prioritization, determination of proper measures, review of the past measures. On this regard, the Company appoints the Finance and Risk Management in cooperation with the Audit Committee to monitor the important risk of the Company, which includes the corruption risk, thus assigning the Internal Audit Department to be the auditor.
8. The Company organizes the personal management to represent our commitment to the anti-corruption policy and measures, including the selection of candidate, training, evaluation of performance, determination of remuneration, promotion of staff, organization structure to separate responsibility to ensure appropriate checking and balance, and preparation of human resource to ensure proper skill to be able to perform the policy.
9. The Company shall determine the Corporate Authorization Procedure to be clear, precise, efficient, transparent, and accountable.
10. The Company establishes the adequate internal control covering the area of financial, accounting, information collection, and the other internal processes related to the anti-corruption measures and the report of internal control result for the relevant party.
11. The Company shall review the internal control system to cover important operations, such as commercial action, and procurement, to ensure the achievement of expected target. The internal control of the Company has to monitor the working operation to be in compliance with the relevant procedures and regulations, and provide improvement recommendation as deemed appropriate. The Company establishes the whistleblowing and whistleblower protection measures, as well as communicates the anti-corruption policy and measures of the Company in several manners, such as orientation of new employee, internal electronic news letter, Company's magazine, mails to the trading counterparties and customers, Company's website.

Compliance with Policy

The Company determines the duty and responsibility of the Directors, Executives, and employees to acknowledge, and perform the policy as prescribed in the Corporate Governance Manual, as well as to encourage the subordinating employees to understand and strictly commit to Corporate Governance Manual.

The Company shall not perform illegal actions, or not violate the corporate governance policy. The Directors, Executives, or employees associating with wrongful actions shall be disciplinary penalized and submitted to the prosecution for the violation of laws, governmental rules and regulations.

When in doubt on the aspects not mentioned in the Business Conducts of the Company, the employee should raise the following questions;

- 1) Whether such action is illegal
- 2) Whether such actions violate the policy or business ethics or damage the reputation of the Company
- 3) Whether such actions causes substantial negative impact to the stakeholders

The employee at all levels can submit the complaint, opinion, suggestion, or any concern on illegal actions and/or a breach of Business Conducts according to the good corporate governance practices. In addition, wrongful conducts by employee of the Company's employees or by any stakeholders can be informed in the provided communication channel (as per details in no.8 Whistleblowing Policy and Protection of Whistleblower.

8) Whistleblowing and Whistleblower Protection

The Company has stipulated that Management at all levels of the Company shall be responsible for supervising the subordinating employees to strictly acknowledge, understand and commit to Corporate Governance Manual of the Company. Wrongdoer against the stipulated ethics shall receive disciplinary punishment. So as to provide the equitable treatments to the stakeholders with fairness as prescribed in the principles of Good Corporate Governance, the Company has established the communication channels to receive the clues, complaints, opinions or suggestions of any wrongful actions which may impact or be the risk of being impacted to the stakeholders to be damaged from business operation of the Company, or the actions of employees of the Company related to illegal action or unethical action, including any actions associated with corruption, unfair treatment, or careless action. These information can 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 via the provided channels: The Company's website: www.pranda.com,
Or at the following E-mail:

	E-mail	Telephone
Board of Directors	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 to collect the documents from the above communication channels to summarize, and propose to the Board of Directors for acknowledgement on quarterly basis. In addition, the mail, directly addressing to the Audit Committee, will be passed to the Audit Committee to examine and record the investigation result in written form without disclosing the name of informant. The said information will be kept as confidential to protect the informant from being in any troubles.

In this regard, the Company received no complaints on the violation of Business Ethics, or the corporate governance principles in 2014.

Section 4 : Information Disclosure and Transparency

1) Channels of Information Disclosure

The Company realizes the importance of the disclosure of important information of the Company with accuracy, completeness, sufficiency, timely, transparency, and compliance with the regulations of the Securities Exchange Commissions and the Stock Exchange of Thailand, thus supporting the shareholders and the stakeholders to equally receive the news and information of the Company. The Company has disclosed the information via the following communication channels:

1. The SET Community Portal (SCP) to disseminate the periodic reports; such as Financial Statements, Annual Registration Statements (Form 56-1), Annual Report (Form 56-2), etc., and the non-periodic reports; such as the acquisition/disposal of the assets, connected transactions, dividend payment, etc.
2. The other public media; such as newspapers, magazines, and the Company's press release.
3. The Company's website: www.pranda.com which is shown in both Thai and English.
4. Information for the analysts and the investors upon the Company Visit.

In 2014, the Company has regularly provided information and held activities according to the communication plan in compliance with the Company's business strategy and direction. So as to ensure the 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; such as 7 special management interviews on TV programs, 118 interviews with several news agencies, and 109 press releases on the activity of the organization. The Company also uploaded quarterly Pranda Group Newsletter both in Thai and English on the Company's website.

Corporate Secretary Office has the 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 upon the proper protocol. The Company issued 27 reports to the SET in 2014.

The Company recognizes the relationship with the investors Relations, thus performing duty with responsibility, integrity, determination, accuracy, sufficiency, reliability, and timely in order to support the investors, analysts, and related party with to receive adequate, correct, complete, transparent, and equitable information. The Company assigns the Investors Relations Department to centralize the offensive investor relations activities according to the general practice of international leading organization. Investors Relations Department has the duty to communicate and to provide information of the Company which is beneficial to the investors in order to strengthen the relationship between the Company and shareholders, institution investors, general investors, analysts, and related government sectors in a equitable and fair manner. In addition, the Investor Relations Department is responsible to prepare the annual investor relations plan which is regularly attended by the Company's top-level Executives. Managing Directors and the relevant Executive shall have the opportunity to present the Company's operating result, as well as provide additional information and answer the questions to be raised in the meeting with the analyst, investors, and the mass media. The investor can access the Company's information provided by the Investor Relation Department via 4 following channels:

Mr. Dusit Chongsutthanamanee
Investor Relations
Pranda Jewelry Public Company Limited
28 Soi Bangna-Trad 28, Bangna, Bangkok 10260
ir@prande.co.th
Telephone: 0- 2769-9431, 0-2769-9436 (Direct line) or
0-2769-9999, 0-2361-3311 Ext. 431, 436
Fax: 0-2398-2141

The Company arranged or participated in several important activities in 2014. For instance, joining the Opportunity Day, to be held by the Stock Exchange of Thailand on March 13, 2014 and on Sep 3, 2014 to allow the listed companies to meet the investors, analysts, and the media so as to provide information, movement, business operation, and future plan. The Company organized 9 events of Company Visits attended by 21 investors. The Company hosted 8 conference calls with 15 investors. The Company also reported the earning releases through following media:

1. The Company's Website under the Investor Relations
2. Facebook of Pranda Group, and Facebook of the other leading value investors
3. Website of ShareInvestor and the online network of Shareinvestor, such as Thai Investors Association, Manager Online, Thailistedcompany.com, and the Wall Street Journal.
4. Webboard of the Thai Value Investor Association in Pranda ChatRoom; such as at www.thaivi.org.
5. E-mail distribution list of about 1,000 shareholders and fund managers.

2) Financial Report

The Board of Directors of the Company is responsible for producing correct, complete, and transparent financial statements to ensure the prevention of assets of the Company from being lost or used by the other persons with no authority, protection of corruption or unusual conducts, and compliance with the general accepted accounting standard and the applicable laws or notifications, thus leading to the stakeholders' confidence in our trustable financial report. The Board of Directors assigns the Audit Committee to review the Company's financial statement to be in compliance with the proper accounting policy, which shall be consistently performed as prescribed in the related laws and announcement. In addition, the Committee has to review the accuracy and adequacy of the financial statement. In doing so, the Audit Committee has held at least 4 meetings every year with the external auditors without the presence of the Management in order to ask for the opinion from the auditors in various matters. The Company appointed the auditors from Ernst & Young Office Limited to be the external auditors, with proven knowledge and auditing skill and without conflicts of interest which may interfere independent or fair auditing performance. The said external auditors had complete qualification as necessary to help the Directors and the shareholders to ensure that the financial statement of the Company reflected the accurate and reliable financial position and represented the correct operating results of the Company in all aspects.

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

In this regard, the Company has never been ordered to amend the incorrect financial statements by the SEC, and regularly 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 provides the corporate website for the shareholders and interested persons to be able to access public information of the Company. The important information 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
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.

The Company invites interested persons to visit the Company's website at www.pranda.com.

4) 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 as prescribed by the information disclosure requirement of the Office of SEC and the SET. The Company shall disclose the remuneration both in the form of money and the other benefits. The remunerations of Non-Executive Directors will be classified by type, whereas the remuneration of Executive Directors will be reported as the whole amount altogether with the remuneration for the Executives. The remuneration of the Company's Directors, Executive Directors, and Management shall be determined with transparency at the appropriate amount to be comparable with the same industry, and suitable with their duties and responsibility, and with the operating performance of the Company. In addition, the Nomination and Remuneration Committee is responsible for reviewing and provide recommendation on the remuneration of the Directors to the Board of Directors to later propose to the shareholders' meeting for approval.

The remuneration of the Executive Directors and top-level Executives of the Company complies with the principles and policy stipulated by the Board of Directors to be related to the Company's operating results. In this regard, the Company shall evaluate the Key Performance Indicator (KPI) every year to consider the Remuneration in the form of salary. The remuneration of the Directors, and Executives in 2014 is shown in the section of "Management Structure".

5) 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 section of "Management Structure" in the Annual Report, including the total number of meetings and participations of each individual Member for the year 2014.

6) Disclosure of Changes in Shareholding of the Directors and Top-Level Executives

The Company establishes the Code of Conduct for confidential information, the use of inside information, and the security trading of employee. Thus the Company shall inform changes in shareholding of the Directors of the Company. The top-level Executives of the Company are required to declare the number of shareholding at end of previous year, together with the number of shares increasing or decreasing in the current year. The detail of the use of inside information is reported in the section of "Corporate Governance".

The Directors and Executives is responsible for disclosing the shareholding by submitting the report of their shareholding and their trading of the Company's share to the Corporate Secretary Office to later propose to the SEC and SET within the period as prescribed by the relevant laws and regulations every time when having changes in shareholding. The Corporate Secretary Office shall report every change in shareholding of Directors and Executives to the Board of Directors.

7) Disclosure of stakeholding of the Directors

The Company determines the policy to disclose the transactions connected with the Directors. Therefore, the Directors and Executives have to inform the Company to acknowledge the stakeholding of their own and their related persons to be in compliance with the Article 89/1 of the Security and Exchange Act, by submitting the report of their connected transactions with the Company to the Corporate Secretary Office, in order to later propose to the Chairman of the Board and the Chairman of Audit Committee within 7 days after the Company has received such report.

Section 5 : Responsibility of the Board of Directors

The Board of Directors, on behalf of the representative of the shareholders, is responsible to supervise the management and administration of the Company to comply with the laws, and objective and regulations of the Company. Meanwhile, the Board shall perform business operation in compliance with the philosophy of economic sufficiency, thus stipulating the vision, mission, strategy, policy, objective, and business plan to be in line with the principles of "Sufficiency of Growth", "Rationality in Business Operation", and "Good Protection for Business", all of which shall be done upon the expertise and business ethics. The Company establishes the framework to oversee the responsibilities of the Board of Directors as followings:

1) Structure of the Board of Directors

The Board of Directors has considered the structure of present Board of Directors to be appropriate with their duties, and in compliance with the Company's regulations and Code of Conduct pertaining to the Board of Directors as predetermined by the Board of Directors. The composition, qualifications, and scopes of duties of the Board of Directors are disclosed in the section of "Management Structure".

1.1 Composition of the Board of Directors

The Board of Directors comprises the Independent Directors of at least one-thirds of total members of the Board of Directors, but no less than 3 members. At present, there are 3 existing Independent Directors out of the total of 10 members of the Board of Directors. The total of Board of Directors comprises of 4 Executive Directors and 6 Non-Executive Directors, 3 of whom are the Independent Directors.

1.2 Qualifications of Independent Directors

The Independent Directors of the Company shall have the complete qualifications as stipulated by the Capital Market Supervisory Board, as per details in No.3 the Selection and Appointment of the Director and Executive.

1.3 Selection and Office Term

At every annual ordinary shareholders' meeting one-third (1/3) of the Directors or, if the number of Directors cannot be divided exactly into three parts, the number of Directors nearest to one-third (1/3) shall retire. The retiring Directors in the first and the second year after the Company's registration shall be selected by drawing. The retiring Directors in the subsequent years will be the Directors who holds longest period in office. The Directors retiring by rotation may be eligible for re-election. The Directors of the Company, excluding Independent Directors, shall retire at the age of 72 years.

1.4 Directorship in the other companies

For the efficient performance as the Board of Directors, the Company has stipulated that a Director shall have the position in the other listed companies of no more than 3 companies. When necessary, the Director, who holds the position of the Directors in more than 3 listed companies, has to inform the shareholders for the rationale to have those Director positions and the names of those companies. The Company also discloses the said information in the section of "Profiles of the Directors and Executives" in the Annual Report.

1.5 Directorship of Managing Director in the other companies

The Company has determined the policy of holding Director position of Managing Director in the other companies that Managing Director of the Company shall hold the position of Managing Director in only one listed company in order to have sufficient time for managing business operation of the Company, and shall not have the partnership with or have the Director position in the other juristic persons which perform the same business as the Company or being the competitor of the Company no matter for the benefit of oneself or others, unless such action is informed to the shareholders' meeting for acknowledgement prior to the appointment of such position.

1.6 Separation of the duty of the Chairman and Managing Director

The Company has separated the position of the Chairman of the Board and the Managing Director, and prohibited such 2 positions from being the same person in order to encourage the system of check and balance, and to prevent any overlapping of power. The roles, duties and responsibilities are clearly separated as follows:

The Chairman of the Board performs the strategic and supportive leader to encourage all members of the Board of Directors to cooperate in the meetings, supervise and support the management's operation through the Managing Director with no interference to the routine or daily business operation under the responsibility of the Managing Directors.

The Managing Director performs the main duty to supervise the management of the Company to be in compliance with the vision, mission, strategy, and policy as specified by the Board of Directors.

1.7 Corporate Secretary

The Board of Director has appointed Mr. Dusit Chongsutthanamanee as the Corporate Secretary on December 19, 2008 to help proceed the activities of the Board of Directors and the Company, namely, arranging meetings of the Board of Directors and the shareholders, providing suggestion to the Directors and the Company to comply with the relevant law and other regulations on regular basis. 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 as stipulated in the good corporate governance practices. The details of composition and qualifications, including the duty and responsibility of the Corporate Secretary are shown in the section of "Management Structure".

2) Appointment of Sub-Committees on specific matters

The Board of Directors has appointed Sub-Committees which include knowledgeable experts to preliminarily screen the assigned matters for initial accuracy, clearness, and completeness prior to proposing to the Board of Directors for consideration or approval, as the case may be, so as to support the management of the Board of Directors. The Company currently has 5 Sub-Committees, namely:

2.1 Group Executive Committee

The Group Executive Committee comprises of seven members, four of whom are from the Board of Directors and the remaining three members are Non-Director Members. The Group Executive Committee has the duties and responsibility to make decision on and supervise the Company's business operation within the scope of authority as assigned by the Board of Directors, including screening the business matters prior to proposing to the Board of Directors for consideration.

2.2 Audit Committee

The Audit Committee comprises of three Independent Directors, one of whom, as appointed by the Board of Directors, has good knowledge of financial and accounting and has complete qualifications as stipulated by the Stock Exchange of Thailand. The Audit Committee has to review the financial statement, formulate the internal control system, supervise the Company's operation to be in compliance with the Securities and Exchange Act, the regulations of the Stock Exchange of Thailand, and the other relevant laws governing the Company's business. In addition, the Audit Committee shall consider on the appointment of external auditors, and review the connected transactions and the transaction that may cause conflicts of interest of the Company. The Audit Committee has to provide the report of the corporate governance to be signed by the Chairman of the Audit Committee so as to disclose in Annual Report of the Company.

2.3 Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of six Directors, whereas one Independent Director shall perform as the Chairman of the Committee. Though the remaining five Directors are not Independent Directors, the process and procedures to nominate the Directors and top-level Executives shall comply with the principles of Best Practices, thus being performed in a clear and transparent manner comparable to the other listed companies in the same industry, and for long-term benefit of the Company and all stakeholders.

2.4 Finance and Risk Management Committee

The Finance and Risk Management Committee comprises of four Directors from the Board of Directors, and the remaining four members are selected from the experts with knowledge and specialization in capital management, investment analysis, and risk management to protect any impact to business operation of the Company.

2.5 Core Values and CSR Committee

The Core Values and CSR Committee comprise of one Director from the Board of Directors, and the remaining eight members are selected from the Executives of the Company and our associated companies. The Core Values and CSR Committee is responsible to promote and represent the Company's vision to the organization behavior of the whole Group to be in the same direction together with the scope of the Core Value in an appropriate and tangible manner.

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 objective, risk, business planning and budgeting. The Board of Directors shall supervise the Management to perform their duties efficiently and effectively in compliance with the stipulated plan and policy. The authorities, duties, and responsibilities of the Board of Directors are shown in the section of "Management Structure".
- 3.2 The Board of Directors has established the Good Corporate Governance Policy of the Company in writing since 2000.
- 3.3 The Board of Directors formulates the Code of Business Ethics in writing to be the guideline and the best practice for the Directors, Executives, and all employees to understand the ethical standard to be used in the business operation of the Company. The follow-up of the said practice shall be strictly performed. The Company included the Business Ethics in the Corporate Governance Manual (3rd Edition), which is distributed to the Directors and all employees of the Company to be signed for acknowledgement, and strictly performed.
- 3.4 The Board of Directors stipulates the Business Ethics on the conflict of interest to govern the practice of employees at all levels and the Board of Directors to perform their operations with carefulness when having the transactions with conflict of interest. The Company sets up the policy and procedures to approve the connected transactions, and shall disclose the complete information. In addition, the Company has determined the supervisory policy and procedures to prevent the Executives and related persons from using inside information of the Company as follows:

- The connected transactions or the transaction with related party, which seemed to have any conflicts of interest, will be submitted to the Audit Committee to review and give opinion as prescribed by the regulations of the SET and the SEC prior to proposing to the Board of Directors for approval.
- The Company has stipulated that when any Directors, Executives, or related persons may have benefits from the transaction with the Company, the Company shall disclose the said conflicts of interest arising from the transaction. In addition, the related Directors or Executives are not permitted to attend the meeting to make decision on such transactions.
- The information disclosure of the transaction with possible conflict of interest, the connected transaction, or the transaction with related party shall comply with the regulation stipulated by the governmental unit.
- The information disclosure of business connection or the other business which may have benefits related to the Directors or top-level Executives shall be reported every 3 months to be monitoring information and to be the source of information with regard to the connected transactions to be disclosed in the Note to Financial Statements of the Company.

3.5 The Board of Directors establishes the Code of Business Ethics concerning connected transactions to be performed by the Company and Subsidiaries. The connected transaction of the Company shall represent normal business operation and be conducted for the best benefit of the Company. The Audit Committee and the external auditors of the Company have to verify the appropriateness of price and rationale of such transactions. The Board of Directors shall perform operation in accordance with the Securities and Exchange Act, the other notifications or regulations of the Stock Exchange of Thailand, as well as the other relevant regulations regarding to information disclosure of connected transactions, and the acquisition and disposal of assets of the Company as prescribed by the accounting standard governed by the Federation of Accounting Professions

For the transactions according to the section 89/12 of the Securities and Exchange Act (No. 4) B.E. 2551 to be engaged by the Company or Subsidiaries with the Directors, Executives, or related persons, the Board of Directors authorizes the Management to be able to approve those transactions only when those connected transactions are conducted in the same conditions when the other reasonable person shall perform the similar transaction. The terms of trade to be agreed in such transactions must be absent of the interference from the related Directors, Executives or other related persons. This said measure shall be applicable every time when the Company may enter into the transaction with the size of over 1% of the Company's total income as of the end of previous accounting period. These transactions must be reported to the Board of Directors as deemed appropriate.

3.6 The Board of Directors has established the policy of the internal control system by focusing on the efficiency of the internal control system at both the management and the operational levels. The Company shall stipulate the scopes of duties and authority of the Executives in writing, supervise the assets utilization of the Company for best benefit, and review the budgeting system and feasibility study prior to making investment decision. Additionally, the Company separates the duties of the operator and the evaluator to encourage the principle of check and balance.

On February 23, 2015, the Board of Directors prepared the evaluation form for the sufficiency of the internal control system of the Company and Subsidiaries. The details of such evaluation covered 5 areas; namely, 1) Internal Control within the organization, 2) Risks Assessment, 3) Operational Control, 4) Information and Communication System, 5) Monitoring System. The summary of the evaluation result is shown in the section of "Internal Control and Risk Management".

3.7 The Board of Directors stipulates the risk management policy by focusing on the risks management, thus assigning the Finance and Risk Management Committee to formulate the scopes and policy of the risk management. The Finance and Risk Management Committee shall hold the meetings every 6 months with the Executive Committee to evaluate the potential risks both from internal and external factors of the whole organization. The Company shall prepare the report of risks assessment of each units of the Company to establish the prevention and risk-mitigation policy, including the framework to control the risks at the acceptable level. The Company determines the risks which may impact the Company's operation, including the risk to business operation, the risks on production process, and financial risks. The detail of risk factors of the Company is explained in the section of "Risks Factors".

4) Meeting of the Board of Directors

4.1 The meeting of the Board of Directors of the Company is normally scheduled in advance throughout the year.

4.2 The Board of Directors holds the meeting on quarterly basis to allow the Directors to have adequate preparation time to attend every meeting so as to encourage best benefit for the Company. However the special meetings for specific matter can be held as deemed appropriate.

4.3 The notice of the Board of Directors' meeting together with the details of meeting agenda and the other meeting documents shall be sent to all Directors at least 7 days prior to the meeting, so as to allow every Director to have adequate time to study the meeting agendas.

4.4 Each meeting of the Board of Directors will take around 2-3 hours.

5) Self-Assessment of the Board of Directors

The Board of Directors has performed the Self Assessment of the Board at least once a year in order to review the sufficiency and evaluate management performance. The result of such assessment will be used by the Management of the Company to improve or develop more efficient management. The self-assessment of the Board uses the self-assessment form of the Stock Exchange of Thailand as the guideline to determine the scope to evaluate the performance of the Board of Directors. In this regard, at every year-end, the Company shall hold the assessment of the performance of the Chairman of the Executive Committee conducted by the Nomination and Remuneration Committee, then later proposing to the Board of Directors for opinion. The self-assessment in 2014 was divided into 3 important parts; namely, 1) Corporate KPI, 2) Leadership Competency, and 3) Budget and Project Management. The result of the aforementioned assessment will be used to determine the remuneration of the Chairman of the Group Executive Committee prior to proposing to the Board of Directors for approval.

6) Remuneration

The Company appropriately determines the remuneration of the Directors and Executive Directors, and Executives to motivate and maintain quality Directors, Executive Directors, and Executives. The remuneration of the Company shall be comparable with the other companies of the same industry, and suitable with the contribution from each individual Director, and related to overall operating results of the Company. The Nomination and Remuneration Committee is responsible for formulating the procedure to consider the remuneration, the remuneration payment, and propose the result of determination to the Board of Directors for consideration so as to later propose to the Shareholders' Meeting for approval. The remuneration of the Senior Executives of higher than Department Manager level shall comply with the principles and policy as stipulated by the Nomination and Remuneration Committee in connection with the Company's operating results, as well as with their annual Key Performance Indicator (KPI) in order to determine their salary. The remuneration of the two Committees and the Executives of the Company in 2014 is shown in the section of "Management Structure".

7) Development of Directors and Executives

- 7.1 The Board of Directors has encouraged and supported trainings to the Management, such as Directors, Audit Committee members, Executives, Corporate Secretary, etc. to continuously improve their operation. The Company organizes the program of "Sustainable Business Management" to help the Executives to be able to perform strategic planning, analytical thinking, and problem solving, thus leading to sustainable success of the Company.
- 7.2 The Board of Directors has the orientation policy to prepare newly-appointed Directors to have a brief information of business, structure of the Group, the business operation of the Group, rules and regulations, policies, and business ethics and the Code of Business Conduct for the Directors as prescribed by the regulations of the Stock Exchange of Thailand the Securities (SET) and the Office of Securities Exchange Commission (SEC) to ensure their complete capability to perform duty as the Director of listed company. In addition, the Company also provides the presentations on the overview of jewelry industry, operating results, and present and future business project of the Company.
- 7.3 The Board of Directors has encouraged the Directors to receive knowledge for continuous development to increase their understanding of roles, duties and responsibilities, and to strengthen their management skill as the Director of listed company. The Directors and Executives of the Company has participated in the several training arranged by the related organizations; such as the training by the Institute of Directors (IOD) as follows;

Training Participation by the Board of Directors

Directors		Program arranged by IOD (Class)				Program arranged by the other Institution
		DCP	DAP	FN	CDC	
1. Mr. Prida	Tiasuwan	-	37/2548	-	-	
2. Mrs. Prapee	Sorakraikitikul	17/2545	-	-	-	
3. Mrs. Sunanta	Tiasuwan	22/2545	-	-	-	Top Executive Program, Capital Market Academy (Class 11)
4. Mrs. Pranee	Khunprasert	-	26/2547	-	-	
5. Mr. Pramote	Tiasuwan	46/2547	16/2547	12/2547	-	
6. Mrs. Panidda	Tiasuwan	-	25/2547	-	-	
7. Mrs. Pittaya	Tiasuwan	-	26/2547	-	-	
8. Mr. Verachai	Tantikul	37/2546	-	-	-	
9. Mrs. Rawitha	Pongnuchit	59/2548	-	-	-	1. Top Executive Program in Justice Management (Class 3) 2. Top Executive Program in Commerce and Trade (Class 1) 3. Top Executive Program, Capital Market Academy (Class 3) 4. Public Administration and Public Law Program, King Prajadhipok's Institute (Class 3) 5. National Defense Course of Joint State-Private Sector (Class 15), by Thailand National Defense College

Directors	Program arranged by IOD (Class)				Program arranged by the other Institution
	DCP	DAP	FN	CDC	
10. Mr. Chamnong Watanagaset	5/2544	-	-	1/2550	1. Top Executive Program, Capital Market Academy (Class 6) 2. Tactical Training in Hostage Rescues, US Marshal Service, Department of Justice, Baton Rouge, Louisiana, USA, 1990 (B.E. 2533) (1-month) 3. Marketing Coaching, Tack Training International, London, UK, 1991 (B.E. 2534) (5-week)

DCP = Director Certification Program / DAP = Director Accreditation Program / ACP = Audit Committee Program / FN = Finance for Non-Finance Program / CDC = Chartered Director Class.

7.4 The Board of Directors stipulates the Executives and the relevant staff to receive the training in the course for Corporate Secretary, course pertaining to Good Corporate Governance, course for Internal Audit, and the other related courses arranged by organizations and institutions to enhance their knowledge and understanding of duties and responsibility, as well as to be able to fully support the operation of the Board of Directors and the Sub-Committees.

7.5 The Board of Director has established the succession planning for the position of the Chairman of Executive Committee and Top-level Executives of the position higher than Department Managers level to ascertain the confidence of the stakeholders, whether the shareholders, customers, and employees, that the business operation of the Company shall be carried on with the sustainable growth policy in compliance with the Code of Business Ethics. The Board of Directors has organized the projects of knowledge development to improve management skills for the Executives to be suitable with their duties and the other assignment.

Internal Control and Risk Management

In the Board of Directors' meeting no. 1/2015 held on 23 February 2015, the Board of Director 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. Environmental and Corporate Control, Risk Assessment, Control Activities, Information System and Communication, and Monitoring System, the Board of Director 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. Environmental and Corporate 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 Conduct; 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 Core Values and Corporate Social Responsibility (CSR) 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 Assessment

The Company has stipulated clear objectives and corporate operating targets which can be evaluated. The Company 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 System 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 system 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 2014, the Company had organized 20 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 office of internal audit works independently to assess the operating performance. In 2014, there were 5 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.

Chief Internal Auditor

The audit committee has appointed Mr. Yutthasart Sangpongsanont to be the internal audit manager in the internal audit division starting from Oct 13, 2014 for his experience in the internal audit for more than 20 years. He also received the 'Certified Professional Internal Auditor (CPIA)' certificate from the Institute of Internal Auditors of Thailand. He also used to be a special instructor for the Master of Business Administration program, in particular 'the internal audit and control process' course, at the Southeast Asia University. Mr. Yutthasart Sangpongsanont, therefore, appears eligible to be accountable for the evaluation of efficiency and effectiveness as well as sufficiency of the internal controlsystem. His role also includes the inspection of the overall performance of the organization. He is entitled to be the Chief Internal Auditor.

Chief Compliance Officer

The company has entrusted Mr. Dusit Chongsutthanamanee to be the head of the Compliance department responsible for overseeing the company in accordance with the official standards. He is entitled to be the Chief Compliance Officer.

Report of Audit Committee

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 Mrs. Rawittha Pongnuchit and Mr. Chamnong Watanagase 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 2014, the Audit Committee had organized 5 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 2014 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 International Accounting Standards (IAS) and International Financial Reporting Standards (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.

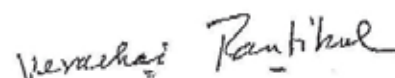
3. Risk management: During the previous year, the Audit Committee had placed an importance upon corporate risks by considering and reviewing risks which might have an impact on the Company's operation and target.

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 2014 to propose to the Board of Directors of the Company to further propose to the shareholders' Annual General Meeting 2013 to be held on 21 April 2014 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 Executive Director to enter connected transaction under the general trading condition. The Executive Director 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. Together with setting out the business ethics of connected transaction by the Board of Director should comply with rule and regulation of the Securities of Exchange Commission and the Securities. The audit committee should consider the new connected transaction in various aspects of the reasonable price, suitable transaction and the size of transaction in order to propose to the Board of Director s' approval.

For the accounting period ended December 31, 2014, 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.

Related persons/ Juristic persons	Transaction	Value	Necessity and Reasonability
A-List Corporate Ltd. and Supree Holding Co., Ltd. with Pranda Lodging Co. Ltd., a subsidiary which PRANDA Jewelry holds 83% of share	The subsidiary (Pranda Lodging Co. Ltd.) provided financial help of Baht 13,000,000 to related juristic persons of A-List Corporate Ltd. and Baht 3,000,000 to Supre Holding Co., Ltd. with the total of Baht 16,000,000 in the form of P/Ns	Interest rate of 7% which are paid on the monthly basis and will be repaid upon request.	The Board of Directors approve the subsidiary's entering connected transaction since the transaction is reasonable with higher interest rate than the bank's deposit which is beneficial to the subsidiary's efficient cash flow management
A-List Corporate Ltd. with Crystalline Co. Ltd., a subsidiary which PRANDA Jewelry holds 96% of share.	The subsidiary (Crystalline Co. Ltd.) provided financial help of Baht 7,000,000 to related juristic persons of A-List Corporate Ltd. in the form of P/N	Interest rate of 8% which principal and interest payment are paid within 30 day or upon request	The Board of Directors approve the subsidiary's entering connected transaction since the transaction is reasonable with higher interest rate than the bank's deposit which is beneficial to the subsidiary's efficient cash flow management

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

1) Overview of Business Operations and Significant Changes

Pranda Jewelry Public Company Limited and its subsidiaries (henceforth referred to as "The Company") operates as a manufacturer distributor and retailer primarily for jewelry business.

Currently, the Company is a leading exporter of Thai gems and jewelry, with a broad customer base that covers key regions of the world including North America, Europe and Asia; the Company has a balanced management structure comprises of the following:

- **Production Base**

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 range. PRANDA operates factories based in 3 countries including Thailand, Vietnam and Indonesia with production capacity approximately 10 million pieces of jewelry per year. The Company has also established the center of product design and development in order to serve the needs of customers.

- **Distribution Base**

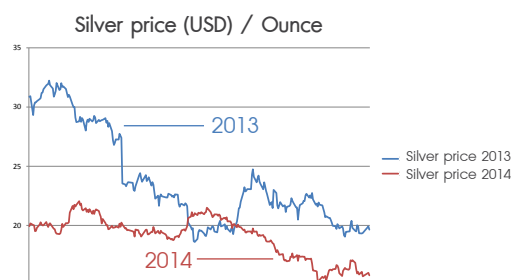
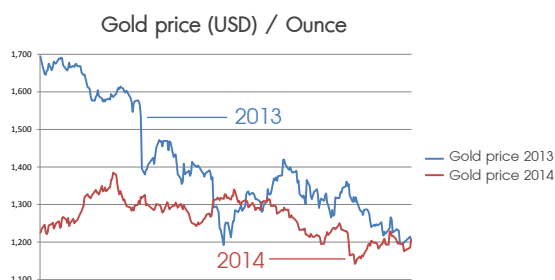
The Company has its own distribution companies and agents both in Thailand and overseas. To diversify market risk as well as expanding its market, the Company distributors are located in key regions worldwide including US, UK, Germany, France, Italy, Spain, Japan, and India. Currently, the Company has set up 5 subsidiaries of distribution base in 5 countries including US, UK, France, Germany and India.

- **Retail Base**

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

From the results of operations for the year 2014, the Company's results are reduced to the minimum in 14 years due to the crisis of NPLs (Subprime Mortgage Crisis) in the United States since 2008, resulting in a several global economic recession in the following years, and followed by Europe's debt crisis in the past year 2014. The United States' economy has shown signs of recovery which can be seen clearly by the abolition of its quantitative easing (QE) standards by the Central Bank of the United States and the rate of GDP growth GDP at 2.3%, including the unemployment rate which fell steadily from 9.6% to only 6.4%. Anyway, the Eurozone economy continues to recover very fragilely as seen from the economic growth rate of just 0.8%, and a high unemployment rate at 11.9% and the public debt to GDP rate which is as high as 90.9%, aggravated by the geopolitical conflicts between Russia and the EU which has led to trade sanctions.

The economic conditions of the EU and the aforementioned political problems have resulted in sharp fluctuations in the prices of gold and silver bullion, seen from the price changes of up to 21.3% and 40.4%, respectively. Also, the cancellation of quantitative easing has affected the price of gold and silver bullion falling to 10.3% and 19.6%, respectively, for which effects on the jewelry industry are inevitable, and including the Baht's appreciation against foreign currencies which has resulted in a loss of foreign exchange in 2014.



In aspects of marketing and competition the Company has divided its products into two main groups as follows:

Original Design Manufacturing (ODM), accounted for 75% of sales revenue in 2014; the Company continues to maintain its relationships with existing customers who have the potential for growth in both in markets, the United States and Europe. Slowly recovering economic conditions in the United States and those of Europe that continue to stagnate do impact the income of the Company. However, the Company has steadily developed its design and manufacturing capabilities in order to control production costs to be competitive. Also, the Company has focused on building relationships with new customers in order to diversify risk and maintain stability in the long-term growth of the Company.

Own Brand Manufacturing (OBM) accounted for 25% of sales revenue in 2014, while in 2013 the ratio was 22%, an increase of 2% due to the expansion of the network of original brand retail jewelry in order to increase the stability of the Company business in the long run. The markets in which the company operates its own retail stores are Thailand, Indonesia and Vietnam.

All in all, for the sustainability of the Company's business, the Company aims to manage its resources efficiently with a policy to create balance of sales in 50% **Original Design Manufacturing (ODM)** and 50% **Own Brand Manufacturing (OBM)**.

The gems and jewelry industry of Thailand depends mainly on exports determined from the value of USD 10,080 million or the equivalent to Baht 326,384 million, which is considered as Thailand's fourth largest export section. This could reflect the industry's ability to competitively and continuously compete in global market.

Considered only fine jewelry, Thailand is still one of the world's important jewelry manufacturing bases, based on 2014's exporter of the year whose annual export value was as high as Baht 124,774 million, which underlines the ability of fine jewelry industry to maintain a competitive advantage in the global market.

The industrial trend is expected to be more competitive both in terms of price and quality as there are a lot of players in this industry. Therefore, manufacturers need to enhance their productivity and find new markets to reduce the risk of relying on key customers as well as develop the retail market for their owned brand in order to diversify risk.

2) Operating Results and Profitability

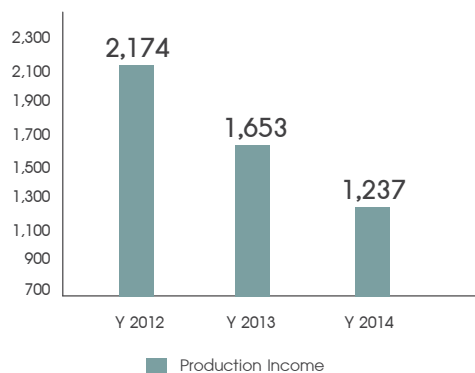
● Total Revenue

The Company had total revenue in 2014 and 2013 of to Baht 3,341 million and Baht 3,777 million respectively, a decrease of Baht 436 million, or 11.54% was due to the decrease in sales of Baht 354 million, detailed below:

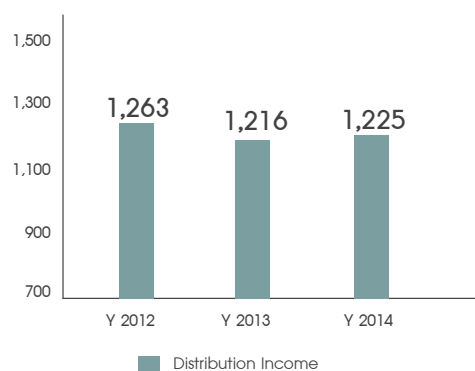
Consolidated	2012		2013		2014		Increase / (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Sales Revenue	4,177	98.72	3,649	96.61	3,295	98.62	(354)	(9.70)
- Production	2,174	51.38	1,653	43.76	1,237	37.02	(416)	(25.17)
- Distribution	1,263	29.85	1,216	32.19	1,225	36.67	9	0.74
- Retail	740	17.49	780	20.65	833	24.93	53	6.79
Other Revenue	54	1.28	128	3.39	46	1.38	(82)	(64.06)
Total Revenue	4,231	100.00	3,777	100.00	3,341	100.00	(436)	(11.54)

- **Sales Revenue**

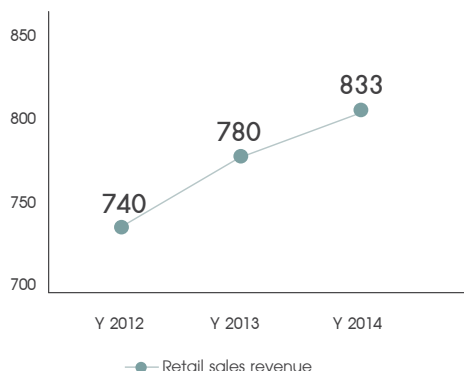
The Company sales revenue consists of a production revenue of Baht 1,237 million, representing 37.02%, a distribution revenue of Baht 1,225 million, representing 36.67% and a revenue from retail sales of Baht 833 million, representing 24.93% due to the increase (decrease) of such income as follows:



Income from production decreased from Baht 1,653 million to Baht 1,237 million, due to decreased orders for original design manufacturing (ODM).



Distribution income increased from Baht 1,216 million to Baht 1,225 million, with no significant change.



Revenue from retail sales rose from Baht 780 million to Baht 833 million, an increase of Baht 53 million due to the expanding the market in Thailand, Indonesia and Vietnam.

- **Other income**

The Company has other forms of income consisting of interest income from bank deposits, interest income from loans to subsidiaries and affiliates, amounting to Baht 8 million, and other income from the lease of assets belonging to domestic subsidiaries, as well as revenues from other services totaling Baht 37 million – a sum total of Baht 46 million; this is down from the previous year's figure of Baht 82 million, representing a decrease of 64.06% since profits of Baht 93 million were incurred from foreign exchange rates the previous year but for the year 2014 losses of Baht 74 million were incurred due to appreciation of the Baht against foreign currencies when compared to the prior year.

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

Cost of Sales	2014		2013		Increase / (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales revenue	3,295	100.00%	3,649	100.00%	(354)	(9.70%)
Cost of sales	2,294	69.62%	2,611	71.55%	(317)	(12.14%)
Total selling & administrative expenses	1,008	30.59%	1,013	27.76%	(5)	(0.49%)
- Selling expenses	455	13.81%	481	13.18%	(26)	(5.41%)
- Administrative expenses	553	16.78%	532	14.58%	21	3.95%

- **Cost of sales**

The Company had a cost of sales of Baht 2,294 million, a decrease amount to Baht 317 million from 2013, representing a decrease of 5.4%; the decrease was in line with the lower sales revenue and the raw material prices which fell significantly.

- **Selling and administrative expenses**

The Company had selling and administrative expenses of Baht 1,008 million, down Baht 5 million from the previous year or 0.49% when considered based on the cost of sales which is down by Baht 26 million and can be calculated at 5.41%. This is in accordance with the strict cost control implemented on marketing expenses, while administrative expenses increased Baht 21 million or 3.95% due to the expansion of the retail market in Thailand, Indonesia and Vietnam, which is consistent with the business strategy and direction of the company.

- **Profits**

Consolidated	2014		2013		Increase / (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales revenue	3,295	100.00%	3,649	100.00%	(354)	(9.70%)
Cost of sales	2,294	69.62%	2,611	71.55%	(317)	(12.14%)
Gross Profit	1,001	30.38%	1,038	28.45%	(37)	(3.5%)
Selling and administrative expenses	1,008	30.59%	1,013	27.76%	(5)	(0.49%)
Operating Profit (Loss)	(7)	(0.21%)	25	0.69%	(32)	(128.00%)
Gain (loss) on exchange rate	(74)	(2.25%)	93	2.55%	(167)	(179.57%)
Reversal impairment loss on investment properties	188	5.71	-	-	188	-
Income tax (expenses)	(2)	(0.06%)	30	0.82%	(32)	(106.67%)
Profit of Equity Holders of the Company	146	4.43%	165	4.52%	(19)	(11.52%)

- **Gross Profit**

The Company gross profit was Baht 1,001 million, a decrease of Baht 37 million or 3.5% decrease when compared to the previous year and is in line with the sales revenue which has also declined. However the Gross Profit Margin has shown an increase from 28.45% to 30.38% due to the production group's efficient administration of production costs.

- **Net Profit (Loss) from Operations**

The Company loss for the year 2014 amounted to Baht 7 million due to the decline in sales revenue.

- **Net Profit Attributable to the Shareholders of the Group**

The Company profit attributable to shareholders of the company amounts to Baht 146 million, down from the previous year at Baht 19 million, representing a decrease of 11.52%, or calculable as a net profit margin of 4.43%, due to the decline in revenue from sales. A foreign exchange loss of Baht 74 million was also incurred.

However, in November 2014, the Company sought out an independent appraiser to perform a fair appraisal of the value of various investment properties, consisting of undeveloped land for future projects. Using the standard market price ("Market Approach"), it was found that the estimated fair value of the undeveloped land is higher than the net bookkeeping value. The Company has therefore recorded a reversal of the impairment losses recognized in prior periods in the amount of Baht 188 million.

- **Return on Shareholders' Equity**

The return of equity (ROE) in the year 2014 is at 5.42%, down from last year's figure which stood at 6.09%, as profit attributable to the shareholders of the Company has been reduced by reasons aforementioned under the topic of Profit.

For the fiscal year 2014, the Board of Directors has resolved to approve the payment of dividends, which will be presented at the General Meeting of Shareholders for approval on Tuesday, April 21, 2015, at the rate of Baht 0.15/share, representing a dividend yield of about 2.23% per year (a yield per share of Baht 0.15 / an average yearly price of Baht 6.74 per share) and a dividend of 41.89% of the net profits in the consolidated financial statements for shareholders who have a right to receive the dividends on March 17, 2015, and whose names will be collected in accordance with Section 225 of the Securities and Exchange Act, closing the register on March 18, 2015 and scheduling the dividends to be paid on May 8, 2015.

3) Asset Management Abilities

- **Asset Components**

The comparison of annual financial statements in 2014 and 2013 is shown below.

Unit : Million Baht

Statement of Financial Position	31 Dec 2014	%	31 Dec 2013	%
Cash and cash equivalents	342	7.44%	288	6.35%
Current investments - deposits with financial institutions	9	0.19%	8	0.18%
Trade account receivables and other receivables	564	12.27%	757	16.69%
Short-term loans to related parties	23	0.50%	16	0.35%
Inventory, net	1,845	40.13%	1,981	43.69%
Other current assets	51	1.11%	83	1.83%
Total current assets	2,834	61.64%	3,133	69.10%
Total non-current assets	1,764	38.36%	1,401	30.90%
Total Assets	4,598	100.00%	4,534	100.00%

- **Asset Quality**

The Company had total assets of Baht 4,598 million, an increase over the previous year of Baht 64 million, or an increase of 1.41%, with non-current assets increasing by Baht 363 million, mainly from the increase in other receivables of Baht 111 million, which come from the promissory notes of foreign accounts receivable and investment properties following from the Group's action to seek out an independent appraiser to perform a fair appraisal of the value of various investment properties, consisting of undeveloped land for future projects. Using the standard market price ("Market Approach"), it was found that the estimated fair value of the undeveloped land is higher than the net bookkeeping value. The Group has therefore recorded a reversal of the impairment losses recognized in prior periods in the amount of Baht 188 million.

- **Impairment of Assets**

The adequacy of the provision or allowance for impairment of assets

- **Accounts Receivable and Allowance for Doubtful Accounts**

Unit : Million Baht

Aging of outstanding debts counting from the due date for payback	Accounts receivable - Affiliates		Increase / (Decrease)
	2014	2013	
Not yet due	-	1	(1)
Overdue			
No more than 3 months	3	3	-
3 - 6 months	2	3	(1)
6 - 12 months	4	2	2
More than 12 months	22	19	4
Total	31	28	3
Less the allowance for doubtful accounts	(2)	-	2
Total accounts receivable - net	29	28	1

The Company's net accounts receivable from related parties stands at Baht 29 million, an increase of Baht 1 million from the previous year, from an increase in those accounts of affiliates and associates which are more than 12 months overdue.

Unit : Million Baht

Aging of outstanding debts counting from the due date for payback	Accounts Receivable - Unaffiliated parties		Increase (Decrease)
	2014	2013	
Not yet due	202	234	(32)
Overdue			
No more than 3 months	206	259	(53)
3 - 6 months	31	49	(18)
6 - 12 months	35	26	9
More than 12 months	67	189	(122)
Total	540	761	(221)
Less the allowance for doubtful accounts	(45)	(86)	(41)
Total accounts receivable - net	495	703	(208)

The Company has net accounts receivable from trade receivables of unrelated parties totaling Baht 495 million, representing a decrease of 29.59%, mostly from a reduction of those accounts more than 12 months overdue by Baht 122 million. This is because in the year 2014, the Group entered into a repayment agreement with a foreign trade receivable amounting to USD 6.3 million via repayment in cash, promissory notes issued by a foreign company, raw materials and finished goods. During the current year, the Group has received a cash payment of USD 0.8 million and also received USD 0.2 million in raw materials. This has left a remaining balance USD 5.3 million in the aforesaid account receivable.

Later, in December 2014, the Company amended its debt agreements with the said account receivable of USD 5.3 million by accepting payment in cash of USD 0.75 million, which is scheduled to be paid under the terms of the contract, promissory notes issued by the said foreign debtor in the amount of USD 1.55 million and promissory notes issued by a foreign company in the amount of USD 3 million. The total amount of promissory notes is USD 4.55 million and is presented under other receivables in the Non-Current Assets (Other Receivables).

As of December 31, 2014, the Company's outstanding debt from the above-mentioned foreign trade receivable is listed under accounts receivable from non-associates in the amount of USD 0.75 million, or about Baht 25 million.

• Inventory

Unit : Million Baht

Inventory	2014	2013	Increase (Decrease)
Finished goods	1,318	1,342	(24)
Work-in-process	184	211	(27)
Raw materials	558	632	(74)
Plant materials	15	13	2
Goods in-transit	1	9	(8)
Total	2,076	2,207	(131)
Less the listings of cost reduction adjustment for net capital	(230)	(226)	4
Remaining inventory - net	1,845	1,981	(136)

As of December 31 the Company and its subsidiaries had inventories of Baht 2,076 million, which decreased from the 2013 year-end figure by Baht 131 million, a reduction in finished goods, work-in-progress and raw materials, because of the decline in orders from customers for use in production, as well as the raw material prices in the world market which declined during the year 2014. This results in a lower average cost per unit of inventory than that of year-end 2013.

For the reduction of cost price to a net realizable value to be received, management has already taken into consideration the allowance for diminution in value of inventories as sufficient and appropriate to the policy of the company.

4) Liquidity and Capital Adequacy of the Company

4.1 Sources and Uses of Funds

• Cash Flow Components

The Company net cash flow from its operations increased from Baht (190) million to Baht 59 million due to being able to increase collection of accounts receivable debts and other payables and increasing its inventory sales, as well as being able to achieve more tax reduction.

Cash flow from investing activities decreased from Baht (228) million to Baht (157) million due to decreased land acquisition and the purchase of buildings and plant equipment. See Section 4.2 for further details of capital expenditure.

Cash flow from financing activities decreased from Baht 134 million to Baht 120 million due to long-term loans and dividend reduction.

From operating, investing and financing activities, the Company had an increase of Baht 54 million net cash for the year 2014, and when combined with the Baht 288 million cash at beginning of period, forms a total of Baht 342 million in cash at the end of the period.

The Comparison of statement of cash flows for the year 2014 and 2013 is shown below.

Unit : Million Baht

Statement of Cash Flows	31 Dec 2014	31 Dec 2013
Cash flows from (used in) operating activities	59	(190)
Cash flows from (used in) investing activities	(157)	(228)
Cash flows from (used in) financing activities	120	134
Translation adjustment	32	(43)
Net cash flows	54	(327)
Cash at the beginning of the year	288	615
Cash at the end of the year	342	288

- **Liabilities**

The Company liabilities totaled Baht 1,877 million, Baht 12 million down from the previous year, and non-current liabilities decreased by Baht 75 million, mainly from the reduction of long-term loans by Baht 34 million and provision for long-term benefits of employees decreased by Baht 41 million, resulting in a debt-to-equity (D/E) ratio that was 0.69 times while the previous year's was 0.71 times; therefore it can be concluded that the Company continues to have a strong financial structure.

- **Shareholder's Equity**

The Company's equity ratio increased from Baht 2,645 million to Baht 2,721 million due to an increase in retained earnings.

4.2 Capital Expenditure

- **Past Capital Expenditures**

The Company invested a total of Baht 167 million which is divided into two types of investment, as follows:

- 1) Approximately Baht 150 million was invested in the production base, including a new building and improving the plant facilities of 1.1) Pranda Jewelry (PCL), 1.2) Crystalline Co., Ltd, 1.3) Pranda Vietnam Co., Ltd, as well as the replacement of machinery and equipment.
- 2) Approximately Baht 17 million was invested in distribution and retail sales, including 2.1) Prima Gold 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 customer service and thorough distribution coverage.

4.3 The Ability to Service Debt and to Comply with the Terms of the Loan

As of December 2014, the Company has failed to maintain certain financial ratios, more specifically the DSCR Ratio as specified in the agreement (no less than 1.25 times), because in 2014 the company's sales dropped and losses on foreign exchanges occurred. The Company sent a letter to the bank requesting a waiver of the DSCR Ratio conditions as covenanted in the loan agreements. In December 2014, the bank considered and approved the request and sent a letter in response to the Company; the matter is now completed.

5) Factors or Events that could Affect Financial Position or Operations in the Future

Foreign Exchange Rates

If Thai Baht against US Dollar, Euro and Pound Sterling continues strong (weak) it will effect a decrease (increase) on the Company's sales volume and a loss (gain) on exchange rates which will significantly affect net income.

Cost of Raw Material

Gold and silver bullion are raw materials which impact the cost of goods in significant proportion. If gold and silver prices show high (low) volatility or the prices are adjusted up (down) rapidly, it will result in a delay (increase) in purchase orders.

Closing the production of Pranda & Kroll GmbH & Co. KG

Subsidiary Pranda & Kroll GmbH & Co. KG, of which the Company carries 75% of the stake holding, has shifted its business from production and distribution of jewelry to become a distributor of jewelry, with effect from January 2015 onwards. However, as the production income of Pranda & Kroll GmbH & Co. KG in 2014 represented only 1.95% of the total revenue of the company, there was no significant impact on the operations and revenue of the Company.

Financial Ratios		For the 12-month period ending December 31			
		31 Dec 2014	31 Dec 2013	31 Dec 2012	31 Dec 2011
Liquidity ratio					
Current Ratio ¹	(times)	1.98	2.29	2.54	2.11
Quick Ratio ²	(times)	0.64	0.77	1.03	0.86
Cash Flow Ratio ³	(times)	(0.04)	(0.14)	0.38	0.28
Accounts Receivable Turnover Ratio ⁴	(times)	4.84	4.71	4.86	4.06
Average Collection Period ⁵	(days)	74	76	74	89
Inventory Turnover Ratio ⁶	(times)	1.89	2.29	2.63	2.79
Average Inventory Conversion Period ⁷	(days)	191	158	137	129
Accounts Payable Turnover Ratto ⁸	(times)	5.01	3.90	3.24	3.30
Payable Payment Period ⁹	(days)	72	92	111	109
Cash Cycle ¹⁰	(days)	193	142	100	109
Profitability ratio					
Gross Profit Margin ¹¹	(%)	30.39	28.44	33.93	33.46
Operating Margin ¹²	(%)	(0.22)	0.68	11.29	9.91
Other Margin ¹³	(%)	(821.23)	0.93	1.00	0.93
Cash to Profitability ¹⁴	(%)	105.65	(764.56)	114.09	100.03
Net Profit Margin ¹⁵	(%)	4.36	4.36	10.64	10.88
Return on Equity ¹⁶	(%)	5.42	6.09	16.97	18.09
Efficiency ratio		(3.27)	2.53	9.03	9.68
Return on Assets ¹⁷	(%)	3.19	3.62	10.15	10.94
Return on Fixed Assets ¹⁸	(%)	14.31	18.66	45.39	50.97
Asset Turnover ¹⁹	(times)	0.74	0.83	0.95	1.01

Financial Ratios	For the 12-month period ending December 31			
	31 Dec 2014	31 Dec 2013	31 Dec 2012	31 Dec 2011
Financial policy ratio	0.77	0.71	0.65	0.68
Liabilities to Shareholders' Equity Ratio ²⁰ (times)	0.69	0.71	0.65	0.70
Interest Coverage Ratio ²¹ (times)	1.96	-3.03	13.40	13.72
Debt Service Coverage Ratio (cash basis) ²² (times)	0.12	-0.35	1.28	0.98
Dividend Payout Ratio ²³ (%)	56.28	123.53	53.89	52.78

Notes:

- 1 Current ratio = Current Assets / Current Liabilities
- 2 Quick Ratio = (Cash and Bank Deposits + Marketable Securities + Accounts Receivables and Receivables) / Current Liabilities.
- 3 Cash Flow Ratio = Cash Flow from Operating Activities / Average Current Liabilities
- 4 Accounts Receivable Turnover Ratio = Net Sales / (Accounts Receivable before the Loss of Doubtful Accounts + Receivables) (Average)
- 5 Average Collection Period = 360 / Accounts Receivable Turnover Ratio
- 6 Inventory Turnover Ratio = Cost of Sales / Average Inventory
*Only the finished product is taken into account; work-in-progress, goods in-transit & raw materials are not included.
- 7 Average Inventory Conversion Period = 360 / Inventory Turnover
- 8 Accounts Payable Turnover Ratio = Cost of Buying or Selling / (Creditors + Notes Payable) (Average)
- 9 Payable Payment Period = 360 / Accounts Payable Turnover Ratio
- 10 Cash Cycle = Average Debt Collection Period + Average Sales Duration - Repayment Period
- 11 Gross Profit Margin = Gross Profit / Net Sales
- 12 Operating Margin = Profit from Operations / Net Sales
- 13 Other Margin = Non-Operating Profit / Total Revenue
- 14 Cash to Profitability = Cash Flow from Operations / Profit from Operations
- 15 Net Profit Margin = Net Income / Total Average Revenues
- 16 Return on Equity = Net Income / Average Shareholders' Equity
- 17 Return on Assets = Net Income / Total Average Assets
- 18 Return on Fixed Assets = (Net Income + Depreciation) / Average Net Fixed Assets
- 19 Asset Turnover = Total Income / Total Average Assets
- 20 Liabilities to Shareholders' Equity Ratio = Total Liabilities / Equity Shares
- 21 Interest Coverage Ratio = Cash Flow from Operations + Interest Expense from Operations + Tax / Interest Expenses from Operations and Investments
- 22 Debt Service Coverage Ratio (cash basis) = Cash Flow from Operations / (Repayment of Debt + Investment + Purchase of assets + Dividends)
- 23 Dividend Payout Ratio = Dividends / Profits

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, 2014 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 2014, 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 judgement, 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 2014, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



Chonlaros Suntiasvaraporn
Certified Public Accountant (Thailand) No. 4523

EY Office Limited
Bangkok: 23 February 2015

Financial Statements

Pranda Jewelry Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Assets					
Current assets					
Cash and cash equivalents	7	342,388,503	287,963,601	141,438,151	92,648,965
Current investments - deposits with financial institutions		8,819,818	8,207,623	-	-
Trade and other receivables	8	563,646,375	757,028,737	971,879,643	1,055,755,320
Short-term loans to related parties	6	23,000,000	16,000,000	-	6,689,700
Current portion of long-term loans to related parties	6	-	-	9,029,369	33,379,000
Inventories	9	1,845,452,200	1,981,157,662	762,624,688	863,306,981
Other current assets		50,782,671	82,881,828	18,754,086	26,427,141
Total current assets		2,834,089,567	3,133,239,451	1,903,725,937	2,078,207,107
Non-current assets					
Restricted bank deposits	10	8,781,001	4,015,613	-	-
Investment in convertible debentures issued by subsidiary	11	-	-	31,512,300	32,022,900
Investments in subsidiaries	12	-	-	834,264,320	953,195,404
Investments in associates	13	232,489	-	-	-
Other long-term investments	14	24,378,901	24,341,967	23,238,781	23,201,847
Advances for investment	6	-	-	5,308,824	5,643,142
Other receivables	15	111,047,431	-	111,047,431	-
Amounts due from related party	6	-	-	38,752,405	50,027,504
Long-term loans to related parties	6	-	-	208,478,588	170,900,480
Investment properties	16	689,261,812	504,103,750	676,992,176	489,603,099
Property, plant and equipment	17	760,146,962	705,798,133	618,316,934	549,962,664
Leasehold rights	18	25,621,675	28,106,075	-	-
Other intangible assets	19	31,780,854	35,664,532	19,623,490	19,916,442
Deferred tax assets	29	95,404,589	83,483,661	61,552,436	61,343,134
Other non-current assets		17,494,653	15,523,719	683,445	668,446
Total non-current assets		1,764,150,367	1,401,037,450	2,629,771,130	2,356,485,062
Total assets		4,598,239,934	4,534,276,901	4,533,497,067	4,434,692,169

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 2014

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	20	689,031,332	457,669,643	513,440,415	240,000,000
Trade and other payables	21	553,143,516	743,708,304	305,033,186	519,900,931
Short-term loan from related party	6	627,500	-	-	-
Short-term loans from unrelated parties	22	30,000,000	-	30,000,000	-
Current portion of long-term loans	23	88,701,403	113,222,761	80,200,000	105,310,000
Income tax payable		11,753,645	1,148,177	-	-
Other current liabilities		56,499,747	50,817,471	12,094,547	15,418,774
Total current liabilities		1,429,757,143	1,366,566,356	940,768,148	880,629,705
Non-current liabilities					
Long-term loans, net of current portion	23	293,967,046	328,448,076	274,750,000	300,423,100
Provision for long-term employee benefits	24	152,319,839	192,806,437	126,580,179	158,585,002
Other non-current liabilities		1,063,566	1,058,364	-	-
Total non-current liabilities		447,350,451	522,312,877	401,330,179	459,008,102
Total liabilities		1,877,107,594	1,888,879,233	1,342,098,327	1,339,637,807

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 2014

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Shareholders' equity					
Share capital					
Registered					
410,000,000 ordinary shares of Baht 1 each		410,000,000	410,000,000	410,000,000	410,000,000
Issued and fully paid up					
409,529,000 ordinary shares of Baht 1 each					
(2013: 409,144,800 ordinary shares					
of Baht 1 each)	26	409,529,000	409,144,800	409,529,000	409,144,800
Share premium	26	786,855,043	786,086,643	786,855,043	786,086,643
Retained earnings					
Appropriated - statutory reserve	27	41,000,000	41,000,000	41,000,000	41,000,000
Unappropriated		1,663,393,307	1,560,263,414	1,954,014,697	1,858,822,919
Other components of shareholders' equity		(47,503,582)	(75,943,724)	-	-
Equity attributable to owners of the Company		2,853,273,768	2,720,551,133	3,191,398,740	3,095,054,362
Non-controlling interests of the subsidiaries		(132,141,428)	(75,153,465)	-	-
Total shareholders' equity		2,721,132,340	2,645,397,668	3,191,398,740	3,095,054,362
Total liabilities and shareholders' equity		4,598,239,934	4,534,276,901	4,533,497,067	4,434,692,169

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 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Revenues					
Sales	30	3,295,125,903	3,648,839,165	2,322,698,937	2,703,282,571
Other income					
Interest income		8,492,537	5,576,640	22,712,387	30,416,686
Gain on exchange		-	92,746,647	-	106,105,222
Others		37,168,407	29,446,434	66,850,621	66,266,834
Total revenues		3,340,786,847	3,776,608,886	2,412,261,945	2,906,071,313
Expenses					
Cost of sales		2,293,665,993	2,611,158,515	1,858,431,283	2,209,566,273
Selling expenses		455,186,516	481,040,234	68,769,295	92,065,574
Administrative expenses		553,448,081	531,765,827	319,163,261	303,732,567
Other expenses					
Loss on exchange		73,789,260	-	48,165,771	-
Impairment loss on investments in subsidiaries	12	-	-	123,897,584	68,731,399
Reversal impairment loss on investment properties	16	(188,015,909)	-	(188,015,909)	-
Total expenses		3,188,073,941	3,623,964,576	2,230,411,285	2,674,095,813
Profit before share of profit (loss) from investments in associates, finance cost and income tax expenses		152,712,906	152,644,310	181,850,660	231,975,500
Share of profit (loss) from investments in associates	13.2	232,489	(13,310,919)	-	-
Profit before finance cost and income tax expenses		152,945,395	139,333,391	181,850,660	231,975,500
Finance cost		(63,556,265)	(54,785,278)	(43,060,875)	(41,000,588)
Profit before income tax expenses		89,389,130	84,548,113	138,789,785	190,974,912
Tax income (expenses)	29	(2,191,905)	30,378,810	7,828,900	28,757,544
Profit for the year		87,197,225	114,926,923	146,618,685	219,732,456
Profit attributable to:					
Equity holders of the Company		145,533,874	164,606,348	146,618,685	219,732,456
Non-controlling interests of the subsidiaries (loss)		(58,336,649)	(49,679,425)	-	-
		87,197,225	114,926,923		
Earnings per share					
Basic earnings per share	31				
Profit attributable to equity holders of the Company		0.3554	0.4040	0.3581	0.5393
Diluted earnings per share					
Profit attributable to equity holders of the Company		0.3554	0.4026	0.3580	0.5375

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 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Profit for the year		87,197,225	114,926,923	146,618,685	219,732,456
Other comprehensive income:					
Exchange differences on translation of financial statements in foreign currency		29,658,348	(37,048,489)	-	-
Actuarial gains	24	47,992,434	-	38,097,991	-
Less: Income tax effect	29	(8,228,708)	-	(7,619,598)	-
Other comprehensive income for the year		69,422,074	(37,048,489)	30,478,393	-
Total comprehensive income for the year		156,619,299	77,878,434	177,097,078	219,732,456
Total comprehensive income attributable to:					
Equity holders of the Company		213,475,335	135,333,005	177,097,078	219,732,456
Non-controlling interests of the subsidiaries (loss)		(56,856,036)	(57,454,571)	-	-
		156,619,299	77,878,434	177,097,078	219,732,456

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 2014

(Unit: Baht)

Consolidated financial statements										
Equity attributable to owners of the Company										
	Other components of shareholders' equity									
	Other comprehensive income									
	Issued and paid-up share capital	Share premium	Retained earnings	Unappropriated	Exchange differences on translation of financial statements in foreign currency	Deficit from change in shareholding of subsidiary	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
Balance as at 1 January 2013	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 26)	2,862,246	5,724,492	-	-	-	-	-	8,586,738	-	8,586,738
Dividend paid (Note 34)	-	-	-	(203,332,127)	-	-	-	(203,332,127)	-	(203,332,127)
Profit for the year	-	-	-	164,606,348	(29,273,343)	-	(29,273,343)	164,606,348	(49,679,425)	114,926,923
Other comprehensive income for the year	-	-	-	-	-	-	-	(29,273,343)	(7,775,146)	(37,048,489)
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	-	-	-	-	-	(58,427,507)	(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
Balance as at 1 January 2014	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
Ordinary shares issuance from exercised warrants (Note 26)	384,200	768,400	-	-	-	-	-	1,152,600	-	1,152,600
Dividend paid (Note 34)	-	-	-	(81,905,300)	-	-	-	(81,905,300)	-	(81,905,300)
Profit for the year	-	-	-	145,533,874	28,440,142	-	28,440,142	145,533,874	(58,336,649)	87,197,225
Other comprehensive income for the year	-	-	-	39,501,319	-	-	-	67,941,461	1,480,613	69,422,074
Total comprehensive income for the year	-	-	-	185,035,193	28,440,142	-	28,440,142	213,475,335	(56,856,036)	156,619,299
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	(131,927)	(131,927)
Balance as at 31 December 2014	409,529,000	786,855,043	41,000,000	1,663,393,307	10,923,925	(58,427,507)	(47,503,582)	2,853,273,768	(132,141,428)	2,721,132,340

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

Pranda Jewelry Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2014

	Separate financial statements				(Unit: Baht)	
	Issued and paid-up share capital	Share premium	Retained earnings			Total shareholders' equity
			Appropriated	Unappropriated		
Balance as at 1 January 2013						
Ordinary shares issuance from exercised warrants (Note 26)	406,282,554	780,362,151	41,000,000	1,842,422,590	3,070,067,295	
Dividend paid (Note 34)	2,862,246	5,724,492	-	-	8,586,738	
Profit for the year	-	-	-	(203,332,127)	(203,332,127)	
Other comprehensive income for the year	-	-	-	219,732,456	219,732,456	
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	
Balance as at 1 January 2014					-	
Ordinary shares issuance from exercised warrants (Note 26)	409,144,800	786,086,643	41,000,000	1,858,822,919	3,095,054,362	
Dividend paid (Note 34)	384,200	768,400	-	-	1,152,600	
Profit for the year	-	-	-	(81,905,300)	(81,905,300)	
Other comprehensive income for the year	-	-	-	146,618,685	146,618,685	
Total comprehensive income for the year	-	-	-	30,478,393	30,478,393	
Balance as at 31 December 2014	409,529,000	786,855,043	41,000,000	177,097,078	177,097,078	
				1,954,014,697	3,191,398,740	

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 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from operating activities				
Profit before tax	89,389,130	84,548,113	138,789,785	190,974,912
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	80,974,140	80,786,005	45,404,880	46,108,305
Amortisation of leasehold rights	2,484,400	2,484,400	-	-
Write-off machinery and equipment	4,656,296	5,259,069	702,110	861,508
Amortisation of discounted value of government bond	(36,934)	(36,934)	(36,934)	(36,934)
Doubtful accounts (reversal)	233,345	(7,247,138)	62,642,472	54,254,794
Write-off bad debts	1,765,230	22,777,256	1,765,230	22,777,256
Reduce cost to net realisable value of inventories (reversal)	4,028,406	16,373,888	(8,615,000)	6,100,000
Loss (gain) on sales of machinery and equipment	(5,244,594)	3,842,129	(194,686)	(194,819)
Share of loss (profit) from investments in associates	(232,489)	13,310,919	-	-
Long-term employee benefits expenses	12,009,734	18,862,669	10,299,517	14,591,480
Impairment loss on investments in subsidiaries	-	-	123,897,584	68,731,399
Reversal impairment loss on investment properties	(188,015,909)	-	(188,015,909)	-
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	193,760	11,484,060	51,297,593	(78,579,034)
Interest income	(8,492,537)	(6,679,797)	(22,712,387)	(30,416,686)
Interest expenses	58,028,745	51,267,155	41,218,896	38,766,838
Profit from operating activities before changes in operating assets and liabilities	51,740,723	297,006,574	256,443,151	333,984,076
Operating assets (increase) decrease				
Trade and other receivables	72,268,040	(63,028,722)	(110,953,911)	(221,432,556)
Inventories	131,677,056	(32,404,773)	109,297,293	46,374,484
Other current assets	22,841,194	1,630,940	11,476,334	(1,624,655)
Other non-current assets	(1,970,934)	(1,667,456)	(14,999)	564,540
Operating liabilities increase (decrease)				
Trade and other payables	(164,789,488)	(265,035,172)	(187,274,929)	(361,606,318)
Other current liabilities	10,883,994	(43,250,813)	1,851,854	(23,360,309)
Provision for long-term employee benefits	(4,503,898)	(6,981,196)	(4,206,349)	(6,078,619)
Other non-current liabilities	5,202	45,445	-	-
Cash flows from (used in) operating activities	118,151,889	(113,685,173)	76,618,444	(233,179,357)
Cash paid for interest expenses	(58,356,875)	(52,587,576)	(41,395,634)	(38,066,147)
Cash paid for corporate income tax	(7,796,421)	(23,903,852)	(2,196,202)	(11,702,951)
Cash refund from corporate income tax	6,925,388	-	-	-
Net cash flows from (used in) operating activities	58,923,981	(190,176,601)	33,026,608	(282,948,455)

Pranda Jewelry Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from investing activities				
Decrease (increase) in current investments -				
deposits at financial institutions	(612,195)	16,671,448	-	-
Increase in restricted bank deposits	(4,765,388)	(69,272)	-	-
Decrease (increase) in short-term loans to related parties	(7,000,000)	-	-	48,465,920
Decrease (increase) in long-term loans to related parties	-	-	(20,197,500)	10,871,573
Increase in investments in subsidiaries	-	-	(4,966,500)	(9,371,000)
Increase in investments in associates	-	-	-	(11,687,115)
Net cash received from acquisition of subsidiary	-	545,395	-	-
Acquisition of property, plant and equipment	(166,578,650)	(253,428,878)	(143,666,548)	(180,534,808)
Acquisition of other intangible assets	(1,550,931)	(7,119,330)	(1,476,400)	(5,508,796)
Proceeds from sales of machinery and equipment	6,050,125	10,304,154	303,737	194,874
Proceeds from sales of investments in associates	7,665,258	-	7,665,258	-
Cash receipt from interest income	9,545,368	5,402,354	7,802,993	21,355,879
Net cash flows used in investing activities	(157,246,413)	(227,694,129)	(154,534,960)	(126,213,473)

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 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from financing activities				
Increase in bank overdrafts and				
short-term loans from financial institutions	229,975,129	261,107,114	272,053,855	240,000,000
Increase in short-term loans from related parties	627,500	-	-	-
Increase in short-term loans from unrelated parties	29,779,483	-	29,779,483	-
Cash receipt for long-term loans	54,526,900	160,773,098	54,526,900	145,473,100
Repayment of long-term loans	(113,529,288)	(92,957,320)	(105,310,000)	(78,650,000)
Proceeds from ordinary shares issuance from				
exercised warrants	1,152,600	8,586,738	1,152,600	8,586,738
Dividend paid	(81,905,300)	(203,332,127)	(81,905,300)	(203,332,127)
Payment to non-controlling interests of the subsidiary	(131,927)	(302,497)	-	-
Net cash flows from financing activities	120,495,097	133,875,006	170,297,538	112,077,711
Increase (decrease) in translation adjustment	32,252,237	(42,780,336)	-	-
Net increase (decrease) in cash and cash equivalents	54,424,902	(326,776,060)	48,789,186	(297,084,217)
Cash and cash equivalents at beginning of year	287,963,601	614,739,661	92,648,965	389,733,182
Cash and cash equivalents at end of year	342,388,503	287,963,601	141,438,151	92,648,965

Supplemental cash flow information

Non-cash transactions

Increase in 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 2014

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>2014</u> Percent	<u>2013</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
Pranda & Kroll GmbH & Co. KG	Manufacture and distribution of jewelry	Germany	75	75
Pranda Jewelry Private Limited	Distribution of jewelry	India	51	51
Pranda Trading (Shenzhen) Limited	Distribution of jewelry	China	100	100
Guangzhou Pangda Zhubao Shoushi Youxian Gongsi	Ceased its operation in 2013	China	100	100

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2014</u> Percent	<u>2013</u> Percent
<u>Held by the subsidiaries</u>				
Pranda Acceptance Sdn. Bhd. (Held by Pranda Singapore Pte. Limited)	Ceased its operation in 2000	Malaysia	100	100
KSV Brand GmbH (Held by Pranda & Kroll GmbH & Co. KG)	Distribution of jewelry	Germany	75	75
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	55

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.

- 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 financial reporting standards

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

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

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards:

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets

Financial Reporting Standards:

TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

Accounting Standard Interpretations:

TSIC 15	Operating Leases-Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets - Web Site Costs

Financial Reporting Standard Interpretations:

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers

Accounting Treatment Guidance for Stock Dividend

These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. These financial reporting standards do not have any significant impact on the financial statements.

(b) Financial reporting standards that will become effective in the future

The Federation of Accounting Professions has issued a number of revised and new financial reporting standards that become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards. The management of the Company believes they will not have any significant impact on the financial statements in the year in which they are adopted. However, some of these financial reporting standards involve changes to key principles, as discussed below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company and its subsidiaries already recognised actuarial gains and losses immediately in other comprehensive income.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27 *Consolidated and Separate Financial Statements*. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.

The management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company's and its subsidiaries' financial statements.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact to the financial statements of the Company and its subsidiaries.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognised prospectively.

Based on the preliminary analysis, the management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company's and its subsidiaries' financial statements.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

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

Rental and service income

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

Interest income

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

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable

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

4.4 Inventories

Finished goods and work in process are valued at the lower of cost under the weighted average method and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads.

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

4.5 Investments

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

4.6 Investment properties

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

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

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

4.7 Property, plant and equipment/Depreciation

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

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

Land improvements		20	years
Buildings and building improvements		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.

4.8 Leasehold rights

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

4.9 Business combination

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

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

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. An impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.10 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.

4.11 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.

4.12 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.

4.13 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.

4.14 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.

4.15 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.

4.16 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.

4.17 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.

4.18 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.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follow:

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement 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 judgements 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 judgement to assess 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 judgement 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.

6. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and based agreed upon between the Company and those related parties.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	1,296	1,304	Normal business price close to those charged to other customers
Purchases of goods and raw materials	-	-	257	307	With reference to market price
Loan interest income	-	-	16	25	Per loan agreement
Interest income on overdue payment	-	-	1	2	Interest rate at 7.5 percent per annum
Guarantee fee income	-	-	3	3	1 percent per annum
Service income	-	-	36	36	Agreed between the parties
Management income	-	-	13	10	Agreed between the parties
Service expenses	-	-	2	2	Agreed between the parties
Commission payments	-	-	3	-	Agreed between the parties

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2014	2013	2014	2013	
<u>Transactions with associates</u>					
Sales of goods	-	3	-	3	Normal business price close to those charged to other customers
Purchases of goods and raw materials	242	418	242	377	With reference to market price
Service income	-	1	-	1	Agreed between the parties
<u>Transactions with related companies</u>					
Sales of goods	9	13	7	7	Normal business price close to those charged to other customers
Purchase of goods	59	39	1	1	With reference to market price
Loan interest income	1	1	-	-	Per loan agreement
Service expenses	7	6	3	4	Agreed between the parties
Service income	1	1	1	-	Agreed between the parties
<u>Transactions with management and directors</u>					
Commission payments	1	2	1	2	Agreed between the parties

As at 31 December 2014 and 2013, the balances of the accounts between the Company and those related parties are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<u>Trade accounts receivable - related parties (Note 8)</u>				
Subsidiaries	-	-	929	852
Related companies (related by common directors)	31	28	27	24
Total	31	28	956	876
Less: Allowance for doubtful accounts	(2)	-	(241)	(194)
Total trade accounts receivable - related parties, net	29	28	715	682
<u>Other receivables - related parties (Note 8)</u>				
Subsidiaries	-	-	231	238
Related companies (related by common directors)	2	2	1	1
Subsidiary and related company's directors	26	35	15	23
Total	28	37	247	262
Less: Allowance for doubtful accounts	-	-	(159)	(155)
Total other receivables - related parties, net	28	37	88	107

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Advances for investment				
Subsidiary	-	-	5	6
Amounts due from related party				
Subsidiary	-	-	51	50
Less: Allowance for doubtful accounts	-	-	(12)	-
Total amounts due from related party, net	-	-	39	50
Trade and other payables - related parties (Note 21)				
Subsidiaries	-	-	29	35
Related companies (related by common directors)	44	45	-	-
Total trade and other payables - related parties	44	45	29	35

During the year 2014, the Company has recorded allowance for doubtful accounts for its trade and other receivables - related parties in the income statement for the year 2014, a total of Baht 63 million (2013: Baht 61 million).

Loans to related parties

As at 31 December 2014 and 2013, 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	
	2014	2013	2014	2013
Short-term loans to related parties				
Subsidiaries	-	-	-	7
Related companies (related by common directors)	23	16	-	-
Total short-term loans to related parties	23	16	-	7
Long-term loans to related parties				
Subsidiaries	-	-	218	204
Long-term loans	-	-	(9)	(33)
Less: Current portion	-	-	209	171
Long-term loans, net of current portion				

During the year 2014, 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	Increase during the year	Decrease during the year	Balance as at 31 December 2014
A-List Corporate Co., Ltd.	The Director related to the Company's director	13	7	-	20
Supree Holding Co., Ltd.	Shareholders related to the Company's director	3	-	-	3

(Unit: Million Baht)

Loans to related parties	Related by	Separate financial statements				
		Balance as at 31 December 2013	Increase during the year	Decrease during the year	Unrealised gain (loss) on exchange rate	Balance as at 31 December 2014
Pranda & Kroll GmbH & Co. KG	Subsidiary	7	20	-	(3)	24
Pranda UK Ltd.	Subsidiary	204	-	-	(10)	194
Pranda Singapore Pte. Limited	Subsidiary	-	1	(1)	-	-

Short-term loans to related parties

Consolidated financial statements

A local subsidiary (Pranda Lodging Co., Ltd.) granted short-term loans of Baht 13 million (2013: Baht 13 million), to a related company, A-List Corporate Co., Ltd., and these loans are subject to interest at the rate of 7 percent per annum, secured by the director of this related company and repayable on demand. In addition, the subsidiary granted short-term loan of Baht 3 million (2013: Baht 3 million), 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.

A local subsidiary (Crystalline Co., Ltd.) granted short-term loan of Baht 7 million, to a related company, A-list Corporate Co., Ltd., and this loan is subject to interest at the rate of 8 percent per annum, unsecured and repayable on demand.

Separate financial statements

The short-term loan to a subsidiary, Pranda & Kroll GmbH & Co. KG, is subject to interest at a rate of 7.5 percent per annum. This loan is unsecured and principal and interest were to be paid within December 2014. However, in December 2014 the Company amended the loan agreement with this subsidiary, making it a long-term loan agreement with a term of 3 years.

During 2014, the Company granted a short-term loan to its subsidiary, Pranda Singapore Pte. Limited, of SGD 35,000 or approximately Baht 1 million. This loan was subjected to interest at the rate of 5 percent per annum, and unsecured. However, the loan was repaid within the current year.

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 (2013: 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 of GBP 3.8 million, granted to a subsidiary, Pranda UK Ltd., is unsecured and was repayable quarterly within 10 years, from March 2010 to December 2019. Subsequently, in December 2014, the Company amended the long-term loan agreement such that the loan is repayable within 6 years, by quarterly from March 2015 to December 2020. The loan is unsecured and interest is payable quarterly at a rate of 7.5 percent per annum.

The long-term loan of EUR 0.6 million, granted to a subsidiary, Pranda & Kroll GmbH & Co. KG, is unsecured and repayable quarterly within 3 years, from March 2015 to December 2017. Interest is payable quarterly at a rate of 7.5 percent per annum.

Loan from related party

As at 31 December 2014 and 2013, the balance of short-term loan from related party are as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Subsidiary's director	1	-	-	-

During the current year, Pranda Jewelry Private Limited, its subsidiary, had short-term loan amounting to Indian Rupee 1 million (or equivalent to Baht 1 million) from its director. This loan is unsecured and has no interest charge.

Directors and management's benefits

During the years ended 31 December 2014 and 2013, 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	
	2014	2013	2014	2012
Short-term employee benefits	88	76	43	38
Post-employment benefits	2	1	2	1
Other long-term benefits	2	3	-	1
Total	92	80	45	40

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 35.3.1 to the financial statements.

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash	3,739	4,143	604	404
Bank deposits	273,650	283,821	75,834	92,245
Fixed deposit receipt	65,000	-	65,000	-
Total	342,389	287,964	141,438	92,649

As at 31 December 2014, bank deposits and fixed deposit receipt carried interests between 0.05 to 2.50 percent per annum (2013: between 0.05 and 2.70 percent per annum).

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	-	830	174,966	208,835
Past due				
Up to 3 months	2,730	2,873	93,857	105,885
3 - 6 months	1,867	3,045	33,127	58,456
6 - 12 months	4,015	2,003	111,247	93,150
Over 12 months	22,651	19,444	542,794	410,127
Total	31,263	28,195	955,991	876,453
Less: Allowance for doubtful debts	(1,931)	-	(241,474)	(193,959)
Total trade accounts receivable - related parties, net (Note 6)	29,332	28,195	714,517	682,494
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	201,529	237,612	51,994	55,554
Past due				
Up to 3 months	205,712	258,610	78,601	99,212
3 - 6 months	30,623	49,389	7,114	23,511
6 - 12 months	34,706	26,430	4,306	4,658
Over 12 months	67,462	188,879	43,044	139,777
Total	540,032	760,920	185,059	322,712
Less: Allowance for doubtful debts	(45,111)	(86,213)	(18,087)	(56,797)
Total trade accounts receivable - unrelated parties, net	494,921	674,707	166,972	265,915
Total trade accounts receivable, net	524,253	702,902	881,489	948,409

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Other receivables				
Other receivables - related parties (Note 6)	27,922	36,785	247,252	261,129
Other receivables - unrelated parties	8,220	14,386	720	285
Accrued interest income	1,353	1,319	1,187	1,318
Accrued income	4,307	2,779	-	-
Total	41,802	55,269	249,159	262,732
Less: Allowance for doubtful debts (Note 6)	(2,409)	(1,142)	(158,768)	(155,386)
Total other receivables, net	39,393	54,127	90,391	107,346
Total trade and other receivables, net	563,646	757,029	971,880	1,055,755

During the current year, the Company entered into a settlement agreement with an overseas trade debtor to settle debts totaling USD 6.27 million by means of a cash payment, the issue of a promissory note by the overseas company, and receipts of raw materials and finished goods. During the year 2014, the Company received cash payment of USD 0.8 million and raw materials of USD 0.2 million. As a result, the outstanding debt of the debtor was USD 5.3 million.

In December 2014, the Company entered into an amendment to the settlement agreement with this debtor totaling USD 5.3 million. Under this amendment the debt will be settled through cash payments totaling USD 0.75 million, paid in accordance with the repayment schedule under the agreement, the issue of a promissory note for USD 1.55 million by the debtor, and the issue of a promissory note for USD 3 million by another overseas company. The total balance of promissory notes, amounting to USD 4.55 million, is presented in other receivables as non-current assets, as described in Note 15 to the financial statements.

As at 31 December 2014, the outstanding balance receivable from this overseas trade debtor, included in trade accounts receivable - unrelated parties, was USD 0.75 million or approximately Baht 25 million.

9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2014	2013	2014	2013	2014	2013
Finished goods	1,318,166	1,342,423	(120,076)	(111,952)	1,198,090	1,230,471
Work in process	183,724	211,030	-	-	183,724	211,030
Raw materials	558,392	631,860	(110,137)	(114,233)	448,255	517,627
Factory supplies	14,586	13,424	-	-	14,586	13,424
Goods in transit	797	8,606	-	-	797	8,606
Total	2,075,665	2,207,343	(230,213)	(226,185)	1,845,452	1,981,158

(Unit: Thousand Baht)

Separate financial statements

	Cost		Reduce cost to net realisable value		Inventories - net	
	2014	2013	2014	2013	2014	2013
Finished goods	251,492	269,948	(64,322)	(67,833)	187,170	202,115
Work in process	173,663	200,381	-	-	173,663	200,381
Raw materials	494,872	552,345	(103,123)	(108,227)	391,749	444,118
Factory supplies	9,315	8,320	-	-	9,315	8,320
Goods in transit	728	8,373	-	-	728	8,373
Total	930,070	1,039,367	(167,445)	(176,060)	762,625	863,307

During the current year, the Company and its subsidiaries reduced cost of inventories by Baht 4 million (2013: Baht 16 million (The Company only: Baht 6 million)), to reflect the net realisable value. This was included in cost of sales. In addition, the Company reversed the write-down of cost of inventories by Baht 9 million, and reduced the amount of inventories recognised as expenses during the year.

10. Restricted bank deposits

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

11. Investment in convertible debentures issued by subsidiary

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

Under the debentures agreement, the subsidiary will pay interest on a quarterly basis at rates of 7.5 to 15 percent per annum. Moreover, the subsidiary has the right, under the agreement, to buy back the converted equity shares from the Company on or after the conversion date. In any case, if the subsidiary is unable to buy back such shares from the Company, the Company will offer some of the converted equity shares to the minority shareholder of the subsidiary in order to maintain the holding structure of the Company and the minority shareholder of the subsidiary.

As at 31 December 2014, 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 (2013: Baht 32 million), with the interest rate of 7.5 percent per annum.

12. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Paid-up capital		Currency	Shareholding percentage		Cost	
	2014	2013		2014 (Percent)	2013 (Percent)	2014	2013
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	14.96	Million EUR	75	75	573,303	573,303
Pranda Jewelry Private Limited	1	1	Million Indian Rupee	51	51	436	436
Pranda Trading (Shenzhen) Limited	0.55	0.4	Million USD	100	100	17,437	12,470
Total						1,636,364	1,631,397
Less: Allowance for impairment of investments						(802,100)	(678,202)
Investments in subsidiaries, net						834,264	953,195

During 2014 and 2013, no dividend income was received from its investments in subsidiaries.

During the current year, the Company made the additional investment in Pranda Trading (Shenzhen) Limited, its subsidiary, of USD 0.15 million, or approximately Baht 5 million. As a result, the Company's total investment in this subsidiary company is USD 0.55 million, or approximately Baht 17 million, and its shareholding remains unchanged at 100 percent.

During the year 2014, the Company has recorded allowance for impairment loss on investments in subsidiaries in the separate income statement for the year 2014, a total of Baht 124 million (2013: Baht 69 million).

13. Investments in associates

13.1 Details of associates:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements			
			Shareholding Percentage		Investments value - equity method	
			2014 (Percent)	2013 (Percent)	2014	2013
KZ-Pranda Co., Ltd.	Import and distribution of raw materials precious metals	Thailand				
- Cost			40	40	3,600	3,600
- Accumulated Share loss					(3,368)	(3,600)
Total carrying amounts based on equity method					232	-

(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	
			2014	2013	2014	2013	2014	2013	2014	2013
			(Percent)	(Percent)						
KZ-Pranda Co., Ltd.	Import and distribution of raw materials - precious metals	Thailand	40	40	<u>3,600</u>	<u>3,600</u>	<u>(3,600)</u>	<u>(3,600)</u>	<u>-</u>	<u>-</u>

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.

13.2 Share of profit (loss)

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

(Unit: Thousand Baht)

Company's name	Consolidated financial statements	
	Share of profit (loss) from investments in associates	
	2014	2013
P.T. Sumberkreasi Ciptalogam	-	(9,795)
KZ-Pranda Co., Ltd.	232	(3,516)
Total	232	(13,311)

During 2014 and 2013, the Company and its subsidiaries received no dividend income from their investments in associates.

13.3 Financial information of associate

Financial information of the associate is summarised below.

(Unit: Million Baht)

Company's name	Paid-up capital as at 31 December		Currency	Total assets as at 31 December		Total liabilities as at 31 December		Total revenues for the years ended 31 December		Profit (loss) for the years ended 31 December	
	2014	2013		2014	2013	2014	2013	2014	2013	2014	2013
KZ-Pranda Co., Ltd.	9	9	Million Baht	98	139	98	146	1,784	1,975	8	(16)

13.4 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	
	2014	2013	2014	2013
KZ-Pranda Co., Ltd.	-	3	-	3

14. Other long-term investments

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Investments in government bonds	9,889	9,852	9,889	9,852
Investment in other company - P.T. Sumberkreasi Ciptalogam, which the Company's shareholding is 19 percent (as described in Note 13.1)	14,490	14,490	13,350	13,350
Total other long-term investments	24,379	24,342	23,239	23,202

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

15. Other receivables

During the current year, the Company received the settlement from an overseas trade debtor in the form of promissory notes totaling USD 4.55 million, or approximately Baht 149 million that were issued by two overseas companies, in accordance with the settlement agreement as described in Note 8 to the financial statements. These promissory notes are repayable in five years (maturity in April 2019), with no interest. The outstanding balances as at 31 December 2014 are presented below.

	(Unit: Million Baht)
	Consolidated / Separate financial statements
Promissory notes	149
Less: Allowance for devaluation	(38)
Net	111

16. Investment properties

The net book value of investment properties as at 31 December 2014 and 2013 is presented below.

	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 2014:</u>						
Cost	667,381	66,852	734,233	667,381	20,245	687,626
<u>Less: Accumulated depreciation</u>	-	(44,971)	(44,971)	-	(10,634)	(10,634)
Net book value	667,381	21,881	689,262	667,381	9,611	676,992
<u>31 December 2013:</u>						
Cost	667,381	66,852	734,233	667,381	20,245	687,626
<u>Less: Accumulated depreciation</u>	-	(42,113)	(42,113)	-	(10,007)	(10,007)
<u>Less: Allowance for loss on impairment</u>	(188,016)	-	(188,016)	(188,016)	-	(188,016)
Net book value	479,365	24,739	504,104	479,365	10,238	489,603

A reconciliation of the net book value of investment properties for the years 2014 and 2013 is presented below.

	Consolidated financial statements		Separate financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Net book value at beginning of year	504,104	506,962	489,603	490,230
Depreciation	(2,858)	(2,858)	(627)	(627)
Reversal allowance for loss on impairment	188,016	-	188,016	-
Net book value at end of year	689,262	504,104	676,992	489,603

In November 2014, the Company arranged for an independent professional valuer to appraise the value of investment properties which are land held for development for future projects. The basis of the revaluation was "Market approach". The results showed the fair value of land held for development which is higher than its net book value. The Company recorded the reversal previously recognised allowance for loss on impairment totaled Baht 188 million in the consolidated and separate income statement for the year 2014.

The fair value of the investment properties stated below:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Land held for development	823,500	524,120	823,500	524,120
Land and building for rent	62,790	63,390	142,730	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 using the market approach.

The Company and its subsidiaries have mortgaged their investment properties with a total net book value as at 31 December 2014, amounting to approximately Baht 673 million (2013: Baht 486 million) (The Company only: Baht 676 million, 2013: Baht 489 million) as collateral against credit facilities received from commercial banks.

17. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements									
	Land	Land improvements	Buildings and building improvements	Leasehold improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total
Cost:									
1 January 2013	98,492	10,185	427,766	36,233	225,401	444,591	30,899	100,420	1,373,987
Additions	-	-	99	2,442	10,590	20,516	4,499	253,896	292,042
Disposals	(3,014)	-	(11,981)	-	(3,096)	(36,478)	(2,751)	(245)	(57,565)
Acquisition of subsidiaries during the year	-	-	-	-	-	1,514	389	-	1,903
Capitalised interest	-	-	-	-	-	-	-	5,564	5,564
Transfers	-	1,115	18,121	-	3,529	15,115	261	(38,141)	-
Translation adjustment	201	-	3,751	1,948	1,877	4,156	507	-	12,440
31 December 2013	95,679	11,300	437,756	40,623	238,301	449,414	33,804	321,494	1,628,371
Additions	-	87	-	310	8,246	28,876	795	91,308	129,622
Disposals	-	-	(2,897)	(5,154)	(12,167)	(18,715)	(2,612)	-	(41,545)
Capitalised interest	-	-	-	-	-	-	-	5,465	5,465
Transfers	-	4,102	55,118	-	194	63,126	-	(122,540)	-
Translation adjustment	-	-	160	(1,195)	(1,089)	(2,236)	(607)	(825)	(5,792)
31 December 2014	95,679	15,489	490,137	34,584	233,485	520,465	31,380	294,902	1,716,121
Accumulated depreciation:									
1 January 2013	-	6,738	292,478	25,764	166,711	353,281	21,484	-	866,456
Depreciation for the year	-	428	13,268	4,210	20,195	29,761	3,860	-	71,722
Depreciation on disposals	-	-	(1,641)	-	(2,615)	(32,285)	(1,619)	-	(38,160)
Acquisition of subsidiaries during the year	-	-	-	-	-	838	389	-	1,227
Translation adjustment	-	-	2,204	1,294	1,456	3,255	1,286	-	9,495
31 December 2013	-	7,166	306,309	31,268	185,747	354,850	25,400	-	910,740
Depreciation for the year	-	456	14,583	1,369	18,940	34,363	3,413	-	73,124
Depreciation on disposals	-	-	(2,111)	(5,121)	(9,566)	(17,690)	(1,597)	-	(36,085)
Translation adjustment	-	-	82	(729)	(488)	(2,214)	(289)	-	(3,638)
31 December 2014	-	7,622	318,863	26,787	194,633	369,309	26,927	-	944,141

17. Property, plant and equipment (continued)

(Unit: Thousand Baht)

	Consolidated financial statements								
	Land	Land improvements	Buildings and building improvements	Leasehold improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total
Allowance for impairment loss:									
31 December 2013	-	-	-	-	-	11,833	-	-	11,833
31 December 2014	-	-	-	-	-	11,833	-	-	11,833
Net book value:									
31 December 2013	95,679	4,134	131,447	9,355	52,554	82,731	8,404	321,494	705,798
31 December 2014	95,679	7,867	171,274	7,797	38,852	139,323	4,453	294,902	760,147
Depreciation for the year									
2013 (Baht 39 million included in manufacturing cost, and the balance in selling and administrative expenses)									71,722
2014 (Baht 36 million included in manufacturing cost, and the balance in selling and administrative expenses)									73,124

17. Property, plant and equipment (continued)

(Unit: Thousand Baht)

	Separate financial statements							
	Land	Land improvements	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total
Cost:								
1 January 2013	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
Additions	-	87	-	8,171	7,655	-	90,797	106,710
Disposals	-	-	(777)	(6,640)	(10,837)	(2)	-	(18,256)
Transfers	-	4,103	20,683	193	62,617	-	(87,596)	-
Capitalised interest	-	-	-	-	-	-	5,465	5,465
31 December 2014	88,570	15,490	370,015	213,612	320,439	19,813	288,037	1,315,976
Accumulated depreciation:								
1 January 2013	-	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
Depreciation for the year	-	456	9,995	17,779	12,731	2,048	-	43,009
Depreciation on disposals	-	-	(207)	(6,530)	(10,705)	(2)	-	(17,444)
31 December 2014	-	7,622	266,072	176,952	217,879	17,301	-	685,826

17. Property, plant and equipment (continued)

(Unit: Thousand Baht)

	Separate financial statements					Assets under installation and under construction	Total
	Land	Land improvements	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	
Allowance for impairment loss:							
31 December 2013	-	-	-	-	11,833	-	11,833
31 December 2014	-	-	-	-	11,833	-	11,833
Net book value:							
31 December 2013	88,570	4,134	93,825	46,185	33,318	4,560	549,963
31 December 2014	88,570	7,867	103,943	36,660	90,727	2,512	618,317
Depreciation for the year							
2013 (Baht 32 million included in manufacturing cost, and the balance in selling and administrative expenses)							42,617
2014 (Baht 32 million included in manufacturing cost, and the balance in selling and administrative expenses)							43,009

As at 31 December 2014, 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 684 million (2013: Baht 665 million) (The Company only: Baht 520 million, 2013: Baht 500 million).

The Company and its subsidiaries have mortgaged/pledged their property, plant and equipment with a total net book value as at 31 December 2014 amounting to approximately Baht 406 million (2013: Baht 400 million) as collateral against credit facilities received from commercial banks (The Company only: Baht 332 million, 2013: Baht 323 million).

18. Leasehold rights

A local subsidiary company has mortgaged leasehold rights with a total net book value as at 31 December 2014 of approximately Baht 14 million (2013: Baht 15 million) as collateral for credit facilities received from commercial banks.

19. Intangible assets

The net book value of intangible assets as at 31 December 2014 and 2013 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 2013	54,715	3,302	58,017	24,613	3,302	27,915
Additions	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
Addition	1,501	50	1,551	1,426	50	1,476
Translation adjustment	(1,734)	-	(1,734)	-	-	-
As at 31 December 2014	63,733	3,402	67,135	31,497	3,402	34,899
Accumulated amortisation:						
As at 1 January 2013	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
Amortisation during the year	4,994	-	4,994	1,769	-	1,769
Translation adjustment	(1,293)	-	(1,293)	-	-	-
As at 31 December 2014	35,354	-	35,354	15,276	-	15,276
Net book value:						
31 December 2013	32,313	3,352	35,665	16,564	3,352	19,916
31 December 2014	28,379	3,402	31,781	16,221	3,402	19,623

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

(Unit: Thousand Baht)

	Interest rate (percent per annum)	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Bank overdrafts	4.65, 7.70	14,211	12,305	-	-
Short-term loans from financial institutions	2.0 - 4.40, 12.75	674,820	445,365	513,440	240,000
Total		689,031	457,670	513,440	240,000

Bank overdrafts and some part of 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.

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

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.

Short-term loan from financial institutions of an overseas subsidiary is guaranteed by the assets of the subsidiary's director.

21. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade and other payables - related parties (Note 6)	43,509	45,007	28,879	34,978
Trade payables - unrelated parties	397,205	518,921	229,225	388,394
Other payables - unrelated parties	38,457	81,348	19,305	52,329
Accrued expenses	73,973	98,432	27,624	44,200
Total trade and other payables	553,144	743,708	305,033	519,901

22. Short-term loans from unrelated parties

As at 31 December 2014, short-term loans from unrelated parties of the Company comprise short-term loans from individuals totaling Baht 30 million in the form of bills of exchange. The loans are carrying the interest rate at 4 percent per annum, uncured and repayable within March 2015.

23. Long-term loans

(Unit: Thousand Baht)

Loan	Interest rate (percent per annum)	Repayment schedule	Consolidated financial statements		Separate financial statements	
			2014	2013	2014	2013
1	MLR - 0.5	Quarterly installment as from June 2007 to December 2014	-	25,110	-	25,110
2	MLR - 1	Quarterly installment as from November 2012 to February 2019	199,200	244,000	199,200	244,000
3	MLR - 1	Quarterly installment as from October 2013 to October 2017	155,750	136,623	155,750	136,623
4	MLR	Monthly installment as from January 2007 to December 2017	2,723	3,633	-	-
5	MLR + 0.5	Monthly installment as from July 2009 to December 2015	1,818	3,341	-	-
6	MLR	Monthly installment as from October 2009 to June 2016	8,630	13,772	-	-
7	13.50	Monthly installment as from September 2013 to August 2028 (Indian Rupee loan)	14,547	15,192	-	-
Total			382,668	441,671	354,950	405,733
Less: Current portion of long-term loans			(88,701)	(113,223)	(80,200)	(105,310)
Long-term loans, net of current portion			293,967	328,448	274,750	300,423

The long-term loans of the Company are secured by the mortgage of land with structures, 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 overseas subsidiary company, Pranda Jewelry Private Limited, was granted by an Indian financial institution. Such loan is secured by the mortgage of a building of this subsidiary.

24. 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	
	2014	2013	2014	2013	2014	2013
Defined benefit obligation at beginning of year	184,215	171,350	8,591	8,647	192,806	179,997
Current service cost	7,284	11,417	903	945	8,187	12,362
Interest cost	5,030	6,164	224	336	5,254	6,500
Increase from business combination	-	928	-	-	-	928
Benefits paid during the year	(3,623)	(5,644)	(881)	(1,337)	(4,504)	(6,981)
Actuarial gains	(47,992)	-	(1,431)	-	(49,423)	-
Provision for long-term employee benefits at end of year	144,914	184,215	7,406	8,591	152,320	192,806

(Unit: Thousand Baht)

	Separate financial statements					
	Post-employment benefits from employee's retirement		Other long-term employee benefits plan		Total	
	2014	2013	2014	2013	2014	2013
Defined benefit obligation at beginning of year	150,851	142,302	7,734	7,770	158,585	150,072
Current service cost	6,755	8,262	653	798	7,408	9,060
Interest cost	4,343	5,233	190	299	4,533	5,532
Benefits paid during the year	(3,418)	(4,946)	(789)	(1,133)	(4,207)	(6,079)
Actuarial gains	(38,098)	-	(1,641)	-	(39,739)	-
Provision for long-term employee benefits at end of year	120,433	150,851	6,147	7,734	126,580	158,585

Long-term employee benefit expenses included in the statements of income consist of the following:

(Unit: Thousand Baht)

Consolidated financial statements						
	Post-employment benefits from employee's retirement		Other long-term employee benefits plan		Total	
	2014	2013	2014	2013	2014	2013
Current service cost	7,284	11,417	903	945	8,187	12,362
Interest cost	5,030	6,164	224	336	5,254	6,500
Actuarial gain recognised during the year	-	-	(1,431)	-	(1,431)	-
Total expenses recognised in statements of income	12,314	17,581	(304)	1,281	12,010	18,862
Line items under which such expenses are included in statements of income						
Cost of sales	7,662	8,522	777	840	8,439	9,362
Selling and administrative expenses	4,652	9,059	(1,081)	441	3,571	9,500
	12,314	17,581	(304)	1,281	12,010	18,862

(Unit: Thousand Baht)

Separate financial statements						
	Post-employment benefits from employee's retirement		Other long-term employee benefits plan		Total	
	2014	2013	2014	2013	2014	2013
Current service cost	6,755	8,262	653	798	7,408	9,060
Interest cost	4,343	5,233	190	299	4,533	5,532
Actuarial gain recognised during the year	-	-	(1,641)	-	(1,641)	-
Total expenses recognised in statements of income	11,098	13,495	(798)	1,097	10,300	14,592
Line items under which such expenses are included in statements of income						
Cost of sales	6,696	7,491	708	816	7,404	8,307
Selling and administrative expenses	4,402	6,004	(1,506)	281	2,896	6,285
	11,098	13,495	(798)	1,097	10,300	14,592

As at 31 December 2014, cumulative actuarial gain (net of actuarial losses), which were recognised in other comprehensive income of the Company and its subsidiaries, amounted to Baht 48 million (The Company only: Baht 38 million).

Key actuarial assumptions used for the valuation are as follows:

	Consolidated financial statements		Separate financial statements	
	2014 (Percent per annum)	2013 (Percent per annum)	2014 (Percent per annum)	2013 (Percent per annum)
Discount rate	1.0 - 8.0	1.0 - 6.5	4.0	3.9
Future salary increase rate	2.0 - 10.0	2.0 - 7.0	5.0	3.0 - 7.0
Staff turnover rate (depending on age)	0 - 22.92	1.0 - 55.0	0 - 22.92	1.0 - 55.0

Amounts of defined benefit obligation and experience adjustments for the current and previous four years are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	Post-employment benefits from employee's retirement		Other long-term employee benefits plan		Total	
	Defined benefit obligations	Experience adjustments on the obligations	Defined benefit obligations	Experience adjustments on the obligations	Defined benefit obligations	Experience adjustments on the obligations
Year 2014	144,914	(11,323)	7,406	340	152,320	(10,983)
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	-	152,592	-

(Unit: Thousand Baht)

	Separate financial statements					
	Post-employment benefits from employee's retirement		Other long-term employee benefits plan		Total	
	Defined benefit obligations	Experience adjustments on the obligations	Defined benefit obligations	Experience adjustments on the obligations	Defined benefit obligations	Experience adjustments on the obligations
Year 2014	120,433	(7,242)	6,147	(133)	126,580	(7,375)
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	-

25. 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. The warrants were due for the last exercise date on 27 February 2014.

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

	(Units)
Outstanding units as at 1 January 2013	3,246,446
Number of exercised warrants during the year 2013	(2,862,246)
Outstanding units as at 31 December 2013	384,200
Number of exercised warrants during the year 2014	(384,200)
Outstanding units as at 31 December 2014	-

26. Share capital / share premium

Presented below is a summary of movements in share capital during the years ended 31 December 2014 and 2013.

	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	
	2014	2013	2014	2013	2014	2013	2014	2013
	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)				
Balance outstanding at the beginning year	409,145	406,283	786,087	780,362				
Increase in share capital from exercised warrants in February	384	384	768	769	7 March 2014	8 March 2013	10 March 2015	12 March 2013
Increase in share capital from exercised warrants in August	-	2,478	-	4,956	-	10 September 2013	-	11 September 2013
Total	384	2,862	768	5,725				
Balance outstanding at the ending year	409,529	409,145	786,855	786,087				

27. 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.

28. Expenses by nature

Significant expenses classified by nature are as follows:

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Salaries and wages and other employee benefits	984,144	985,199	601,615	598,333
Depreciation and amortisation	83,459	83,270	45,405	46,108
Raw materials and consumables used and purchase				
of finished goods	1,474,398	1,864,620	1,276,197	1,559,582
Changes in inventories of finished goods and work in process	51,563	(81,952)	45,174	71,080
Decrease of inventory to net realisable value (reversal)	4,028	16,374	(8,615)	6,100
Doubtful accounts (reversal)	223	(7,247)	62,642	54,255
Commission and sales promotion expenses	73,567	110,171	4,845	31,292
Rental expenses from operating lease agreements	66,240	63,722	379	421

29. Income tax

Tax expenses (income) for the years ended 31 December 2014 and 2013 are made up as follows:

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current income tax:				
Current income tax charge for the year	22,342	(3,786)	-	-
Adjustment in respect of income tax of previous year	-	1,136	-	1,136
Deferred tax:				
Relating to origination and reversal of temporary differences	(20,150)	(27,729)	(7,829)	(29,894)
Tax expense (income) reported in the statements of income	<u>2,192</u>	<u>(30,379)</u>	<u>(7,829)</u>	<u>(28,758)</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2014 and 2013 are as follows:

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Deferred tax relating to actuarial gains	8,229	-	7,620	-

The reconciliation between accounting profit and income tax expenses is shown below:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Accounting profit before tax	89,389	84,548	138,790	190,975
Applicable tax rate	15% - 40%	15% - 40%	20%	20%
Accounting profit before tax multiplied by income tax rate	19,402	7,713	27,758	38,195
Adjustment in respect of current income tax of previous year	-	1,136	-	1,136
Previously unrecognised deferred tax assets on impairment loss of investments in subsidiaries	-	(11,252)	-	(11,252)
Reversals previously unrecognised deferred tax assets on impairment loss of assets	(37,603)	-	(37,603)	-
Deferred tax assets which were not recognised during the year	51,633	46,827	36,920	12,133
Effect of elimination entries on the consolidated financial statements	(4,416)	(10,549)	-	-
Effects of:				
Promotional privileges (Note 30)	(33,250)	(70,015)	(35,679)	(71,805)
Non-deductible expenses	6,735	6,507	1,014	6,085
Additional expense deductions allowed	(1,048)	(3,275)	(978)	(3,250)
Others	739	2,529	739	-
Total	(26,824)	(64,254)	(34,904)	(68,970)
Tax expenses (income) reported in the statements of income	2,192	(30,379)	(7,829)	(28,758)

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

(Unit: Thousand Baht)

	Consolidated financial statements	
	As at 31 December 2014	As at 31 December 2013
Deferred tax assets		
Allowance for doubtful accounts	2,504	2,364
Reduce cost of inventories to net realisable value	12,665	10,026
Provision for long-term employee benefits	27,310	34,033
Difference between tax and accounting of revenue recognition	1,104	997
Unused tax loss	13,906	5,113
Unrealised profit from inter-sales transactions	9,931	5,734
Allowance for impairment of investments in subsidiaries	22,505	22,505
Others	7,253	2,773
Total	97,178	83,545
Deferred tax liabilities		
Difference of depreciation for accounting and tax purpose	1,773	61
Total	1,773	61
Total deferred tax assets, net	95,405	83,484

(Unit: Thousand Baht)

	Separate financial statements	
	As at 31 December 2014	As at 31 December 2013
Deferred tax assets		
Allowance for doubtful accounts	1,053	1,392
Reduce cost of inventories to net realisable value	-	1,026
Provision for long-term employee benefits	25,316	31,717
Unused tax loss	12,678	4,221
Allowance for impairment of investments in subsidiaries	22,505	22,505
Others	-	482
Total	61,552	61,343

As at 31 December 2014, the Company has deductible temporary differences totaling Baht 1,273 million (2013: Baht 1,333 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 2014, the subsidiaries have deductible temporary differences and unused tax losses totaling Baht 1,375 million (2013: Baht 1,311 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.

30. Promotional privileges

30.1 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 Nakhon 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 ended 31 December 2014 and 2013, divided between promoted and non-promoted operations, are summarised below.

	Promoted operations		Non-promoted operations		Total	
	2014	2013	2014	2013	2014	2013
Sales						
Domestic sales	21,049	26,145	466,502	538,016	487,551	564,161
Export sales	998,410	1,163,735	836,738	975,387	1,835,148	2,139,122
Total sales	1,019,459	1,189,880	1,303,240	1,513,403	2,322,699	2,703,283

30.2 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 reduction of corporate income tax from 22% to 15% (2013: from 25% reduce to 15%) on income derived from the promoted operations for a period of 40 years from the date the promoted operations commenced generating revenues.

31. 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		
<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	
(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company						
145,534	164,606	409,468	407,433	0.3554	0.4040	
Effect of dilutive potential ordinary shares						
Warrants						
-	-	35	1,408			
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares						
<u>145,534</u>	<u>164,606</u>	<u>409,503</u>	<u>408,841</u>	<u>0.3554</u>	<u>0.4026</u>	

Separate financial statements						
Profit for the year		Weighted average number of ordinary shares		Earnings per share		
2014	2013	2014	2013	2014	2013	
(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company						
146,619	219,732	409,468	407,433	0.3581	0.5393	
Effect of dilutive potential ordinary shares						
Warrants						
-	-	35	1,408			
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares						
146,619	219,732	409,503	408,841	0.3580	0.5375	

32. 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, investment and dormant companies.

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 and profit (loss) information regarding the Company's and its subsidiaries' operating segments for the years ended 31 December 2014 and 2013.

For the years ended 31 December														(Unit: Million Baht)	
Revenues															
	Production		Distribution		Retail		Others		Total Segments		Eliminations		Consolidated		
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	
Revenues from external customers	1,255	1,615	1,227	1,300	813	734	-	-	3,295	3,649	-	-	3,295	3,649	
Revenues from intersegment	1,273	1,275	10	2	227	259	2	-	1,512	1,536	(1,512)	(1,536)	-	-	
Total revenues	2,528	2,890	1,237	1,302	1,040	993	2	-	4,807	5,185	(1,512)	(1,536)	3,295	3,649	
Results															
Segment profit (loss)	97	144	(112)	(144)	65	(4)	(29)	(7)	21	(11)	55	119	76	108	
Unallocated revenues and expenses															
Interest income													8	6	
Gain (loss) on exchange rate													(74)	93	
Other income													37	29	
Depreciation and amortisation													(83)	(83)	
Reversal impairment loss on investment properties													188	-	
Share of loss from investments in associates													-	(13)	
Finance cost													(63)	(55)	
Profit before income tax expenses													89	85	
Tax income (expenses)													(2)	30	
Profit for the year													87	115	

Geographic information

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

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2014	2013
Revenue from external customers		
Thailand	818,839	821,758
United States of America	1,070,126	1,155,664
Germany	488,212	565,646
Others	917,949	1,105,771
Total	3,295,126	3,648,839

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2014	2013
Non-current assets (other than financial instruments and deferred tax assets)		
Thailand	1,576,680	1,216,376
Others	92,066	101,178
Total	1,668,746	1,317,554

Major customers

For the year 2014, the Company and its subsidiaries have revenue from two major customers in totaling amount of Baht 1,099 million, arising from sales by the production and distribution segments (2013: Baht 1,187 million derived from two major customers, arising from sales by the production and distribution segments).

33. 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 2014, the Company contributed Baht 11 million to the fund (2013: Baht 11 million).

34. Dividends

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht per share)
Final dividends for 2012	Annual General Meeting of the shareholders on 22 April 2013	203,332	0.50
Final dividends for 2013	Annual General Meeting of the shareholders on 21 April 2014	81,905	0.20

35. Commitments and contingent liabilities

35.1 Capital commitments

As at 31 December 2014, the Company had capital commitments totaling of approximately Baht 21 million (2013: Baht 78 million), relating to acquisition of computer software, building construction and building improvements.

35.2 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: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	As at 31 December		As at 31 December	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Payable:				
In up to 1 year	37	42	-	1
In over 1 and up to 5 years	56	69	-	-
In over 5 years	18	25	-	-

35.3 Guarantees

As at 31 December 2014, the Company had capital commitments totaling of approximately Baht 21 million (2013: Baht 78 million), relating to acquisition of computer software, building construction and building improvements.

35.3.1 The Company has issued guarantees to secure bank overdrafts and credit facilities of its subsidiaries. As at 31 December 2014, there were outstanding guarantees of Baht 591 million, EUR 0.3 million and USD 6.6 million (2013: Baht 561 million, EUR 0.3 million and USD 6.6 million), totaling of Baht 822 million (2013: Baht 793 million).

35.3.2 As at 31 December 2014, there was outstanding bank guarantee of Baht 18 million (2013: Baht 18 million) has been issued by a bank to meet obligations of the Company to the Revenue Department as described in Note 35.6 to the financial statements.

35.3.3 As at 31 December 2014, there were outstanding bank guarantees of USD 1 million and Baht 1 million, totaling of Baht 34 million (2013: Baht 1 million) issued by banks on behalf of the Company and its subsidiaries to guarantee purchase of goods, electricity use, among others. (The Company only: USD 1 million or approximately Baht 33 million (2013: Baht 0.3 million)).

35.3.4 As at 31 December 2014, the Company and its subsidiaries have outstanding standby-letters of credit of USD 5.6 million and EUR 0.4 million, or approximately Baht 198 million (2013: USD 8 million and EUR 0.3 million or totaling Baht 276 million) (The Company only: USD 3 million and EUR 0.4 million, totaling of Baht 113 million (2013: USD 6 million and EUR 0.3 million, or Baht 210 million)).

35.4 Long-term service commitments

An overseas subsidiary company has entered into a license agreement with an overseas company for the use of a trademark. Under the conditions of the license agreement, the subsidiary is to pay a monthly license fee as stipulated in the agreement. The agreement period has started from January 2014 to December 2018. The fees for the current year amounting to Baht 4 million were recognised as expenses.

35.5 Commitment relating to promotional privileges

Under the terms of the Company's BOI certificate No. 1616(2)/2553, the Company has commitments in respect of its expenditure in support of educational institutions, whereby the Company is obliged to expend at the lower of one percent of total revenue of the first three years or Baht 150 million, within 8 years. Up to 31 December 2014, the Company recorded accumulated expenses a total of approximately Baht 43 million (2013: Baht 21 million).

35.6 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 totaling approximately Baht 18 million (including surcharges). However, the Company submitted a letter of appeal to the Tax Appeal Committee seeking to have the assessment revoked, 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 the tax assessment. In November 2014, the Tax Appeal Committee rejected the Company's appeal to revoke this assessment by the official, and ordered the Company to pay tax and surcharges to the Revenue Department. The Company, therefore petitioned the Central Tax Court to revoke this tax assessment on 25 December 2014. This petition is currently under the consideration of the Central Tax Court.

The management of the Company believes that the Company will have no corporate income tax obligations as a result of this assessment by the Revenue Department, and no significant losses will be incurred. Moreover, since the result of the appeal is not yet known the Company has not recorded any provision for this tax assessment.

36. Financial instruments

36.1 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 2014

	Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Interest rate (% per annum)
Financial assets							
Cash and cash equivalents	69	-	-	111	162	342	0.05 - 2.50
Current investments - deposits with financial institutions	9	-	-	-	-	9	3.00 - 9.50
Trade and other receivables	15	-	-	-	549	564	1.32, 8.00
Short-term loans to related parties	23	-	-	-	-	23	7.00, 8.00
Restricted bank deposits	4	-	-	5	-	9	1.70 - 2.65
Other long-term investments	-	10	-	-	14	24	2.80
Other receivables	-	-	-	-	111	111	-
Total	120	10	-	116	836	1,082	
Financial liabilities							
Bank overdrafts and short-term loans from financial institutions	685	-	-	4	-	689	2.00 - 12.75
Trade and other payables	122	-	-	-	431	553	2.30 - 3.40
Short-term loan from related party	-	-	-	-	1	1	-
Short-term loans from unrelated parties	30	-	-	-	-	30	4.00
Long-term loans	-	2	13	368	-	383	(1)
Total	837	2	13	372	432	1,656	

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

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

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2014

	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
Restricted bank deposits	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 overdrafts 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)

Separate financial statements as at 31 December 2014

	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	65	-	-	63	13	141	0.125 - 0.65, 2.00
Trade and other receivables	-	-	-	-	972	972	-
Amounts due from related parties	-	-	-	-	39	39	-
Long-term loans to related parties	9	209	-	-	-	218	7.50
Investment in convertible debentures issued by subsidiary	-	32	-	-	-	32	7.50
Other long-term investments	-	10	-	-	13	23	2.80
Other receivables	-	-	-	-	111	111	-
Total	74	251	-	63	1,148	1,536	
Financial liabilities							
Bank overdrafts and short-term loans from financial institutions	513	-	-	-	-	513	3.35 - 4.40
Trade and other payables	6	-	-	-	299	305	2.30 - 3.40
Short-term loans from unrelated parties	30	-	-	-	-	30	4.00
Long-term loans	-	-	-	355	-	355	MLR-1
Total	549	-	-	355	299	1,203	

(Unit: Million Baht)

Separate financial statements as at 31 December 2013

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

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			
	2014	2013	2014	2013	2014	2013	2014	2013		
	(Baht per 1 foreign currency unit)									
US dollar	12	12	9	14	28	24	6	10	32.92	32.76
Euro	-	-	-	-	9	7	-	-	40.00	44.96
Singapore Dollar	-	-	-	-	-	-	1	1	24.86	25.84
Pound Sterling	-	-	-	-	8	7	-	-	51.07	53.83
Indian Rupee	-	-	-	-	69	69	-	-	0.50	0.51
Vietnam Dong	7,931	6,254	512	758	-	-	-	-	0.0016	0.0016

Foreign exchange contracts outstanding are summarised below.

Consolidated financial statements as at 31 December 2014

Foreign currencies	Amount	Contractual exchange rate	Contractual maturity date
Forward contracts to "Sell"	4,370,630	32.39 - 33.23 baht per US dollar	March - July 2015
US dollar			

Consolidated financial statements as at 31 December 2013

Foreign currencies	Amount	Contractual exchange rate	Contractual maturity date
Forward contracts to "Sell"			
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
Forward contracts to "Buy"			
US dollar	130,366	0.76 - 0.77 Euro per US dollar	January - March 2014

Separate financial statements as at 31 December 2014

Foreign currencies	Amount	Contractual exchange rate	Contractual maturity date
Forward contracts to "Sell" US dollar	4,309,993	32.79 - 33.23 Baht per US dollar	May - July 2015

Separate financial statements as at 31 December 2013

Foreign currencies	Amount	Contractual exchange rate	Contractual maturity date
Forward contracts to "Sell"			
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

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.

36.2 Fair values of financial instruments

Since the majority of the Company's 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.

37. 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 2014, the Group's debt-to-equity ratio was 0.66:1 (2013: 0.69:1) and the Company's debt-to-equity ratio was 0.42:1 (2013: 0.43:1).

38. Event after the reporting period

On 23 February 2015, the meeting of the Company's Board of Directors passed the following significant resolutions:

- 1) To propose the payment of a dividend of Baht 0.15 per share from the net profit of year 2014, totaling approximately Baht 61 million, for approval at the Annual General Meeting of the shareholders.
- 2) To propose for approval at the Annual General Meeting of the shareholders a decrease in the Company's registered share capital from Baht 410,000,000 (410,000,000 ordinary shares of Baht 1 each) to Baht 409,529,000 (409,529,000 ordinary shares of Baht 1 each) by cancelling 471,000 registered ordinary shares with a par value of Baht 1 each that are unissued due to the non-exercise of warrants.
- 3) To propose the issue and offer of up to Baht 500 million of debentures with tenors of no more than 5 years, for approval at the Annual General Meeting of the shareholders
- 4) To approve the issue and offer of up to Baht 300 million of short-term bills of exchange with maturities of not more than 270 days.

39. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 23 February 2015.

Director and Management Biography



Mr. Prida Tiasuwan

Board Chairman

Member of the Board of Director since April 22, 2013
Age 65 Years Shareholding in the company :5.37%

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 attended with regard to roles and responsibilities of corporate directors

- Director Accreditation Program (DAP), Class 37/2005 Thai Institute of Directors (IOD)

Work 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
- Director Duang Prateep Foundation for Klongtoey Slum
- Board Chairman of Social Venture Network Asia (Thailand)
- Director and Vice Chairman of International Coloured Stone Association (ICA)
- Commissioner Law Reform Commission of Thailand
 - Sub Committee Chairman of Low Reform on Fair Trade and Consumer Protection
- Director Assembly of Thailand Reform

Directorship

- 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

Vice Chairman / Finance Risk Management Director / Nomination and Remuneration Director

Member of the Board of Directors since April 22, 2013
Age 67 Years Shareholding in the company :1.83%

Education

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

Training attended with regard to roles and responsibilities of corporate directors

- Director Certificate Program (DCP), Class 17/2002 Thai Institute of Directors (IOD)

Work 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

Directorship

- Other listed companies
 - None -
- Non-listed businesses
 - Chairman of Board of Pranda Group, 4 companies
 - Director of Pranda Group in 6 companies
 - Advisor, Committee on life style Business
 - Chairman, Sub Committee on Gems and Jewelry Business 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 Finance & Risk Management Committee / Nomination and Remuneration Director

Member of the Board of Directors since April 21, 2014
Age 64 Years Shareholding in the company : 0.66%

Education

- Ordinary National Diploma in Business Studies from Westminster University, England.
- Training attended with regard to roles and responsibilities of corporate directors
- Director Certificate Program (DCP), Class 22/2002 Thai Institute of Directors (IOD)
- Top Executive Program, Capital Market Academy Class 11

Work Experience

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

Directorship

- 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 / Executive Director / Managing Director (Manufacturing) / Chair of Core Values & CSR Committee / Finance & Risk Management Director / Nomination and Remuneration Director
Member of the Board of Directors since April 20, 2012
Age 63 Years Shareholding in the company : 2.27%

Education

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

Training attended with regard to roles and responsibilities of corporate directors

- Courses by the Thai Institute of Directors (IOD)
- Director Certificate Program (DCP), Class 46/2004
- Director Accreditation Program (DAP), Class 16/2004
- Finance for Non-Finance Program (FN), Class 12/2004

Work Experience

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

Directorship

- Other listed companies
 - None -
- Non-listed businesses
 - Director of Pranda Group, 4 companies



Mrs. Pranee Khunprasert

Director / Executive Director / Managing Director (Marketing) / Finance & Risk Management Director / Nomination and Remuneration Director
Member of the Board of Directors since April 21, 2014
Age 61 Years Shareholding in the company : 2.42%

Education

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

Training attended with regard to roles and responsibilities of corporate directors

- Director Accreditation Program (DAP), Class 26/2004 Thai Institute of Directors (IOD)

Directorship

- 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
Member of the Board of Directors since April 21, 2014
Age 70 Years Shareholding in the company : 4.08%

Education

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

Training attended with regard to roles and responsibilities of corporate directors

- Director Accreditation Program (DAP), Class 25/2004 Thai Institute of Directors (IOD)

Directorship

- 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 / Executive Director/ Deputy Managing Director (Manufacturing) / Finance & Risk Management Director
Member of the Board of Directors since April 22, 2013
Age 59 Years Shareholding in the company : 4.38%

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 attended with regard to roles and responsibilities of corporate directors

- Director Accreditation Program (DAP), Class 26/2004 Thai Institute of Directors (IOD)

Directorship

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

**Mr. Verachai Tantikul**

Independent Director / Chairman of Audit Committee / Chairman of Nomination and Remuneration Committee

Member of the Board of Directors since April 20, 2012

Age 71 Years Shareholding in the company : None

Education

- LL.M., the University of California, at Berkely, U.S.A.
- Barrister-at-law, Thai Bar Association
- LL.B (Hons), 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 attended with regard to roles and responsibilities of corporate directors

- Certificate of Director Certification Program (DCP), Class 37/2003 Thai Institute of Directors (IOD)

Work 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

Directorship

- 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
 - Legal Advisor of SCG Legal Counsel Limited
 - Director of the Petroleum Committee under the Petroleum Law

**Mrs. Rawittha Pongnuchit**

Independent Director/ Member of the Audit Committee

Member of the Board of Directors since August 14, 2012

Age 64 Years Shareholding in the company : None

Education

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

Training attended with regard to roles and responsibilities of corporate directors

- Director Certificate Program (DCP) Class 59/2005 Thai Institute of Directors (IOD)
- Top Executive Program in Justice Management (Class 3)
- Top Executive Program in Commerce and Trade (TEPCOT) Class 1
- Top Executive Program, Capital Market Academy (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

Work 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
- Secretariat to the Revenue department
- The Revenue Department Spokesman
- 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 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

Directorship

- 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 Risk Management on Law Committee of Synnex (Thailand) Public Company Limited
- Non-Listed Companies
 - Director of the Institute of Management Consultants Association of Thailand
 - Director of the Economics and Finance Academy
 - Director 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.
 - Board of Chairman of Chankham Residence Co., Ltd.
 - Independent Director, Member of the Audit Committee of NamHeng Concrete (1992) Co., Ltd.



Mr. Chamnong Watanagase

Independent Director/ Member of the Audit Committee

Member of the Board of Directors since March 25, 2014

Age: 62 Shareholding in the company: 0.02%

Education

- B.Com. (1974), Chulalongkorn University
- MBA, University of Central Missouri, 1982
- Completed Ph.D. coursework in Political Science and Philosophy, Thammasat University, 2006
- Cert. of Proficiency in English (with Merit), National Institute of Development Administration, 1975

Training attended with regard to roles and responsibilities of corporate directors

- Director Certification Program (DCP) Class 5 (2001), Chartered Director, Class 1 (2007) Thai Institute of Directors (IOD)
- The Capital Market Academy, Class 6
- Tactical Training in Hostage Rescues, US Marshal Service, Department of Justice, Baton Rouge, Louisiana, USA, 1990 (1-month)
- Marketing Coaching, Tack Training International, London, UK, 1991 (5-week)

Work Experience

- Chairman of the Audit Committee, Chairman of the Risk Management Committee, Indara Insurance, Plc.
- President of the following joint ventured companies with the Siam Commercial Bank, Plc.
 - Siam Commercial Link, Ltd.
 - Science Commercial Link, Ltd., with the National Science and Technology Development Agency (NSTDA) as 3rd partner
 - SCB Technology, a venture capital of the Siam Commercial Bank, Plc.
- Founding Manager, Business Advisory Center for SMEs, Kenan Institute Asia Foundation (funded by USAID)
- Member of the Executive Committee, Thailand Science Park, the National Science and Technology Development Agency
- Adviser, the Technical Services Center, Mahidol University
- Audit Committee member, John Hancock Life Assurance, Plc.
- Advisor, the Senate Committee on Public Participation
- Cultural Affairs staff, United States Information Agency, US Department of State, Washington, DC
- Insurance instructor, School of Management Science, Prince of Songkla University, Haad Yai, Songkla
- Manager, the Technical Service Center, Interlife Assurance, Ltd.
- Adjunct professor of Linguistics and Philosophy, Graduate School of Humanities, Ram Khamhaeng University

Directorship

- Other listed company
 - Chairman of the Audit Committee, member of the Investment Committee, LDC Dental, Plc.
- Non-listed institutes
 - Chairman of the Audit Committee, member of the Selection & Compensation Committee, Thai Cardif Life Assurance, Plc.
 - Chairman of the Selection Committee, Thai Investors Association, under the patronage of the Stock Exchange of Thailand
 - Director, The Open Forum for Democracy Foundation
 - Director and past president, Rotary Club of Bangkok (chartered in 1927)



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

Advisor to Board of Directors

Member of the Advisor to Board of Director since August 14, 2012

Age 78 Years Shareholding in the company : None

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 attended with regard to roles and responsibilities of corporate directors

- Director Accreditation Program (DAP), Class 23/2004 Thai Institute of Directors (IOD)

Work 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.

Directorship

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



Mrs. Sarita Bunnag

Advisor to Board of Directors

Member of the Advisor to Board of Director since March 25, 2014

Age 67 Years Shareholding in the company : None

Education

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

Training attended with regard to roles and responsibilities of corporate directors

- Courses by the Thai Institute of Directors (IOD)
 - 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

Work 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

Directorship

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



Mr. Decha Nuntanajaroenkul

Executive Director / Deputy Managing Director (Marketing) / Finance & Risk Management Director

Age 54 Years Shareholding in the company : None

Education

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

Work Experience

- Marine Underwriter, New Havmpshire 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

Directorship

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



Mr. Chatchai Teekaveerakit

Executive Director / Core Values & CSR Committee / Managing Director-Crystalline Co.,Ltd Deputy Managing Director (Marketing) /Finance Director

Age 47 Years Shareholding in the company : None

Education

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

Work Experience

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

Directorship

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



Mr. Chanat Sorakraikitikul

Executive Director / Assistant Managing Director (Marketing) / Finance & Risk Management Director

Age 35 Years Shareholding in the company : 0.11%

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.
- Certificate of TLCA Leashership Development Program, Class 2 (LDP 2), International Institute for Management Development and Thai Listed Companies Association.

Work Experience

- Vice President - Forever Living Products, Vietnam
- Senior Auditor - Ernst & Young, USA

Directorship

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



Mrs. Sasisopa Wattakeecharoen

Assistant Managing Director (Marketing) / Core Values & CSR Committee

Age 52 Years Shareholding in the company : 0.01%

Education

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

Work Experience

- Worked experience in Production Management field more than 27 years

Directorship

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



Mrs. Nirarat Tanalekhapat

Assistant Managing Director (Marketing) / Core Values & CSR Committee

Age 59 Years Shareholding in the company : 0.04%

Education

- Bachelor of Education in Arts, Chulalongkorn University

Work 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

Directorship

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



Ms. Suporn Rungpitayatorn

Assistant Managing Director (Manufacturing) /
Core Values & CSR Committee

Age 53 Years Shareholding in the company : 0.03%

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).

Work Experience

- Worked experience in Cost and Pricing Management field more than 22 years

Directorship

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



Mrs. Chawee Jarukornvasin

Assistant Managing Director (Manufacturing) /
Core Values & CSR Committee

Age 50 Years Shareholding in the company : 0.01%

Education

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

Work Experience

- Worked experience in Production field more than 31 years

Directorship

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



Mr. Somsak Siruengmon

Assistant Managing Director (Manufacturing) /
Core Values & CSR Committee

Age 54 Years Shareholding in the company : None

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)

Work Experience

- Worked experience in Production Management field more than 27 years

Directorship

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



Mr. Thanes Panjakrid

Finance and Accounting Department Manager

Age 52 Years Shareholding in the company : 0.01%

Education

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

Work Experience

- Worked experience in financial and accounting field more than 27 years

Directorship

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



Mr. Dusit Chongsutthanamanee

Finance & Risk Management Director /
Corporate Secretary

Age 42 Years Shareholding in the company : None

Education

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

Work 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

Directorship

- 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 <div>The list of the Board of Directors</div>		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	SCL
1. Mr. Prida	Tiasuwan	X	/	X + ●		/ + //	X	/	X	/	●	X + ●	/	X + ●			X + ●	/	X + ●
2. Mrs. Prapee	Sorakraikitikul	/		/ + //	/ + //	X + ●		X + //	/ + ●	/			X + //	/ + //			/		
3. Mrs. Sunanta	Tiasuwan	/ ● + ○ + //	/ + //		/ + //		/ + //	//	/ + //	/	X + ● + ◇			/ + //	//		/	/ + //	
4. Mr. Pramote	Tiasuwan	◆ + / + // + □	/ + //	/ + //		/ + //										/	/		
5. Mrs. Pranee	Khunprasert	○ + / + //	X + ●	/ + //							//			/ + //	//		/		//
6. Mrs. Panidda	Tiasuwan	/		X + ●												/			
7. Mr. Verachai	Tantikul	* + /																	
8. Mrs. Rawittha	Pongnuchit	/																	
9. Mr. Channong	Watanagase	/																	
10. Ms. Pittaya	Tiasuwan	/ + //		/ + //			//		//							/			
11. Mr. Decha	Nuntanajarekul	//			//	●	●	●	//			●							
12. Mr. Chartchai	Teekavirakij	//	/ + ◇																
13. Ms. Rungnapa	Ngowngamatana		/ + ◇																
14. Mr. Sutha	Sutaparvong		/																
15. Ms. Lamiad	Panchareon		//																
16. Mr. Chanat	Sorakraikitikul	// + ■	//								//	/ + //		/ + //	//	/			//
17. Ms. Maureen	Kelley				/ + ◇														

หมายเหตุ : 1. X = Chairman ➤ = Vice Chairman / = Director // = Executive * = Chairman of Audit Committee ● = Chairman of Group executive Committee ○ = Chairman of Group Finance Committee
 □ = Chairman of Corporate Values & CSR 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 * PMG, PNA

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



**For additional information,
please refer to Annual Registration Statement (Form 56-1)**

**www.sec.or.th
www.pranda.com**

**For further inquiries,
please contact Corporate Secretary Office**

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