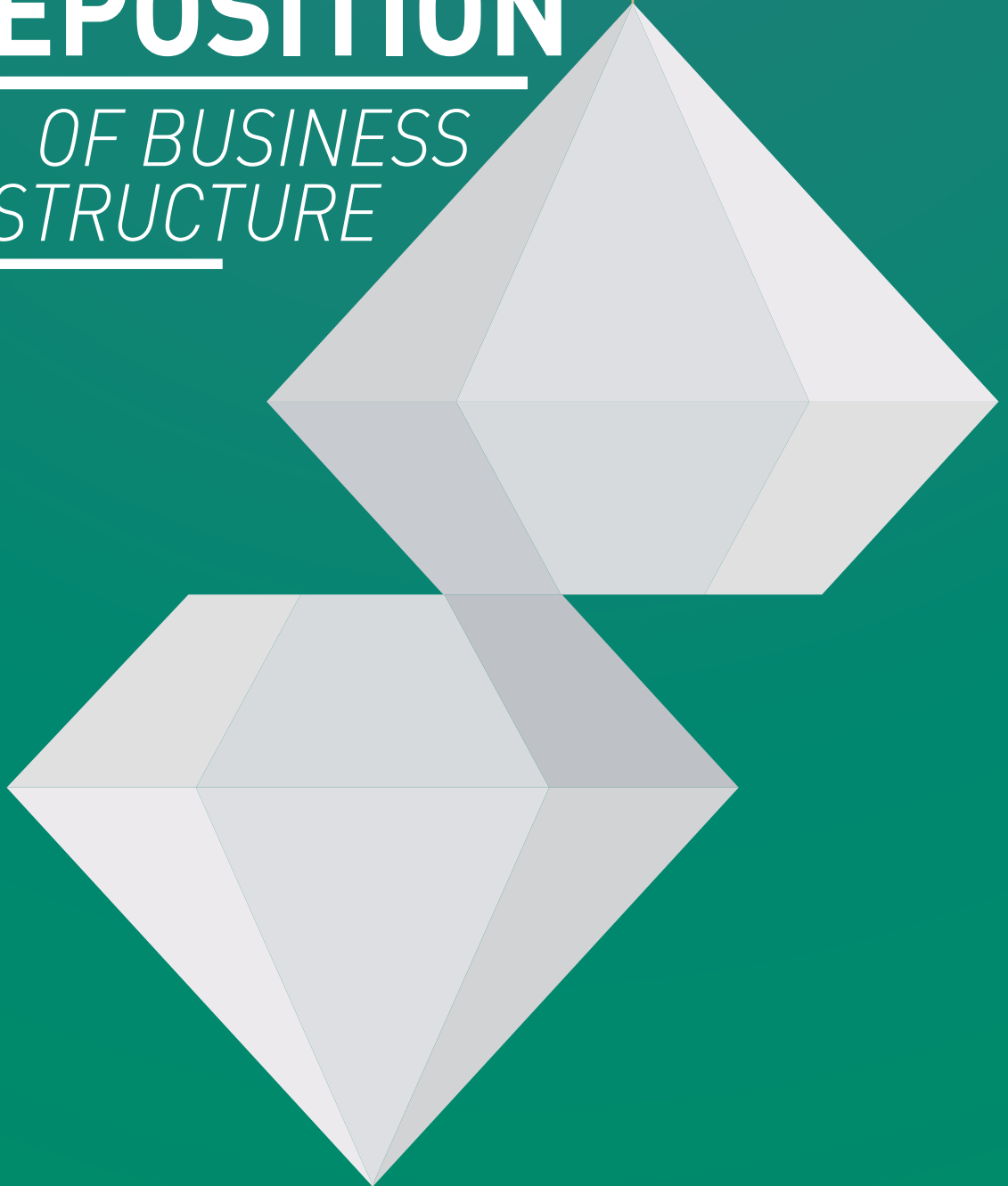


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REPOSITION

*OF BUSINESS
STRUCTURE*



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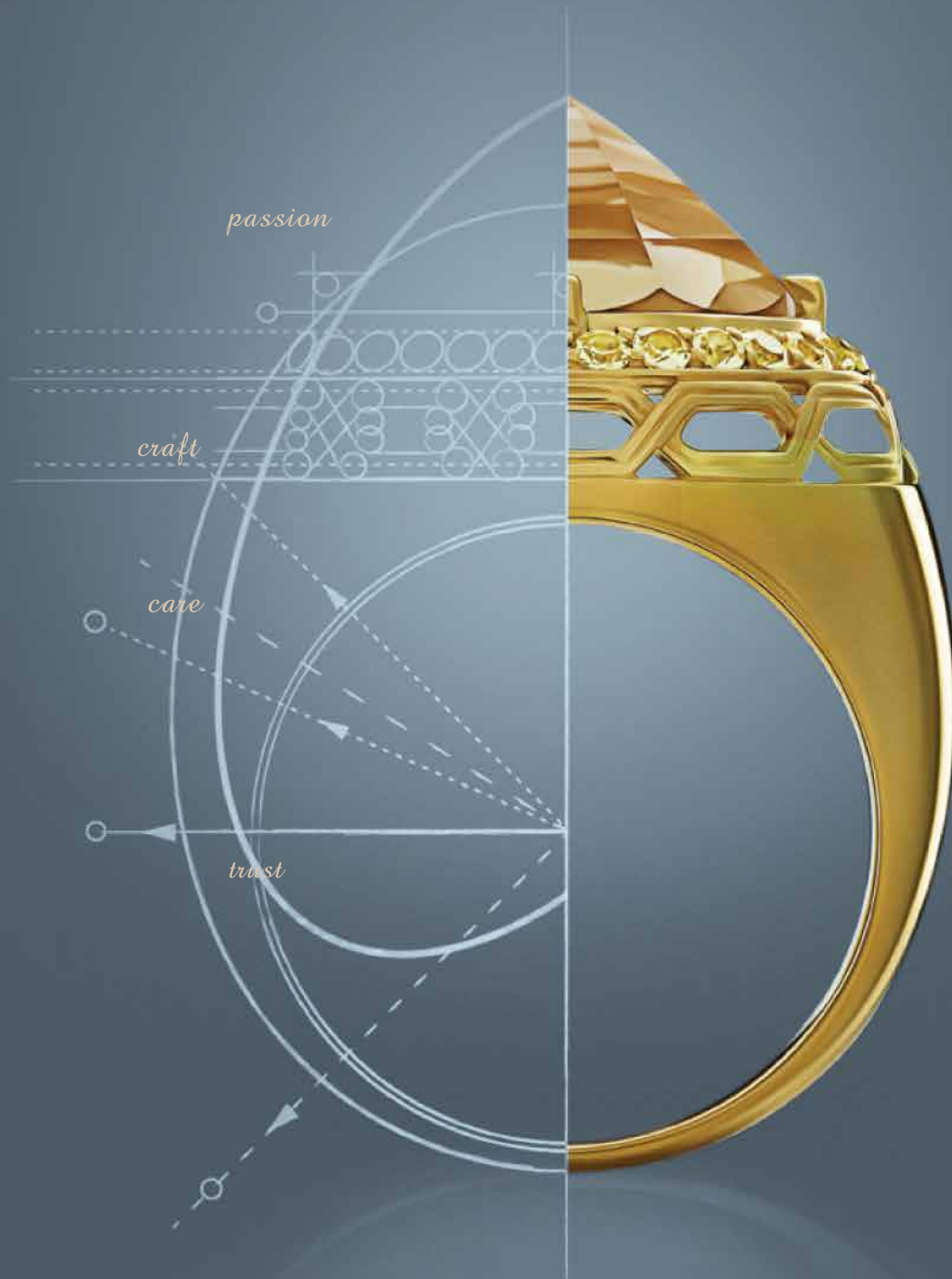


*ANNUAL REPORT
2015*

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.

THE ARCHITECTURE OF CRAFTSMANSHIP

Vision

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





Reposition of Production Base

With regard to the performance decline in the past three years for the Pranda Group, one of the main causes was an ongoing decline in sales of the production base caused by decreasing orders due to economic impact from the United States and the European Union.

In any case, the Company has adjusted its strategy to focus on finding new customers, as well as on those existing customers who have a high potential for growth - to work more closely together, at the same time providing full support - from the beginning design process until the final delivery of the product according to customers' needs and expectations.

This strategy should result in increasing sales revenue from the production base in the future, which will offset the revenue decline from existing customers and balance sales proportion while diversifying our customer base. In addition, focusing on these high-growth potential customers will form long-term and mutually-beneficial partnerships.

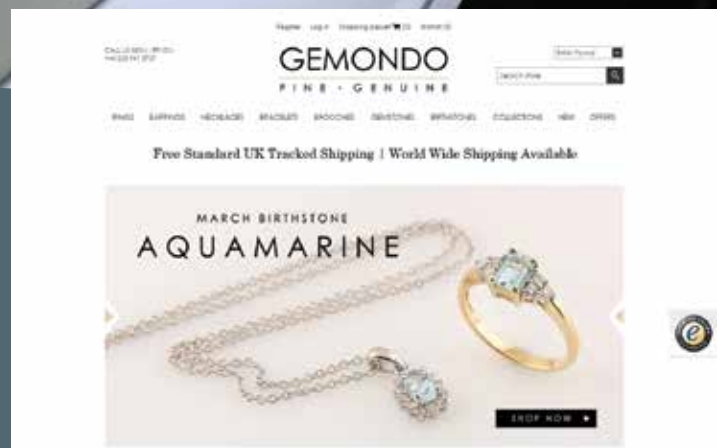


Reposition of Distribution Base

Income from the distribution base is mainly from subsidiaries in the United States and the European Union which still account for the highest sales proportion consisting of both the ODM and OBM groups. In the past, both have been severely affected by reduced purchasing power and are now slowly recovering in terms of the economy.

However, the Company has adjusted its strategy, focusing on finding strategic partnership with major retailers who have potential in the market and a desire for rapid growth in jewelry business. It also focuses on managing its own brands, firstly defining content that will build confidence and loyalty in the brand for customers, finding goods that correspond to the needs of target customers, setting pricing policies, all the way to designating the program formats through channels such as TV Shopping and E-Commerce.

This strategy will result in rapidly increasing sales revenue from the distribution base in the future, as it represents an expansion of business in terms of modern trade markets and various online channels. The Company's proven experience with worldwide leading digital retail business will guarantee and support the success and growth of our strategic partners. Also, in the long run, the proportion of sales resulting from the Company's sales of its own brands will increase in the distribution base, resulting in more sustainability for the business.





PRANDA
GROUP

“
Pranda: The Artisan's Craftsmanship
At Pranda we believe that with the right partners
we can introduce passion, experience, design, and
skilling skills at the art of making technology
We are the backbone of the new craftsmanship.”



PRANDA
GROUP

THE
ARCHITECTURE
OF
CRAFTSMANSHIP







Reposition of Retail Base

Although the performance of the Pranda Group has continually declined, the Company still generates revenue from a solid base of own retail operations contributed by an increasing number of point-of-sales in key areas and the Company's trusted own brands. Significantly, the Company has operated its own retail base located in Thailand, Indonesia and Vietnam.

The Company has strengthened its retail strategy by focusing on expanding its high-potential own brands through various sales and marketing activities in key points of sales and serving the right products suitable in each market preference. With our intense strategy in retail channels, this will result in a rapid growth of sales revenue in existing points of sales in Indonesia and Vietnam.

In Thailand, Prima Diamond will lead a significant growth while Prima Gold would still have been recognized as a leader in its own market. This strategy will result in a rapid increase in sales revenue of retail operations supported by a high-potential market expansion both domestically and internationally while contributing to the stability of Pranda Group. With our recognized and steady market bases, our risk encountered from the decline in production orders can be leveraged and diversified.

Pranda Brand Avenue To continue the vision through its more than 40 years of experience and expertise in jewelry manufacturing and distribution, together with its understanding of present jewelry market, PRANDA group has continuously focused on marketing its own brands and licensed brands.

The Company and its affiliated companies have jointly developed a portfolio of brands with different identities and positioning to serve the demand of each segment of customers.



PRIMA DIAMOND

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



PRIMA GOLD

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



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

PRIMA ART

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



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



Merii

Fine sterling silver jewelry crafted with the brilliance of 100-cut Cubic Zirconia creates this unique simulation of diamond jewelry range. Timeless designs with unquestionable quality.



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)



cali

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



GEMONDO

Jewellery e-commerce and television shopping platform, offering precious metals with genuine, rare gemstone, with right designs

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
33%	15%	35%	22%	32%	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. There is also a center for product design and development which can meet the needs of our customers.		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, base in 5 Countries in Thailand, Indonesia, Vietnam, UK, Germany.	

TIMELINE

1973 - 1991

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

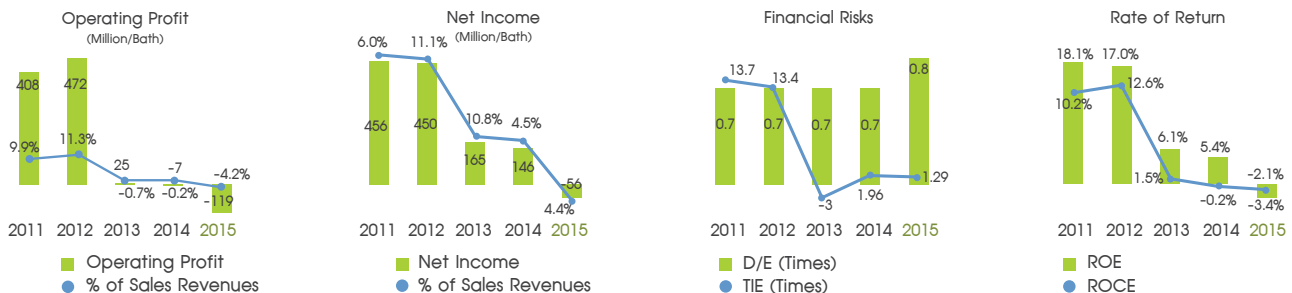
1992 - 2002

- 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

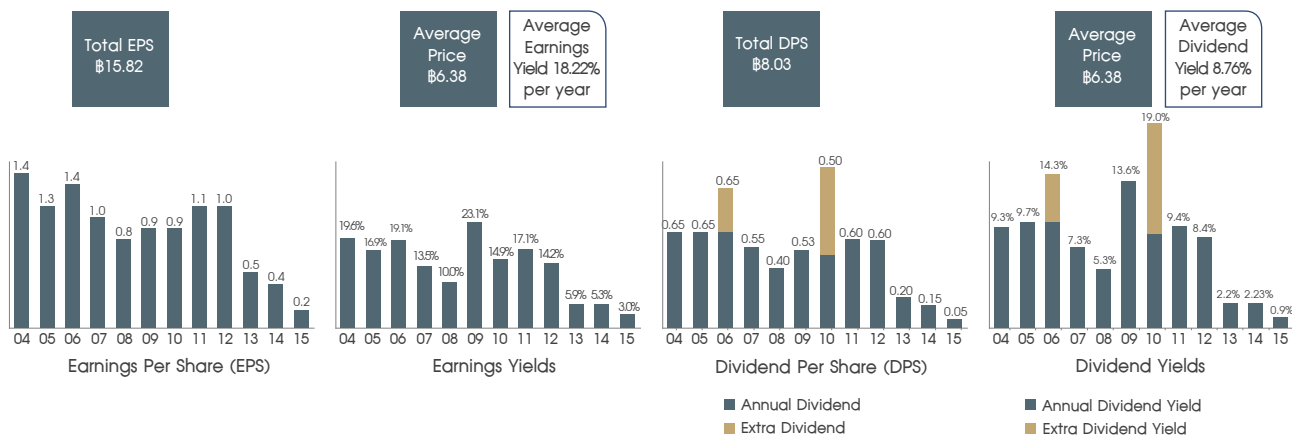


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Financial Highlights

Consolidated Financial Statements	2015	2014	2013	2012 (Restated)	2011 ^{/9}
FINANCIAL PERFORMANCE					
Sales Revenues (Million Baht)	2,821	3,295	3,649	4,177	4,122
Gross Profit (Million Baht)	847	1,001	1,038	1,477	1,379
Gross Profit Margin	30.01%	30.39%	28.44%	33.93%	33.46%
EBITDA ^{/1} (Million Baht)	(27)	74	106	551	491
EBITDA Margin	(0.97%)	2.24%	2.90%	13.18%	11.92%
Operating Profit (Million Baht) ^{/2}	(119)	(7)	25	472	408
Operating Profit Margin	(4.22%)	(0.22%)	0.68%	11.29%	9.91%
Profit to Equity (Million Baht)	(56)	146	165	450	456
Profit Margin to Equity	(1.98%)	4.42%	4.51%	10.77%	11.07%
FINANCIAL POSITION (Million Baht)					
Current Assets	2,821	2,834	3,133	3,318	3,218
Total Assets	4,613	4,598	4,534	4,548	4,320
Current Liabilities	1,879	1,430	1,367	1,308	1,527
Total Liabilities	2,080	1,877	1,889	1,785	1,779
Equity Attributable to Owners of the Company	2,533	2,721	2,645	2,763	2,540
RATE OF RETURN					
ROA ^{/4}	(1.21%)	3.19%	3.62%	10.15%	10.94%
ROCE	(3.41%)	(0.24%)	1.48%	12.56%	10.21%
ROE ^{/5}	(2.12%)	5.42%	6.09%	16.97%	18.09%
RISKS					
Current Ratio (Times)	1.50	1.98	2.29	2.54	2.11
Quick Ratio (Times) ^{/6}	0.47	0.64	0.77	1.03	0.86
Times Interest Earned (Times) ^{/7}	1.29	1.96	(3.03)	13.40	13.72
Debt to Equity Ratio (Times)	0.82	0.69	0.71	0.65	0.70
DATA PER SHARE					
Book Value Per Share	6.53	6.97	6.68	7.02	6.39
Earnings Per Share to Equity	(0.14)	0.36	0.40	1.11	1.14
Dividend Per Share ^{/8}	0.05	0.15	0.20	0.60	0.60
Paid-up Shares (Million Shares)	409.53	409.53	409.14	406.28	403.33

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

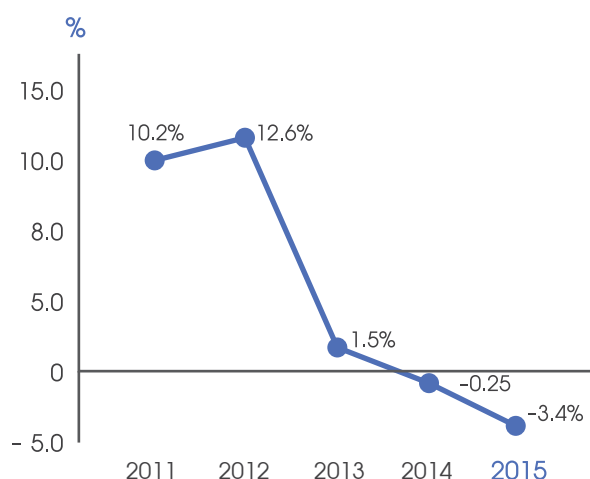
^{/6} Quick Ratio = (Cash and Cash at Bank + Marketable Security + Account Receivable and Notes Receivable)/Current Liability

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

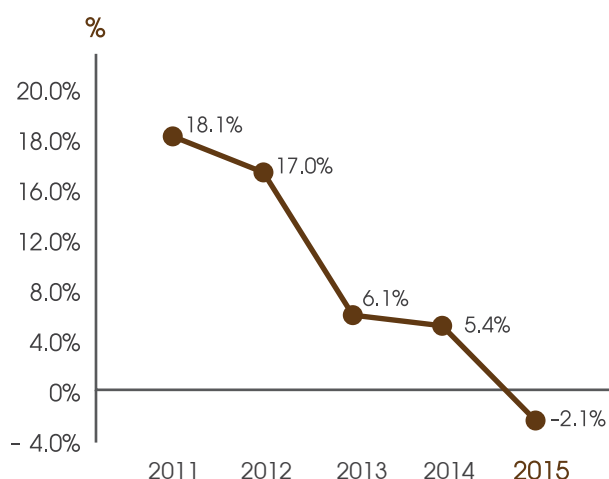
^{/8} For operating result of year 2015, the Company's Board of Directors had a resolution to approve the dividend payment in the rate of Baht 0.05 per share if the Annual General Shareholders' Meeting has a resolution to approve on April 20th, 2016.

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

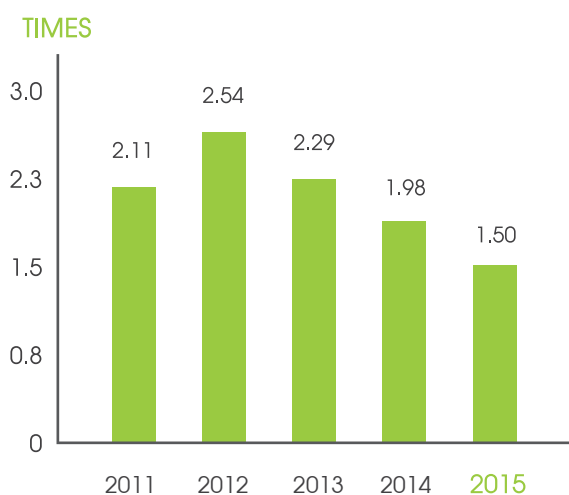
RETURN ON CAPITAL EMPLOYED : ROCE



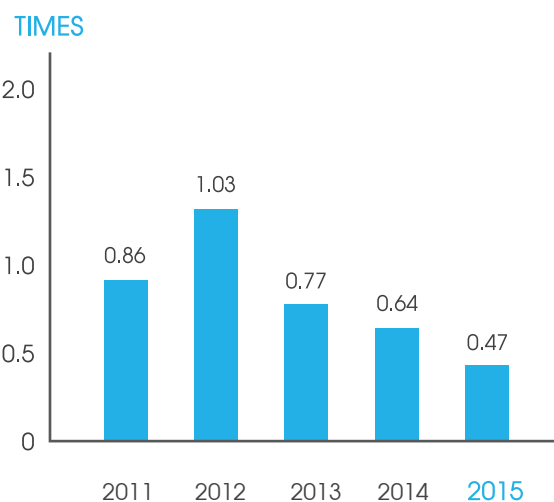
RETURN ON EQUITY : ROE



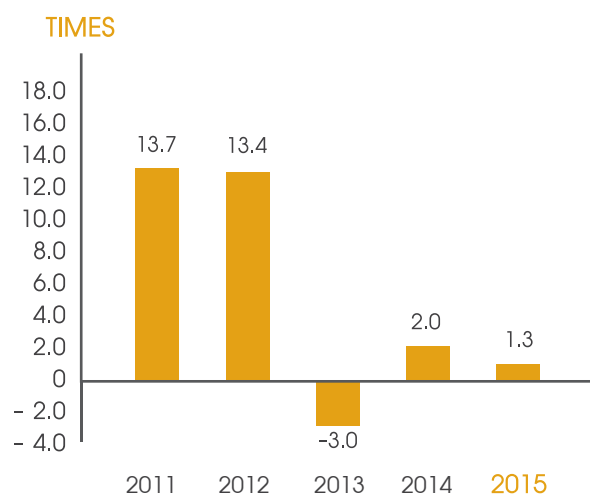
CURRENT RATIO



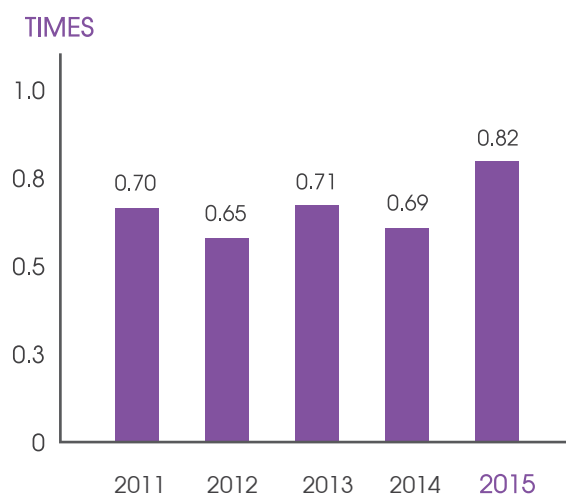
QUICK RATIO



TIMES INTEREST EARNED : TIE



DEBT TO EQUITY RATIO : D/E





Message from the Chairman

To all shareholders,

For the year 2015, there have been many negative factors that consistently impacted the global economy, starting with the European economic output which expanded at a lower level than anticipated, in such a way as to require the need for measures to stimulate the economy with the same Quantitative Easing (QE) recently undertaken by the United States. It was closely followed by Greece's financial crisis, with the country's inability to pay off government debts, which led to extremely volatile financial markets, inevitably affecting the consumers' confidence. Moreover, China, which has been the main pillar for the global economy for more than one decade has experienced an economic downturn leading to a cut in the benchmark interest rates within the country as well as the devalue of the Yuan in order to stimulate the local economy and its own exports, also aggravated by geopolitical conflicts which remain chronic, and the periodical occurrence of terrorism which creates anxiety and ends up destroying the shopping atmosphere for spenders.

However, in 2016, the global economy is expected to recover from the previous year, as the US economy clearly showed signs of recovery with the increase in the federal interest rate (FED Rate) in the past year which is expected to gradually scale up. Also, the unemployment rate in the US has dropped steadily down to only 5.5%. On the other hand, the EU economy will recover slowly as the unemployment rate remained high at 11.1% and the ratio of public debt to GDP ratio is still high as well.

Pranda Jewelry Public Co., Ltd. positions itself as a leading strategic alliance on the global level in the jewelry business, creating growth and success together with our valued partners. Pranda has core competencies as a developer and manufacturer of high quality jewelry craftsmanship in commercial quantities, which is consistent with the organizational structure developed steadily over four decades, which comprises 3 business operations: World Class Mass Brand Production Base, Global Distribution Base, covering key markets around the world, and Retail Base which distributes its own brand, consisting of two parts:

- 1) The wholesale of its own brand (Wholesale Brand), selling through the customer's stores (Brand Corner), which are spread throughout key markets.
- 2) The retail sale of its own brand (Retail Brand) in sales through its own retail outlets, which are scattered throughout markets in Indonesia and Vietnam as well as in the form of distribution rights and licensing its own brand through the customers' retail shops.

Clearly all three groups coordinate and support one other, causing an increase in the value of the Group.

Although the Company was faced with the lowest performance in almost two decades, a closer look reveals that retail is growing both in revenue and profits in Thailand, Indonesia and Vietnam. In particular, the retail business within Thailand, Prima Gold International Company Limited, grew 24% in the sales of its own Prima Brand compared to sales in 2014, even though the country experienced continued economic stagnation since the previous year as well as the price of gold falling by 8%.

For the performance results from the year 2015, sales decreased from 3,295 million Baht to 2,821 million Baht, or a decrease in 474 million Baht which can be calculated as 14.39%, mainly caused by the production base receiving less orders from the European and US markets for Original Design Manufacturing (ODM), including the cost of raw materials consisting of gold and silver prices which fell by 13% year on year, resulting in a net loss of 56 million Baht.

However, the company remains financially solid when considering its debt to equity ratio (Debt to Equity), which is only 0.82 times; the Company also has good liquidity when considering its liquidity ratio (Current Ratio) of up to 1.50 times. It also manages financial risk by adjusting short-term loan debts to long-term loans totaling 400 million Baht illustrating that financial institutions continue to provide financial support to the Company as well.

In addition, the Board of Directors also consistently takes into account the interests of shareholders, as seen from the approved share repurchase program (Treasury Stock Program) totaling 50 million Baht with a buy-back period of 6 months for the shares from the date of October 28, 2015 until the date April 27, 2016. According to data from the end of 2015, the Company has already repurchased 4 million shares worth 20 million Baht.

The strategic plan of the Company (Corporate Strategy) to turnaround the performance of the business operation results consists of:

- Mass Craftsmanship Strategy, which aims to create a culture of devotion to workmanship from the heart, continuing to improve the capacity of the staff, and improving their quality of life in all areas, creating a group of personnel who are ready to accommodate future expansion.
- Retail Strategy focused to developing its own brand's retail shops and increasing credibility in the ASEAN market, expanding its marketing network to reach consumers more effectively.
- Growth Strategy focused to the expansion of Original Design Manufacturing (ODM) and the expansion of Own Brand Manufacturing (OBM) through its own retail shops, TV Shopping and online markets.
- Sustainability Strategy creates a balanced proportion of sales between Original Design Manufacturing (ODM) and Own Brand Manufacturing (OBM), maintaining strict financial discipline, adhering to corporate social responsibility (CSR) principles, and environmental impact, whilst sustaining its status as an Organization of Learning that fosters the acquisition of knowledge.

If the Company can execute the strategic plan outlined above, it will result in the Company's ability to return to a growth trajectory with higher quality and sustainability than that of the past, as having its own market bases will help to achieve economies of scale in production base, and provide added value to the Company along all lines of business including manufacturing, distribution and all the way to its own retail business - resulting in the Company's ability to generate more profit in long run.

Finally, on behalf of the Board of Directors and Management, I would like to thank all shareholders, employees at all levels, and everyone who is involved in any aspect of our business, for giving us your trust in our operations, as well as giving your support in multiple ways both directly and indirectly throughout the past period. In all of this, the Company's Board of Directors and Management continue to adhere to the principles of economic self-sufficiency, which consist of moderation, reason, and building strong immunity according to the way given to us via royal declaration by His Majesty the King as the golden standard against which we measure all our operations and by which we follow the principles of good corporate governance with regard to transparency, accountability and business ethics, extending all the way to our corporate social responsibility. We highly hope that you will continue your support for us in the future.



Mr. Prida Tiasuwan
Chairman



Board of Directors and Advisors / Board of Group Executive Committee



- | | |
|--|--|
| <p>1. Mr. Prida Tiasuwan
Board Chairman</p> | <p>5. Mrs. Pranee Khunprasert
Director / Executive Director/
Finance & Risk Management Director /
Nomination and Remuneration Director</p> |
| <p>2. Mrs. Praptee Sorakraikitikul
Vice Chairman / Finance & Risk
Management Director / Nomination
and Remuneration Director</p> | <p>6. Mrs. Panidda Tiasuwan
Director / Nomination and Remuneration
Director</p> |
| <p>3. Mrs. Sunanta Tiasuwan
Director / Chairman of Group Executive
Committee / Nomination and Remuneration
Director</p> | <p>7. Ms. Pittaya Tiasuwan
Director / Executive Director / Finance
& Risk Management Director</p> |
| <p>4. Mr. Pramote Tiasuwan
Director / Executive Director / Chairman
of Core Values & CSR Committee /
Finance & Risk Management Director /
Nomination and Remuneration Director</p> | |



8. Mr. Verachai Tantikul
Independent Director / Chairman of Audit
Committee / Chairman of Nomination
and Remuneration Committee

9. Mrs. Rawittha Pongnuchit
Independent Director / Audit Committee

10. Mr. Chamnong 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 / Chairman of
Finance & Risk Management Committee

Managing Directors



1. Mr. Pramote 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



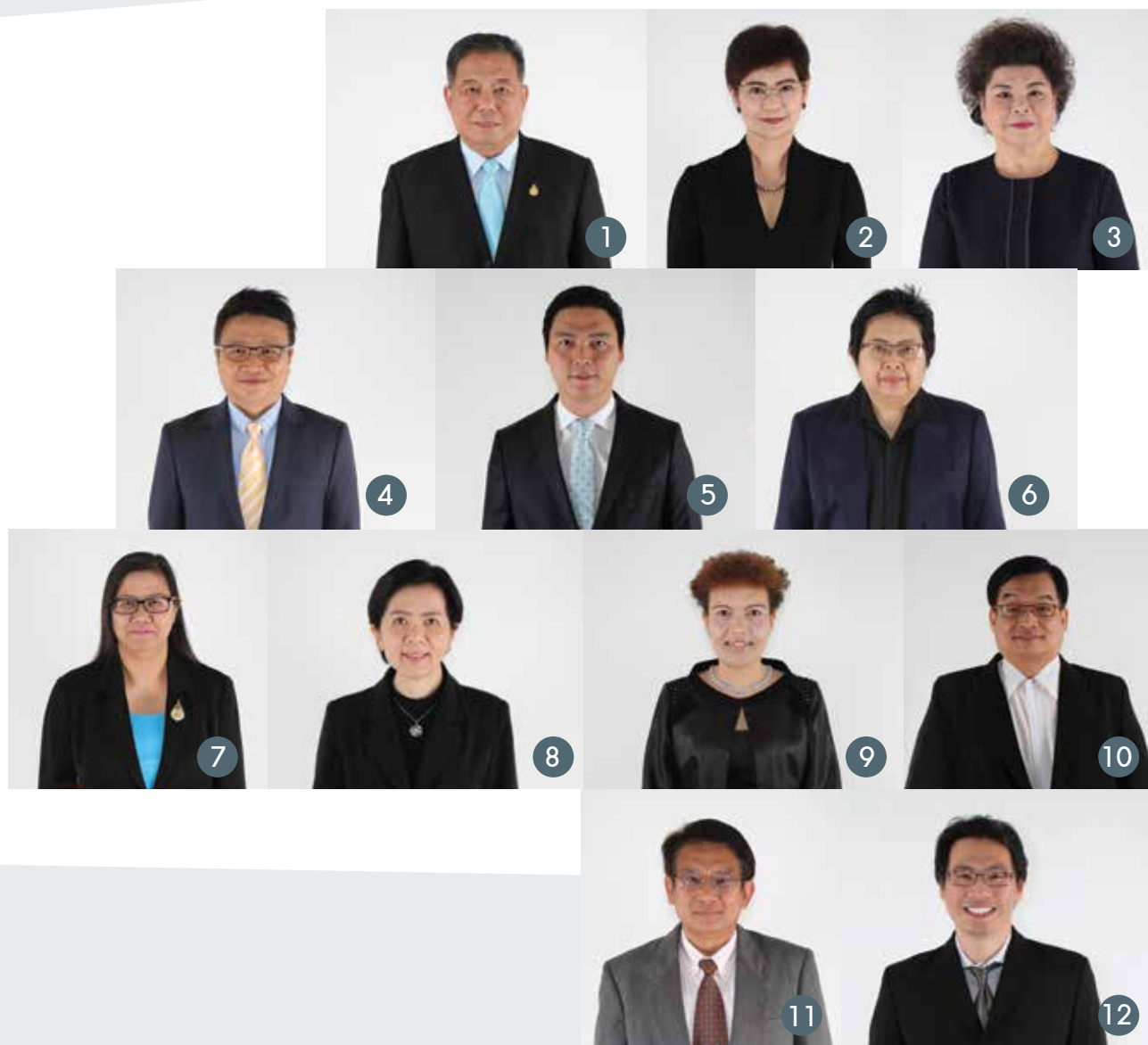
9. Mr. Vinod Tejawani
Managing Director - Pranda Jewelry Private Limited

10. Mr. Kenny Salmon
Managing Director - PT Pranda Marketing Indonesia

11. Ms. Chonvicha Loekvitunkul
Managing Director - Primagold International Co., Ltd.

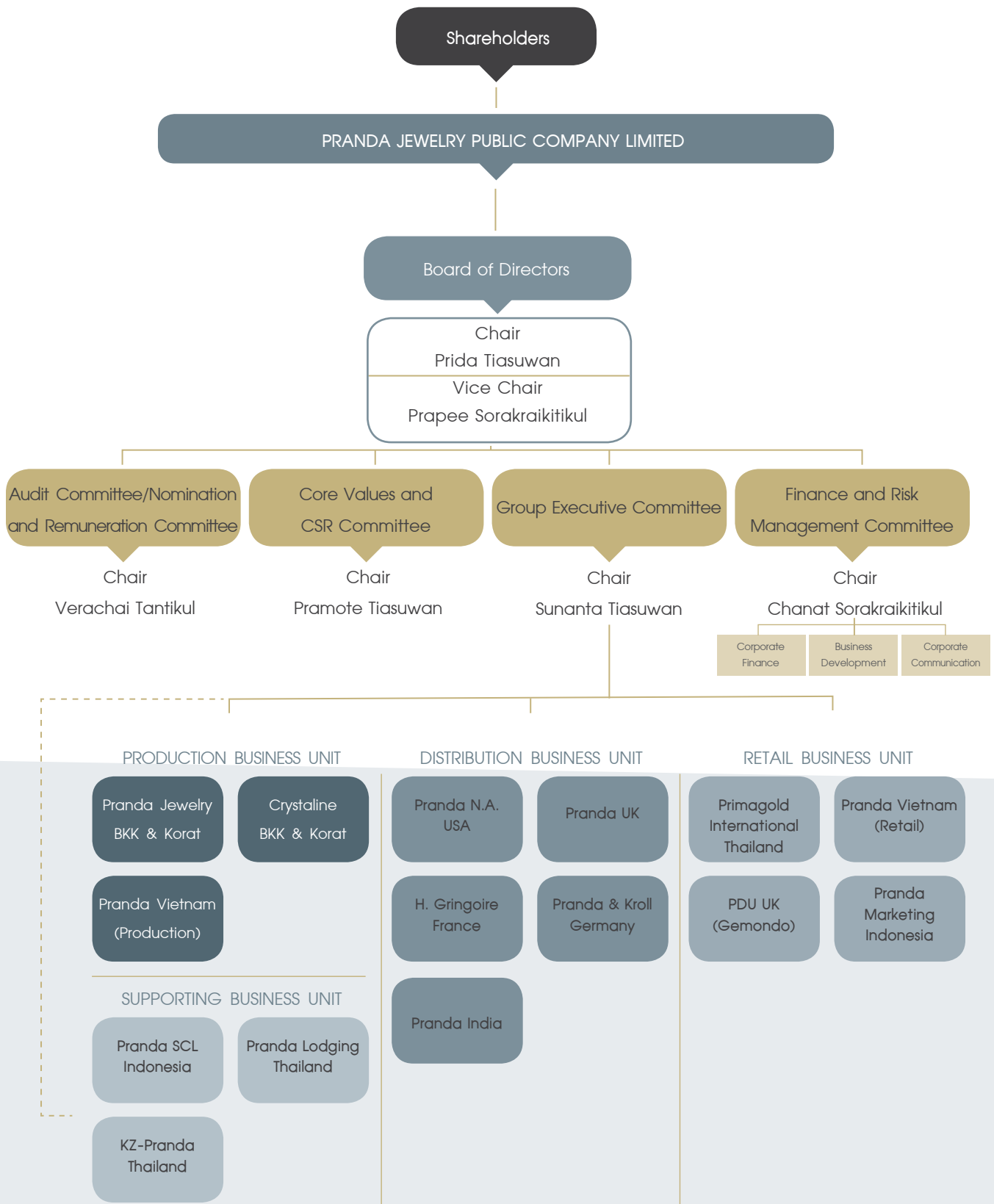
12. Mrs. Panidda Tiasuwan
Managing Director - Pranda Lodging Co., Ltd.

13. Mr. Heechan Song
Managing Director - KZ-Pranda Co., Ltd.



- | | | |
|---|---|--|
| 1. Mr. Pramote Tiasuwan
Managing Director (Manufacturing) | 5. Mr. Chanat Sorakraikitikul
Assistant Managing Director (Marketing) | 9. Mrs. Chawee Jarukornvasin
Assistant Managing Director (Manufacturing) |
| 2. Mrs. Pranee Khunprasert
Managing Director (Marketing) | 6. Mrs. Nirarat Tanalekhat
Assistant Managing Director (Marketing) | 10. Mr. Somsak Sirueangmon
Assistant Managing Director (Manufacturing) |
| 3. Ms. Pittaya Tiasuwan
Deputy Managing Director (Manufacturing) | 7. Ms. Sasisopa Wattakeecharoen
Assistant Managing Director (Marketing) | 11. Mr. Thanes Panjakrid
Accounting and Finance Department Manager |
| 4. Mr. Decha Nuntanajaroenkul
Deputy Managing Director (Marketing) | 8. Ms. Suporn Rungpitayatorn
Assistant Managing Director (Manufacturing) | 12. Mr. Dusit Chongsutthanamanee
Finance & Risk Management Director / Corporate Secretary |

Group Organization Chart





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

Vision

"To be the world's leading alliance for jewelry industry that enables our valued partners to achieve mutual growth and success."

Mission

1. Operate business of craftsmanship jewelry by utilizing proficiency to create mass quantity of products with consistent quality
2. Consciously care for all needs and business opportunities of partners to mutually achieve sustainable success
3. Provide opportunities, enhance competencies and uplift the quality of life for employees
4. Act as a representative and a supporter for Thai jewelry industry to thrive on global stage
5. Be fully committed to stakeholder focus, morality and responsibilities for environment and society at large

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 2015, The Company had changes in the shareholding structure, management and business.

- **Subsidiary - PT Pranda Marketing Indonesia (controlled by Primagold International Co., Ltd.)**

During the first - quarter of 2015, the Annual General Shareholder's Meeting of PT Pranda Marketing Indonesia passed the following resolutions:

- 1) To approve an increase in its registered share capital from 4 thousand million Indonesian Rupiah (4,000 ordinary shares of 1 million Indonesian Rupiah each) or approximately of Baht 12 million to 20 thousand million Indonesian Rupiah (20,000 ordinary shares of 1 million Indonesian Rupiah each) or approximately of Baht 50 million.
- 2) To approve an increase in its paid-up capital from 1 thousand million Indonesian Rupiah, or approximately of Baht 3 million to 10 thousand million Indonesian Rupiah, or approximately Baht 25 million.

The increase in paid - in capital was made by means of cash payment of 4.5 thousand million Indonesian Rupiah, or approximately of Baht 11 million, and the conversion to equity of trade accounts payable of 4.5 thousand million Indonesian Rupiah, or approximately of Baht 11 million. After the increase in share capital, the Group still has control over the subsidiary and has an equity interest of 55 percent.

- **Subsidiary - Pranda Trading (Shenzhen) Limited**

On 8 July 2015, a meeting of the Company's Board of Directors passed a resolution to dissolve a subsidiary, Pranda Trading (Shenzhen) Limited, on 8 July 2015. At present, the subsidiary is in the process of dissolution. This subsidiary is not a significant segment of the Group, therefore, there is no significant impact on the consolidated financial statements. As at 31 December 2015, the Company has made full allowance for impairment loss on investment in this subsidiary totaling of Baht 17 million.

- **Subsidiary - Pranda Jewelry Private Limited**

On 16 December 2015, the Extraordinary Shareholder's Meeting of Pranda Jewelry Private Limited (a subsidiary established in India) passed a resolution to increase its registered share capital from 1 million Indian rupees (100,000 ordinary shares at the par value of Indian rupee 10 each) to 150 million Indian rupees (15,000,000 ordinary shares with a par value 10 Indian rupee each). The subsidiary registered the increase in its registered share capital on 31 December 2015. The Company paid 76 million Indian rupees for the additional capital in the form of cash payment of 7 million Indian rupees, or approximately Baht 4 million, and the conversion of convertible debentures issued by the subsidiary of 69 million Indian rupees or approximately Baht 40 million. After the increase in share capital, the Company's shareholding in this subsidiary remains 51 percent.

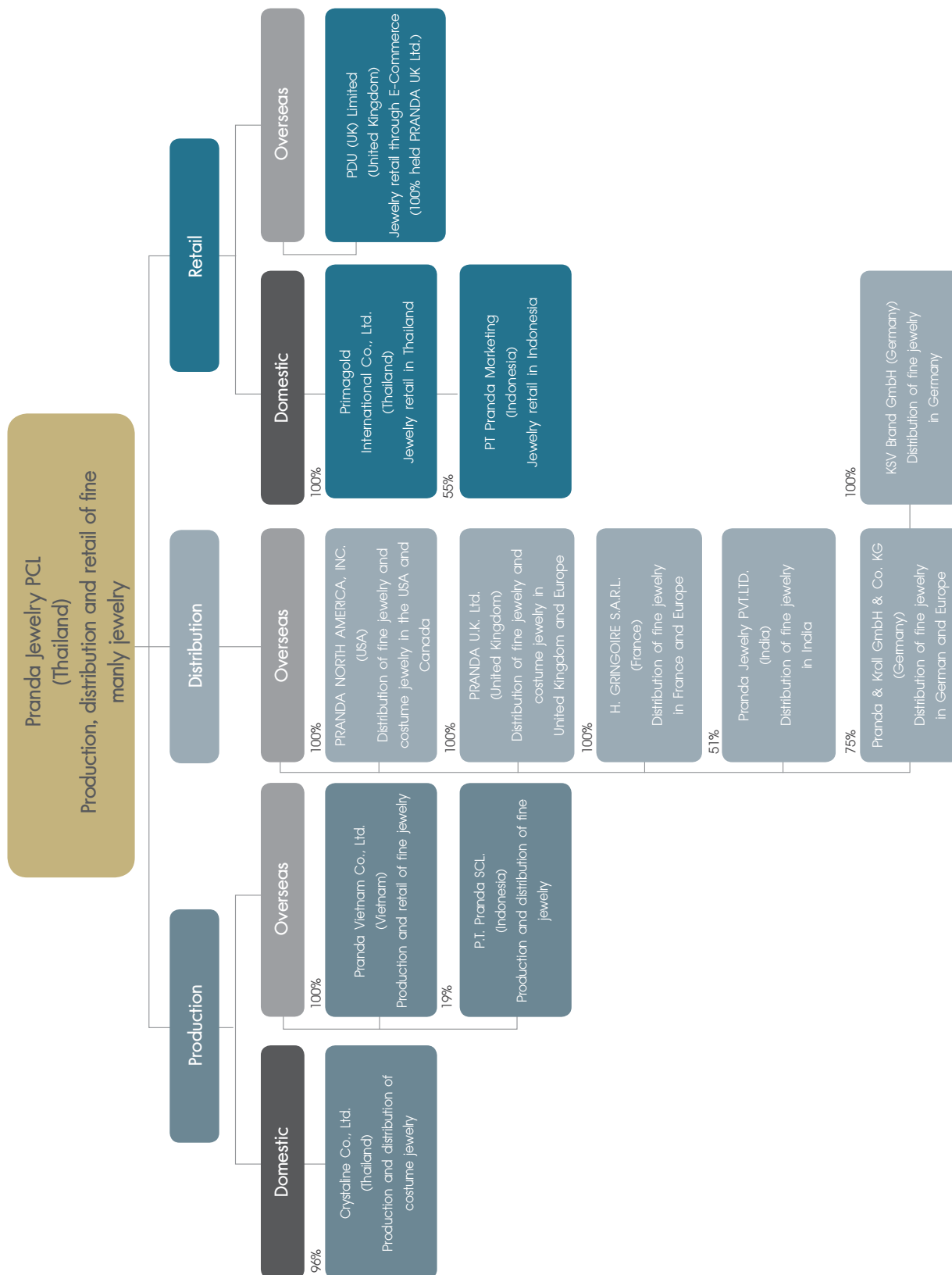
The non - controlling interest of this subsidiary paid for the additional capital by means of cash payment totaling 10 million Indian rupees or approximately Baht 5 million, and there are outstanding shares receivables of 63 million Indian rupees or approximately Baht 33 million. Payments for such share receivables are to be made annually until the year 2019 in accordance with the subsidiary's shareholders agreement.

Dissolution of an overseas subsidiary - Pranda Singapore Pte. Limited

On 23 February 2016, a meeting of the Company's Board of Directors passed a resolution to dissolve a subsidiary, Pranda Singapore Pte. Limited, on 23 February 2016. At present, the subsidiary is in the process of dissolution, which might take approximately for 1 year. This subsidiary is not a significant segment of the Group, therefore, there is no significant impact on the consolidated financial statements.

3) Corporate Structure

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





Pranda Jewelry Public Company Limited, which has been operating in the jewelry business for over four decades, has classified its business into two categories which include 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 Company aims to balance the portions of revenue coming from its two business groups, Original Design Manufacturing (ODM) and Own Brand Manufacturing (OBM), in order to lay the foundation for the total income of the Company to achieve long-term growth and sustainability.

In terms of Original Design Manufacturing (ODM) business, the Company will focus on mass craftsmanship production, producing a mass quantity of international-scale products by skilled craftsmen working with care and paying attention to every detail, to thoroughly serve the customer's needs. The Company will also focus on the supplier management (Distribution) of its own distribution base which is scattered throughout the world's regions (Global Distribution Base), including the US, UK, France and Germany - with the main goal to be the leading supplier of efficient services in order to add value to the Company.

In the area of Own Brand Manufacturing (OBM), the Company will focus to expanding its business through three main channels which are retail, wholesale and retail through E-Channels. The Company aims to expand its retail business through its own retail and franchises, focusing on countries in Asia and the Middle East whose economies show growth in the area of wholesale; the Company will emphasize wholesale jewelry to retailers both large and small, in the US, France and India and also to E-Channels. The Company is also focused to expanding its distribution channels through E-Commerce and TV shopping in Europe, especially in England and Germany, with aims to expand its customer base and build confidence in the brand.

It can be concluded that setting balanced targets for the foundation of revenue for the Group's business will lead to a growth of the total revenue for the Group in a sustainable manner.



We have conducted business with regard to the community, society and environment according to Pranda Group's policy of social responsibility and aimed at cultivating a spirit of consciousness in employees of all levels to operate on the basis of accountability and fairness to all parties in order to truly and continuously maintain the economic, environment, and societal balance, for more than four decades. Social responsibility has been integrated as a part of the business philosophy of the company, with the integral belief that when employees are happy and motivated, they are able to create and maintain the highest rates of satisfaction among customers, ultimately contributing the satisfaction to shareholders, causing the company to be even more greatly able to realize various projects for our better society.

Policy Overview:

At Pranda we believe that when the surrounding society is at its best, the company will be able to function at its best as well. Aimed to grow its business in conjunction with sustainable social responsibility, whilst take account of the highest ongoing benefit to the stakeholders in all dimensions - including business alliances, employees, shareholders and the surrounding society and environment.

The company is committed to jointly work with every party involved. We aim to build and maintain good relationships resulting from acceptance and trustworthiness, taking into account any impact that may be caused to stakeholders such as shareholders, employees, the community, customers, partners, and government agencies as well as society and the nation. Additionally, we also imprint the proper attitude and our organizational culture to their mind in order to make our people feel a sense of social responsibility to the society in which we abide together. The company therefore follows these principles of practice:

- 1) We operate the business according to principles of good governance and social responsibility.
- 2) We respect the rights of humans and justice to all stakeholder groups.
- 3) We support all activities that bring about the public benefit, the goodness of society and the environment, including the promotion of governmental or private organizations whose mission is beneficial to society and the environment.
- 4) We encourage employees at all levels to see the importance of the company's activities with regard to social responsibility, also inspire our employees to engage in the volunteer work through recreational activities that benefit the public.
- 5) The company does not support the activities that are contrary to morality or likely to cause a negative impact on the confidence and trust of stakeholders in the company, including shareholders, employees, communities, clients-partners and government agencies, as well as the surrounding society and nation.

Code of Business Conduct

The company's policy is to conduct business by adhering to the stakeholder benefit, which is a center of the business, as well as fairness, and commitment to morality and duty to environment and society as a whole, by taking into account the responsibility of relevant stakeholders throughout the business process; we also pay attention to every need and opportunity represented by business partners in order to build long lasting success together.

The Internal Organization.

The company believes that the products and services offered to the public will achieve its excellence, it must result from the great creativity and the united cooperation within the organization which includes encouraging the awareness of social responsibility to employees at all levels. The company; therefore, aims to continuously drive our employees to develop and maximize their abilities under the corporate culture and shared values (Core Values) within the organization. In this regard, the company has set up a joint committee to promote these values and social responsibility, to drive the cross-disciplinary work, since 2007 onwards, with an operational framework according to the following diagram:

People-Consciousness	<ul style="list-style-type: none"> - Pranda Academy - Quality of Life Project - Pre-school childcare centers - Food Inspection Project
Economic Sustainability	<ul style="list-style-type: none"> - Creative Innovation Project - Debt Reduction Project - Savings and Credit Cooperatives
Friendliness towards the Environment & Community	<ul style="list-style-type: none"> - Bilateral Education Project - Promotion of careers for the disabled - Project 7S's - Energy Conservation Project - Waste Bank Project - Project 1 to 9 - Sharing and implementing the benefits to society surrounding community

CSR Implementation and Report

Pranda Group has prepared and published a report on the implementation of the social responsibility in the annual reports and our official website: www.pranda.com, intended to be beneficial for both internal and external stakeholders so that they may understand our commitment and methods of operation and the results of operation in accordance with our corporate social responsibility framework.

By planning for CSR operations that show our determined social responsibility, the company has focused on caring for the needs of every stakeholder party e.g. customers, shareholders, employees and their families, suppliers and trade creditors, competitors, and society, ensuring that they have received a proper level of care for fairness. The principles of CSR operational plan is listed 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 an information journal to disseminate information Customer visits with readiness to hear their feedback and recommendations or complaints 	Support customer awareness of responsibility in safety and quality of products & services, including responding to their level of satisfaction - in the past years 2014-2015, the Company has performed an evaluation of customer satisfaction in multiple areas, covering all aspects, in order to create an operational analysis of work methods for improved efficiency and improved customer service to all clients.
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 - in the past year 2015, the Company has undergone an evaluation of corporate governance for the Thai Listed Companies Corporate Governance Report of 2015, receiving a score of 85, placing it in the four-star, or "very good" category.
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 attuned 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. This past year 2015, the Company won the Outstanding Labor Relations award for the fourth consecutive year; aside from that, it has also supported its employees to organize elections for members of the Employee Welfare Board who would act as representatives of the employees and serve during the years 2015-2017 to adjust the employees' welfare policies and quality of life. In the past, four projects suggested by the employees have already been carried out.

Stakeholder	Needs	Processes Used/ Communication Channels	Guidelines
Partners and Creditors Competition	<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. In the past year 2015, the Company has performed an evaluation of its partners, from the raw materials suppliers of precious stones and precious metals, to various other partners, covering the areas of price, quality, delivery and service - with the goal of developing its partners and producing sustainable growth. In particular, the assessment covered those partners who are producers of gems and diamonds, to ensure that the gems acquired have not been involved in any human rights violations against the indigenous peoples in those countries originating the gems.
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 	This included the creation of a bilateral education system which focuses on creating opportunities for youth in the area who lack study and job opportunities, and drawing them into the bilateral education system, to study in the branch of Artisan Jewelry - of which, in the year 2015, the program contained 407 students. Operation in strict accordance with security, health and environment policies coupled with monitoring and evaluation on a regular basis, as well as creating a public relations plan for the year with emphasis on engagement between the company, its employees and the surrounding community at the same time consistently providing information, news and knowledge that would be of benefit to the sector on the basis of factual information - in the economic, social and environmental dimensions through various persons, activities and media advertising.

The company take an account of the operation under a framework of payback consciousness to the society and the environment with details of operation as follows:

1. Create Guidelines:

To formulate a robust action plan, the company has issued policies and announcements to ensure the correct implementation. Prior to any notification, each announcement or regulation would be brought to the various related agencies so that they could acknowledge and implement in accordance with those announcements or regulations.

2. Communicate to Employees:

The company has well organized the dissemination of its policies and made an announcement to employees through email channels regularly, including the internal company's database for ease of searching and review of prior announcements at any time.

3. Monitor and Evaluate plan:

In order for the company to certain of correct implementation according to the announcements rules by all agencies, in each year, the internal audit committee has nominated to make sure that all agencies are able to conduct a good internal control system and prevent operational risks.

The operation mentioned above contained the core business processes of the organization (in-process), according to the 8 principles based on the Stock Exchange of Thailand's Corporate Social Responsibility guidelines, as detailed below:

1. The Fairness in Operation

- Operate all business units fairly and levelly:

Pranda Group adheres to ethical principles and laws to conduct business honestly under the framework of free trade competition by encouraging employees to recognize the importance of fair business competition, avoiding monopoly or the abuse of superior market position.

- Respect the intellectual property rights of others:

Pranda Group adheres to guidelines not to involve itself in any activities which violate to one's copyrights, trademarks, and intellectual properties.

- Promote responsibility toward the supply chain:

Pranda Group has established relationships with partners in the supply chain through the fair business operation with the appropriate parties by promoting participation the importance of the social responsibility of the partners.

2. The Anti-Corruption Action Plan

The company adheres to the principles of good corporate governance according to accepted anti-corruption standards that oppose the corruption in all forms namely, by designating as a practice that neither the managements nor employees should demand or be offered properties, bribes, or other dishonest benefits from/to any parties. In order to prevent wrongful gain, and disseminating, the company's anti-corruption policy has been settled as a rule for employees at all levels in such a way that they are supposed to know and better understand.

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. Primarily, the company will not support or fund any suppliers of raw materials who participate in the violation of human rights in their acquisition of raw materials for the company.

4. The Fair Conduct Toward Laborers

The company aims to thoroughly develop employee abilities, knowledge and skills in order to help them make appropriate progress in their career path, equally for both male and female, as well as to literate them the dynamics and changes in economy, society, technology and other subjects that will be beneficial and help improve their quality of life. By supporting also those people with disabilities who have the skill and ability to work, the company helps them in various ways; improving their abilities, providing the better opportunity 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.

- Avoidance of forced labor or child labor: The company will avoid all instances of forced labor, child labor and child abuse which are 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 each potential employee, by equally considering the various compensations provided by other companies in the same industry, position, experience, financial results, current economic and social situation. Moreover, the company emphasizes the safety at work practices for both the physical and mental health for employees, adhering to the principles of social responsibility and labor, by arranging safety equipment according to the international standards as well as supporting the specific requirements of clients with respect to the safety, environment, social responsibility and labor.

5. The Responsibility to Consumers

The company adheres to fair and ethical marketing and sales policy, protecting the client's confidential information with regard to sales, without using the information for its own benefit or other related parties wrongfully. In order to produce a secure and quality product that meets the needs of our customers without harm, we aim to maximize the level of customer satisfaction through an efficient management system which undergoes a Pranda Process of continual improvement and comprehensive evaluation.

6. The Environmental Resource Management

The company adheres to standard working procedures to prevent pollution or negative impact on the environment and community according to the international standards, by using efficient management technology to cover the usage of electricity, fuel and energy with regard to water, air quality and waste management. The company as well as provides a ready channel for the lodging of any complaints from employees or the community which may arise the operations of the company, including participation in social and community development activity and mutiple supports that benefit the community and society as a whole.

7. The Participation in Social and Community Development Activity

The company adheres to principles of integrity and encourages people within the organization to have a public consciousness to the community, which may be involved with our business, by using the concept of a bilateral education system to create knowledge, skills and abilities in the artisan jewelry which can help to enhance and enrich the quality of life and society in long term.

8. The Creation of Innovation

The company is aware of the importance of exploring and developing innovation in the various work within the organization in order to create new things, either individual nor organization and increase the value of Pranda Processes of work as well as create a good return to stakeholders. With regard to the economy, society, and the environment the company aims at achieving success and sustainability development throughout the business.

For the past year 2015, the company's Board of Directors has established a committee to co-promote shared value and social responsibility, consisting of a Chairman and eight officials, altogether nine people, the Committee for the Promotion of Shared Value and Social Responsibility has appointed a sub-committee to carry out various projects in accordance with the Company's initiatives with progress and results of operations as follows:

Operating Results of the Key Projects in 2015

- Pranda Group Institute of Learning

The company has issued a policy to establish the Pranda Group Institute of Learning in order to increase and enhance the skills and knowledge of staff so that they can work effectively and possess a long-term vision, by arranging for training that covers positions of all levels with various curricula such as Core Value Connection course, Emergency in Chemical Leaking course, Individual development in Personnel (IDP), Foundational Knowledge for New Employees course. Additionally, The company has also settled up a library which is widely open to employees and their children to borrow books or even search for an information that they are interested in via the company's Intranet. Monthly, there are many new books, magazines and journals - more than 3,000 volumes in total - in order for being more updated and easier to access for the staff.

- The Quality of Life Project

The company has focused on improving the quality of life for employees from all dimensions with the preparation of various projects and activities, by enhancing their lives throughout these activities follows:

- (1) The Aerobic Exercise: In order to create a healthy body, shape and mind weekly.
 - (2) The Internal Flea Market: In order that employees are able to sell used/ second handed belongings for their extra income. The market is held twice a week.
 - (3) The Shuttle Vehicle: In order to provide employees with an economical and safe commuting carpooling. the shuttle is provided daily in the evening.
 - (4) Father's Day and Mother's Day celebrations: We hold a slogan contest to allow our people to realize their gratitude to their parents.
 - (5) News and Knowledge Updating Campaign: To present general news, and knowledge to employees regarding health, nutrition and other useful information.
 - (6) The Storytelling and Children Clay Therapy: In the preschool child development center, the activities are held to enhance their imagination, instilling their reading habit, and also helping them exercise their hand and finger properly.
- **Preschool Child Development Center**
The center has been continuously operating for 27 years to help our employees in taking care of their own children during work hours. Not only support the children physical development but also encourage their IQ and EQ abilities. Each year, the center has taken care of more than 50 children, by providing experienced doctors and nurses who are full-time staff specialized in the area of childcare so that the children will be ready to start school at their age properly. The children in the center will be provided with the following aspects of care:
 - (1) Health Services: such as health check-ups, the physical examinations to check their growth development and give an instruction to the parents.
 - (2) Providence of Nutritional Services: arranging nutritious and well-balanced meals for the children in the proper quality and right quantity, as well as teaching them to aware of being healthy and generally proper table manners.
 - (3) Promote Children's Development: such as muscular development, language development, communication, creativity, mental, emotional and social development so that they can learn to live with others happily, as well as create preliminary good habits and discipline in their young lives.
 - **The Innovation Project**
The company supports and encourages all employees to initiate creativity within the workplace, by allowing them to modify the equipment, tools, and processes in order to increase efficiency, improve results, reduce production costs, and also create a knowledge base within the organization for internal usage. In 2015, a number of individuals presented their work and prizes were awarded for a total of 31 projects. Moreover, the company has taken these results, expand and implement them to all branches and subsidiaries.
 - **The Debt Reduction and Legal Consultancy:**
The project has been carried out presently in order to help employees solve their debt issues, as well as giving a legal advice on proper debt management with the support from various financial institutions.
In the past year, 2015, more than 80 employees have approached the project to request the legal consult with 5 of them requesting credit for the debt restructuring calculating to 1.436 million THB in total. Aside from this, the company has also added channels to provide information and initial consultations with the "Morning Talk" campaign activity where informative talks are given to factory employees.
 - **The Savings and Credit Cooperatives**
Since 2008, the company has instigated savings cooperatives for employees in the Pranda Group in order to create savings habits among the staff and to instill knowledge of personal financial management. It is also a source of funds at lower interest rates than those of most banks and exists to serve in cases where employees have financial need. It currently reached 2,246 members, with more than 124 million THB.
Currently, employees are saving money in the form of deposit accounts, altogether 1,248 accounts totaling an amount of 20 million Baht. Since the start of the cooperative in 2008 until the present, 2,246 individuals have made savings in the form of investment totaling Baht 96.2 million.
In the aspect of loan support in 2015, there were a total of 2,966 transactions totaling Baht 80.6 million; when including all supporting loans from the start of the cooperative in 2008 until the present, a total of 21,008 welfare loans have been made, totaling a monetary value of Baht 430.2 million.
Aside from this, in the past, the cooperative has also contributed funds to support the following areas:

- The Annual Fund for the Children Educational Support.

It can be considered as an alleviation of the financial burden for those employees who are members of the cooperative, with 78 scholarships being funded and supported in past years. By including all the funding from the inception of the cooperative in 2010 until now, it would be a total amount of 373 scholarships.

- Prize for Bilateral Students who show "Outstanding academic performance with discipline and cooperation" with extraordinary academic results and work who have cooperated with the agency; in the year 2015, eight of these prizes were handed out. By counting all prizes awarded since 2012 until the current year, the total number of prizes awarded is 24.
- Funds for Natural Disaster Victims such as floods, storms or fires in order to help alleviate their sufferings. In 2015, one such grant was bestowed to a victim who was impacted by a storm. By counting all support since 2010 until now, the number of employees who have received is 21.
- Funds for sever illness or chronic disease. In 2015, there were 17 members who received help from serious illness, by counting since 2010 until now there are 34 people who have been given support from this funds.
- Funeral Fund. This is a freewill offering to employees from the company. In 2015 one employee passed away and approximately 600,000 Baht of this fund has been donated to this employee's heirs.



In conclusion, the excellent and efficient operation of the savings cooperative has resulted in the cooperative being ranked with the "Excellent" standard for three years running since 2013 until now, held by the Cooperative Promotion Department, Ministry of Agriculture and Cooperatives.

- The Bilateral Education in Artisan Jewelry Academy



The company has continuously held this project since 2000 in collaboration with Golden Jubilee Royal Goldsmith College, Suranaree Technical College and Bangkok Arts and Crafts College, Department of Vocational Education, by accepting students who have completed their education at the Mathayom Suksa 3 level (9th grade High School) to enter and study at the vocational level in Artisan Jewelry Academy. The committee will select students from welfare schools, Rajprachanukroh School, and other opportunity-providing schools all over the country, giving special consideration to those students who live in the underprivileged area. The company has operated this program continuously until the present and has already 15 classes of students graduated from this program, as a total of 1,207 people. The program has also been expanded to Pranda factory in Nakhon Ratchasima in order to provide students with the better educational opportunity. In the academic year of 2014, there were 108 students from Bangkok and Nakhon Ratchasima graduated from this program, and in the academic year of 2015, there was a total of 407 students currently undergoing the first, second and third years of the program.

- The Promotion of Jobs for the Disabled



Throughout the course of its business operations, Pranda Group has had the policy to support people with disabilities in different approaches; for instance, recruiting those whom with disabilities as a normal employee, the special development to increase their capacity to work at the same level as normal employees, and providing the opportunity for them to grow in their career path. Currently, the company has employed 37 disabled, representing a ratio as 60 : 1 which is greater than the legal limitation as 100: 1. These disabled people have employed at various levels within the organization, including the management level, in supporting agencies and in the production segment. They receive compensation for their work and various benefits equivalent to normal employees. Due to the fact that most of the disabled employees are hearing-impaired, the company has also organized training to develop the employees in coordinating agencies and other employees to provide them with skills to communicate in sign language with those employees who are hearing impaired. In the past, 2 classes have already been organized with more than 100 people participating, reducing the barrier to communication both in terms of work and living in the organization.

The company has also established partnerships with external organizations, including Golden Jubilee Royal Goldsmith College and the Ratchasuda College to forge an educational curriculum so that deaf students can take the step to become real artisan jewellers, and also create a partnership with school for the Deaf in Nakhom Pathom and Kanchanaburi in order to develop the skills of hearing impaired students at the secondary level in artisan jewelry work. The company has provided equipment and tools for study, including raw materials for use in the training course, also providing study trips so that students may observe work, and sponsoring a crafting competition in conjunction with the School for the Deaf in order to motivate students, sending also professionals to speak and share their expertise with students. Additionally, the company has also cooperated with other organizations such as the Nakornluang Polytechnic College and the Art for All foundation, for this project.

Resulted in the recent 2015, the company has been selected for the honor to receive the "Disability Matter Award 2015" for its efforts in the promotion of international support for the disabled. This is a tribute to the organization's success in employment and participation in encouraging the development of skills and potential for the disabled so that they may experience the better quality of life in society. In the year 2015, many reputable organizations from Asia, Europe, and the United States received this honor. In Thailand, There are only two organizations awarded this honor - Central Group and Pranda Group.

- 7S Project

The 7S project is intended to support and promote operational efficiency, with the 7S policy being designated as foundational management tools to develop a quality management system.

The 7S project consists of:

- The development of work areas: Clear-up - Convenience - Cleanliness
- The development of personnel: Hygiene - Habit
- The creation of impressive and friendly environments conducive to habitation and workspace: Environment & Beauty

There has been a constant review of the 7S standards of operation to ensure that they are successfully in accordance with the present condition, as well as encourage all employees to have a positive attitude, willing to change their mindset and for all to contribute to improving the quality of work operations. It is an activity that has created a lot of motivation to detect, diagnose and improve the tidiness of all areas, and help to prevent any loss that may occur in the workplace.

- Environmental conservation and energy-saving projects

Even though the jewelry manufacturing industry is considered a light industry which hardly affects the environment, the company has not been negligent in these matters which are highly sensitive social issues; therefore the company makes it a priority to operate in such a way as to thoroughly conserve the surrounding environment, as follows:

In the management of wastewater and sewage systems: The company has a solid and efficient system to treat and manage wastewater. There is careful management of various control parameters related to the established standards, as well as audit procedures in place which are conducted by both internal and external agencies to ensure and raise confidence in the efficiency of work operations not creating a negative impact to the environment and the surrounding communities to a higher level.

What has been accomplished - in the year 2015, the Company has performed according to standards, both in terms of maintenance, and the review processes carried out by internal and external divisions according to established standards; there have not been any complaints from the surrounding community.

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 has also modified 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.

What has been accomplished - the installment of four chiller-operated air-conditioning systems.

1. Two such systems have been installed at the Bangkok headquarters at a 250-ton size per system; this series operates on R-134a (HFC) refrigerant in order to reduce the destruction of the ozone layer in the Earth's atmosphere.
2. Two such systems have been installed at the Bangkok factory at a 150-ton size per system; this series operates on R-134a (HFC) refrigerant in order to reduce the destruction of the ozone layer in the Earth's atmosphere.

- Recycling Bank

The Company has set up a waste recycling bank since 2009 with the goal of waste management in the company, by thoroughly publicizing this program so that all employees are aware of it and able to participate in the "Reduce, Reuse and Recycle" activity - fostering the reduction of unnecessary waste, encouraging employees to bring waste materials to recycle instead of disposing and encouraging the selection of recycled, renewable materials for use. Additionally, in term of waste management, an average of 50,000 kilograms of recyclable materials have been deposited for storage and sold annually, garnering more than 500,000 Baht per year. In 2015, due to the renovation of various areas within the company, the recycling bank could not be fully implemented so that only 16,271 kilograms of recyclable waste was diverted into the bank, or approximately 150,000 Baht.

- 1 to 9 Project

The company has joined National Education Standards and Quality Assessment (NESQA), a public organization, with the direct aim of developing and improving the quality of educational institutions in Thailand to be become even better than ever before including the development of a quality assurance system by using the "1 to 9" method, namely, 1 agency go for assisting 9 educational institutions. Selected by the government agency or private agency, at least, 9 schools will be developed, promote, support and follow up with a performance assessment to evaluate the results effected by the schools.

Business Practices That Affect Social Responsibility

In 2015, Pranda Group has not operations any business activity that caused an impact on the environment; neither has it violated the law nor been accused of causing any negative impact on the public through its business processes in any way that could affect the business reputation or credibility of Pranda Group.

Social and Environment Outreach Activities (After Process)

- Sharing and implementing the benefits to community

Throughout the year of 2015, Pranda Group has operated according to the "Sharing and implementing the benefits to community" project, with an emphasis on employees' participation and engagement in voluntary activities and also donating money to social concerned organizations such as:



(1) Joining the National Children's Day with government agencies, schools and communities such as Nakhon Pathom School for the Deaf, Pong ployanusorn School, Bangna housing community, Likhit 2 community, Tim Rueng Wet community, Thong Bai community, Bangna police station, and the surrounding communities with the goal of building a good relationship between the school and nearby communities. Whilst, encouraging the children to grow up properly, the company has focused on holding such activities to foster benefit to society, as well as caring for the environment at all times.



(2) Blood donation to help patients cooperated with Thai Red Cross Society in every 3 months, according to the "United Love & Loyalty, Let's Donate Blood for Charity as for our King and Queen" campaign, a royal charity dedicated to the glory of His Majesty the King, to donate blood to help patients, and to create a blood bank that may be used in case of emergencies, since today the demand for blood to help in the treatment patients is greatly increasing, contributing to many blood shortages.



(3) 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 candles for lent day to the temple, and other offerings dedicated to Buddhist monks on the occasion of important religious festivals throughout the year.



(4) Support for the green market campaign: Setting up an area for groups of farmers, groups of manufacturers and small and medium enterprises to sell products and processed products, agricultural produce from the Thai Organic Trade Association, health food, and chemical-free produce, bringing them in to sell every first Thursday of the month. The project has been in operation since 2011 until the present.



(5) Visits and Study Tours: By opening the opportunity for various educational institutions and agencies to come in and study and observe the work of the company throughout the entire spectrum of the business operation in order to create more knowledge to society and to the stakeholders.



(6) The promotion of a networking environment for social & environmentally-friendly businesses: Pranda Group is the organization that founded the network and membership for social & environmentally-friendly businesses which unites businesspeople and allows them to exchange their experiences and connect with other businesses with similar paradigms in terms of socially and environmentally responsible business practices, whose mission is promoting awareness and support among businesses which will lead to respect for social and environmental impact, consideration for the rights of the community and business activities that are fair to all parties.

(7) Joining as one of the organizations helping to establish the UN Global Compact Local Network within Thailand - In 2015 has been a time of preparation for the founding of an organization for associate members of the UN Global Compact within Thailand, which consists of more than 15 agencies. This project has been supported by the National Human Rights Commission and the Subcommittee for the Strategic Execution of Economic, Social and Cultural Rights. The National Human Rights Commission has joined to support the founding of the aforesaid UN Global Compact Local Network in order to help examine the management structure and the roles of those involved, and to join in setting the operational goals for a timeframe that will extend until end of the first quarter of the year 2016, and also to jointly propel the network to success according to the UN's 10 principles which cover four main issues - human rights, labor standards, environmental protection and anti-corruption - to help create sustainable development together.

Measures Taken to Prevent Stakeholder Involvement in Corruption



The Board of Directors has approved a policy to prevent fraud and corruption which has been designated as a part of having a good corporate governance policy according to accepted standards and the opposition of corruption. The guidelines have been established to prevent the management and employees from demanding or suggesting any assets or benefits from any related parties (Bribe). The company has also transferred the policies and guidelines to the management and staff at all levels to ensure that they will know and understand them. According to these policies, the company has defined roles and practices to be followed in the case that any practices are found to be corrupt, as well as whistle-blowing and complaint channels. This is to ensure that the management and staff at all levels can perform their functions correctly and appropriately.

In 2015, the company has carried on its preventative measures against internal fraud and corruption as described below:

- The company has always communicated the current policies and measures against fraud and corruption within the organization, including whistle-blowing channels to report complaints or suggestions to the public and to the stakeholders through various methods such as website, annual reports, etc...
- The company has always provided risk management plans related to fraud and corruption, by performing a risk assessment, prioritizing and determining the appropriate measures, as well as following up on the measures that have already been taken. The company has also nominated the finance committee and the risk management committee in which coordinating the audit committee on any major risks especially those risks that relate to corruption and have been entrusted to the internal audit agency for review.
- The company has always arranged a monitoring system for internal operations that covers all the major operations of the company such as commercial operations, purchasing and procurement to ensure that these internal controls will achieve the objectives, including monitoring performance to ensure adherence to SOPs, regulatory requirements and advice on the development and improvement of work systems to increase operational efficiency. In order to comply with this policy, the company has taken measurements to create whistle-blowing standards and instilled protection mechanisms for whistle-blowers, including communication on corruption combatting measures at all levels through orientations for new staff, electronic newsletters, the organization's internal and external media, informative letters which notify policies to partners and customers, and the company's website.

Brief History and Honorary Rewards of PRANDA Group

2015

- PRANDA was awarded through an assessment into the "Thailand Sustainability Investment" group by the Stock Exchange of Thailand, being entered as one in 51 registered companies, into the first group of its kind in Thailand at the "Thailand Sustainability Investment 2015" fair or the "Thailand Sustainability Investment," of which all companies selected must have distinctions in the three areas of Environment Social and Governance (ESG). The event was held at the Stock Exchange of Thailand.



- PRANDA GROUP has been honored with an international award for promoting people with disabilities-the "Disability Matter Award 2015" - which was organized through cooperation between the Krungthai AXA Life Insurance company and Springboard Consulting, bestowed upon those establishments which have performed outstandingly in the area of hiring people with disabilities and which have joined to encourage those with disabilities to be able to develop their potential and improve their quality of life in society, of which, in this year, prestigious businesses in the United States of America, Europe and Asia-and in Thailand there have been two companies to receive it which are the Central Group and the Pranda Group.



- Awarded "Establishment with Outstanding Workplace Relations and Labour Welfare of the Year" for 2015 by the Department of Labour Protection and Welfare

- Pranda-Korat has received a certificate of honor as an establishment that is highly committed to becoming a safe workplace establishment, extolled by HRH Princess Maha Chakri Sirindhorn



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. were 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 2013-2016" 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).
- 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.

2013

- The Company received honorary award called "Sustainability Initiative of the Year", JNA Award 2013 for the second time from the committee consisting of international knowledgeable persons as the Company has adhered to the organization development on a sustainable basis with good morals and ethics.
- The Company has additionally invested in Pranda & Kroll GmbH & Co. KG in the amount of 9.6 million Euro or equivalent to about 409 million Baht, making the Company to have the registered and paid-up capital in the amount of 13 million Euro. This investment increases the shareholding percentage of the Company from 51 percent to 75 percent.
- The Company purchased 2,000,000 ordinary shares of P.T. Sumberkreasi Ciptalogam, having a par value of 1,000 Indonesian Rupee, representing 50 percent of the issued and paid-up capital of P.T. Sumberkreasi Ciptalogam at the book value amounting to 1.4 Singapore dollars or around 35 million Baht. The Company also divested its investment in P.T. Sumberkreasi Ciptalogam by selling 1,240,000 ordinary shares, representing 31 percent of the issued and paid-up capital of P.T. Sumberkreasi Ciptalogam to shareholders of P.T. Sumberkreasi Ciptalogam in the value of 0.7 million USD or around 22 million Baht, decreasing the shareholding percentage of the Company in such company from 50 percent to 19 percent.
- 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.
- The Company had signed an (MOU) of “The gems and jewelry personnel development project” with the Golden Jubilee Royal Goldsmith College, King Mongkut’s University of Technology North Bangkok to support project operation with the fund of Baht 54 million for 7 years from 2011 – 2017 in order to provide an opportunity for poor students to pursue the Bachelor of Fine Art program in Royal Goldsmith, majoring in gems and jewelry design.
- The Company received the CREATIVE AWARD 2011 from the contest of “The Extreme colors of Ploi” which was organized by the Department of Export Promotion, the Ministry of Commerce and the Thai Gem and Jewelry Traders Association.
- PRIMA GOLD received the PM’s Creative Award’s Function Creations as it produced products from creativity and variety of components which include culture and innovation to increase product value and services, leading to economic growth development with sustainability.
- The Company’s Nakorn Raschasrma plant received the Excellent Labor Relation and Welfare Award 2011. It was the second time that the Company received such an honorable award.
- Saving cooperative of the employees of PRANDA received recognition of “A” in terms of administration standard following 7 standard indices from Cooperative Promotion Department.

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 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.

2010

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
- Crystaline 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 USD 2.35 million, representing 100% ownership.

2007

- The Company was awarded the first runner-up award from participating in the work performance competition under the Philosophy of Sufficiency Economy for large - scale enterprises which run their business according to the Sufficiency Economy Philosophy which has been organized by the Office of the Royal Development Projects Board under the Prime Minister’s Office.
- The Company won Thai Labor Standard award (TLS 8001-2003), Completion Level from the Department of Labor Protection and Welfare, the Ministry of Labor.
- The Company increased its investment in Primagold International Company Limited by 100 million baht, raising Primagold International registered and paid-up capital to 200 million baht. Pranda Jewelry Public Company Limited controls 100% in Primagold International.
- The Company raised the investment in Pranda & Kroll GmbH & Co. KG Limited by 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 launched Siam Pannarai designer Collections and received The Hot Design Award at the 37th Bangkok Gems & Jewelry Fair.
- 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.
- Pranda & Kroll GmbH & Co. KG launched a new brand "Cai", at the Inhorgenta Fair, Munich, Germany.
- Pranda Jewelry Plc. has been selected as one of the four Thai Companies meeting the Sufficiency Economy standards in running business in compliance with the Sufficiency Economy Philosophy of His Majesty the King held by the Office of the National Economic and Social Development Board.
- PRANDA SCL (Indonesia) expanded capacity in response to increased overseas demand from 450 workers to 700 workers.

2005

- Received a shield of honor as outstanding establishment on labor welfare from the Department of Labor Protection and Welfare, the Ministry of Labor.
- Raised its investment in Crystalline Co., Ltd. Bangkok by Baht 50 million to Baht 100 million. The company holds 96% stake in Crystalline Co., Ltd.
- Primagold International Co., Ltd. signed a joint venture deal with Tomei Gold & Jewelry Holding to distribute PRIMA GOLD products in Malaysia.
- Primagold International Co., Ltd. operates 48 retail outlets in Thailand and 35 outlets in international markets. In total the company operates 83 distribution outlets.
- The Company signed a joint venture agreement with Gregor Kroll of Kroll GmbH in a ratio of 51:49 to set up Pranda & Kroll GmbH & Co. KG in Germany to distribute gold and silver jewelry products in Germany and Europe.

2004

- Received special Export Honorary Recognition award from the Department of Export Promotion, Commerce Ministry as the Thai exporter with the most robust growth for 10 consecutive years and as the Thai company which was used to win Best Exporter award before.
- Received standard certificate for 96.5% gold jewelry under "Century Gold" brand from the Office of the Customer Protection Board.

- Primagold International Co., Ltd. launched gold jewelry with 96.5% purity under "Century Gold" brand with the first retail outlet opened at the Mall Department Store, Bangkok and expanded to seven branches within the same year.

2003

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

2002

- Received a certificate of approval and emblem from the Office of Consumer Protection Board as the establishment which "protects the consumers' rights on labels, advertisements, and contracts."
- Chosen as the workplace which is "clean, safe, pollution-free and dynamic" and received testimonial from the Health Department of Bangkok Metropolitan Administration.
- Selected to become a member of Bangna canalside community under "We love canal" project from Bangna district office. The Company also received certificate for attending the training program on food sanitation for restaurant operators after the Bangkok Metropolitan Administration has issued regulations on "place where meals are sole and place where foodstuff is stored 2007"
- The company offered 200,000,000 units of the five-year warrants (2 May, 2002 to 2007) to existing shareholders.

2001

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

2000

- The Company received the Gold Card exporter award from the Customs Department, Ministry of Finance which offers fast track benefits on imported raw materials. The award represents the company's creditability and financial stability.
- The Company's employees won the gold and silver medal on jewelry designer from the 18th national skills competition held by Department Of Skill Development under Ministry of Labour and Social Welfare.
- Crystalline Co., Ltd., received Prime Minister's Export Award for the Best Own Design Exporter held by the Export Promotion Department.
- The Company was awarded "clean place to dine" as the establishment which meets sanitary standards for food outlets (physical facet) held by food sanitation division, environmental sanitation division under Bangkok Metropolitan Administration.
- The Company was awarded the Gold Card exporter from the Customs Department, Ministry of Finance with "track" benefits on imported raw materials.

1999

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

1998

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

1996

- Prima Gold Co., Ltd., the Company's subsidiary, received Prime Minister's Export Award for the Best Own Design Exporter from the Thai government and won the contest for "Golden Design Award" at Vicenza Oro Fair held by World Gold Council, while "Prima Gold" designs from Indonesia won two awards the Best International Award of Indonesia and "The Best Outstanding International Award" from five countries in the Far East Asia.
- Expanded 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 under the name Pranda Design Company Limited and later officially renamed to Pranda Jewelry Limited on April 27, 1984. The Company listed its common stocks on the Stock Exchange of Thailand on July 6, 1990 and was transformed into a public company on June 3, 1994. Today, the Company's total registered capital is Baht409.529 million with issued and paid-up capital of Baht 409.529 million. The Company's headquarters are located at 28 Soi Bangna-Trad 28, Bangna District, Bangkok 10260.

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

The Company has established a balanced management structure as follows:



Production	Thailand, Vietnam and Indonesia
Distribution	US, UK, Germany, France, Italy, Spain, Japan and India
Retail	Thailand, Vietnam, Indonesia, UK and Germany

Production

By taking advantage of the economies of scale in the area of production, PRANDA is able to produce quality products at a reasonable price. The Company has also diversified its production risks to cover almost every product price range. PRANDA Group operates factories in 3 countries: Thailand, Vietnam and Indonesia. Currently, the Company's production capacity is 10 million pieces of jewelry per year. There is also a center for product design and development which can meet the needs of our customers.

Distribution

The Company has its own distributors and overseas agents in order to diversify market risks and expand the market at the same time. Today, PRANDA's major distributors are located in the key regions around the world including US, UK, Germany, France, Italy, Spain, Japan and India, with Subsidiaries as distribution bases in five countries, including the United States, UK, France, Germany and India.

Retail

In order to reach jewelry consumers directly, the Company has set up Subsidiaries that specialize in retail management, including the Company's own retail outlets and franchise businesses throughout Asia and the Middle East. These Subsidiaries are currently located in Thailand, Indonesia, Vietnam, UK and Germany.

Revenue Structure of Pranda Jewelry PCL and Subsidiaries (Grouped by business units) excluding related-party transactions

Company	% holding	2015		2014		2013		2012		2011	
		Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Production											
Pranda Jewelry PCL		793	27.12	1,027	30.74	1,399	37.04	1,914	45.24	1,799	42.90
Crystalline Co., Ltd.	96	103	3.52	134	4.01	159	4.21	173	4.09	164	3.91
Pranda Vietnam Co., Ltd. (Production)	100	40	1.37	31	0.93	57	1.51	6	0.14	38	0.91
Guangzhou Pangda Zhubao Shoushi Youxian Gongsi	100	-	-	-	-	-	-	4	0.09	18	0.43
Pranda & Kroll GmbH & Co. KG	75	-	-	63	1.89	-	-	77	1.82	70	1.67
Total revenue from Production		936	32.01	1,255	37.56	1,615	42.76	2,174	51.38	2,089	49.82
Distribution											
H. Gringoire s.a.r.l.	100	99	3.39	124	3.74	120	3.18	150	3.55	156	3.72
Pranda UK Limited	100	82	2.80	67	2.01	85	2.25	101	2.39	147	3.51
Pranda North America	100	655	22.40	864	25.86	828	21.92	756	17.87	705	16.81
Pranda & Kroll GmbH & Co. KG	75	49	1.68	88	2.63	153	4.05	114	2.69	150	3.57
Pranda Jewelry Private Ltd.	51	92	3.15	83	2.48	114	3.02	142	3.36	169	4.03
Total revenue from Distribution		977	33.41	1,227	36.73	1,300	34.42	1,263	29.85	1,327	31.65
Retail											
Primagold International Co., Ltd.	100	772	26.40	694	20.77	671	17.77	689	16.28	683	16.29
Pranda UK Limited	100	19	0.65	17	0.51	14	0.37	18	0.43	-	-
Guangzhou Pangda Zhubao Shoushi Youxian Gongsi	100	-	-	-	-	8	0.21	18	0.43	20	0.48
Pranda Trading (Shenzhen) Limited	100	-	-	1	0.03	2	0.05	-	-	-	-
Pranda Vietnam Co., Ltd.	100	42	1.44	32	0.96	-	-0	15	0.35	3	0.07
PT Pranda Marketing Indonesia	55	75	2.56	69	2.07	53	1.40	-	-	-	-
Total revenue from Retail		908	31.05	813	24.33	780	20.66	740	17.49	706	16.84
Sales Revenue		2,821	96.48	3,295	98.62	3,649	96.61	4,177	98.72	4,122	98.31
Pranda Lodging Co., Ltd.		7	0.24	8	0.24	8	0.21	10	0.24	10	0.24
Other Revenues	83	96	3.28	38	1.14	120	3.18	44	1.04	61	1.45
Total Other Revenues		103	3.52	46	1.38	128	3.39	54	1.28	71	1.69
Total Revenues		2,924	100	3,341	100.00	3,777	100	4,231	100.00	4,193	100.00

1. Nature of Products

Pranda's products are categorized into the following 2 groups:

1. Own brand Manufacturing (OBM)

Currently, the Company has positioned its own brands to capture different groups of medium to high jewelry consumers in various regions. The various brands are:

- Prima Gold: 99.9% pure gold jewelry, primarily for markets in Asia and the Middle East
- Prima Diamond: high quality diamond jewelry, primarily for the Thai market
- Prima Art: 99.9% pure gold, hand-crafted art jewelry, primarily for markets in Asia
- Julia: 18K white gold jewelry with diamonds, primarily for the Indonesian market
- Merii: Fashion jewelry with cubic zirconia, primarily for the Thai market

- Ariva: Silver fashion jewelry, primarily for the US market
- Cai: Silver fashion jewelry, primarily for the European market
- Baldessarini: Luxury men's accessories, primarily for the European market
- HGG: 18K gold jewelry with precious gemstones, primarily for the European market
- Esse: Marcasite jewelry, primarily for the European market
- Gemondo: Genuine gemstones jewelry marketed through E-Commerce and TV Shopping.

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

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 Products Marketing Policies

The 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 OBM Products

The PRANDA Group intends to expand the PRANDA retail network for its own brands to support long-term sustainability. The retail markets are Thailand, Indonesia and Vietnam. The key milestones in 2015 were as follows:

In Thailand, due to the country's economic situation and gold market price fluctuation, the gold jewelry has been affected which then resulted in a decrease in sales. Nevertheless, there has been an upward trend in diamond jewelry in terms of sales and popularity. Accordingly, in order to increase higher brand awareness to expand new consumer base as well as strengthening the relationship with existing consumers, Primagold International, one of Pranda's subsidiaries which operates the retail business, has continually focused on creating marketing activities and sales promotion under Prima Gold, Prima Diamond, Prima Art, as well as fashion jewelry under Merii brand. In 2015, there was a sales growth of 11 percent year over year (excluding discontinued business of Century Gold brand).

In Vietnam, Pranda Vietnam has continually expanded its retail business, Prima Gold, in Ho Chi Minh City and Hanoi while emphasizing on implementing integrated marketing communication and public relations through various press and media. In addition, CRM (Customer Relationship Management) events, exclusively for VIP members, have been held every two months in order to strengthen relationships with its existing customers. In 2015, the growth rate was at 31 percent year over year.

In Indonesia, Pranda Marketing Indonesia mainly focused on expanding the Julia brand, 18K gold with diamond jewelry, by developing the products at higher price range in order to increase sales from existing customers as well as expanding more branches in order to expand new consumer bases. In 2015, sales in Indonesia was totally increased by 9 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 and Bahrain International Airport.

2.1.2 Original Design Manufacturing (ODM)

In 2015, 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

	2015		2014		2013		2012		2011	
	Million	%	Million	%	Million	%	Million	%	Million	%
Revenue from Overseas Markets	1,913	67.81	2,479	75.24	2,395	65.43	3,043	72.85	3,286	79.72
Revenue from Domestic Markets	908	32.19	816	24.76	1,254	34.37	1,134	27.15	836	20.28
Total	2,821	100	3,295	100	3,649	100	4,177	100	4,122	100

2.2.2 Industry Competitiveness

Thailand's gem and jewelry industry depends primarily on the export sector which is determined by the output value of 10,995 million USD or about 375,800 million Thai baht. It was ranked third among Thai exports, which reflected the excellent competitiveness of this industry in the global market which has continued for several consecutive years.

Considering only fine jewelry, Thailand is still a major fine jewelry manufacturing base in the world. According to the 2015 net exporter data, the industry's worth is 126,412 million Thai baht, which clearly reinforces that the fine jewelry industry of Thailand continues to maintain its competitive advantage in global markets.

The major competitors are China and India, where production is labor-focused (Labor Intensive), similar to Thailand. However, the quality of Thai gems is significantly better than those from China and India. In any case, to avoid such competition which may intensify in the future, the jewelry industry has to transform from OEM and to ODM due to the fact that ODM allowed for secure sustainability of the customer base. ODM also changes the form of competition from price-based to quality-based.

Industry Trends and Competition in the Future

Gems and jewelry exporters are mostly small and medium enterprises (SMEs), with a market share of nearly 80% of exports. Counting only fine jewelry exporters there are about 900 companies.

PRANDA still maintains a high level of competitive edge due to its various production operations for the manufacturing of gold and silver jewelry, as well as its flexibility in handling various types of customers' orders. Additionally, PRANDA also owns a Design and Product Development Center, which enables the company to shorten the production time and respond to the customers' needs more effectively.

The Company's own distribution operations overseas, in the US, in Europe as well as in Asia allows it to continually access new markets. Its retail operation under its own brand allows PRANDA to diversify its market risk and look for potential markets that show high opportunity for growth in the future.

The expected trend for the industry is fiercer competition both in terms of price and quality because there are many operators in the industry. Therefore, manufacturers must increase productivity as well as find new markets to reduce the risks of relying on key customers, as well as developing their own retail markets in order to diversify risk.

3. Product Procurement

3.1 Procurement of products

The Company used mass production to produce silver products. For high & medium "Gold Handicrafts," PRANDA uses skilled artisans along with modern technology machinery. The Company has developed its own manufacturing technology which enhances the jewelry's beauty and durability whilst engaging in a manufacturing processes that incurs a very low loss rates.

PRANDA's production and sales are seasonal, relying on customers' demands which are highest during Christmas and New Year. This seasonal demand does not have any adverse effect on the Company's operations as its production is well planned. The Company and its subsidiaries' quarterly sales during 2011-2015 were as follows:

Quarter	2015		2014		2013		2012		2011	
	Million	%	Million	%	Million	%	Million	%	Million	%
1	684	24	866	26	971	27	966	23	955	23
2	562	20	736	22	760	21	876	21	79	20
3	731	26	789	24	988	27	1,106	26	1,126	27
4	844	30	904	28	930	25	1,229	30	1,244	30
Total	2,821	100	3,295	100	3,649	100	4,177	100	4,122	100

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

Production Base	Capacity (Million Pieces)				
	2015	2014	2013	2012	2011
Thailand					
Bangna Plant, Bangkok	2.40	2.40	2.40	2.40	2.40
Suranari Industrial Complex Plant	4.50	4.50	4.50	4.50	4.50
Crystalline Plant	2.00	2.00	2.00	2.00	2.00
Overseas					
Pranda Plant, Vietnam	0.50	0.50	0.50	0.37	0.67
Pranda Plant, Guangzhou (China)	-	-	-	0.14	0.13
Pranda & Kroll Plant, Germany	-	0.03	0.04	0.04	0.04
Total	9.40	9.43	9.44	9.45	9.74

Raw Materials

Unit : Million Baht

Raw Materials	2015	2014	2013	2012	2011
Overseas					
Gold	267	225	498	639	517
Silver	-	2	-	6	-
Components	33	43	41	31	34
Gems	52	82	74	56	47
Other	46	58	50	58	64
Total	398	410	663	790	662
Domestic					
Gold	156	224	242	260	283
Silver	157	242	377	410	605
Alloy	2	2	2	3	3
Components	3	2	5	11	12
Gems	309	305	295	309	297
Other	54	64	101	94	77
Total	681	839	1,022	1,087	1,277
Overalls	1,079	1,249	1,685	1,877	1,939



Percentage of Raw Material Usage

	2015	2014	2013	2012	2011
Overseas raw material (%)	37	33	39	42	34
Domestic raw material (%)	63	67	61	58	66
Total	100	100	100	100	100

The Company will diversify the procurement of raw materials to various suppliers; purchase from each supplier will not exceed 30% of the raw materials. This allows the Company to have a good relationship with its suppliers as well as lower the risks in case there is a change or loss of any particular suppliers.

3.2 Environmental Impact from Production Processes or Waste Disposal

The Company has no record of environmental abuse. Jewelry Industries normally do not cause any impact on the environment as the companies reuse the raw materials and waste from the production process. In addition PRANDA was chosen to be the workplace with good hygiene, safety and pollution free, and awarded the "gold level certificate" by the Department of Health, Bangkok to be a nice and inviting workplace on Monday, June 17, 2002 at the Conference Room, 2nd floor, Thailand-Japan Bangkok Youth Center in Dindaeng district.

1. Risks of business operation

1.1 Strategic Risk

Operating the strategy of market diversification in both the US and the European Union, including Asia, could cause the revenue from sales to differ from expected results, as well as cause forecasted profits to vary from the planned budget scheme, due to a global economy that is still highly uncertain, as mentioned above.

However, every year the Company has organized a symposium for the senior executives of the Pranda Group called the “World Strategic Meeting” in order to review the direction and business strategy of the Pranda Group to make sure that it is in line with the global economic situation and local markets. The entire Group must prepare a strategic action plan for the following year, and a long-term plan five years ahead, which are detailed in their entirety from the key performance indicators (KPIs) to a marketing, finance and investment plan, and an action plan, as well as a meeting of the Finance & Risk Management Committee to report the results of operations of the Pranda Group at least quarterly. All this is in order to know and be able to adjust the business plan to keep pace with changing circumstances, including monitoring of the operations of the Group according to set targets.

In addition, the Group is required to prepare an annual budget by the senior executives of each company in the Group, with regard to the economic environment and the market, both in terms of opportunities and threats, and guidelines for risk management if the performance does not meet the targets. The annual budget must be approved by the Finance & Risk Management Committee.

1.2 The risk of reliance on major customers

The Company also relies significantly on sales to large customers overseas. This means that when these major customers experience decreased performance due to the economic downturn in their countries, it may in turn affect the sales revenue of the Company. However, a good relationship has been maintained with these major customers for over 20 years, and the Company has a policy to reduce our dependence on major customers by distributing the products to the same customers that show growth potential, and trying to find new customers, both in existing markets and new markets, as well as placing an greater emphasis on further distribution of its own brands.

1.3 Risks of opening in retail markets

The Company still has a policy to continuously expand its own retail markets in Thailand, Indonesia and Vietnam; such retail investment is subject to the risk of operating results that do not go as expected, because the consumer demand for jewelry has changed over time. However, the Company is considering steps to prevent the risk of investing as detailed below:

1.) Market Risk

The Company has studied the nature of consumer behavior regarding their demand for jewelry, competition in the market and new competitors who will enter the market, economic conditions, political and legal factors, and other factors involved in order to assess the possibility of doing business, and chosen the product most suitable to each market before deciding to set up a retail business.

2.) Shop Location Risk

Most of the Company’s retail shops are opened in shopping centers or leading malls; the malls have already partially surveyed the location and evaluated their own customer groups to a certain extent. Before making decisions to open each branch of a retail store, the Company will send its sales and marketing managers to survey the area in order to assess the prospects for customers and competitors for information to be used in the decision, together with the preparation of estimated revenue and costs, and estimated financial investment in the products and shop decoration, to assess the breakeven point and payback period. Or, if it is not completely certain of the location, the Company will open a short-term retail store one to three months prior as a market trial to ensure that the available customer groups are sufficient for the investment amount, before deciding to open a retail store in the long run.

3.) Operational Risk

The Company has prepared a work plan and annual budget, which is reviewed quarterly, and has also tracked its performance on a monthly basis covering the areas of sales, marketing, financial management, inventory and obsolete goods management, and the administration of personnel and operational control. It has also set key performance indicators and targets for all staff positions and evaluated the results regularly in order to control the work operations to be according to agreed plans and policies.

4.) Property Safety Risk

Due to the fact that all the products sold by the Company are high-value products, the Company has therefore issued strict policies in the area of safety, so that all sales staff must be trained to prevent the risk of burglary and how to respond in case of an emergency, and how to examine products which are brought back for return or exchange by customers, as well as inspection during routine and daily staff rotations, etc. Aside from this, the Company has regular inventory counts conducted at each branch by the internal audit unit. Authority to approve various procedures is also clearly defined, and security cameras and emergency alarms have been installed, with higher numbers of security staff stationed in at locations of potential risk. Aside from this, the Company has insured the goods in each location, as well as those goods which are in transit, so that in the case of a force majeure the Company will not sustain a loss.

5.) Price-Setting and Discount Risks

In the area of retail business, price setting and discounts are of great import to customers, as well as the Company's business turnover. In this aspect, the Company has determined a clear price setting on every product brand by setting the initial profit margin, and in the area of sales discounts, the marketing team of each brand will design a promotional plan to meet the needs of target customers; the promotional plans may also include discounts, free gifts and offers for payment in monthly installments. All in all, the expenses on the promotion plan, once factored in, must not impact the Company's expected margins.

In addition, the Company has invested in its inventory by using gold leases. 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 the current market price of gold at the time.

1.4 Risk from Outdated Goods

The Company sells jewelry, which is a fashion product whose trends and consumer preferences are changing all the time. In the year 2015, the Company had inventories of Baht 1,853 million which is 65.69% of its current assets, or 40.17% of its total assets, and an inventory turnover rate of 338 days.

Maintaining a high inventory volume could result in the inability to reach sales targets which have been set, resulting in a large backlog of inventories and obsolete goods; therefore it is necessary for the Company to set aside an allowance for inventory obsolescence or impairment, or those which have decreased in value, thus decreasing our net profits and liquidity.

However, most of our inventory consists of products which do not expire or deteriorate; the inventory can be further melted down, refined and converted back to raw materials that can be used in manufacturing new products. In addition, the Company has the policy to not to maintain the finished goods for too long. When a certain product is slow-moving and becoming outdated, the Company will promote additional sales 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 European and Asian groups, of which each country sustains vastly different preferences in terms of jewelry designs and consumer tastes, which could cause the Company to encounter shortages in personnel with experiences in marketing, design, 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 Vocational Education Commission, Kanchanapisek Royal Goldsmith College and Bangkok Arts & Crafts College, to organize the "School in Factory" program, with the Company accepting more than 100 students into this program to study jewelry craftsmanship at the vocational level. After completing the program, the students will be incorporated into the Company as regular employees. This program has been held continuously for 15 years.

- In order to maintain employees to work with us in the 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 and loan facilities to help alleviate employees' debt burden, such as a provident fund and real estate loans. In cooperation with the Government Housing Bank, the Company offers long-term home loans with lower interest rates than other commercial banks.
 - Knowledge development facilities such as libraries, internet lounges, and the arrangement of both internal and external training programs outside the Company.
 - Health benefits such as aerobic classes.
 - Benefits to improve the quality of life, such as company apartments, three free meals of plain rice a day and a daycare center for the employees' children.
 - Other forms of special funding in the event of weddings, childbirth, monk ordination, death of a parent, in-patient hospitalization, and, apart from social security, group life insurance and annual health checkups, etc.
 - Other benefits to boost employee morale such as rewards for hard work, annual office parties, celebration and rewards for company staff with long years of service, and sports days, etc.
- In the area of personnel development, the Company has implemented the Proactive Personnel Development Plan by using Key Performance Indicators (KPIs), and Competency Development. These systems help to improve the recruitment, selection, training and evaluation processes to be more effective.
- To encourage good corporate culture and to build a cooperative spirit among employees, the Company has created the organization's core values and named them "Pranda's Core Values" which are comprised 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 the long term.
- To be in compliance with the international labor standard and to be recognized among foreign customers, the Company has adopted the Thai workers' standards to help improve work systems, for example, in the areas of work safety, hygiene, the instigation of various measures against human rights violations, and equitable treatment to all.
- The Company has implemented the ISO 9001:2008 to create an efficient operating system and build confidence among both local and international customers. At present, the Company has been certified by The Bureau Veritas Thailand. We also received a certificate from UKAS, England which is effective for three years from September 3, 2013 until September 2, 2016.

2.2 Risks from Fluctuation of Raw Material Prices

Although the global economy seems to be in recovery, it is still unstable, resulting in the fluctuation of gold and silver metal prices, which are our main raw materials and comprise our major production cost for authentic jewelry.

In any case, the Company has implemented risk management strategies on the fluctuation of raw material prices as follows:

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

3. Financial Risk

The structure of the business is export-oriented and focuses to distributors in various countries. This means that the Company makes most of its income in foreign currencies. Thus, the volatility of the Thai Baht exchange rate against foreign currencies could adversely affect the revenue and profits of the Company. Moreover, with the global economy remaining uncertain at present, it may affect the customers' business, resulting in bad debts from commercial credit. There is also the risk of changes in interest rates based on market conditions, and the abolition of short-term credit lines from commercial banks.

However, the Company has implemented financial risk management as follows:

- The Company hedges foreign exchange risk by using forward contracts, and maintains foreign transactions in the same currency (Natural Hedge).

- The Company constantly monitors the credit status of both existing and new customers, at the same time determining the customer's credit limit based on a detailed evaluation of their operating performance and financial status, also by evaluating the long-term potential of the customer to compete in various prospects. The Company also performs a strict debt collection process and reviews the credit term of the customers on a regular basis. If it is discovered that a customer portrays an affordable level of risk, they may be requested to place upfront deposits when making orders with the Company.
- Although the Company has acquired loans from financial institutions with floating interest rates, the Management has closely monitored the movement of the interest rates, and considers that the risk of changing interest rates is not significant to our business.
- The Company diversifies the use of the revolving loan facilities to several commercial banks in order to be safeguarded from any termination of credit lines. The Company also maintains the debt to equity ratio (D/E) 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

Risks posed by the Company having major shareholders who hold more than 25% of the total shares of the Company:

The Company's major shareholder is the family who founded the Company. Altogether, they hold 136,247,280 shares or 33.27% of the total paid up shares, as of December 30, 2015, which could result in this major shareholder using their rights to oppose or disapprove the resolution of the shareholders' general meeting on certain issues that are required, by the law or Company regulations, to have no less than three-fourths of the vote of the total shareholders attending the meeting who have voting rights to pass the approval resolution.

However, the major shareholders have served their duty to manage both the administrative affairs and policies of the Company. Therefore any action taken in relation to the business operation will take into the account the interests of the major shareholders as the main focus.

General Information and Other Important Information

1. Other Information

1.1 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	409,529,000 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 Srirueangmon	
Email	somsak_s@pranda.co.th	

2. The Company's Shareholding Exceeded 10% of Paid Capital. (December 31, 2015)

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					
Eberescheweg 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	25	EUR 14.96 Million	EUR 14.96 Million
Primagold International Co., Ltd.					
No. 1093/64 12 th Floor, Central City Bangna Tower, Bangna-Trad Rd., Bangna Sub-district, Bangna District, Bangkok 10260 Telephone +66 2745 6111 Fax +66 2745 6117 Home Page: www.primagold.co.th Responsible Person: Ms. Rungnapa Ngowngamratana Email: rungnapa@primagold.co.th	Jewelry retail in Thailand.	100		THB 200 Million	THB 200 Million
PT Pranda Marketing Indonesia					
(has power of control and own more than half of voting power by Primagold International Co., Ltd.) JL.I Gusti Ngurah Rai No.1, Jakarta 13420, Indonesia Telephone +62 21 819 9280-2 Fax +62 21 819 9223 Responsible Person: Mr. Kenny Salmon Email: Kenny_salmon@yahoo.com Co-shareholder: 1) Mr. Johnny Salmon 2) Mr. Kenny Salmon 3) Mrs. Yuen Wan Ha 4) PT. Sumberkreasi Ciptalogum	Jewelry retail in Indonesia	Assigned control over the financial and operating policies of PT Pranda Marketing Indonesia to Primagold International Co., Ltd., including voting power and granting an equity interest of 55 percent in this company	30 15 10 45	20 thousand Million IDR	10 thousand Million IDR

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

Company Name / Address	Business	% of Holding	% of Co-shareholder	Registered Capital	Paid-up Capital
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%	25	EUR 25,000	EUR 25,000
Pranda Jewelry Private Limited					
Pranda House, Rewa State 512, Rewa Estate, M.G. Road, Mulund (West) - 400080 India Telephone +91 22 2568 2121, +91 22 2569 2121 Fax +91 22 2592 2121 Responsible Person: Mr. Vinod Tejwani Email: vinod@pranda.co.in Co-shareholder : Mr. Gunjan Jewelry Private Limited	Distribution of fine jewelry in India.	51	49	INR 150 Million	INR 87.2114 Million
P.T. Sumberkreasi Ciptalogam					
(Formerly known as P.T. Pranda SCL Indonesia) JL.I Gusti Ngurah Rai No.1, Jakarta 13420, Indonesia Telephone +62 21 819 9280-2 Fax +62 21 819 9223 Responsible Person: Mr. Johnny Salmon Email: Johnny@prandascl.com 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	21 20 20 10	IDR 4,000 Million	IDR 4,000 Million
KZ - PRANDA Co., Ltd.					
No. 75/51 Ocean Tower 2 Condominium Building 24 th Floor, Soi Sukhumvit 19, Sukhumvit Road, Khongtoey Sub-district, Wattana District, Bangkok 10110 Telephone + 66 2204 1441-3 Fax + 66 2204 1444 Responsible Person: Mr. Heechan Song Email: hcsong@koreazinc.co.kr Co-shareholder: 1) Korea Zinc Co., LTD. 2) LG International Corporation (Singapore) PTE Co., LTD. 3) Ms. Thitima Sorakraikitikul	Import and distribution of silver and pure gold fine and bars.	40	34.50 14.50 11.00	THB 30 Million	THB 9 Million

Company Name / Address	Business	% of Holding	% of Co-shareholder	Registered Capital	Paid-up Capital
Pranda Lodging Co., Ltd. 28 Soi Bangna-Trad 28, Bangna Sub-district Bangna District, Bangkok 10260 Thailand. Telephone +66 2361 3311, +66 2393 8779 Fax +66 2361 3088, +66 2398 2143 Responsible Person: Mrs. Panidda Tiasuwan Email: panidda@pranda.co.th Co-shareholder: 1) Pranda Holding Co., Ltd. 2) Forward Freeland Co., Ltd. 3) Artico Crafts Co., Ltd.	Property rental / Properties.	83	7 7 3	THB 50 Million	THB 50 Million

3. Other Reference Persons

Securities Depository

Thailand Securities Depository Co., Ltd.
 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand
 Telephone +66 2009 9000
 Fax +66 2009 9991
 SET Contact center +66 2009 9999
 Website: <http://www.set.or.th/.tsd>
 Email: SETContactCenter@set.or.th

Auditor

EY Office Limited
 (Formerly known as Ernst & Young Office Limited)
 33rd Floor, Lake Rajada Office Complex 193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110
 Telephone +66 2264 0777
 Fax +66 2264 0789-90
www.ey.com

Legal Advisor

Weerawong, Chinnavat & Peangpanor Ltd.
 540 Mercury Tower, 22nd Floor, Ploenchit Road, Lumpini, Bangkok 10330, Thailand
 Telephone +66 2264 8000
 Fax +66 2657 2222
www.weerawongcp.com

Other Important Information

-None-

1) List of Major Shareholders

(a) Top ten major shareholders as of the closure date of the register book on December 30, 2015 are as follows:

List of Major Shareholders		No. of Shares	Shareholding Percentage
1. Founding family		136,247,280	33.27%
Mr. Prida	Tiasuwan	21,996,420	5.37%
Mrs. Panidda	Tiasuwan	18,473,860	4.51%
Ms. Pittaya	Tiasuwan	18,070,960	4.41%
Mrs. Pranee	Khunprasert	9,896,860	2.42%
Mr. Pramote	Tiasuwan	9,280,560	2.27%
Mrs. Ratchara	Pornrungraj	9,242,360	2.26%
Mrs. Prapee	Sorakraikitikul	7,332,460	1.79%
Mrs. Sunanta	Tiasuwan	2,700,500	0.66%
Relatives of founders		24,459,000	5.97%
Pranda Holding Co., Ltd. ^{/1}		14,794,300	3.61%
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. Mr. Prapeep	Tangmatidhum	11,483,300	2.80%
6. Bualuang Siriphol Corporate Governance		9,435,800	2.30%
7. THE BANK OF NEW YORK MELLON		8,002,800	1.95%
8. Bualuang Siriphol Corporate Governance RMF		7,809,700	1.91%
9. J.P. MORGAN BANK LUXEMBOURG S.A. LEND		5,351,345	1.31%
10. Mr. Pitak	Pisetsit	4,020,000	0.98%
Total		224,917,925	54.92%

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 2015.

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

List of Shareholders		No. of Shares	Shareholding Percentage
1. Ms.Jurane	Tiasuwan	200,000	20%
2. Mrs.Pranee	Khunprasert	120,000	12%
3. Mrs.Sunanta	Tiasuwan	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. Pitipong	Tiasuwan	50,000	5%
9. Mr.Chaisak	Saktanaset	50,000	5%
10. Mr.Manat	Barameechai	20,000	2%
11. Mr. Christopher	Katansanro	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.

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 2015 as follows:

Year	Net profit (million baht)	% of dividend payment	Dividend pay-out (million baht)	Number (million shares)	Dividend per share (baht)
2001	364.72	13.71	50.00	20.00	2.50 ^{/1}
2002	370.42	27.80	105.36	210.73	0.50
Extra dividend from retained earnings, a net profit of year 2002	-	-	66.28	200.96	0.30
2003	312.06	46.05	143.70	261.27	0.55
2004	361.76	57.35	207.46	319.18	0.65
2005	356.59	59.63	212.65	327.15	0.65
Extra dividend from retained earnings, a net profit of year 2005	-	-	111.84	372.79	0.30
2006	432.27	58.36	252.28	388.13	0.65
2007 ^{/2}	396.49	54.90	217.66	395.75	0.55
2008	300.07	52.75	158.29	395.75	0.40
Interim dividend from operating result of six month period ended June 30, 2009	169.00	11.12	39.81	398.16	0.10
2009	357.90	47.85	171.25	398.25	0.43
Extra dividend from retained earnings, a net profit of year 2008	-	-	119.48	398.25	0.30
Extra dividend from retained earnings, a net profit of year 2007	-	-	120.20	400.67	0.30
2010	343.79	58.33	200.54	401.09	0.50
Interim dividend from the profit for period at the nine-month period ended 30 September 2011	408.03	9.88	40.33	403.33	0.10
2011	441.14	45.76	201.86	403.71	0.50
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	146.62	41.89	61.43	409.52	0.15
2015 ^{/3}	67.05	30.01	20.12	402.39	0.05

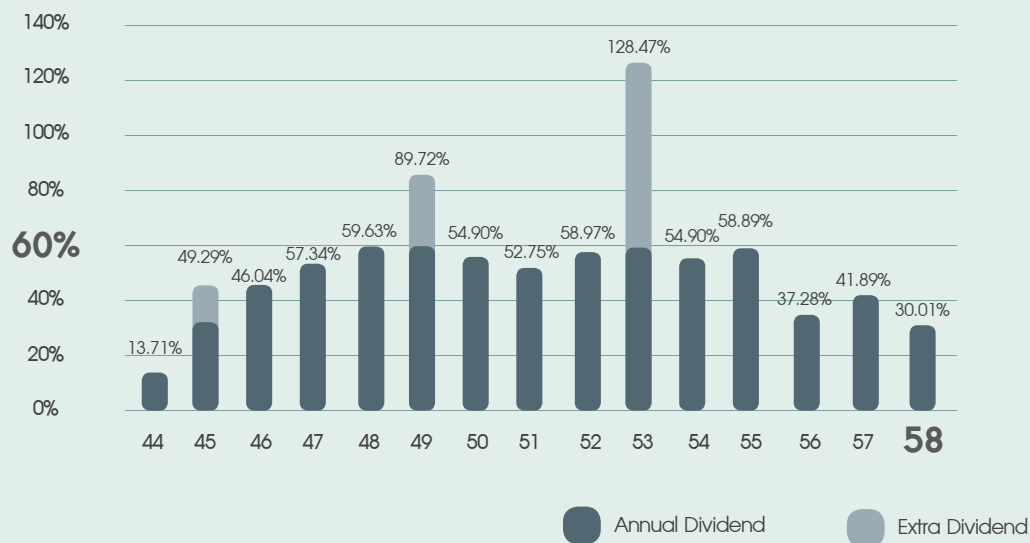
Remark :

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

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

^{/3} For operation result of year 2015, the Company's Board of Directors had a resolution to approve the dividend payment in the rate of Baht 0.05 per share, will pay to shareholders after the Annual General Shareholders' Meeting had a resolution to approve on April 20st, 2016.

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



Pranda's maximum Annual Dividend Payment

59.63%

of the net profit from separate Financial Statements

Management Structure

1. The Board of Directors

The Board of Directors of the Company as of December 31, 2015 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	21 April, 2014
4. Mrs. Pranee	Khunprasert	Director	21 April, 2014
5. Mr. Pramote	Tiasuwan	Director / Chairman of Core Value and CSR Committee	21 April, 2015 ^{/2}
6. Mrs. Panidda	Tiasuwan	Director	21 April, 2014
7. Mrs. Pittaya	Tiasuwan	Director	22 April, 2013
8. Mr. Verachai	Tantikul	Independent Director / Chairman of Audit Committee / Chairman of Nomination and Remuneration Committee	21 April, 2015 ^{/2}
9. Mrs. Rawittha	Pongnuchit	Independent Director / Member of Audit Committee	21 April, 2015 ^{/2}
10. Mr. Chamnong	Watanagase	Independent Director / Member of Audit Committee	25 March, 2014

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 2014 Annual Shareholders' Meeting, held on April 21, 2015 has resolved to re-appoint the following Directors for another term; namely Mr. Verachai Tantikul, Mr. Pramote Tiasuwan, and Mrs. Rawittha Pongnuchit

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 educate his/her knowledge and competency to perform duties for the Company.
2. 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

In the operations of the company, the Directors of the Company must act in a responsible manner with caution and prudence (Duty of Care) and integrity (Duty of Loyalty); their actions must also comply with the laws, purpose and regulations of the Company, the resolutions of the Board of Directors as well as the Shareholders' Meeting (Duty of Obedience), and they must provide disclosure to shareholders in an accurate, complete, transparent, verifiable and timely manner (Duty of Disclosure). The Board of Directors shall be responsible for the following:

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. The evaluation of the performance of the Board, as follows:
 - 8.1 The Board of Directors has arranged for an annual evaluation of the Board, which includes two forms of evaluation:
 - 8.1.1 Evaluation individually in the form of self-evaluation (Self Assessment)
 - 8.1.2 Evaluation of both the Board of Directors and Sub-committees
 - 8.2 Assessment of the results and various commentaries and proposition of these results to the general assembly to jointly support betterment of the Board of Directors' performance
- 9. To ensure that the company operates its business with transparency, adhering to the principles of good governance, and that it does not support corruption in any form, whether directly or indirectly.
- 10. To devote time without expectation of benefit to the Directors or to any particular individual, and without the enactment of processes that conflict with or compete with the best interests of the Company.
- 11. To encourage all employees have a strong sense of ethics and morality, acting in compliance to the principles of corporate governance, ethics and anti-corruption policies applicable to the Company, at the same time regulating a system of internal controls and appropriate internal audits to reduce the risk of corruption and abuse of power, including the prevention of illegal acts.
- 12. To care for the interests of shareholders, both major and minor, according to their fair share of rights, also encouraging shareholders to exercise their right to maintain their own interests and receive accurate, complete, transparent, verifiable and timely news updates.
- 13. To recognize the roles and responsibilities of the Company's Board of Directors to respect the rights of and treat shareholders and other stakeholders fairly and transparently, monitoring and providing the processes and channels to receive and deal clearly with complaints from any party or stakeholder from any side who wishes to report on any hint of violation, as well as as opening the opportunity for all stakeholders to directly contact/lodge a complaint on potential problems with the Board.
- 14. 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

15. 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 Capital Increase in subsidiaries and associates instrument at the amount exceeding the approval limit of the Executive Committee.
9. Approve the investment in or selling of stock and/or debt instrument at the amount exceeding the approval limit of the Executive Committee.
10. Approve to acquire or invest in fixed asset at the amount exceeding the approval limit of the Executive Committee.
11. 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.
12. Approval of the purchase of products, raw materials and expendable supplies amounting to 10 million baht or more.
13. Approval of general costs of 10 million baht or more.
14. Approval of the costs of charitable donations, and the giving of funding in amounts of five hundred thousand baht or more.
15. Approval of the costs of gifts and reception costs of one hundred thousand baht or more.
16. 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.
17. 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.
18. 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.
19. 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.
20. 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.
21. 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.

22. Appoint and remove the Corporate Secretary of the Company.
23. 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 following:

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

Name		Meeting attendance/ Total meetings (times)					
		The Board of Directors	Group Executive Committee	Audit Committee	Nomination and Remuneration Committee	Finance & Risk Management Committee	Core Values and CSR Committee
		Total: 16 meetings	Total: 12 meetings	Total: 4 meetings	Total: 2 meetings	Total: 4 meetings	Total: 3 meetings
16. Mrs. Nirarat	Tanalekhapat						3/3
17. Mrs. Chavee	Jarukornvasin						3/3
18. Ms. Sasisopa	Wattakeecharoen						3/3
19. Ms. Suporn	Rungpittayatorn						3/3
20. Mr. Kanching	Devahasdin Na Ayudhaya						3/3
21. Mr. Pitipong	Tiasuwan						2/3

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. 2,4-5, No. 10 - 11, and No. 13-14 are eight Members of the Finance & Risk Management Committee The No. 3 resigned from Chairman of Finance and Risk Management Committee on May 10, 2015 onwards.
- 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

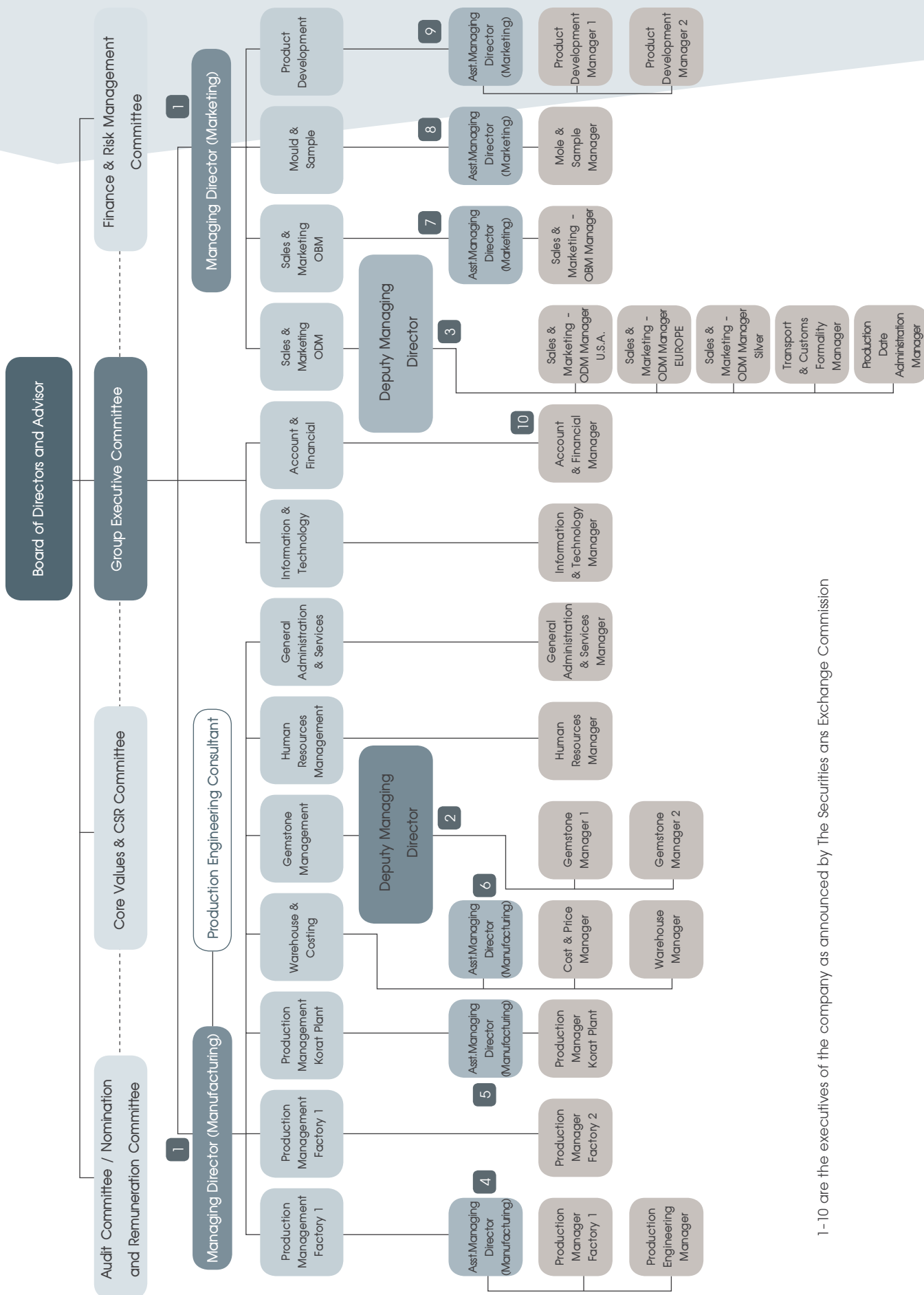
2. Executives of the Company

The Executives of the Company^{/1} as of December 31, 2015 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	Nuntanajaroenkul	Deputy Managing Director (Marketing)
5. Mr. Chanat	Sorakraikittikul	Assistant Managing Director (Marketing)
6. Ms. Sasisopa	Wattakeecharoen	Assistant Managing Director (Marketing)
7. Mrs. Nirarat	Tanalekhapat	Assistant Managing Director (Marketing)
8. Mrs. Chavee	Jarukornvasin	Assistant Managing Director (Manufacturing)
9. Mr. Somsak	Sirueangmon	Assistant Managing Director (Manufacturing)
10. Ms. Suporn	Rungpittayatorn	Assistant Managing Director (Manufacturing)
11. Mr. Thanes	Panjakrid	Accounting and Finance Manager

Remark: The Executives^{/1} 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.

Internal Management Structure of Pranda Jewelry Pcl.



1-10 are the executives of the company as announced by The Securities and Exchange Commission

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, 2015 and December 31, 2015.

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

(Unit : Million Baht)

Name	Remuneration to the Directors			
	Position	The Board of Directors (Salary and Bonus)	The Audit Committee (Position Allowance)	Total
1. Mr. Prida Tiasuwan	Chairman of the Board	4.697		4.697
2. Mr. Verachai Tantikul	Independent Director / Chairman of Audit Committee/ Chairman of Nomination and remuneration Committee		0.720	0.720
3. Mrs. Rawittha Pongnuchit	Independent Director / Member of Audit Committee		0.480	0.480
4. Mr. Chamnong Watanagase	Independent Director / Member of Audit Committee		0.480	0.480
5. Mrs. Panidda Tiasuwan	Director / Member of Nomination and remuneration Committee	1.200		1.200
6. Mrs. Prapee Sorakraikitikul	Director / Member of Finance & Risk Management Committee / Member of Nomination and remuneration Committee	1.464		1.464
Total Remuneration		7.361	1.680	9.041

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

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

	Type of Remuneration	No. (person)	Amount (Million)
Executive Directors and Executives	Salary, Bonus, Compensation Benefit for Retirement, and Special Income	12	25.951

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 2015 as per following details,

(A) Directors Position

Name	Amount (Million)
1. Mr. Prida Tiasuwan	0.188
2. Mrs. Panidda Tiasuwan	0.048
3. Mrs. Prapee Sorakraikitikul	0.058
Total	0.294

(B) Executive Directors and Executive Position

	No. (person)	Amount (million Baht)
Executive Directors and Executives	12	0.965

5. Human Resource

The Company and Subsidiaries has total of 3,530 employees in 2015. The Company has paid the remuneration for the employees totaling to Baht 979 million, including salary, overtime expense, bonus, contribution for social security insurance, provident fund, and so on.

Number of employees and remuneration

2015	Production	Distribution	Retail	Others	Total
Employees in operation / Service Unit (persons)	2,304	5	252	4	2,565
Employees in office (persons)	730	140	92	3	965
Total (persons)	3,034	145	344	7	3,530

Corporate Governance

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



Very Good CG Scoring

In 2015, the Company was given a "Very Good" ranking (four-star) by an assessment for the Corporate Governance Report of Thai Listed Companies 2015. The Company is one in 159 listed companies that scored Very Good, from a total of 588 companies that received the assessment. It is also one of 46 companies in the Top Quartile of the listed companies with a market value in the Thai baht 1,000 - 2,999 million range, of which there are a total of 159 companies, from the assessment by the Corporate Governance Report of Thai Listed Companies 2015 organized by the Stock Exchange of Thailand (SET), the Securities and Exchange Commission (SEC), and the Thai Institute of Directors.

1. Corporate Governance Policy

The Board of Directors of the Company has determined a written Good Corporate Governance policy in the "Corporate Governance Manual" since the year 2000; it has also consistently reviewed and adjusted the corporate governance policies to be in line with the Company's strategy and the Guidelines for Corporate Governance of Listed Companies of 2012 issued by the Stock Exchange of Thailand (SET); the corporate governance manual was reviewed and revised in 2013 as the 3rd Edition (which for the first time was issued as a pocket-size handbook) in order to keep it current and up to date with changing situations and the surrounding business environment, as well as being in line with the model instigated by SET or other models from various other regulating agencies. This is one approach to raising the level of the Corporate Governance (CG) to be according to international standards. And in 2015, the Board of Directors assigned the Office of the Corporate Secretary to review the corporate governance policy and business ethics in order to improve compliance with the principles from the Corporate Governance Report of Thai Listed Companies by the Institute of Directors (IOD) Thailand, which has increased the evaluating criteria of the ASEAN CG Scorecard project and in order to classify the content clearly and ensure that it covers essential corporate governance matters, creating a policy framework for the governance practices of the Board of Directors, Management and employees of the Company at all levels to sign their acknowledgement and strictly comply.

This guide provides recommendations on corporate governance and business ethics and monitoring to ensure compliance, as well as specific measures for whistle-blowing and whistleblower protection mechanisms which are indicated within the manual, which is divided into six sections, the major ones being Section 1: Overview, Section 2: Corporate Governance, Section 3: Business Ethics, Section 4: Policies Related to Corporate Governance, Section 5: Anti-Corruption Policies and Section 6: Appendixes, of which the Board of Directors' Annual Meeting No. 3/2016 held on February 27, 2016 has taken into consideration and approved the "Corporate Governance & Code of Conduct Manual" Revision No. 4, which summarizes and updates the key issues as follows:

1. Increase the vision, mission, strategy and shared values of the organization; the Board of Directors has ordered an evaluation of the vision, mission and strategy annually to set goals and direction for the Company's operations and change them based on the situation and to adjust accordingly.

2. Establish the rules on "The Recruitment and Appointment of Directors" clearly with proper consideration of the qualifications, characteristics and diversified experience of the Directors (Board Diversity), including the recruitment, selection and nomination of suitable candidates to fill the roles of Company Directors whose term has ended, has been vacated, or additional appointments, which take into account the necessary skills that are still missing from the Board, with the aid of the Board Skill Matrix as a tool to determine and assist in criteria for the selection and appointment of new Directors by the Company.
3. Increase criteria for the selection of Independent Directors, Directors and Senior Management by enhancing the recruitment process.
4. Add a policy of minimum quorum of the committee to vote at the meeting of the Committee, which must be at least two in three of the Directors the Company. This is a guideline that has been practiced at all times, even if it was not previously defined as a policy.
5. Add rules of practice that Directors, Executives, including spouses and minors who are children of the Directors and Executives and employees of the Company and/or its Affiliates wishing to trade the securities of the Company must make request to buy or sell securities to the Corporate Secretary at least one day prior to trading in order to collect the data for the report to the Board of Directors as appropriate.
6. Add an annual performance evaluation of the Board of Directors that includes both an assessment of the entire Board and an individualized assessment, additionally from the former criteria which required only assessment of the Board.
7. Add an annual performance evaluation of all Sub-Committees via a group assessment additionally from former criteria which required assessment of the Audit Committee only.
8. Add the ethics of the Board of Directors, Executives and employees.
9. Add business ethics concerning the following:
 - 9.1 Ethics governing procurement;
 - 9.2 Ethics on compliance with laws, regulations and rules related to respect for cultures and traditions;
 - 9.3 Ethics on political neutrality;
 - 9.4 Ethics on donations to charity and funding;
 - 9.5 Ethics on Intellectual Property.
10. Add practices and measures to combat corruption and provide training to employees.

2. Sub-committees

The Board of Directors has appointed committees to scrutinize and oversee each operation of the Company in order for the Board of Directors to perform their duties efficiently and effectively. Sub-Committees are composed of the Group Executive Committee, Audit Committee, Nomination and Remuneration Committee, Finance and Risk Management Committee and Group Corporate Values and Social Responsibility Committee. And on December 18, 2015, the Board of Directors approved the review of the Sub-Committee charter revision. The review of the Sub-Committees' operation is as follows.

2.1 Group Executive Committee

The Group Executive Committee is comprised of seven members, four of whom are from the Board of Directors; the other three persons are selected from persons with expertise in the industry. The term of performance of the Group Executive Committee is 3 years. Members who complete the full term may be reappointed to another term. The names of the Board of Group Executive Committee are as follows:

Name		Position
1.	Mrs.Sunanta Tiasuwan	Chairman
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)
6.	Mr. Chanat Sorakraikitikul	Executive Director/ Assistant Managing Director (Marketing)
7.	Mr. Chatchai Teekaverakit	Executive Director

Names of the advisors to the Group Executive Committee

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

Qualifications

1. The Committee shall be persons who have competency, integrity, ethical business practices and have sufficient time to devote their knowledge and capabilities and perform their duty to the Company.
2. They must possess the qualifications and be free of any disqualifications under the Securities and Exchange Act as the Company's Management.
3. The Committee members shall not act as partners or become directors in other juristic persons that have the same nature and are in competition with the Company, whether for their own benefit or that of any other person, except when informing the Shareholders' Meeting prior to their appointment.

Authority of Group Executive Committee

1. Appoint, remove, transfer, evaluate employees and determine remuneration and welfare for employees at various levels.
2. Appoint and remove other committees as necessary to support the operation of the Company.
3. Obtain advice from experts or consultants of the Company (if any) or hire consultants or outside experts if necessary at the expense of the Company.
4. Issue notifications on working operations and delegate Executive Directors and/or employees who are in Management as signatories to approve disbursement of the assets of the Company.
5. Approve acceptance or cancellation of credit line within an amount not exceeding Baht 50 million/year.
6. Approve the loans to related parties which are also shareholders of the Company within the credit line not exceeding Baht 50 million/entity/year.
7. Approve the capital increase of Subsidiaries and Associates in an amount not exceeding Baht 50 million.
8. Approve to enter into the guarantee agreements upon credit facility for the related parties who are also shareholders of the Company, or the trading partners, or the other companies within the limit of not exceeding Baht 50 million.
9. Approve the sale or purchase of equity and/or debt instruments within the limit of not exceeding Baht 10 million/year.
10. Approve the investments in fixed assets within the limit of not exceeding Baht 20 million/year.
11. Approve the renovation, elimination or liquidation of fixed assets and/or intangible assets, which have been discontinued, damaged, lost, destroyed, deteriorated or obsolete and cannot be used with a book value of not over Baht 5 million/year.
12. Approve the general expenditure of the Company which is Baht 500,000 or more, but not exceeding Baht 10 million.
13. Approve the purchase of goods, raw material and consumables within the limit of Baht 5 million or more, but not more than Baht 10 million.
14. Approve of the cost of donations to charity and funding in amounts ranging from Baht 200,000 or more, but not exceeding Baht 500,000.
15. Approve of the cost of gifts and hospitality in amounts ranging from Baht 50,000 or more, but not exceeding Baht 100,000.
16. Approve re-precin g or elimination of raw material and/or inventory which is deemed to be damaged or obsolete, of which the book value may be reduced to the actual value.
17. Approve the compromises, dispute resolutions by arbitration, grievances, litigations and/or the implementation of any judicial procedure on behalf of the Company for matters of a non-commercial nature of a company with a capital of less than Baht 2 million/year, or matters of a commercial nature of a company with capital not exceeding Baht 20 million/year.
18. Approve sending employees to work or to study abroad with a limit of not exceeding Baht 1,000,000 each time.
19. Approve business transactions which are not a normal business of the Company within the limit of not exceeding Baht 10 million each time.
20. Delegate any Executive staff of the Company or any other person to be an authorized person on behalf of the Committee.
21. Require Executives or connected staff of the Company to give information or opinions, attend meetings or submit documents as deemed relevant and necessary.
22. Issue other regulations as deemed appropriate.

Scope of Duties and Responsibilities of Group Executive Committee

1. To determine the goals and business strategies of the Company, overseeing the operations of the Company in accordance with the vision, mission, strategies, and policies of the Board of Directors, laws, conditions, rules, regulations and the Articles of Association.
2. To establish the guidelines for the operation, development and business expansion according to the vision, mission, strategies, policies and resolutions of the Board of Directors.

3. To appoint the Company's Executives to fulfill duties in every position, except the appointment of High-ranking Executives, who must be approved by the Board of Directors, including authorizing any person to act on behalf of the Committee within the scope of duties and responsibilities as the Committee deems appropriate.
4. To determine the rules of practice for the employees of the Company which are not contrary to regulations and related laws.
5. To approve the structure of positions, salaries and other employee benefits, as well as endorse the management structure from the Division level down.
6. To review the Company's quarterly/yearly performance as well as budget and asset management, prior to submitting to the Board of Directors for consideration.
7. To approve the annual budget and oversee, monitor and appraise the operating performance to ensure compliance with the policy, goals and budget plans as approved and approve bonuses, rewards and other benefits to employees to boost the employees' morale.
8. To ensure the Company has an appropriate and sound internal control system in cooperation with the Audit Committee.
9. To empower the Chairman of the Board of Directors to supervise the Committee to perform the duties and responsibilities as described above in an effective and efficient manner.
10. To manage the Company to conduct businesses with transparency, applying principles of good governance and not to support corruption any form, whether directly or indirectly.

Managing Director

Scope of Duties and Responsibilities

1. To have the authority to manage the business operations of the Company in accordance with the policies, laws, objectives and the Articles of Association, regulations and resolutions of the Board of Directors and Executive Committee as well as related rules of practice.
2. To have the authority to order or perform any action necessary and appropriate in order to ensure the successful implementation of item no. 1, above, and in important matters, to report and/or inform the Board of Directors and/or the Executive Committee.
3. To have the authority to issue regulations governing the operation of the Company consistently and which do not conflict with policies, rules, regulations, provisions, orders and any resolution of the Board of Directors and/or Executive Committee.
4. To empower and/or delegate others to perform specific tasks on behalf of the Managing Director.
5. To promote and encourage the Company to conduct business ethically, complying with the law, morality, culture and the principles of good governance.
6. To perform any other assignments from the Board of Directors and/or Executive Committee.
7. The use of such authority by the Managing Director is not permitted if the Managing Director is deemed to have any form of related interest or conflict of interest with the Company.
8. To hire, assign, appoint and discipline staff and employees and to terminate employment of staff and employees, as well as to promote salaries and benefits of employees, excluding staff or employees who must be hired, appointed and disciplined or dismissed by the Board of Directors of the Company as predetermined by the Board of Directors or the Company's regulations. In compliance with such authority, the Managing Director may assign the Deputy Managing Director or other persons to perform the duty on his/her behalf.
9. To determine employment conditions for staff or employees, order or prescribe administrative and operational procedures which do not violate the Company's regulations or resolutions of the Board of Directors and Executive Committee.
10. To perform any tasks in accordance with the Company's regulations and the resolutions of the Board of Directors and Executive Committee and to determine the scope of duties for staff and employees at various levels to fulfill for the benefit of the Company.

2.2 Audit Committee

The Board of Directors recognizes the importance of good corporate governance. It has approved the establishment of the Audit Committee on January 29, 1999 to be a key instrument for the Board of Directors to supervise and control management standards to be accurate, transparent with good internal control with reliable reporting systems, useful to investors and all related parties, following the guidelines and qualifications set forth by the Stock Exchange of Thailand. The Audit Committee is fully independent in its functions and reports directly to the Board of Directors. The composition and qualifications of the Audit Committee is in accordance with the rules of the Securities and Exchange Commission. The scope of duties and responsibilities comply with the requirements of the Stock Exchange of Thailand and is clearly stated in the Charter of the Company. And the internal auditors shall review the adequacy of the Company's internal audit and internal control, and submit the auditing results directly to the Audit Committee.

The Audit Committee is currently comprised of three members, all of whom are Independent Directors. The term of office is one year. The Board of Directors appointed the Audit Committee and the Internal Auditing Office's Manager to serve as Secretary of the Audit Committee. The current members of the Audit Committee are as follows.

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

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

Qualifications

1. Appointed by the Board of Directors or shareholders.
2. All members must be Independent Directors as determined by the regulations of the Notification of the Securities and Exchange Commission.
3. The Committee members must not be Directors who are assigned or authorized by the Board of Directors to be able to make operational decisions for the Company, Parent Company, Subsidiaries, Associates, same-level Subsidiaries or major shareholders.
4. The Committee members must not be Directors of any listed Parent Company, Subsidiaries or same-level Subsidiaries.
5. Possess sufficient knowledge and experience to serve as Audit Committee. At least one member of the Committee must have sufficient knowledge and experience to review the credibility of financial statements.

Authority of the Audit Committee

1. The Audit Committee is authorized to require Executives or employees of the Company to clarify, give opinions, attend meetings or submit documents deemed necessary, as well as access information at all levels of the organization.
2. The Audit Committee may consult with experts or consultants of the Company or hire outside consultants or experts, if necessary, at the expense of the Company.

Scope of Duties and Responsibilities of the Audit Committee

1. To review and ensure the Company's accurate and reliable financial reporting including adequate disclosure by cooperating with the Certified Public Accountant and Executives responsible for the preparation of financial statements.
2. To review that the Company has an appropriate and effective system of internal controls and internal audits and analyze the independence of the Internal Auditing Office as well as approve the appointment, transfer and dismissal of the Chief Executive of the Internal Auditing Office or any other agency responsible for internal audit.
3. To ensure that the Company complies with the laws relating to securities and the Stock Exchange, the regulations of the Stock Exchange of Thailand and laws governing the Company's business.
4. To evaluate, select and nominate independent persons to act as the External Auditor of the Company, and to determine the remuneration of such persons, with regard to the reliability, adequacy of the resources and experience of such Audit Office. In addition, the Audit Committee shall arrange a meeting with the External Auditor without any Management staff in attendance at least once a year.
5. To evaluate related transactions or transactions that may have a conflict of interest to ensure compliance with the laws and requirements of the Stock Exchange of Thailand, in order to ensure that such transactions are made on a reasonable basis, for the best interest of the Company
6. To prepare the report of the Audit Committee to be disclosed in the Annual Report of the Company. Such reports must be signed by the Chairman of the Audit Committee and must contain at least the information according to the requirements of the Stock Exchange of Thailand Re: Qualifications and Scope of Work of the Audit Committee, as well as the disclosure of duties as assigned by the Board of Directors. The report shall contain at least the following:
 - A. Opinions on the accuracy, completeness and reliability of the financial statements of the Company.
 - B. Opinions on the adequacy of the internal controls of the Company.
 - C. Opinions on compliance with the laws pertaining to securities and stock exchange, requirements of the Stock Exchange of Thailand or the laws relating to the Company's business.

- D. Opinions on the adequacy of the External Auditor.
 - E. Opinions on the transactions that may have conflicts of interest.
 - F. Total number of the Audit Committee meetings and attendance of each member of the Audit Committee.
 - G. Opinions or observations which the Audit Committee obtains from performing duties as prescribed in the Charter of the Company.
 - H. Other matters deemed necessary to inform shareholders and general investors under the scope of duties and responsibilities as assigned by the Board of Directors.
7. To revise the Charter of the Audit Committee by reviewing and assessing its adequacy and sufficiency based on the possible change of events or situations, and present it to the Board of Directors for approval.
 8. To review the audit summary concerning corruption and prescribe measures to prevent corruption within the organization.
 9. To review anti-corruption guidelines and comment on its appropriateness and compliance with the anti-corruption policy of the Company.
 10. To perform other tasks assigned by the Board of Directors and approved by Audit Committee.

2.3 Nomination and Remuneration Committee

The Board of Directors has approved the appointment of the Nomination Committee and the Remuneration Committee on May 12, 2004 comprising of six members, one of whom is an Independent Director and acting as Chairman of the Committee. Members shall hold office for a term of three years. In this regard, the Nomination and Remuneration Committee members who finished their term may be appointed by the Board of Directors of the Company. The names of the Nomination Committee 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

Qualifications

1. Directors shall possess knowledge, competency, integrity and ethical business practices and have sufficient time to devote knowledge and ability to fulfill duties to the Company.
2. Directors shall not act as partners or become directors in other juristic persons that have the same nature and are in competition with the Company, whether for their own benefit or that of any other person.

Authority of the Nomination and Remuneration Committee

1. Consult with experts or consultants of the Company or hire outside consultants or experts, if necessary, at the expense of the Company.
2. Authorized to require Management or employees of the Company to clarify, give opinions, attend meetings or submit documents deemed necessary.

Scope of Duties and Responsibilities of the Nomination and Remuneration Committee

1. Propose principles and guidelines for the selection of Directors, Group Executive Directors, Finance and Risk Management Directors, Core Value and Corporate Social Responsibility Directors, Independent Directors and High-ranking Executives of the Company, including propose criteria and guidelines in considering remuneration.
2. Recruit, select and nominate qualified persons for the position of High-ranking Executives to the Board of Directors for approval of their appointment and remuneration.

- Propose criteria, methods and procedures for evaluating the performance of High-ranking Executives to the Board of Directors.
- Evaluate the performance of Directors, Group Executive Directors, Finance and Risk Management Directors, Core Value and Corporate Social Responsibility Directors, and High-ranking Executives of the Company as delegated by the Board of Directors.
- Review the Company's remuneration policy and compensation administration process to comply with the conditions of the current labor market conditions.
- The Chairman of the Nomination and Remuneration Committee shall supervise the Committee to fulfill the duties and responsibilities listed above with efficiency and effectiveness.

2.4 Finance and Risk Management Committee

The Board of Directors has approved to appoint the Group Finance Committee on May 12, 2004, and on February 23, 2015, the Board of Directors has assigned risk management responsibilities to the Group Finance Committee, thus changing the name to be the Finance and Risk Management Committee, whose term is established to be three years. A Finance and Risk Management Committee whose term has been completed is allowed to be re-instigated. The Committee is comprised of seven individuals, whose names are listed as follows:

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

List of Names of those who comprise the Advisors to the Finance and Risk Management Committee:

- Mr. Prida Tiasuwan
- Mrs. Sunanta Tiasuwan
- Mr. Wilboon Srisurintr

Qualifications

- Directors of Finance and Risk Management must be persons of knowledge, skill and honesty and integrity who hold to ethical business practices and have sufficient time to devote their knowledge, abilities and duties to the Company.
- Directors of Finance and Risk Management shall not act as partners or become directors in other juristic persons that have the same nature and are in competition with the Company, whether for their own personal benefit or for the benefit of other persons.

Authority of the Finance and Risk Management Committee:

- Advise specialists or advisors (if any) or hire external specialists or advisors as necessary using the expenditures of the Company.
- Invite relevant Executives or staff to give information or opinions, join meetings, or submit documents as deemed necessary.
- Appoint Sub-Committees and/or add or replace any persons into the Risk Management Sub-Committee and/or into other Units or Panels related to risk management matters 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:

- To acquire funding according to the resolutions of the Board of Directors for use in the Group's business operations.
- To conduct feasibility and profitability studies of the investment projects to be proposed to the Board of Directors for approval.
- To oversee and analyze the operating performance of Subsidiaries and other investment projects to propose to the Board of Directors for approval on possible improvements and modifications.
- To provide an opinion on the policy and risk management framework to be proposed to the Board of Directors for approval.
- To formulate the acceptable Risk Appetite to be proposed to the Board of Directors for acknowledgement.

6. To monitor the development and operations of the Company to be in compliance with its risk management policies and framework on a continual basis to ensure effective and continuous risk management for the Group, and an efficient risk management system which the entire organization consistently adheres to.
7. To review the report of risk management so as to follow up on significant risk events, 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 controls to be able to handle various risks, also ensuring that the Company brings the risk management system to use in an appropriate manner that reaches the entire organization.
9. To report risk status and significant risk mitigation measures to the Board of Directors on a regular basis.
10. To provide advice or suggestions to the Sub-Risk Management Committee (SRM) and/or the other Units or Panels related to risk management matters, and to establish suitable procedures to utilize information for the development of the risk management system.
11. To empower the Chairman of the Finance and Risk Management Committee to supervise the Committee to perform their duties and responsibilities as mentioned above in an effective and efficient manner.
12. Continually evaluate the risks that might occur in terms of corruption for each process, for example in the areas of sales and marketing, procurement, various contracts entered into, human resources management, accounting and finance, for starters - as well as finding appropriate solutions to these risks.

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 from the "Core Values Committee" to be the "Core Values and Corporate Social Responsibility (CSR) Committee. The Committee is comprised of nine members. On December 18, 2015, the Board of Directors evaluated and analyzed the Core Values and CSR Committee license and resolved to adjust the Committee's term of office from two years to three years.

A Core Values and CSR Committee which has completed its term may be re-appointed to the same role. To encourage and support the creation of the Core Values within the Group, it is necessary to build up the participation of all its employees. Therefore core value-building activities have been improved and systemized and performed continuously, as well as applying the activities into their work practices, lifestyle and living in harmony based on commonly held values. The list of names of the committee is as follows:

Name		Position
1. Mr. Pramote	Tiasuwan	Chairman
2. Mr. Somsak	Sirueangmon	Director
3. Mr. Chartchai	Teekaveerakit	Director
4. Ms. Nirarat	Tanalekhat	Director
5. Mrs. Chawee	Jarukornvasin	Director
6. Ms. Sasisopa	Wattakeecharoen	Director
7. Mr. 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. Panida Tiasuwan
3. Mr. Rungnapa Ngow-ngamrat

Qualifications

1. Directors must be persons of knowledge, skill and honesty and integrity who hold to ethical business practices and have sufficient time to devote their knowledge, abilities and duties to the Company.
2. Directors shall not act as partners or become directors in other juristic persons that have the same nature and are in competition with the Company, whether for their own personal benefit or for the benefit of other persons.

Authority of the Core Values and CSR Committee:

1. Perform operations under the Corporate Value and CSR Policy of the Company.
2. To establish actions/projects/activities so as to represent the Company's vision in a tangible and appropriate manner within the expenditure limit of not exceeding Baht 500,000.
3. Conduct the making of a report of its work operations according to accepted criteria.

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

1. To establish the Core Values and CSR policy of the Company.
2. To integrate the organization's vision into operational practices under the framework of the 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 actions adhere to a common direction whereby promoting better understanding in the Corporate Policy and encouraging them to share a common vision so as to achieve the Company's goals.
6. To appoint a 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 High-Ranking Executives

In the nomination and appointment of Directors, the Company focuses on transparency in the selection of candidates for Directors. The Company has a policy of allowing shareholders to nominate suitable candidates. And the Company has created a Nomination and Remuneration Committee to assist in determining the qualifications and suitability of the candidates or Directors who retire by rotation or resignation and make recommendations to the Board of Directors for approval. It will then present a list of approved directors for their election at the meeting.

3.1 Independent Directors

Qualifications of Independent Directors

1. Holds shares, not exceeding 1% of total shares with voting rights, of the Company, the Parent Company, Subsidiaries, Associates, major shareholders or controlling parties of the Company. In this regard, the shares of connected persons of the said Independent Director shall be counted as well.
2. Is not or has never been an Executive Director, employee, staff, advisor with regular salary, or controlling person of the Company, Parent Company, Subsidiaries, Associates, same-level Subsidiaries, major shareholder or controlling person 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). In this regard, such prohibition shall not include the case that the aforementioned Independent Director has been an official or advisor of a government unit which is a major shareholder or controlling party of the Company.
3. Is not a person who has a relationship by blood or legal registration with the status of father, mother, spouse, brother, sister, and child, including spouse of daughter or son of Management, major shareholder, controlling person or person who is in the process of nomination to be Management or controlling person of the Company or Subsidiaries.
4. Does not have nor used to have a business relationship with the Company, the Parent Company, Subsidiaries, Associates, major shareholders or controlling parties of the Company which may interfere with independent judgment of said Independent Director, including not being nor has ever been a significant shareholder or controlling person of any party having business relationship with the Company, the Parent Company, Subsidiaries, Associates, major shareholders or controlling parties of the Company, unless the aforesaid status has ended for not less than 2 years prior to the date of submitting the application to the SEC.

The term "business relationship" in the 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 the Capital Market Supervisory Board on the conditions of connected transaction *mutatis mutandis*, provided that all indebtedness incurred during the period of 1 year prior to the date of having the business relationship with the above party shall also be included in the calculation.

5. 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 aforesaid status has ended for not less than 2 years prior to the date of submitting the application to the SEC.
6. 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 services, unless the foregoing status has ended for not less than 2 years prior to the date of submitting the application to the SEC.
7. Is not a Director appointed to be the representative of the Directors of the Company, major shareholders, or any other shareholder related to major shareholders.
8. Does not operate the same and significantly 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 rights of any other Company which operates the same and significantly competitive business with the business of the Company or Subsidiaries.
9. Does not have any other characteristics which may impact the ability to express independent opinion regarding business operations of the Company. After the appointment as Independent Director in accordance with the conditions under items 1-8 of this section, as mentioned above; such Independent Directors may be assigned by the Board of Directors to make decisions on business operations of the Company, Parent Company, Subsidiaries, Associates, same-level Subsidiaries, major shareholders or controlling parties of the Company with respect to collective decision-making.

Process of selection for Independent Directors

In selecting the Independent Directors in accordance with the compositions of the Board Directors and qualifications of Independent Directors with the regulations the Company and the Securities and Exchange Commission, and present to the Board Directors meeting and/or Annual General Meeting to consider the appointment of Independent Directors.

3.2 Selection of Directors and High-Ranking Executives

3.2.1 Criteria for the Selection of Directors

Qualifications of Directors

1. Directors shall be qualified with knowledge, competency, integrity, ethical business practices and sufficient time to devote knowledge and competency to fulfill their duties to the Company.
2. Must not have prohibited characteristics as stipulated by the Public Company Act and must not possess characteristics which render them unsuitable to be entrusted with the Management of affairs with the public as shareholders, as prescribed by the Securities and Exchange Commission.
3. Directors shall not conduct any business of the same nature as or in competition with the Company, nor shall he/she be a partner in any other juristic person conducting business of the same nature and in competition with the business of the Company, whether for their own benefit or others, unless such action has been informed to the shareholders' meeting prior to the resolution of appointment.
4. Independent Directors must have qualifications in accordance with the regulations of the Securities and Exchange Commission.

3.2.2 Process of the Selection of Directors

1. In selecting the Directors, the Nomination and Remuneration Committee shall determine the framework of the selection to ensure that the recruited persons shall be able to fulfill the two key fiduciary duties, which are the Duty of Care and the Duty of Loyalty. The criteria for the selection of Directors will take into account the structure of the Board of Directors, the Board Diversity, and suitable qualifications and necessary skills that are still lacking in the Board of Directors. A Board Skill Matrix is used to determine the qualifications of the required nomination based on the skills needed by the Board. The Nomination and Remuneration Committee may consider nominating an individual to the position of Director in the Company from the suggestions of other Directors of the Company, nomination of persons to be elected as Directors by the shareholders of the Company, recruitment by a professional search firm, recruiting from the Director pool of various agencies or recruitment by other processes which the Nomination and Remuneration Committee deems appropriate.

2. In addition to the list of nominations by the Nomination and Remuneration Committee, the minority shareholders have the opportunity to nominate suitable candidates to the Nomination and Remuneration Committee. The Committee shall determine the nomination period with sufficient evaluation time, allowing a process of due diligence as determined by the Committee before the Shareholders' Meeting. The Company discloses this information to the Stock Exchange of Thailand's system to inform the shareholders to post the nominations at the Company's website, and the biography of nominated candidates to the email Board@pranda.co.th. And individuals who are nominated as Directors are required to submit a written confirmation of acceptance for the position of director to the Company on or before December 31 of each year. When the Company has received all necessary documents and they are presented to the Nomination and Remuneration Committee for the selection and nomination of qualified persons according to legal and regulatory guidelines, based on experience, knowledge and capabilities that will best benefit the Company to propose the qualified to the Board of Directors for approval. Then, the Board of Directors 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 rights who are 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 an orientation for the newly appointed Director.
3. For clarity and transparency, the Committee shall disclose the recruitment policies and procedures for the nomination of Directors to the shareholders, including providing a nomination form that identifies the necessary information to support the recruitment selection.
4. Scrutinize and verify the names of the candidates for nomination as Director with the relevant agencies to ensure they are not currently blacklisted or withdrawn from the list which these agencies have prepared, as well as meet and interview the candidates who have been screened and selected as most suitable by the Nomination and Remuneration Committee.
5. In the nomination of Directors, the Nomination and Remuneration Committee proposes a list with the number of candidates exceeding the number of Directors to be recruited in order for the Board of Directors to choose the most appropriate to be presented to the Shareholders' Meeting for consideration according to the number to be nominated.
6. The Committee sends the names and biographies of the Directors selected for nomination to the shareholders ahead of time along with the notice of the meeting.
7. In case of nominating Directors who have finished their term to return to the position, the Director's contribution and record of attendance at Board meetings and shareholders' meetings are presented for shareholders to take into consideration as well.
8. In the presentation of the list of Directors for shareholders to consider, the Committee offers the opportunity for shareholders to vote for individual Directors, in order to allow shareholders the opportunity to consider the Directors individually. The results of the votes are disclosed at the meeting.
9. Provide orientation for new Directors officially before joining the Board of Directors' Meeting for the first time.

Upon the appointment of the new Directors, the Company will provide an orientation program for new directors who were appointed by providing a briefing of vision, mission and values of the Company including the preparation of documents for the newly appointed directors for their work. The guidelines, prepared for the orientation of new directors include:

1. The Pre-Orientation information provided includes a Company profile, the nature of the business operations of the Company, Group and Company Organizational Structure, the structure of the Major Shareholders and Directors, remuneration and benefits of Directors and Executives, financial position and results of operations for at least three years prior and the responsibilities of the Board of Directors in accordance with applicable law.
2. The information provided at the orientation when appointed as director by the Shareholders' Meeting are matters subject to compliance with the law, memorandum, Articles of Association, the scope of duties and responsibilities of the Board of Directors and Committees, Minutes of the Company's Board of Directors' Meeting one year prior, the Good Corporate Governance Guide for the Directors of Listed Companies prepared by the Stock Exchange of Thailand (SET), Corporate Governance and Business Ethics of the Company and laws relating to the business of the Company including important regulations of the Company, along with the Director Training Course and other information relating to the business operations of the Company and so on.

3. Meeting with the Chairman/Managing Director before the first meeting of the Board of Directors to inform new directors about the important policies of the Company, the organizational culture, and end expectations toward the knowledge, competency and experience of the new Directors in assisting the Board of Directors to fulfill their duties efficiently and effectively.

3.2.3 Criteria for the Selection of High-Ranking Executives^{/1}

The Nomination and Remuneration Committee is responsible to select candidates who are competent and qualified based on their ability to enhance the performance and competitive potential of the Company and to propose to the Executive Committee to authorize the appointments with the approval of the Board of Directors.

Note: ^{/1}High-Ranking Executives are Managing Directors, Deputy Managing Directors, Assistant Managing Directors and any other positions specified by the Board of Directors.

4. Managing Operations of Subsidiaries and Affiliates

4.1 Managing, supervising and taking responsibilities of subsidiaries and affiliates

In accordance with the Company's regulation, in order to nominate and to vote for the appointment of Directors in subsidiaries and affiliates, approval of the Board of Directors must be obtained by the proposition of the Executive Committee. The person appointed to be Director in the subsidiaries or affiliates has the obligation to act in the best interest of their respective subsidiary or affiliate. And the aforesaid Director must obtain approval from the Company's Board of Directors prior to voting for any motion at the level of importance which requires the approval of the Board of Directors. In this regard, sending the Company's Directors to be representatives in any subsidiary or affiliate shall be in accordance with the proportion of the Company's shareholding.

In addition, in the case of subsidiaries, the Company has stipulated that the appointed person must supervise the subsidiary to strictly comply with regulations regarding information disclosure, specifically in the area of connected transactions, and also regarding acquisition or disposal of assets, ensuring that the records are complete and accurate. Such records must be prepared according to the same regulations on information disclosure and record-keeping as that of the Company. The representative must ensure that the aforesaid subsidiary keeps complete records and thorough book-keeping in order to allow accounting verification and compilation of the consolidated financial statements by the deadline.

The Company has determined the PRANDA Group Financial Policy for the Management of Subsidiaries and Associated Companies as follows:

1. Subsidiaries and associated companies must submit the Annual Business Plan
2. Subsidiaries and associated companies are required to submit the Annual Manpower Plan
3. Subsidiaries and associated companies must submit the Annual Capital Expenditure Plan
4. Subsidiaries and associated companies must submit the Annual Budget Plan

All the plans mentioned above must be submitted to the Executive Committee for approval. The plans are scheduled to be submitted by October of each year; the plans are reviewed again in April of the following year.

The subsidiaries and associated companies must clarify the plans in writing if the outcomes differ from the plans. Moreover, if the subsidiaries and associated companies purpose to borrow from financial institutions or pledge guarantees or make an agreement or enter into any legally-binding obligation including the appointment of an Auditor, they must receive approved by the Executive Committee of the Company.

4.2 Agreement between the Company and other shareholders in the Management of subsidiaries and associates

There is no other agreement on the Management of the subsidiaries and associated companies; the shared benefits are based on the normal proportion of shareholding.

5. Inside Information Control

The Company has determined the principles of best practice and the responsibilities of Executives and employees in the use of inside information in writing with the following key points, which are: not seeking their own or others' gains in their work performance, not disclosing the Company's confidential information and not using the Company's confidential information for their own or others' benefits without due consent from the Company, and not performing any action in a manner that may create a conflict of interest with the Company without first informing the Company. Persons knowledgeable of inside information of the Company, which has

not yet been disclosed to the public, are not allowed to trade in shares of the Company for their own or others' gains. The Company has also prescribed penalties for cases of infringement by the irregular use of inside information. Violators will receive disciplinary punishment and/or lawsuits as deemed appropriate as the Company has prescribed the Code of Conduct concerning confidentiality and the use of inside information and trading in the Company's securities with the following guidelines and disciplinary punishments:

Practices

1. Directors, Executives, employees of the Company and its associates, and other inside persons shall protect the inside information and documents which cannot be disclosed to outsiders and which could lead to wrongful benefit-seeking actions for oneself or others or result in a loss to the Company.
2. Directors, Executives, employees of the Company and its associates, and other inside persons shall not use the confidential information of the Company for their own benefit or for others' benefit whether directly or indirectly and whether or not they receive remuneration for it, even when their duties have been terminated or they have resigned.
3. The Company has prescribed that information related to its counterparties and the agreements made with those said counterparties shall be deemed confidential information which cannot be disclosed to other persons, except with the authorization of the Company and the counterparty only.
4. The Company has assigned superior officers at various levels the responsibility to control any leakage of important information or Company news before it is officially disseminated to the public. If there is found to be any violation, disciplinary measures will be considered in accordance with the rules of the Company.
5. The corporate use of inside information by the employees must remain within the framework of duty and responsibility that has been entrusted to each employee only.
6. In the case of being questioned or asked to disclose information outside of one's responsibilities, employees shall refuse to voice their opinions with politeness and direct the person to inquire from the department in charge that is responsible for the direct disclosure of such information, to ensure that the information given is correct and congruent.
7. The Investors Relations Department maintains a policy to avoid forecasting or offering any opinion concerning information more than six months ahead in accordance with the policy of the Stock Exchange of Thailand and international regulations. In this regard, investors can still meet and discuss with investor relations officers in order to receive their opinion and long range business perspectives.
8. The Corporate Secretary Office shall announce a silent period without contact with investors for 30 days prior to the day of budget disclosure to the public. During such a silent period, the Company will refrain from replying to questions concerning the results of operations and forecasting in this regard, except for replies to questions regarding facts or explanations of disclosed information or the explanation of any news that has an impact on share prices or questions about the long range business perspective. The Company shall attempt to avoid meeting with analysts or investors during that period, or if it is necessary to arrange a meeting during that period, only long-range business operations will be discussed.

The Purchase or Offering of Securities

Practices

1. Directors, Executives, and employees of the Company and its associates shall not disclose information on the fiscal budget including other information that impacts the price of the Company's securities to outside persons or persons who are not connected, and shall refrain from trading securities for at least 24 hours after the information has been publicized (a wait of 48 hours should be incurred if the said disclosure of information is very complex).
2. Directors, Executives, including their spouses and underage children of the Directors and Executives, and employees of the Company and its associates who have the objective of trading in the Company's securities shall disclose their objectives to trade the securities to the Corporate Secretary at least one day ahead of trading.
3. Directors and the first four Executives according to the definition in the Notifications of the Capital Market Supervisory No. TorChor. 23/2551, including the spouses and underage children of the Directors and Executives of the Company, have the duty to report securities holdings to the Capital Market Supervisory Board and in accordance with Section 59 of the Securities and Exchange Act of 1992 including the submittal of a report to the Board of the Company every time there is a purchase, sale, transfer or transfer acquisition of securities on the same day that their report is submitted to the Capital Market Supervisory Board.

Disciplinary Measures

Any Board member, executive and employee of the Company and its subsidiaries who does not comply with the Code of Conduct in confidentiality and the use of inside information and the trading of securities of such companies shall be considered for disciplinary action in the degree of penalty appropriate to the case, including verbal warnings, written warnings, probations and possibly even the penalty of dismissal. The penalty can potentially include both criminal and civil liabilities in accordance with the Securities and Exchange Act of 1992 that are, an imprisonment not exceeding two years, or a fine of not more than two times their received benefits, but not less than Baht 500,000, or both.

As for the report on the securities trading of the Board of Directors and Executive Management, the Company had informed them of the obligation to report the holdings of the securities to the Securities and Exchange Commission pursuant to Section 59 of the Securities Exchange Act of 1992 and to submit a report to the Board every time there is the purchase, sale, transfer or transfer acquisition of the securities. During the year 2015 the Directors and Executives of the company reported their securities holdings by comparing an increase (decrease) during the period of December 30, 2014 and December 30, 2015 as follows:

Rank	Names		Number of Shares (shares)		Number of shares increased (decreased) during the year (shares)
			December 30, 2015	December 30, 2014	
1.	Mr. Prida	Tiasuwan	21,996,420	21,996,420	0
2.	Mrs. Panidda	Tiasuwan	18,473,860	16,692,060	1,781,800
3.	Ms. Pittaya	Tiasuwan	18,070,960	17,930,960	140,000
4.	Mrs. Pranee	Khunprasert	9,896,860	9,896,860	0
5.	Mr. Pramote	Tiasuwan	9,280,560	9,280,560	0
6.	Mrs. Prapree	Sorakraikitikul	7,332,460	7,482,460	(150,000)
7.	Mrs. Sunanta	Tiasuwan	2,700,500	2,700,500	0
8.	Mr. Chanat	Sorakraikitikul	440,000	440,000	0
9.	Mrs. Nirarat	Tanalekhat	166,200	160,000	6,200
10.	Ms. Suporn	Rungpittayatorn	55,500	136,000	(80,500)
11.	Mrs. Chavee	Jarukornvasin	42,000	42,000	0
12.	Ms. Sasisopa	Wattakeecharoen	32,000	42,000	(10,000)
13.	Mr. Thanes	Panjakrid	50,000	42,000	8,000
14.	Mr. Decha	Nuntanjaroenkul	0	0	0
15.	Mr. Somsak	Sirueangmon	0	0	0

Notes: 1. The number of shares decreased from distribution and transfer of securities.

6. Auditor Remuneration

The auditors for Pranda Jewelry PCL were Mr. Narong Puntawong, Certified Public Accountant No. 3315 and/or Ms. Siraphon Ua-Anankul, Certified Public Accountant No. 3844, and/or Ms. Waraphon Praphasirikul, Certified Public Accountant No. 4579, of E.Y. Office Co., Ltd.

The Company and its subsidiaries paid E.Y. Office Co., Ltd the following service fees for 2015:

Unit: Baht

รายชื่อ	Company	Subsidiary
1. Audit fee	2,560,000	1,190,000
2. Fee for examining investment promotional certificates	120,000	-

7. Practicing Good Corporate Governance in Other Areas

The Board of Directors of the Company has a policy to disclose significant information concerning both financial and non-financial information of the Company as required by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand in a manner that is accurate, complete, timely and transparent through the stock market with the Annual Registration Statement (Form 56-1) and Annual Report (Form 56-2), including the disclosure of information both in Thai and English through the Company's

website. The information is updated regularly to allow shareholders and other connected parties to access the information easily, equally, and reliably. In the policy of governance and performance throughout the year 2015, the Company has applied the principles of Good Corporate Governance, except for the following:

1. The Chairman is not an independent director, as the jewelry trade requires personnel with knowledge and extended experience in business in order to bring the Company to success. However, the business operations of the Company and the Board of Directors of the company are based on the principles of good corporate governance in accordance with the guidelines of the Stock Exchange of Thailand.
2. The Board of Directors considers the knowledge, skills and experience of independent Directors to be of utmost importance and, therefore, permits an independent director to hold office for more than nine years, and in any case (The Board) will continue to apply those practices that have been deemed effective in the future as well.
3. The Nomination and Remuneration Committee is not composed entirely of Independent Directors. Out of six Directors, the Nomination and Remuneration Committee of the Company has one Independent Director who serves as Chairman. Even though the other five are not Independent Directors, processes and procedures for the nomination of Directors and Senior Management based on best practices that are clear, transparent and comparable with other companies in the same industry, and in line with the long term interests of the Company and all stakeholders, are ongoing.
4. The Board of Directors has not established a Corporate Governance Committee because the Board of Directors oversees the Company's compliance with corporate governance.
5. The Board of Directors has three Independent Directors. The Company is recruiting Independent Directors who have characteristics that can enhance the business operations of the Company, and, in particular, Independent Directors with experience in the precious gems and jewelry industry in the international market.
6. Fewer than 66% of those in the Board of Directors are not Executives; the exact ratio is 60%.
7. Fewer than 50% of those in the Board of Directors are Independent Directors; the exact ratio is 30%.

The Company recognizes the importance of Good Corporate Governance, therefore it has clearly delineated its policies and guidelines in the Corporate Governance Manual which addresses various aspects of business ethics with clarity and detail (Available for download at www.pranda.com); the Company has also strictly adhered to Good Corporate Governance as summarized in the following five categories.

Chapter 1: Shareholders Rights

The Company recognizes the importance of Good Corporate Governance with regard to the rights of shareholders, both as investors and as owners of the Company, of which the Company encourages shareholders to exercise their basic legal rights such as the share of income received by the Company, the trading or transfers of shares, attendance at the shareholders' meetings for the right to vote in the appointment or removal of Directors, remuneration of the Directors, appointment of the Auditor, remuneration of the Auditor and matters affecting the Company.

In addition to these basic rights, the Company has extended to its shareholders beyond the legal rights such as providing important, current information through the Company's website.

The Board has given priority to the Annual General Meeting of Shareholders in order to permit shareholders who are owners of the Company to be informed of the results of the operations of the Company and to participate in the important decisions of the Company, including monitoring the performance of the Board of Directors and Management. The Company organized the meeting of shareholders in accordance with the law and adhered to the guidelines in the AGM Checklist Manual prepared by the Thai Investors Association, Thai Listed Companies Association and the Securities and Exchange Commission.

In 2015, the Company held one shareholders meeting which was the 2014 Annual General Meeting of Shareholders on Tuesday, April 21, 2015 starting at 15:00 hrs. at the Auditorium on the 5th floor of the Company's Building B1, located at No. 28 Soi Bangna-Trad 28, Bangna, Bangkok. Between 12:30 to 14:30 hrs, a car shuttle service was provided from the meeting point at Phuti Anan Stadium, approximately 20 meters from the Bangna BTS Station. The Company also provided a reception in honor of the shareholders who attended the meeting, as well as facilities for the meeting by registering attendance and a vote-count via computer for added convenience. After the meeting ended, shareholders were invited to take a tour of the Company's operations.

Prior to the Day of the Shareholders' Annual Meeting

After the meeting of the Board of Directors approved the date for the Company provided relevant ,Annual General Meeting of Shareholders 2014 adequately and in a ,holders in advance information for decisions at the meeting of share: timely manner by following these steps

- Entrusting the Thailand Securities Depository Company Limited, the Company's registrar, with the distribution of the invitations to the 2014 Annual General Meeting of Shareholders, which were accompanied by a detailed agenda to the shareholders, on April 3, 2015 , a period of 18 days prior to the meeting, more than which is required by the law for listed companies to send the notice of the meeting to shareholders (the law requires a notice at least seven days prior to the meeting) in order to give shareholders time to study the accompanying information about the meeting in advance.
- Distributing the invitation, agenda and entire set of accompanying documents identical to the set of documents delivered to shareholders on the Company's website starting from March 27, 2015, a period of 29 days before the Shareholders' Annual Meeting. The invitation included:
 - Facts, explanations, and opinions of the Board of Directors;
 - A copy of the report of the previous Shareholders' General Meeting to be considered for the shareholders' approval;
 - The Annual Report of the Company with important information about the Company and results of operations of the previous year;
 - Detailed accompanying information for every agenda such as election of Directors to replace those retiring by rotation with a brief biography of Directors stating the age, education, past and present positions, the number of shares held in the Company, the number of occasions of holding a position in the company, positions in listed companies and other companies which may cause conflict of interests with the Company and legal disputes;
 - Guidelines for procedures in designating proxies, the registration and furnishing documents for the meeting attendance and voting;
 - Information about independent Directors whom shareholders can consider as proxies with the complete biography;
 - The procedures of participation in the meeting;
 - Articles of Association relating to the shareholders' meeting;
 - Map of the venue;
 - Forms for the three types of proxies designated by the Department of Business Development, Ministry of Commerce: Form A, a general proxy form for simple data, Form B, a proxy form with a clear list of items for authorization, and Form C, a proxy form used only if the shareholder is a foreign investor and appoints a custodian in Thailand to the deposit and custody of assets;
 - Business reply mail envelope for sending a proxy form to the Company (in case an independent director is appointed as proxy).
- Notice of invitation to the meeting in newspaper classified ads before the meeting on April 16-18, 2015, in accordance with the Articles of Association of the Company and the Public Companies Act of 1992;
- The Company has established a continual practice every year to allow shareholders to participate in the proposal of the agenda for the shareholders' meeting, nominating directors and submitting questions prior to the Shareholders' General Meeting. The Company also sends a letter to the Stock Market three months before the end of the accounting period with details of the procedures posted on the Company's website, www.pranda.co.th or www.pranda.com, between the months of October and December unofficially every year, until it receives written approval from the shareholders. Then the Company will disclose to all via the Stock Market information on why the Committee included or did not include a shareholder's proposal in the agenda for the Shareholders' Annual Meeting.

For the 2015 Annual General Meeting of Shareholders, there were no shareholders who proposed any agenda, nominated directors or submitted any questions in advance. In addition, the Board of Directors arranged hearings on other matters (if any) in the agenda so that shareholders could suggest topics for consideration at the meeting by the complying with the requirements of the law under the Public Companies Act of 1992, Section 105, i.e. shareholders holding shares amounting to not less than one third of the total number of shares sold may request the meeting to consider matters other than those specified in the notice of meeting also. It turns out that there were no other proposals to vote on, only suggestions and questions that have been recorded in the meeting minutes.

On the Day of the Shareholders' Annual Meeting

The Company provided for the convenience of shareholders who attended the meeting and conducted it transparently, in a manner that could be monitored as well as providing the opportunity for shareholders to ask questions and comment on each agenda fully as follows:

- Providing convenience to shareholders on the day of the meeting, both the major and minor shareholders, including institutional investors equally by preparing front desk personnel to welcome and provide information in checking the documents and registering to participate;
- Arranging a car shuttle service for the convenience of all shareholders;
- Managing the registration and vote counting with a barcode system by opening for registration two hours before the meeting; even though the registration period had ended, shareholders who wished to attend the meeting were allowed to register and attend without losing their rights, which continued until the meeting ended. There was also an appropriate reception and souvenirs for shareholders attending the meeting.

All 10 members of the Board of Directors were in attendance, representing 100% of the total membership. Senior Management and Auditors also attended the shareholders' meeting to answer questions and familiarize themselves with the views of the shareholders.

Prior to the agenda of the meeting, the Chairman asked the President to explain how to conduct the meeting and voting as well as offer the opportunity for shareholders to ask about the process and how to vote, proceeding according to the agenda listed in the shareholders' meeting notice. Shareholders were also offered the opportunity to volunteer to act as witnesses to the vote count, but no shareholders volunteered. Thus the representative of the Thailand Investors Association was cordially requested to be an observer representing the shareholders.

- The Committee's stake holding was identified in the meeting notice.
- Providing for a vote-count via ballot for those agendas that required approval, and for the election of Directors, to count the ballots by individual vote in order to provide transparency and accountability; the Articles of Association require that the shareholders' meeting elect Directors via the One Share : One Vote procedure.
- After the meeting began, shareholders attending the shareholders' meeting had the right to vote on those agenda items that were still under consideration and had not yet been voted upon.
- The minutes and record of votes on each item were recorded in their entirety.
- Upon completion of the meeting, the shareholders were invited to take a tour of the Company's operations.

At the 2014 Annual General Meeting of Shareholders which was held on April 21, 2558, the number of shareholders attending the meeting in person or by proxy was 118, with a total number of 189,948,764 shares, representing 46.38% of the total shares sold, which is a total of 409.529 million shares.

In this regard, at the 2014 Shareholders' Annual Meeting, the Company did not provide monitoring for the vote-count in the shareholders' meeting.

However, in practice for the following occasions, the Company will allow shareholders who volunteer to act as witnesses during the vote-count.

After the Day of the Shareholders' Annual Meeting

The Company published the resolution of the 2014 Annual General Meeting of Shareholders indicating the result of the votes on each item separating into categories of "Agree," "Disagree" and "Abstain" votes and showing the proportions of each by sending a document to the Stock Exchange of Thailand along with online submission via the SET Community Portal (SCP) on the next business day after the meeting had ended.

In the 2014 Shareholders' Annual General Meeting there was no change in the order of the agenda and no request for the hearing of any matter not introduced in the meeting.

The preparation of the report of the 2014 Annual General Meeting of Shareholders was made in writing. It captured the essence of each matter proposed to the Meeting, a summary of key questions from shareholders and the statement of the Board of Directors as well as the suggestions and additional views of the meeting. It included the resolution of the meeting with the votes

in each category and the proportion of votes for each agenda item in its entirety by the Corporate Secretary, signed by the Chairman of the Meeting and the authorized signatory of the company. It was submitted to the Stock Exchange and the Securities and Exchange Commission, including the Department of Business Development within 14 days after the meeting date, in accordance with the requirements of the Stock Exchange to provide documental review and reference. And it was published on the website of the Company, www.pranda.com, on April 30, 2015

From the Company's above operations, the quality of the annual shareholders' meeting (Annual General Meeting: AGM) was evaluated by the Thai Investors Association, the Thai Listed Companies Association and the Office of the Securities and Exchange Commission (SEC) and was given a score of 100 points out of 100 points, which places it in the "Excellent" level.

Chapter 2: Equal Treatment of Shareholders

The Board of Directors and Management both practice the principles of equal treatment of all shareholders in accordance with the regulations of the Stock Exchange in order to maintain its status as a listed company on the Stock Exchange by ensuring that shareholders are treated equally and protecting their fundamental right to be informed of its information and news. In addition to compliance with the regulations about the disclosure of data and information prescribed by the Stock Exchange and the Securities and Exchange Commission, the Company has added channels of access to the Company's information through the Company's website, which has continually been developed, by providing information both in Thai and English, i.e. press releases, earnings releases, company visits, conference calls, answering shareholders' questions by telephone and email and the following treatment of shareholders:

1. Providing the opportunity for shareholders to propose the agenda of the meeting, nominate a person to be appointed as Director and submit questions in advance of the meeting date during the months of October thru December. The Company will continue this practice each year. In this regard, the proposed agenda for the meeting or nominating candidates for the Board of Directors is subject to the law and the Company's Articles of Association, including the criteria that the Company specifies and must publish in detail on the Company's website at www.pranda.com;
2. Preparing and delivering proxies for shareholders who cannot attend the meeting; the Company provided guidelines for voting to the other persons and/or Independent Directors of the Company who are attending the meeting by proxy, indicating the names, biographies and information about the performance of all the Independent Directors to be considered for proxies to shareholders, including the clear identification of documents used in the proxy, attached to the Notice of the Annual General Meeting each year both in Thai and English versions;
3. Not adding to the agenda or changing important information without notice to shareholders in advance;
4. On the day of the shareholders' meeting, providing ballots on each item on the agenda, including the appointment of individual directors, for transparency and accountability;
5. Giving shareholders the right to vote via the "One Share: One Vote" procedure;
6. For any transaction, obtaining approval of shareholders prior to the transaction as required by the Stock Exchange. And the Company must disclose the details and rationale of the transaction to the shareholders prior to the transaction;
7. The Company disclosed in the financial statements notes that it made fair transactions in accordance with market prices and normal trade;
8. In 2015, no Directors and Executive Officers of the Company traded securities using inside information because the Company has established a Code of Conduct regarding confidentiality and the use of inside information and trading securities of the Company, prohibiting Directors, Management and employees of the Company and its subsidiaries from disclosing financial information including other information that affects the price of securities of the Company to outsiders or a third party who is not connected. They are also required to refrain from trading for at least 24 hours after the information is published, but 48 hours if disclosure is very complex or detailed in content;
9. Directors, Executives, including their spouses and underage children of the Directors and Executives, and employees of the Company and its associates who have the objective of trading in the Company's securities shall disclose their objectives to

trade the securities to the Corporate Secretary at least one day prior to trading;

10. Directors and the first four Executives according to the definition in the Notifications of the Capital Market Supervisory No. TorChor. 23/2551, including the spouses and underage children of the Directors and Executives of the Company, have the duty to report securities holdings to the Capital Market Supervisory Board and in accordance with Section 59 of the Securities and Exchange Act of 1992 including, the submittal of a report to the Board of the Company every time there is a purchase, sale, transfer or transfer acquisition of securities on the same day as submitting the report to the Capital Market Supervisory Board.

Chapter 3: Roles of Stakeholders

The Company respects the rights of all stakeholders and carries policies to ensure that each group fully receives the right either as internal stakeholders, which include employees, executives within the Company and its subsidiaries, or external stakeholders, including shareholders, customers, suppliers, creditors, competitors, as well as the public and society. It has defined a "Code of Conduct Toward the Stakeholders" in the section on business ethics, in the Corporate Governance and Business Ethics Guide lines (Revision 4) dated February 26, 2016, which can be downloaded here: www.pranda.com. In the year 2015, the Company has applied it to the stakeholders of the company as follows:

1. Respect for the Rights of Stakeholders

1.1 Shareholders

The Company strives to be a good representative of the shareholders in operating the business in a transparent manner and providing the utmost satisfaction to shareholders, taking into account the long-term growth of the company with good and continuous returns, without taking any action which violates or infringes upon the rights of shareholders. There were no complaints concerning disrespect toward the basic rights of shareholders or any offense by the Directors and Management regarding information usage by insiders. In addition, each year, the Company paid dividends to shareholders according to the policy stipulated by the Company to pay out no more than 60 percent of the net profit. In the last 14 years, the Company had a dividend payout of 13.71 to 59.63 per cent of the net profit from the consolidated statements, of which, in 2002, 2006 and 2010, the Company paid special supplementary dividends to shareholders resulting in a higher dividend payout ratio from net profit. In 2010, the Company's dividend payout ratio was especially high at 128% of the net profits, with the consideration of surplus dividends from the free cash flow of the Company.

1.2 Employees

The Company recognizes the value of personnel and believes that human resources are a most crucial factor in business operations. Thus, the Company ensures that employees receive continuous training and development. Under the supervision of the Group Corporate Values Committee, the Company promoted a total of 14 projects. The details of each project are set out in the Corporate Social Responsibility Section.

In addition to the 14 projects that are disclosed under Corporate Social Responsibility, the Company is committed to treating all employees with equality and fairness, without exception, as to origin, race, religion, gender, marital status, language or position. The Company also does not support the use of child labor, human trafficking and corruption in all its forms. The Company compensated the employees appropriately with a short-term compensation by the minimum wage of Baht 300 per day for those without skills or experience. The wages of the Company are not fixed but adjusted according to the performance of employees each year. Thus, the average wage for 2015 was Baht 450 per day. In addition, there were other benefits above and over the legal limit offered to employees as overtime, bonuses, allowances, and the distribution of award rings at the completion of 3, 10, and 20 full years of service, free rice, coupons for free meals, annual health checks, New Year parties, the provision of staff dormitories, and so on. When combined with the value of such welfare, the average daily wage adds up to Baht 560 per day. In this regard, the base wage and welfare of each may differ according to performance. Besides the tangible benefits, at present the Company has issued long-term benefits which are provident funds and the Pranda Jewelry Group Saving Cooperative.

This treatment of employees resulted in a very low rate of employee turnover in the Company. This year, the rate of turnover among skilled workers is less than 2 percent. In the area of compliance with Thai Labor Standards (TLS), the Company does not encourage any violation of human rights, and does not employ child labor or forced labor. The workplace arrangement is pleasant and safe with proper adherence to occupational health rules. The Company practices the principles of non-discrimination and the respect for fairness and the equality of man.

1.3 Customers

The Company treats all customers equally by providing high quality and reliable products and services with the implementation of the quality management system of ISO 9001:2008. The Company is determined to manufacture international standard gems and jewelry by professionals to the strictest quality control process and on-time delivery for the highest customer satisfaction. With our attention to continuous improvement, we create the products our customers seek by the effective and efficient use of resources, time, personnel, capital, materials, equipment, information, technology and procedures to bring the utmost satisfaction to our customers, while strictly and continuously maintaining quality, occupational health, safety and the environment. As a result, the Company passed the quality evaluation of Bureau Veritas (Thailand) and was certified by UKAS from United Kingdom for three years, effective from September 3, 2013 – September 2, 2016.

1.4 Suppliers and Creditors

The Company fulfills agreements with suppliers and creditors with fairness and equality without asking for any dishonest trading benefit from the supplier. The Company strictly complies with contracts and conditions as agreed and complies with obligations to all creditors by following the conditions stipulated in the loan contract and providing full disclosure of the actual financial status of the Company. And the Company has determined procurement policies to appropriately, fairly and efficiently perform businesses with suppliers.

1.5 Competitors

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

1.6 Society

The Company performs its business with regards to the community, society, and the environment by continuously and intently raising awareness of social and environmental responsibility among all levels of employees. The Company deems social responsibility as the crucial role of the Company and has stipulated thus in the Code of Ethics. The Company's Executives must support affairs that are deemed beneficial for society. The Company will not conduct any action that will damage the country's name, natural resources and environment. The Company will not cooperate or support any person who conducts illegal businesses or threatens national security and society. The Company also aims to create within the Company and at all levels of employees the awareness of responsibility toward society and community in order to strictly oblige with relevant laws and regulations. For 2015, the Company received no complaints from the stakeholder.

2. Respect for the Law and International Human Rights Principles

Respect for the law and international human rights principles are the foundation of business operation and personnel development, which are important in generating added value and improved productivity. In addition to signing the Universal Declaration of Human Rights of the UN Global Compact, the Company also stipulated in the Code of Ethics concerning respect of the law and human rights principles, which are included in the Corporate Governance and Business Ethics Guidelines (Revision 4), dated February 27, 2016

3. Non-Infringement of Intellectual Property Rights or Copyrights.

The Company has determined in the Code of Ethics concerning intellectual property rights or copyrights the policy to comply with the non-infringement or abuse of intellectual property rights and operates in accordance with the law and regulations of all the countries where the Company invests. Personnel of the Company who are responsible for maintaining the secrets of trade, secret commercial recipes, processes, products or business procedures must guard such confidential information most securely and prevent leaks of such information. Personnel of the Company must respect the intellectual property rights of others by not using the work of others, even if only partially, for personal benefit without first obtaining permission or providing compensation to the owner.

4. Good Labour Practices and Respect for the Rights of Employees.

The Company has established good labour practices and respect for the rights of employees to comply and strictly abide by international labor standards. In 2015 the Company passed the international labor standards assessment of BSCI (Business Social Compliance Initiative) and was awarded the 2015 Outstanding Labour Relations and Welfare Workplace by the Department of Labour Protection and Welfare, the Ministry of Labour, which the Company has received for many consecutive years.

In addition, the Company has established the "Women's Labour Advisor" in the workplace in accordance with the Department of Labour Protection and Welfare's project. Legal training was provided to educate the women's labour advisor with respect to quality of life development in work, personal life, health, safety in the workplace, welfare for the family, economic, social and cultural values. The advisor provides advice to employees who face various problems in order to help and alleviate the employees' difficulties.

5. Enhancement of Quality of life in the Workplace

The Company has a labour policy to enhance the quality of life in the workplace, which is included in the Corporate Governance and Business Ethics Guidelines (Revision 4). In addition to the 14 aforementioned key projects, the Company has provided activities and other projects to support the enhancement of the quality of life of employees in the workplace, as follows:

5.1 Activities for Employee Knowledge Development

1. Library services

To promote and provide a nearby source of knowledge for employees at all levels enabling them to read and find knowledge by themselves, the Company has established a library service for employees and their families which is open every day. The library has more than 3,000 books and periodicals with new books added every week. It also provides more than 10 computers and Internet to be used without charge for research. Currently it has on average more than 400 users per month. In addition, a book of interest can also be searched ahead on the Company's intranet and five books per week can be borrowed to read at home.

2. Promotion of Education Transfer

The Company promotes education for employees by offering a place in the Company for classrooms offering classes in Management and Marketing at the Vocational Certificate Level and in Human Resource Management at the Higher Vocational Certificate Level. The current class comprises the fifth generation of students, and at least 100 people have graduated from the programs.

3. Scholarships

Through the Pranda Jewelry Group Savings Cooperative, the Company has granted scholarships to the children of employees in primary, secondary, vocational and undergraduate levels. In 2015, it has granted 78 scholarships and 8 awards of excellence to bilateral students. Total rewards since 2012 to present a total of 24 awards.

5.2 Activities for Employees' Financial Support

1. Housing Loan Program as Employees Benefits

The Company recognized the importance of employee housing by organizing a loan program for housing as welfare for employees. Through a partnership with the Government Housing Bank to ensure repayment of loans through the payroll system, employees are given access to low interest rates which greatly help to ease the burden of payments to employees of the Company.

2. Other Financial Support

The Company has provided other benefits as financial support to employees such as provident funds, sale of bargains goods, financial help for funerals of parents or spouse, grants for marriage, childbirth, ordination, medical payments for inpatients, etc.

5.3 Activities for Family Institution Promotion

1. Staff Dormitories

The Company provides dormitory services for employees consisting of three buildings, each with 100 rooms, separated into rooms for single men, single women and families. It currently serves about 800 people.

2. Children's Day Activities

Every year the Company organizes activities on Children's Day for the employees and their families with a lot of activities and presents for the children.

5.4 Activities to Promote Employees' Health

1. Providing fitness activities such as aerobics dancing every week.

2. Providing the space for fitness and sports activities such as a gym, basketball field and football field.

3. Arranging an annual health check.

4. Providing a first aid room with an attending nurse and a doctor coming every week.
5. Provide a gym in the workplace.
6. Organizing Safety Week.
7. Providing a competitive sporting event.

5.5 Activities for Ethics Development

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

1. Dedicating every last Friday of the month for alms-offering to Buddhist monks.
2. Arranging the water pouring ceremony to seek the blessings of the elders on Songkran Day.
3. Arranging activities to honor His Majesty the King on the auspicious occasion of His Majesty the King's Birthday.
4. Offering food to Buddhist monks on important Buddhist holidays.

6. Practice of Environmental Training for the Staff

The Company recognizes the importance of employees and holds a policy to provide them with environmental training. Because employees are valuable assets, the staff at all levels have been sufficiently and continuously developed in environmental protection by education and training in both operational and environmental management. In addition, all management levels in the Company will be responsible and exemplary in environmental development and maintaining staff training in this area by supporting them with adequate resources to enable all staff to implement this policy. The results are thoroughly communicated to relevant persons concerning the results of employee training on the environment.

7. Responsibility towards Society and the Environment

The Company continues to maintain compliance with the principles of the UN Global Compact that deals with four main issues, namely the implementation of human rights, labor standards, environmental preservation and anti-corruption. Also, the Company has raised an awareness of social and environmental responsibility among employees at all levels continuously and seriously in order to reduce environmental impact. The Company developed a plan to regulate the efficient and frugal use of resources as well as promote the conservation of energy and reduce the use of resources in all operational activities of the Company with a view to its significance and as an obligation to society as a whole. The Company takes precautions not to do anything to damage the reputation, natural resources and environment of the country, nor to cooperate or support any persons operating illegal businesses or who is a threat to society and the stability of the country. The Company has also established a policy of social and environmental responsibility to follow in the "Corporate Governance and Business Ethics Guidelines" (Revision 4) dated February 27, 2016. It is also one of the projects to share and generate social and community benefits. The details of these activities during 2015 can be found in the Corporate Social Responsibility section.

8. Anti-Corruption

The Company has established guidelines related to anti-corruption in the Company's business ethics which covers the following: the Code of Conduct on conflicts of interests, the use of insider information and trading securities of the Company, giving and receiving gifts or assets or any other benefits which seem to imply the predisposition to act or omit to act, or take actions that could lead to exploitation for themselves or their family or friends. Additionally, the Company has a Code of Conduct that defines the responsibilities that Executives and employees must uphold, focusing on the importance of corporate governance and the treatment of every category of stakeholders.

On November 9, 2010, the Company announced its commitment to be a member of the Collective Action Coalition to combat corruption in the private sector together with the Thai Institute of Directors (IOD), Thai Chamber of Commerce, International Chamber of Commerce, Thai Listed Companies Association, and Thai Bankers' Association, which is a project of national concern, supported by the Government and the Office of the National Anti-Corruption Commission (NACC).

On October 9, 2012, the Board of Directors adopted the anti-corruption policy of the Pranda Group declaring that Directors, Management and all employees must comply accordingly. The above policy was communicated by notification to all employees via the internal email platform and periodicals, as well as specified in the Corporate Governance and Business Ethics Guidelines (Revision 4). Every employee was required to sign in acknowledgement and is held accountable to follow the anti-corruption policy. The above policy was declared through the Company's website for dissemination for the public's interest as well. The anti-corruption policy is summarized as follows:

Pranda Jewelry Public Company Limited and the Affiliated Companies resolve to conduct business with transparency, following principles of good governance and not to support corruption in any form whether directly or indirectly. And we prohibit Directors, Management, employees and third parties connected with the Company from performing any action which imply corruption in any way, whether by offering, promising, soliciting, demanding, giving or accepting bribes. The Company does not tolerate any corruption in any business and particular, in all countries and agencies involved. And to maintain practices in accordance with this policy, the Company will review the procedures of operation regularly in order to comply with changes in business laws and protect the reputation of the company.

Regulations

1. This anti-corruption policy is applicable to the personnel administration covering the nomination or selection of personnel, promotion, training, evaluation of performance of employees and remuneration. Supervisors at all levels are required to inform and communicate with the staff in order to use the policy in business activities under their responsibility and supervision to ensure efficient practice.
2. Any action in compliance with the anti-corruption policy shall conform to the regulations set out in the Corporate Governance and Business Ethics Guidelines, the Manual of Anti-Corruption Measures and relevant regulations and rules of practice of the Company.
3. For clarification on the operation of the matters with a high risk of corruption, the Company has stipulated the Directors, Management and employees to perform the following with caution:

3.1 Neutrality and Political Support

The Company has a policy of political neutrality, thus, neither supporting nor favoring any political party, whether directly and indirectly, including not using company resources in any activity that may cause the Company the loss of political neutrality and/or damages from being involved in such activities.

3.2 Charitable Contributions and Funding

Donating to charity is part of the Company's corporate culture to help those who are less fortunate in society, to provide relief to victims of natural disasters or to promote the universal quality of life both now and in the future. In this regard, such charitable donations must be approved by the Company's processes and made in a transparent manner. In making payments, the payee must be clearly identified, including identifying the recipient, which must be a registered organization with a clear objective for the contribution. Generally, funding will be made to promote the image or reputation of the organization. This is usually done through various social activities. The decision for the funding must be based on transparency with the signing of a contract or accurate and adequate proof of payment, and must be approved by an authorization procedure according to the hierarchy of authority specified by the Company. And there must not be any fraudulent funding which conceals corruption and bribes.

3.3 Gifts, Assets, Other Benefits, Hospitality and Other Expenses

Giving or receiving gifts or assets or other benefits, hospitality and other expenses may entail the risk of corruption. Therefore, the Directors and employees shall not accept or give gifts or assets or other benefits, hospitality and other expenses because generally receiving or giving gifts or assets or other benefits, hospitality and other expenses may give rise to an obligation or a sense that the situation needs to be rewarded or become a means leading to corruption. This stipulation shall apply to receiving or giving gifts or assets or other benefits to outsiders as well. However, in case receiving or giving gifts or assets or other benefits, hospitality and other expenses do not give rise to an obligation or a sense that the situation needs to be rewarded and are in accordance with cultural practice, they are allowed if they comply with the Code of Conduct, rules and regulations of the Company.

- ### 3.4 Extortion, Racketeering, Fraud, Conspiracy, Collusion, the Wrongful Use of Authority, Embezzlement and Money Laundering
- Wrongful use of authority to commit such actions as extortion, racketeering, fraud, conspiracy, acting in an illegal cooperation, and money laundering are considered corruption prohibited by law, are explicitly prohibited under this Manual of Anti-Corruption Measures and constitute a breach of the duties and responsibilities entrusted to a Director or employee of the Company, regardless of whether there is a motive for such actions or not.

Not every case at high risk of developing into corruption has been covered here. Directors and employees must use their own judgment in preventing business and transactions from falling within the range of corruption.

4. Directors, Management and employees shall neither claim, nor receive money nor benefits nor items which are inappropriate or dishonest or abnormal from those involved in the affairs of the Company.
5. Directors, Management and employees shall neither claim, nor receive money nor benefits nor items nor any other gain from any person or juristic person they do business with, whether it is a claim or receipt for themselves or others which seem to imply the persuasion to act or to omit to act upon a duty wrongfully or illegally.
6. It is prohibited to give, offer to give donations or financial or material support or any other benefits to third parties including government officials, brokers, agents, partners, customers or decision makers, and so on, with the intention of inducing that person to do or omit an act that is against the law, or wrongful according to the position of the person, or to cause advantages, or in exchange of undue privileges. Giving or receiving donations or support must be transparent and legal to ensure that donations or funds not be used as an excuse for bribery.
7. In case juristic persons or third parties associated with the Company's business give gifts or benefits to Management or employees as remuneration, Management or employees must exercise discretion to consider the appropriateness and/or regularity with regard to the government regulations. If Management or employees by not accepting would dishearten the giver and impact good relationship in the business, then it is acceptable, but the value must not exceed the regulation limit set forth for government officials.
8. Receiving gifts or assets should be by ethics, should it be assets or any other benefits. It may be received from relevant persons or acquaintances, in a manner that is in general, not specific, with appropriate value. It is not to be acquired illegally. And the gifts or assets must not be illegal.
9. It is prohibited for the personnel of the Company and the affiliated companies, as well as the family, to demand or accept gifts, assets, or other benefits from contractors, subcontractors, customers, partners, or whoever is involved with the Company business in any way, which impacts the decision on duty with bias or difficulty or conflict of interest.
10. The personnel of the Company and the affiliated companies must not bribe or give benefits in exchange in a similar manner to its own personnel or third parties, in particular, government officials. In giving gifts, assets, or other benefits to the government officials, both local and overseas, it must be ensured that it is not against local laws and customs.
11. It is undesirable to give and receive gifts worth more than the norm which a reasonable person should do between supervisors and subordinates in whatever occasion so ever.
12. Directors, Management, employees and affiliates must avoid giving to or receiving gifts or other benefits from partners or ones involved with the Company's business, except for the benefits in normal business conduct or in season or in accordance with the customs.
13. Business co-operation with other agencies, such as government agencies, state enterprises, private enterprises both within the country and overseas, must be conducted with transparency, fairness, and legalization in accordance with Thai laws and foreign laws which the Company conducts business with. This includes following the anti-corruption laws in all localities where the Company conducts business.
14. Directors, Management, employees and affiliates must provide the information and explanation to the customers, suppliers, contractors, individuals or juristic persons doing business with that the Company does not support any acts relating to corruption, and shall not be affiliated with the corruption, whether by requesting, receiving, and payment for bribery in all its forms. And if such action is found, the Company must be notified immediately.
15. The Company sets forth this policy to be followed by subsidiaries, affiliates, or other companies which the Company has authority to administer, including individuals associated with conducting the business.
16. Directors, Management, and employees who do not follow this policy will be disciplined and penalized in accordance with the regulations and stipulations of the Company. And if the incident of violation or not following this policy is found to be against the law, the Company will inform the competent authorities over law enforcement for prosecution of the wrongdoer hereafter.
17. Companies and individuals associated with business:
 - 17.1 Subsidiaries and Affiliates which the Company has the authority to administer must adopt these Anti-Corruption Measures.
 - 17.2 Agents and intermediary in business (if any): Directors, Management, and all employees are prohibited to hire any agent or intermediary in business with the purpose of giving or receiving bribery, or corruption.

Anti-Corruption Measures

1. Directors, Executives and employees must comply with the anti-corruption policies and measures, and corporate governance and business ethics of the Company by not getting involved in corruption whether directly or indirectly.
2. Employees must not neglect or ignore any suspicious circumstances associated with corruption and must report them to supervisors or persons in charge, or via the provided communication channel. They must cooperate in the investigation as stipulated in the Company's regulations.
3. The Company shall ensure justice and protection and neither punish nor allow any consequences toward the Directors, Executives and employees for rejecting corruption or reporting corrupt activities related to the Company even if the aforesaid actions cause the Company to lose business opportunities. And the Company shall strictly implement the measures to protect the complainants or persons who cooperate in reporting corruption in accordance with the personnel policies and procedures and/or and the complaint and whistle-blowing measures of the Company.
4. Persons who commit corruption violate the Company's ethics and must be subjected to disciplinary regulations as stipulated by the Company, and may be punishable by law if the action is illegal.
5. The Company has communicated its anti-corruption policy and measures, and the channel for whistle-blowing, complaints or suggestions to Directors, Executives, employees, Affiliates and all groups of related persons through various methods, such as orientation of Directors and employees, communications within the organization and the Company's Group through various media in order to create a better understanding of how to put this policy into practice.
6. The Company has communicated its anti-corruption policy and measures, the channel for whistle-blowing, complaints or suggestions to the public and stakeholders through various methods, such as the Company's website and the annual reports, etc.
7. The Company set up procedures to deal with corruption risks, which include risk assessment, prioritization and determination of appropriate measures as well as reviewing past measures. In this regard the Finance and Risk Management Committee has coordinated with the Audit Committee to monitor the major risks of the Company including the risk of corruption, and assigned the Office of Internal Auditing to be the auditor.
8. The Company set up a personnel management process that reflects a commitment to the anti-corruption policy and measures. The process covers the recruitment, training, performance evaluation, determining remuneration, promotion of staff and setting up an organizational structure with appropriate separation of responsibilities to ensure a system of checks and balances as well as ensuring sufficiency of resources and skilled personnel in order to put the policy into practice.
9. The Company has provided a corporate authorization procedure which is clear, concise, effective, transparent and verifiable.
10. The Company has established an internal control system covering finance, accounting, record-keeping as well as other processes within the Company relating the anti-corruption measures and communicated the results of the internal control to relevant parties.
11. The Company has set up an internal monitoring system covering the major activities of the Company such as commercial operations, procurement, etc., to ensure achievement of the stated objectives, including operations based on standard operating procedures, rules and regulations and advising on the development of improved operational efficiency in order to comply with aforesaid policies.
12. The Company has determined the whistle-blowing measures and protection mechanisms for whistle-blowers as well as procedures in communicating the anti-corruption measures in several ways, such as employee orientation, electronic newsletters, periodicals, internal and external communications, its policy letter to partners and customers and the Company's website.

Compliance with Policy

The Company designated as the duties and responsibilities of Directors, Executives and all employees to acknowledge and comply with policies and regulations contained in the Corporate Governance Manual and Business Ethics (Revision 4) of the Company. Moreover, Management at all levels must take responsibility and recognize the importance of motivating their subordinates toward knowledge, understanding and strict compliance with the Corporate Governance Manual and Business Ethics (Revision 4) of the Company.

The Company will not take any action that is illegal or contrary to the principles of corporate governance. Any Director, Executive or employee who violates principles of corporate governance as set out will receive strict disciplinary penalties. And if there are actions that are deemed violations of the law, rules and regulations of the Government, the Company will refer the matter to the governmental authorities to be prosecuted.

If employees of the Company at any level have problems deciding or applying business ethics not specified in the Company's Business Ethics upon an action, they should ask themselves the following questions about such action:

- 1) Is the action contrary to the law or not?
- 2) Is the action contrary to any policy or business ethics or adversely affecting the image of the Company or not?
- 3) Is the action adversely affecting the Company's stakeholders in a serious manner or not?

Staff can send complaints, comments and suggestions as well as the whereabouts of illegal and/or unethical behavior which violate the principles of corporate governance, including behavior that may indicate corruption by individuals in the Company and stakeholders of the Company. They shall report such clues to the Company's channels of communication. (For details please refer to Section 8, Whistle-blowing Measures and Protection of Whistle-blowers, below).

9. Whistle blowing and witness protection

The Company has stipulated that all levels of management of the Company shall be responsible and place an importance upon supervision of their subordinates to strictly acknowledge, understand and follow the guideline of the Good Corporate Governance and Business Ethics (4th Edition) of the Company. Anyone who is against the stipulated ethics shall strictly receive disciplinary action. In order to provide equal treatment to all stakeholders with fairness which is in compliance to the Good Corporate Governance principles, the Company has provided channels to receive clues, complaints, opinions or suggestions, to show that the complaint are affected or has risk of being affected that may cause damage to all stakeholders due to the Company's business operation or an action of the staff of the Company relating to illegal action or unethical action, including any action signifying corruption, unfair treatment, or careless action. These shall be directly informed or mailed to:

Chairman of the Company/ Chairman of the Audit Committee

Pranda Jewelry Public Company Limited

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

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

Or an e-mail as follows:

	Electronic Mail	Telephone Number
Board of Directors	board@pranda.co.th	0-2769-9405, 0-2769-9923
Corporate Secretary	cs@pranda.co.th	0-2769-9431, 0-2769-9403
Internal Auditing Office	ia@pranda.co.th	0-2769-9905
Investor Relations	ir@pranda.co.th	0-2769-9431, 0-2769-9436
Public Relations	pr@pranda.co.th	0-2769-9494, 0-2769-9432
Human Resources	personal@pranda.co.th	0-2769-9961

The Corporate Secretary is responsible to collect the communications received from such channels and summarize all the suggestions and issues in order to submit them to the Board of Directors on a quarterly basis, except for letters sent to the Audit Committee, which will be delivered directly to the Audit Committee. Then the Company will examine and record in writing the process of investigation while maintaining the anonymity of the whistleblower. The aforementioned information will be kept confidential to protect the informant against any negative impact thereof.

In 2015, the Company has not received any complaints or whistleblowing about ethical misconduct or actions that do not adhere to the principles of corporate governance.

1. Disclosure Channels

The Company recognizes the importance of the disclosure of material information of the Company with accuracy, sufficiency, currency, timeliness, transparency and compliance with the provisions of the Office of Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), in order to inform all shareholders and stakeholders uniformly by distributing through various channels as follows:

1. The Stock Exchange of Thailand's Electronic system (SCP: SET Community Portal) by the disclosure of information by 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 assets, connected transactions, dividend payments, etc.;
2. Other public media, including newspapers, magazines and the Company's press releases;
3. The Company's website: www.pranda.com, which is in both Thai and English;
4. Information for analysts and investors who visit the Company.

In this regard, in 2015, the Company has provided information and organized activities under a communication plan that is consistent with the strategy and objectives of the Company, which has been continuously and regularly reviewed. In order to ensure the quality of information disclosure, the Company disclosed information through the following agencies:

The Corporate Communications Department has the duty to publicize and disseminate news, information and activities of the Company, including 2 televised exclusive interviews of Management and 50 interviews with various news agencies and a total of 132 news releases and photos of the organization as well as a quarterly newsletter by the Pranda Group, both in

Thai and English, on the Company's website.

The Corporate Secretary Office has the duty to disseminate information required by the Stock Exchange of Thailand (SET) and the Office of Securities and Exchange Commission (SEC) with accuracy, completeness and transparency according to the proper protocol. In 2015, the Company issued 66 reports to SET.

The Company puts a high priority upon managing relations with investors, focusing on fulfilling duties with responsibility, integrity, commitment, accuracy, adequacy, in a reliable and timely manner, in order to provide investors, analysts and connected parties with information which is adequate, accurate, complete, transparent and equitable. Thus, the Company set up the Investor Relations Department to be central to the implementation of proactive investor relation activities in order to conform to the practices of leading international organizations. The Investor Relations Department communicates and disseminates information on the activities of the Company that is useful to investors equally and fairly, in order to create a good relationship between the Company and shareholders, institutional investors, general investors, securities analysts and relevant government agencies. The annual investor relations planning is regularly attended by High-ranking Executives of the Company. The Managing Director and related High-ranking Executives presented the operating results as well as providing additional information and answering questions at the meeting with analysts, investors and the media. For inquiries, contact the Company's investor relations through the following 4 channels:

Mr. Dusit Chongsutthanamanee

Investor Relations

Pranda Jewelry Public Company Limited

28 Soi Bangna-Trad 28, Bangna

Bangkok 10260

ir@pranda.co.th

Tel 0-2769-9431, 0-2769-9436 (direct line) or

0-2769-9999, 0-2361-3311 ext. 431, 436

Fax: 0-2398-2141

In 2015, the major events included five meetings with six investors who came for company visits, one conference call with one investor and quarterly earnings releases published by the following media:

1. Investor Relations section on the website of the Company;
 2. Facebook pages of Pranda Group and famous stock investors;
 3. ShareInvestor website and the online ShareInvestor network including Thai Investors Association, Manager Online, Thailistedcompany.com and Wall Street Journal;
 4. Pranda room on the Thai Value Investor Webboard - www.thaivi.org;
 5. E-mail addresses of approximately 2,000 shareholders and fund managers of whom the Company maintains a database.
- In addition, questions of shareholders were answered by telephone and email.

2. Financial Report

The Board of Directors of the Company is responsible for the production of correct, complete and transparent financial statements to safeguard the Company's assets from being lost or used by unauthorized persons, prevention of corruption or unusual operations, and compliance with generally accepted accounting standards, applicable laws and notifications. And in order to ensure the stakeholders' confidence in our financial report, the Board of Directors has assigned the Audit Committee to review the Company's financial statements to adhere to appropriate accounting policies with consistency and comply with related laws and notifications. Additionally, the Committee must review the accuracy and adequacy of the financial statements. In this regard, the Audit Committee has annually held at least 4 meetings with external auditors without the presence of Management, in order to inquire the auditor's opinions in various matters. The Company appointed auditors from E.Y. Global Limited who possess knowledge and professional expertise and have no conflicts of interest which may interfere with an independent and fair audit, to be the Company's external auditors. The said auditors had all the qualifications necessary to assure the Directors and shareholders that the Company's financial statements accurately and credibly reflected the financial position and operating results of the Company in all aspects.

In addition, the Company has prepared the quarterly Management Discussion and Analysis to provide an analysis and explanation of the financial position, results of operations and significant changes on the Stock Exchange of Thailand's electronic portal along with the financial statements.

The company has never been ordered to amend its financial statements by the Office of the Securities and Exchange Commission and discloses the annual and quarterly financial statements to shareholders and investors prior to the due date.

3. Disclosure of Information on the Website

In order for the shareholders and interested persons to be able to access the Company's public information quickly, the Company has presented important information on the website as follows.

1. "About Us" consists of the Message from the Chairman, Core Values, History, the Board of Directors, Pranda Social Responsibility, Awards and 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 Products and Lifestyle Products.
5. "News & Events" consists of Press Release, Events, Newsletter and Subscribe to E-Newsletter option.
6. "Investors Relations" consists of Corporate Information, Financial Information, Stock Information, Publications, Corporate Governance, News Room, Shareholder Information, Analyst Coverage, Events and 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 stipulated by the information disclosure requirements of the Office of SEC and the SET. The Company shall disclose the remuneration both in the form of money and 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 of the Management. The remuneration of the Company's Directors, Executive Directors and Management shall be determined with transparency in the appropriate amount, as comparable to other corporations in the same industry, and corresponding to their duties and responsibilities, and the performance of the Company. In addition, the Nomination and Remuneration Committee reviews and provides recommendations on the remuneration of the Directors to the Board of Directors that are later proposed at the Shareholder's Meeting for approval.

The remuneration of the Executive Directors and High-ranking Executives of the Company complies with the principles and policies specified by the Board of Directors in relation to the Company's performance. In this regard, the Company evaluates the Key Performance Indicator (KPI) every year and makes the remuneration in the form of salaries. The remuneration of the Directors and Executives for 2015 is listed under the topic "Management Structure."

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

The Company has disclosed the names, roles and duties of the Board of Directors and Sub-Committee under the topic of "Management Structure" in the Annual Report, including the total number of meetings and attendance of each individual Director in 2015.

6. Disclosure of Changes in Shareholding of the Directors and High-Ranking Executives

The Company specified the Code of Conduct on confidentiality, inside information use and trading the Company's assets, as well as disclosed changes in the shareholding of the Directors of the Company. Thus, the High-Ranking Executives of the Company are required to declare the number of shareholding at the end of the previous year compared to shareholding at the end of the current year as well as shares traded during the year, in the Annual Report, under the topic of Inside Information Control in the "Corporate Governance" section.

The Directors and Executives are required to disclose the changes in shareholding by submitting the report of their shareholding and trading of the Company's shares to the Corporate Secretary Office to be later presented to the SEC and SET within the period prescribed by the relevant laws and regulations every time changes in shareholding occur. 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 has stipulated the policy to disclose the transactions connected with the Directors. Therefore, the Directors and Executives must inform the Company of their own and their related persons' stakeholdings in compliance with Article 89/1 of the Security and Exchange Act by submitting reports of the aforementioned transactions to the Corporate Secretary, of which the Corporate Secretary shall present the information to the Chairman of the Board of Directors and the Chairman of the Audit Committee within seven (7) days after receiving such reports.

Section 5: Responsibilities of the Board of Directors

The Board of Directors, as a representative of the shareholders, is responsible to supervise the administration and management of the Company to comply with the law and the Company's objectives and Articles of Association. The Board purposes to apply the philosophy of economic sufficiency to the Company's business operations, thus stipulating the Company's vision, mission, strategies, policies, objectives and business plans in line with the following principles - "Sufficiency of Growth," "Rationality in Business Operation," and "Good Protection for Business" - all of which shall be achieved with expertise and business ethics.

In 2015, The Board reviewed and approved the vision, mission and strategies of the Company, providing regular follow up and requiring the progress report on the results of operation and business profits of the Company to be presented to the meeting of the Board of Directors in order to maintain unified objectives between the Management and its employees. The key information about the framework for overseeing the responsibilities of the Board of Directors is as follows:

1. Structure of the Board of Directors

The Board of Directors has considered the appropriateness of the present structure of the Board of Directors compared to the obligations thereof, in order to ensure compliance with the Articles of Association and the Company's regulations pertaining to the Board of Directors as predetermined by the Board of Directors. For the composition, qualifications and scope of authority and responsibilities of the Board of Directors, details are disclosed under the topic of "Corporate Governance."

1.1 Composition of the Board of Directors

At least one-third of the total members of the Board must be Independent Directors, but no less than 3. Currently, there are three (3) Independent Directors out of a total of 10 members on the Board of Directors. The Board of Directors is comprised of four (4) Executive Directors, and six (6) Non-Executive Directors, three (3) of whom are the Independent Directors. In this regard, the Directors of the Company must possess a variety of skills including skills in the Company's industry, finance and accounting, business management, international marketing, strategy, crisis management and law. It must consist of at least three people with knowledge of the Company's business, at least one knowledgeable about law and at least one person knowledgeable about accounting and finance.

1.2 Qualifications of Directors

Independent directors must be fully qualified according to the provisions of the Capital Market Supervisory Board. Details are available under section 3 "Selection and Appointment of Directors and High-Ranking Executives (Senior Management)," above.

1.3 Election and Tenure

With regards to the Board of Directors' tenure, at every Shareholders' Annual General 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. In the first and second year after the Company's registration, the retiring Directors shall be selected by drawing. In the subsequent years, the Directors who were in office the longest shall retire from office. The Directors retiring by rotation are eligible for re-election. Members of the Board of Directors, excluding Independent Directors, must retire at the age of 72 years.

1.4 Directorship in Other Companies

In order for the Directors to devote their time and effort to their duties, the Board of Directors of the Company has determined that each Director may be appointed in no more than five other listed companies.

1.5 Directorship of the Managing Director in Other Companies

The Company has determined the policy on the Managing Director holding the position of Managing Director of other companies to be that the Managing Director shall hold the aforementioned position in one listed company only in order to have sufficient time to manage the business operations of the Company. And he/she must not have any partnership with or be a Director in a juristic person performing the same type of business or a business in competition with that of the Company, whether for personal benefit or the benefit of others, unless such an action is informed to the shareholders' meeting prior to the appointment of the Managing Director.

1.6 Separation of the Duties of Chairman and Managing Director

The Company has separated the positions of Chairman of the Board and Managing Director and prohibited such two positions from being held by the same person in order to maintain a system of checks and balances and to prevent any overlapping of power. The roles, duties and responsibilities are clearly divided as follows:

The Chairman of the Board is responsible for strategic leadership and encouraging all the members of the Board of Directors to participate in the meeting of the Board, overseeing and supporting the implementation of the Management's mission through the Managing Director, but without interfering in any of the routine work or daily business for which the Managing Director is responsible.

The Managing Director's main function is to oversee the management of the Company to be in accordance with the vision, mission, strategies and policies specified by the Board of Directors.

1.7 Corporate Secretary

The Board has appointed Mr. Dusit Chongsutthanamane as the Corporate Secretary on December 19, 2008 to assist in the various operations of the Board of Directors and Company, including arranging meetings of the Board of Directors and shareholders, providing suggestions to the Directors and the Company in order to comply with the relevant laws and various regulations on a regular basis. In addition, the Corporate Secretary must also ensure that the Directors and the Company's information disclosure are correct, complete and transparent in accordance with the standards of Good Corporate Governance. The details of the qualifications as well as the duties and responsibilities of the Corporate Secretary are found under the topic "Management Structure."

2. Appointment of Sub-Committees on Specific Matters

The Board of Directors has established Sub-Committees with members who possess knowledge and expertise to initially screen key issues for accuracy, clarity and completeness prior to the consideration by the Board of Directors for authorization, approval or certification, as appropriate, in order to support the Board of Directors' administration. The Company currently has five Sub-Committees, namely:

- 2.1 The Group Executive Committee is comprised of seven members, four of whom are from the Board of Directors and the remaining three are Non-Director members. The Group Executive Committee has the duties and responsibilities to evaluate, approve and supervise the Company's business operations within the scope of authority assigned by the Board of Directors, including screening issues before presenting to the Board of Directors for approval.
- 2.2 The Audit Committee is comprised of a total of three Independent Directors, one of whom has expertise in accounting and finance. They are appointed by the Board of Directors and possess all the qualifications stipulated by the Stock Exchange of Thailand. In summary, the roles of the Audit Committee are to review the financial statements, review the internal control system, set up the audit system and ensure the Company's compliance with the Securities and Exchange Act, the provisions of the SET and relevant laws governing the Company's business. The Audit Committee shall also consider the recruitment and appointment of External Auditors, review the connected transactions or transactions that may have a conflict of interest. In addition, the Audit Committee must prepare a report on the corporate governance of the Audit Committee to be disclosed in the Annual Report of the Company and signed by the Chairman of the Audit Committee, with comments on the adequacy and appropriateness of internal control and risk management systems in the Company.
- 2.3 The Nomination and Remuneration Committee is comprised of six Executives members with one Independent Director functioning as the Chairman of the Committee. Even though the remaining five are not Independent Directors, the processes and procedures for the nominations of Directors and Senior Management are based on best practices, clear, transparent and comparable with other companies in the same industry and in line with the long-term interests of the Company and stakeholders.
- 2.4 The Finance and Risk Management Committee is comprised of four Directors from the Board of Directors and three others selected from experts with knowledge and specialization in capital management, investment analysis and risk management, in order to protect and control factors that affect the long-term business operations of the Company as well as all stakeholders.
- 2.5 The Core Values and CSR Committee is comprised of one Director from the Board of Directors and eight others selected from Executives of the Company and Affiliates in order to promote and link the Company's vision to the behavior of the whole organization to move in the same direction, appropriately and tangibly, under the framework of Core Values.

3. Roles, Duties and Responsibilities of the Board

- 3.1 The Board of Directors shall consider and approve important matters concerning the business operations of the Company such as vision and mission, strategies, financial objectives, risks, business plans and budgets. The Board of Directors shall also direct and oversee the Management to implement the stipulated plans and policies with efficiency and effectiveness. Details of the authority, duties and responsibilities of the Board of Directors are under the topic "Management Structure."
- 3.2 The Board of Directors has stipulated the Company's Corporate Governance Policy in writing from 2000 onwards.
- 3.3 The Board of Directors of the Company has prepared a written code of "Business Ethics" as the guidelines and rules of best practice for Directors, Executives and employees at all levels in order to foster understanding of the Company's ethical standards in business operations. The Board of Directors has also seriously tracked and insisted on compliance to these rules and guidelines, which are included in the "Corporate Governance and Business Ethics Manual" (Revision 4) by distributing it the Directors and employees at all levels of the Company, along with a note to be signed as a pledge of acknowledgment and strict compliance.
- 3.4 The Board of Directors has determined the Business Ethics governing conflicts of interest in order for employees at all levels of the Company to observe and follow. And the Board of Directors has carefully monitored matters with potential conflicts of interest by stipulating the policies and procedures for approval of connected transactions, including disclosure of information in its entirety. In addition, the Board of Directors has formulated policies and procedures to prevent Executives and connected persons from using inside information of the Company for their own benefit as follows:
 - In the case of connected transactions or transactions with related parties with potential conflicts of interest, the matters shall be submitted to the Audit Committee to comment on according to the regulations of the Stock Exchange and the Securities and Exchange Commission before proposing the matters to the Board of Directors for approval.
 - The Company has determined that when any Directors, Executives or related persons may have benefits from transactions with the Company, the resulting stakeholding in the matter under consideration shall be disclosed. Additionally, the related Directors or Executives are not permitted to attend the meeting in order to make decisions on aforementioned transactions.

- Disclosure of information about the transactions that may have conflicts of interest or transactions with related parties shall comply with governmental regulations.
- The disclosure of business connections or other businesses which may have benefits associated with Directors or Senior Management shall be reported every 3 months as information for monitoring the transactions with potential conflicts of interest and the source of names in the disclosure of business transactions with related parties to be disclosed in the financial statement Notes.

3.5 The Board of Directors has established a code of Business Ethics governing connected transactions for compliance with by the Company and its Subsidiaries. The aforesaid connected transaction shall represent normal business operations and be conducted for the best benefit of the Company. The Audit Committee and the external auditors of the Company must examine the appropriateness of price and rationale of such transactions. The Board of Directors must act in accordance with the Securities and Exchange Act, requirements, notifications, orders or provisions of the Stock Exchange including compliance with the provisions on disclosure of related party transactions, acquisition or disposal of major assets of the Company according to the accounting standards given by the Federation of Accounting Professions.

For transactions according to Section 89/12 of the Securities and Exchange Act (No. 4), 2008 between the Company or Subsidiaries and Directors, Executives or related persons, the Board of Directors has approved the principle that Management can authorize the said transaction if and when those transactions have accompanying trade agreements composed of such criteria as those that would be issued by persons of ordinary prudence when making a general contract under similar circumstances, with bargaining power free of any such influence as their status as directors, executives, or individuals with any involvement whatsoever, when the transaction is in excess of 1% of the total revenue as calculated at the end of the most recent accounting period for each time that the transaction is made, in order to report before the meeting of the Board of Directors upon their request.

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 checks and balances.

On February 27, 2016, the Board of Directors completed the evaluation form for the sufficiency of the internal control system of the Company and its Subsidiaries. The details of this evaluation covered five key areas, namely: 1) Internal Control within the Organization, 2) Risk Assessment, 3) Operational Control, 4) Information and Communication Systems, and 5) Monitoring System. The summary of the evaluation results in all five areas is shown under the section "Internal Control and Risk Management."

3.7 The Board of Directors stipulates the risk management policy by focusing on risk 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 six 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 risk assessment of each unit of the Company to establish the prevention and risk-mitigation policy, including the framework to control the risks at an acceptable level. The Company determines the risks which may impact the Company's operations, including the risk to business operations, the risks in the production process, and financial risks. The details of risk factors for the Company are explained in the section "Risk Factors."

4. Meetings of the Board of Directors

- 1) Meetings of the Board of Directors must consist of no less than one half of the Directors for it to constitute a quorum. In the case that the Chairman of the Board is not present in a meeting, or is unable to perform his/her duties, if there exists a Vice Chairman of the Board, let the Vice Chairman of the Board sit as Chairman during the meeting. If there is no Vice Chairman, or if the Vice Chairman is unable to perform his/her duties, the Directors present at the meeting shall elect one among themselves to chair the meeting.
- 2) The final decisions in the Board of Directors' meetings shall be based on the majority vote, with each Director being allotted

one vote, with the exception of those Directors who hold a stake in the matter being decided, who are annulled from voting in that matter. If the votes are equal, the Chairman of the meeting shall cast an additional deciding vote.

- 3) The meeting of the Board of Directors normally must be held at least once every three months, with the Chairman of the Board being the one to call for a meeting; or, if necessary, four or more Directors may request the Chairman to call a meeting, after which the Chairman should call a meeting within 14 days from the date of receipt of the request.
 - 4) Let the Chairman of the Board or the Director who has been appointed by the Chairman of the Board be the one to determine the date, time and place of meeting of the Board of Directors, of which the place of meeting may be defined as a locality other than that of the head office of the Company, or a location in a neighboring province may also be designated. If the Chairman of the Board or the Director appointed by the Chairman of the Board has not designated a meeting place, the headquarters of the Company shall be used as a meeting place.
 - 5) In calling for a meeting of the Board of Directors, let the Chairman of the Board or one who has been assigned send a meeting invitation letter by registered mail, or have it delivered directly to the Directors or their representatives, stating the date, time, place to convene and meeting agenda to the Directors no less than seven (7) days prior to the meeting date, except in a case of an emergency in which it is necessary to protect the rights or benefits of the Company, wherein the meeting may be scheduled by other means, or an earlier meeting date may be set.
 - 6) In setting the quorum of the meeting for Board of Directors to vote on an agenda, at least two-thirds of all existing Directors must be present for the vote.
 - 7) The Chairman of the Board of Directors shall be the one to approve the matters to be included in the agenda for the meeting of the Board, in consultation with the Chief Executive Officer and Managing Director, who shall join to designate the scope and priorities and items to be added to the meeting agenda, while weighing the requests from any Directors to include various other important matters in the order of the meeting.
 - 8) The Chairman of the Board shall allot sufficient time for the presentation of documentation and data by the executives, and for consideration and inquiries, as well as discussion on key issues of the Board of Directors.
 - 9) The Board of Directors may designate a meeting between Non-Executive Directors as is necessary, without the participation of management.
 - 10) The Board of Directors shall devote their time and attention to the Company, fully ready to attend all meetings without fail, save in the case of having to attend to other important matters, in which case they must notify the Chairman of the Board that they are unable to attend the meeting.
 - 11) The Board of Directors has access to all the necessary information to request documents, information, consultations, and other services about the operations of the Company from the senior management, and may seek the opinion of independent external consultants as needed to complement each meeting.
 - 12) The Chairman of the Board may allow high-ranking executives or members of the senior management to attend the meetings of the Board, in order to provide additional detailed information on topics of relevance.
 - 13) The record of the minutes of the meeting of the Board of Directors, summarizing the results of the meeting and the opinions of the Board of Directors, must demonstrate sufficient clarity for use as a future reference.
5. **Self-Assessment by the Board of Directors of the Company**
- 5.1 The Board of Directors of the Company has arranged for an annual evaluation to be held each year, with two types of evaluation:
 - 1.1 Individual form of evaluation (Self-Assessment)
 - 1.2 Evaluation of the Board and Sub-committees

The evaluation is formulated to cover the following key aspects:

- 1) The structure and qualifications of the Board of Directors
- 2) The roles, duty and responsibility of the Board of Directors
- 3) Meetings of the Board of Directors
- 4) The carrying out of responsibilities by the Board of Directors
- 5) The Board's relationship with the Company's Management
- 6) The Board's self-development and the development of its Directors

The criteria for assessment are calculated as a percentage of the total score for each category, as follows:

More than 85 per cent	=	Excellent
More than 75 per cent	=	Very Good
More than 65 per cent	=	Good
More than 50 per cent	=	Poor
Less than 50 per cent	=	Needs improvement

The results of the assessment of the Board of Directors' performance for 2015 can be summarized as follows:

Table of Results of the Board of Directors' Performance Assessment for 2015 :

Evaluation Model	Results (%)	Assessment Criteria
Individual assessment (Self-Assessment)	87	Excellent
Evaluation of the Board and Sub-committees	90	Excellent

5.2 Present the assessment results and various commentaries at the meeting so that all may join to support improved operations of the Board

The Board of Directors of the Company has performed a self-assessment of the entire Board, as well as Sub-committees, as well as performing individual self-assessments by each member of the Board, and evaluation of other fellow members of the Board at least once per year to analyze whether there is sufficient supervision to set a direction and perform various undertakings, and to be a source of information for the management to use in adjusting and improving the management to be more effective. The assessment is performed using a formula that emulates that of the board of directors of the Stock Exchange of Thailand (SET) and has been adjusted to suit the Company. It is a guideline for making an assessment form and is a framework for evaluation of the operations and fulfillment of duties of the Board of Directors of the Company. In this regard, at the end of every year, the Company shall hold the assessment of the performance of the Chairman of the Executive Committee and the Managing Director conducted by the Nomination and Remuneration Committee, then later presenting it before the Board of Directors for their opinion.

At the end of each year, the Company performs an assessment of the Chief Executive Officer's performance conducted by the Nomination and Remuneration Committee, then later presenting it before the Board of Directors for their opinion. All in all, in the year 2015, three criteria were identified for use in the assessment:

- 1) Assessment utilizing key performance indicators (Corporate KPIs)
- 2) Assessment of leadership (Leadership Competency)
- 3) Assessment of the administrative budgets & projects (Budget and Project Management)

The assessment results as mentioned above will be taken to use in analysis of the remuneration of the Chairman and Group Managing Director, as well as presented before the Board of Directors' meeting for further consideration and 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 the annual Key Performance Indicator (KPI) in order to determine their salary. The remuneration of the two Committees and the Executives of the Company in 2015 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 operations. 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 the business, structure of the Group, the business operations of the Group, rules and regulations, policies, business ethics and the Code of Business Conduct for the Directors as prescribed by the regulations of the Stock Exchange of Thailand (SET) and the Office of the Securities and Exchange Commission (SEC) to ensure their complete capability to perform their duties as Director of a listed company. In addition, the Company also provides the presentations on the overview of the jewelry industry, operating results, and present and future business projects 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 skills as Director of a listed company. The Directors and Executives of the Company have participated in several trainings arranged by related organizations such trainings by the Institute of Directors (IOD) as follows:

Training Participation by the Board of Directors

Directors	Program arranged by the Thai Institute of Directors (IOD) (Class)						Programs arranged by other institutions
	DCP	DAP	FN	AC	DCP Re	CDC	
1. Mr. Prida Tiasuwan	-	37/2005	-	-	-	-	
2. Mrs. Prapee Sorakraikitikul	17/2002	-	-	-	-	-	
3. Mrs. Sunanta Tiasuwan	22/2002	-	-	-	-	-	Top Executive Program, Capital Market Academy (Class 11)
4. Mrs. Pranee Khunprasert	-	26/2004	-	-	-	-	
5. Mr. Pramote Tiasuwan	46/2004	16/2004	46/2004	-	-	-	
6. Mrs. Panidda Tiasuwan	-	25/2004	-	-	-	-	
7. Ms. Pittaya Tiasuwan	-	26/2004	-	-	-	-	
8. Mr. Verachai Tantikul	37/2003	-	-	-	-	-	
9. Mrs. Rawitha Pongnuchit	59/2005	-	-	-	-	-	<ol style="list-style-type: none"> 1. Top Executive Program in Justice Management (Class 3) 2. Top Executive Program in Commerce and Trade (TEPCOT) (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 Defence Course of Joint State-Private Sector (Class 15), by Thailand National Defense College
10. Mr. Chamnong Watanagate	5/2001	-	5/2001	1/2002	1/2006	1/2007	<ol style="list-style-type: none"> 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 / ACP = Audit Committee Program / DCP Re = DCP Refresher' Course / 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 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 operations of the Board of Directors and the Sub-Committees.

7.5 The Board of Directors has established the succession planning for the position of the Chairman of the Executive Committee and Top-Level Executives of the position higher than the 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 in order to improve management skills for the Executives to be suitable with their duties and other assignments.

Internal Control and Risk Management



At the meeting of Board of Directors of the Company No. 1/2559 held on February 27, 2016 the Board of Directors evaluated the internal control assessment report of the Audit Committee. In conclusion, based on the assessment of the internal control in five components: the control environment of the organization, risk assessment, operational control, the information and data communication systems and the monitoring system, the Board of Directors has concluded that the Company has a sufficient and appropriate system of internal controls.

The Audit Committee has performed duties and responsibilities as outlined in the Audit Committee Charter approved by the Board of Directors at Meeting No. 16/2558 held on December 18, 2015, applying appropriate knowledge, ability, due care, thoroughness and freedom from bias in order to benefit all stakeholders equally. The Audit Committee is of the opinion that the company's internal control system is sufficient, appropriate, effective and efficient in its operation. Financial reports of the company are accurate, reliable, consistent with generally accepted accounting standards, with operations in accordance with good corporate governance systems and compliance with laws, terms and agreements relating to the business operations of the company by operating under the framework of internal controls in accordance with the international standards of COSO (Committee of Sponsoring Organizations of the Treadway Commission).

The Board of Directors has the same opinion on internal control systems as the Audit Committee in summary as follows:

Internal Control

1. The control environment of the organization

The company encourages a good working environment, an appropriate organizational structure, a clear and suitable chain of command and relationship between internal departments, job descriptions specific to the position, delegating authority and responsibility for each position as well as setting business goals and using Key Performance Indicators : KPI in order to assess operational performance in line with corporate goals which is conducive to reaching targets. The company also seeks to practice a good corporate governance policy by using business ethics (Code of Conducts), establishing its policy and plan of operation with regards to fairness to employees, customers, partners including accountability to shareholders, giving priority to the interests of all investors and stakeholders equally, with disclosure that is accurate, complete, transparent and timely.

In addition, the company focuses on its personnel by establishing a Board of Shared Values and Social Responsibility Promotion which promotes the participation of all its employees and adapts activities to their performance based on commonly held values. The company also provides staff development training in knowledge, skills and abilities appropriate to the tasks assigned in order to promote and develop the potential of the company's personnel leading to excellence and consistent standards.

The company has signed and announced its intention to join the "Private Sector Collective Action Coalition Against Corruption Council" organized by the Thai Institute of Directors (IOD), an institution that is recognized both nationally and internationally as an organization that plays a major role in the development of good governance.

2. Risk Assessment

The Company has set objectives and operational goals of the organization that are clear and measurable. The company assesses the adequacy of the internal control system by referring to the "Internal Control Adequacy Assessment" of the Securities and Exchange Commission. The company has developed a process of identifying and assessing risks both those that are caused by internal and external factors of the company's operation and formulated an analysis and risk assessment in order to set up measures to prevent and manage those risks as well as processes to track the risk management to ensure that it is effective and has the highest efficiency.

4. Operational Control

The company has specified the authority and the funds authorization limit for each level of management clearly and concisely, in writing. The duties and responsibilities of important tasks are clearly divided such as records, approval, data processing and property maintenance in order to be accountable with each other. For transactions with entities or related persons, the company abides by the guidelines of the Stock Exchange of Thailand to avoid conflicts of interest with regard to the best interests of the company and its shareholders.

4. Information Systems and Data Communication

The company recognizes the importance of information and communication systems in providing accurate, reliable and timely information as well as the continuous development of information technology. This includes the financial information system, the operational system, the policies and regulations, in order to facilitate accurate and fast decision-making, by providing a data processing and information control system in terms of access to data and its use. In addition, the company has provided information and communication channels, both internally and externally that are efficient and effective. There is also a channel for communication with stakeholders effectively and in a timely manner. The information is provided through the website www.pranda.com.

5. Tracking System

In 2015, the company's Board of Directors met 16 times to review and monitor the performance of management in order to meet the target. There are procedures for monitoring and supervising the performance of each level continuously and adequately to ensure that the measures and internal control systems are always effective and capable of responding to change in an adequate, timely manner.

The company has regularly provided inspections of compliance to the internal control system, with the Audit Office performing independent audits and assessing the performance in 2015. The Audit Committee has convened four times to review the internal control system and to monitor operations as well as to deliver summary reports to the Board of Directors within a reasonable amount of time.

Risk Management

The company attaches great importance to risk management and has set a policy for risk management which focuses on the development of a risk management system in accordance with good corporate governance covering all aspects of risk - having established a Risk Management Committee (RMC), which consists of the managerial staff of each line of operation who will oversee the organization's risk management operations in order to maintain targets and adhere to a level acceptable to the organization.

Head of Internal Audit and Supervisor of the Company's Operations

The Audit Committee appointed Mr. Yuthasart Saengpongsanon to the position of Manager of the Internal Audit Office since October 13, 2014, and, at the Meeting of the Audit Committee No. 3/2558, approved the ratification of the appointment Mr. Yuthasart Saengpongsanon, manager of the Internal Audit Office, to be secretary of the Audit Committee - an additional position offered due to his experience in internal audit for a period of not less than 20 years. He was also awarded the certificate of "Certified Professional Internal Auditor (CPIA)" by the Institute of Internal Auditors of Thailand and was a former lecturer at Southeast Asian University, Business Administration Master's Program on the subject of "Process Monitoring and Internal Control." Therefore, he is deemed suitable for the responsibility of evaluating the performance, efficiency and adequacy of the internal control system and monitoring the performance of the organization by possessing the qualifications for the head of internal audit of the company.

Chief of Regulatory Operations

The company appointed Mr. Dusit Chongsutthanamani as chief of regulatory operations (Compliance department) responsible for overseeing compliance to the regulations of government agencies that oversee the business operations of the company, as he possesses the qualifications for chief of regulatory operations.

Report of the Audit Committee

Dear Shareholders of Pranda Jewelry Public Company Limited (Thailand),

The Audit Committee of Pranda Jewelry Public Company Limited (Thailand) consists of three members, namely Mr. Verachai Tantikul as Chairman of the Audit Committee, and Mrs. Rawittha Pongnuchit and Mr. Chamnong Watanagase as the Audit Committee who have performed the duties in compliance with the Audit Committee Charter approved by the Board of Directors and the regulations of the Securities and Exchange Commission. In performing their duties, the Audit Committee aims to deliver a system of good governance, an adequate internal control system, including appropriate risk management systems. It will also enhance the efficiency of operations and add value to the company. This will lead to productivity according to the purposes and goals of the business operations of the company.

In 2015, the Audit Committee has held four meetings with the Certified Public Accountants (CPAs) and internal auditors of the company to evaluate and review the financial statements, transactions of the company and its subsidiaries, hear explanations and give feedback that was useful to the accuracy, integrity and reliability of financial reports. This also included improving the efficiency of internal control of the organization. The results of each meeting were summarized and important issues were presented to the Board of Directors in order to inform them and so that they could make appropriate reforms. The performance and operation of the Audit Committee are summarized as follows:

1. The accuracy, integrity and reliability of financial reporting

The Audit Committee has reviewed the financial reports and quarterly financial reports for the year 2015 with CPAs to ensure that the financial reports of the company and its subsidiaries are properly prepared in their essence in accordance with generally accepted accounting principles, that the disclosure is adequate, complete and reliable and to make observations and acknowledge solutions that will benefit the company. It also supported the introduction of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) to be followed according to the guidelines given by the Federation of Accounting Professions Under the Royal Patronage of His Majesty the King (FAP).

2. The adequacy of internal controls and internal audit

The Audit Committee has performed internal audits that comply with the international standard practice of internal auditing using risk assessment by risk-based management and internal control systems based on international standards of COSO. The committee evaluated the annual audit plan and the result of the audit by the Internal Audit Department, tracked the corrective measures taken and made recommendations to the Office of Internal Audit and management in order to improve performance, including evaluating and providing manpower and the personnel development of the Office of Internal Audit. The committee is of the opinion that the system of internal control and internal audit are adequate, therefore approving the annual audit plan, the result of the audit of the Internal Audit Department and the report of the results of monitoring processes and systems, which have been presented to the management in order that they may devise operational improvements on issues detected by the internal auditors.

3. Risk Management

In the past year, the Audit Committee has given attention to the various risk issues of the organization by considering and reviewing the risk factors affecting the operations and goals of the organization.

4. Compliance with regulations and laws

The Audit Committee has made consistent verifications so that the company complies with the securities and exchange laws, as well as the terms and regulations of the Stock Exchange of Thailand and laws relating to the company's business. The Committee holds the view that all items that the company is required to comply with for the securities and exchange laws, and all related laws and regulations of the Stock Exchange of Thailand against which the Company's business was checked, have been sufficient and fully observed.

5. **Related party transactions or transactions which may involve a conflict of interest**

The Audit Committee has considered the disclosure of related party transactions which were carried out between the Company, its subsidiaries and its associates including any transactions that may exhibit an inherent conflict of interest with those of the Company, verifying whether these were actual commercial transactions in the normal course of business in order to ensure that the Company has complied with the rules and regulations for business and the terms of the Securities and Exchange Commission.

6. **Consideration and approval for the appointment of the certified public accountant (CPA) and proposed remuneration for the CPA of the Company for the year 2015 will be presented to the Company's Board of Directors in order to request approval during the 2015 Annual General Meeting of the Shareholders, of which the Audit Committee will consider the performance results, freedom from bias and the appropriateness of compensation; during the General Meeting of the Shareholders, a list of names of CPAs will be presented for continued approval.**

7. **Compliance to anti-corruption measures**

The Company has announced its intention to create a coalition for the alignment of the Thai private sector against corruption (Private Sector Collective Action Coalition Against Corruption "CAC") has announced its anti-corruption policies so that the directors, management and all employees may behave according to the policies. In 2015, the Board of Directors has considered and reviewed the policies and established the guidelines, including measures for implementation. A training will be held for the executives; there will also be the signing of a handbook on anti-corruption standards, to underscore abidance by all guidelines therein, and to communicate the anti-corruption standards to their subordinates, that all may be informed and adhere to the standards together. This does not indicate that the Company will be free from corruption in all cases. Therefore the Audit Committee has confidence that the Company has adequate measures to combat and detect fraud and corruption effectively.

The Audit Committee, after inspection and consideration, has identified that the Company has procedures to accurately make and disclose the information in its financial statements both appropriately and reliably. An internal control system exists, as well internal audits, risk management that is appropriate and effective, and compliance with laws, regulations and various agreements. There was circumspect consideration of each instance of entry into a related party transaction, ensuring a practice that is consistent with good corporate governance, transparency, credibility, as well as modifying the performance system for improved quality and continued appropriateness to the surrounding 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 Board of Director approval.

For the accounting period ended December 31, 2015, 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 18,000,000 to related juristic persons of A-List Corporate Ltd. and Baht 3,000,000 to Supre Holding Co., Ltd. with the total of Baht 21,000,000 in the form of P/N	Interest rate of 7% which are paid on the monthly basis and will be repaid upon request.	The Board of Directors 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.



1) Overview of business operations and significant changes

Pranda Jewelry Public Company Limited and its subsidiaries (henceforth referred to as "The Group") operates as a manufacturer and distributor, primarily in the retail of jewelry.

Today we are the leading exporter of Thai gems and ornaments, with a broad customer base that covers key regions of the world including North America, Europe and Asia; the Group has a balanced management structure comprised of the following:

- **Production Base**
Jewelry manufacturing with efficient Economies of Scale, which affect the production cost resulting in a suitable production cost for the quality of the product, along with diversification of product risk to cover virtually every price level, with the Group owning factories in three countries Thailand, Vietnam and Indonesia - which have a total production capacity of about 10 million pieces per year, and having also a design center which offers design and development of products that can meet and cover all the needs of customers.
- **Distribution Base**
The Group has its own distribution company and dealers in foreign countries in order to create market diversification and expand the market at the same time. Currently the Group has major distributors spread throughout critical regions around the world including the United States, England, Germany, France, Italy, Spain, Japan and India, and has subsidiaries that provide a basis of distribution, all in all five companies in five countries, including the United States, UK, France, Germany and India.
- **Retail Base**
The Group has a subsidiary that specializes in retail management consisting of the Group's own retail stores and distribution through a franchise system that covers Asia and the Middle East. To reach jewelry consumers directly currently the Group has five companies in Thailand, Indonesia, Vietnam, UK and Germany.

For the year 2015, there have been many negative factors that consistently impacted the global economy, starting with the European economic output which expanded at a lower level than anticipated, in such a way as to require the need for measures to stimulate the economy with the same Quantitative Easing (QE) recently undertaken by the United States. It was closely followed by Greece's financial crisis, with the country's inability to pay off government debts, which led to extremely volatile financial markets, inevitably affecting the consumers' confidence. Moreover, China, which has been the main pillar for the global economy for more than one decade has experienced an economic downturn leading to a cut in the benchmark interest rates within the country as well as the devalue of the Yuan in order to stimulate the local economy and its own exports, also aggravated by geopolitical conflicts which remain chronic, and the periodical occurrence of terrorism which creates anxiety and ends up destroying the shopping atmosphere for spenders.

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 17.2% and 21.7%, respectively. Also, the cancelled quantitative easing has sent the prices of gold and silver bullion falling 8.4% and 17.8%, respectively, for which effects on the jewelry industry are inevitable. In any case, the Baht's depreciation against foreign currencies has affected the profits from foreign exchange rates in 2015.



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

Product groups manufactured and designed in conjunction with the customer (ODM), representing 67% of the sales proceeds of the year 2015; the Group continues to maintain its relationships with existing customers who have the potential for growth in both in markets in 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 Group. However, the Group has steadily developed its design and manufacturing capabilities in order to control production costs to be competitive. The Company will focus on mass craftsmanship production, producing a mass quantity of international-scale products by skilled craftsmen working with care and paying attention to every detail, to thoroughly serve the customer's needs. The Company will also focus on the supplier management (Distribution) of its own distribution base which is scattered throughout the world's regions (Global Distribution Base), including the US, UK, France and Germany.

Original brand product groups (OBM) accounted for 33% of revenue from the sales of the year 2015, while in 2014 the ratio was 25% an increase of 8% due to the expansion of the network of original brand retail jewelry in order to increase the stability of the Group's business in the long term. The Company will focus to expanding its business through three main channels which are retail, wholesale and retail through E-Channels. The Company aims to expand its retail business through its own retail and franchises, focusing on countries in Asia and the Middle East whose economies show growth in the area of wholesale; the Company will emphasize wholesale jewelry to retailers both large and small, in the US, France and India and also to E-Channels. The Company is also focused to expanding its distribution channels through E-Commerce and TV shopping in Europe, especially in UK and Germany.

All for the sustainability of the Group's business, the Group aims to manage its resources efficiently with a policy to create balance in the sales, apportioning 50% sales from contracted design and manufacturing (ODM), and 50% from its own brand (OBM).

The gems and jewelry industry of Thailand depends mainly on exports which can be determined by the value of exports which is up to USD 10,995 million or the equivalent of about Baht 375,790 million. It is Thailand's third largest export, which reflects the industry's ability to compete in the world market very well and steadily for many years on end.

Considering only jewelry, it can be seen that Thailand is still one of the world's important jewelry manufacturing bases, based on 2015's exporter of the year whose annual export value was as high as Baht 126,412 million, underlining that even just the jewelry industry has continually managed 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 because there are a lot of operators in this industry; therefore manufacturers need to enhance their productivity even further, and to find new markets to reduce the risk of relying on key customers; also, they need to develop the retail market for their own brand in order to diversify risk.

2) Operating Results and Profitability

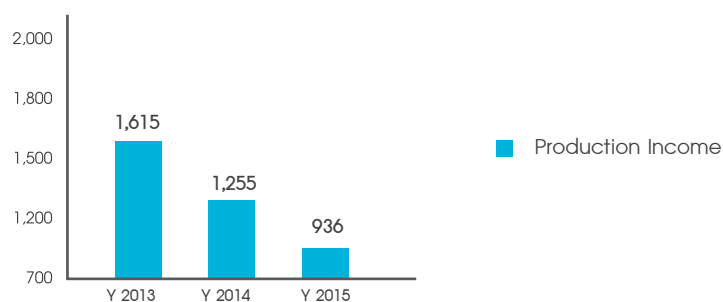
- Total revenues

The Group had total revenues in year 2015 and 2014 amounting to Baht 2,924 million and Baht 3,341 million respectively, a decrease of Baht 417 million, or a decrease which represents 12.48% due to the decrease in sales of Baht 474 million, as detailed in the table below:

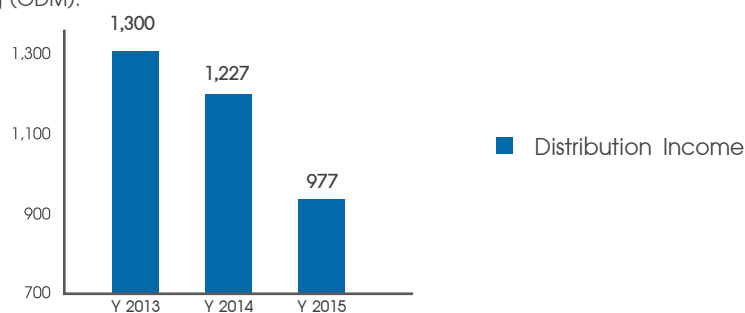
Consolidated	2013		2014		2015		Increase / (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Sales Revenue	3,649	96.61	3,295	98.62	2,821	96.48	(474)	(14.39)
- Production	1,615	42.76	1,255	37.56	936	32.01	(319)	(25.42)
- Distribution	1,300	34.42	1,227	36.73	977	33.41	(250)	(20.37)
- Retail	734	19.43	813	24.33	908	31.05	91	11.69
Other Revenues	128	3.39	46	1.38	103	3.52	57	123.91
Total Revenues	3,777	100.00	3,341	100.00	2,924	100.00	(417)	(12.48)

- Sales revenue

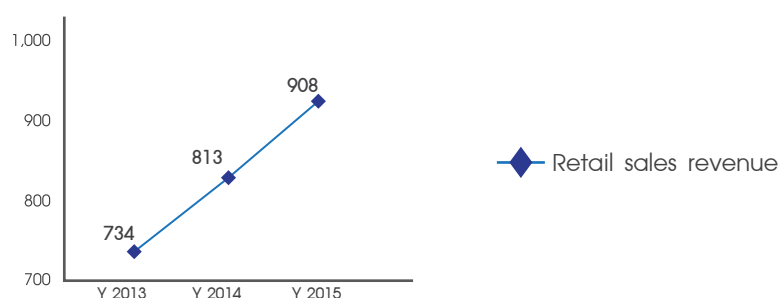
The Group's sales revenue consists of a production revenue of Baht 936 million, representing 32.01%, a distribution revenue of Baht 977 million, representing 33.41% and a revenue from retail sales of Baht 908 million, representing 31.05% due to the increase (decrease) of such income as follows:



Income from production decreased from Baht 1,255 million to Baht 936 million, due to decreased orders for original design manufacturing (ODM).



Distribution income decreased from Baht 1,227 million to Baht 977 million, due to the slow recovery of the US economy, and purchasing power reduced by the lack of confidence in the economy of the European Union.



Revenue from retail sales rose from Baht 813 million to Baht 908 million, an increase of Baht 95 million due to the expanding the market in Thailand, Indonesia, Vietnam, UK and Germany, especially that of the domestic retail business.

- **Other income**

The Group has other forms of income consisting of interest income from bank deposits, interest income from loans to subsidiaries and affiliates, amounting to Baht 4 million, and other income from the lease of assets belonging to domestic subsidiaries, as well as revenues from other services totaling Baht 46 million – a sum total of Baht 50 million; this is an increase of Baht 4 million from the previous year, representing an increase of 8.70%, due to the previous year's loss on foreign exchange rates of Baht 74 million, but a foreign exchange gain of Baht 53 million for 2015 as the Baht has depreciated when compared to the prior year.

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

Cost of sales	2015		2014		Increase / (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales revenue	2,821	100%	3,295	100.00%	(474)	(14.39)
Cost of sales	1,974	69.98%	2,294	69.62%	(320)	(13.95)
Total Selling & Admin Expenses	965	34.21%	1,008	30.59%	(43)	(4.27)
- Selling Expenses	447	15.85%	455	13.81%	(8)	(1.76)
- Administrative Expenses	518	18.36%	553	16.78%	(35)	(6.33)

- **Cost of sales**

The Group had a cost of sales of Baht 1,974 million, a decrease amounting to Baht 320 million from 2014, representing a decrease of 13.95%; the decrease was in line with the lower sales revenue and the raw material prices which fell significantly.

- **Selling and administrative expenses**

The Group had selling and administrative expenses of Baht 965 million, down Baht 43 million from the previous year or 4.27% when considered based on the cost of sales which is down by Baht 8 million and can be calculated at 1.76%. This is in accordance with the strict cost control implemented on marketing expenses, while administrative expenses decreased Baht 35 million or 6.33% due cost controls strictly implemented on the production and distribution bases in Europe.

- **Profits**

Consolidated	2015		2014		Increase / (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales revenue	2,821	100.00%	3,295	100.00%	(474)	(14.39%)
Cost of sales	1,974	69.98%	2,294	69.62%	(320)	(13.95%)
Gross Profit	847	30.02%	1,001	30.38%	(154)	(15.38%)
Selling and Admin expenses	965	34.21%	1,008	30.59%	(43)	(4.27%)
Operating Profit (Loss)	(118)	(4.22)	(7)	(0.21%)	(112)	1,585.71%
Financial costs	64	2.27%	63	1.91%	1	1.59%
Gain (loss) on exchange rate	53	1.88%	(74)	(2.25%)	127	(171.62%)
Other expenses	91	3.23%	104	3.16%	(13)	(12.5%)
Special expenses	-	-	188	5.71%	-	-
Profit (loss) before income tax	(38)	(1.35%)	148	4.49%	(186)	(125.68%)
Income tax (expenses)	(18)	(0.64%)	(2)	(0.06%)	(16)	800.00%
Profit of Equity holders of the Company	(56)	(1.99%)	146	4.43%	(202)	(138.36%)

- **Gross profit**

The Group's gross profit was Baht 847 million, a decrease of Baht 154 million or 15.38% decrease when compared to the previous year and is in line with the sales revenue which has also declined. However the Gross Profit Margin is still close to that of 2014, in line with a lowered cost of sales which is down in the same trajectory as lowered revenue from sales.

- **Net profit (loss) from operations**

The Group's loss for the year 2015 amounted to Baht 118 million due to the decline in sales revenue.

- **Net profit attributable to the shareholders of the Group**

The Group's net loss attributable to shareholders of the company amounts to Baht 56 million, Baht 202 million down from the previous year, representing a net loss margin of 1.99% due to lowered sales revenue, whilst last year the net profit attributable to shareholders amounted to Baht 146 million, as in November 2014 the Group 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 Group 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 2015 is at (2.12%), down from last year's figure which stood at 5.42%, due to net loss attributable to the shareholders of the Group as mentioned in the above topic "Net profit attributable to the shareholders of the Group." For the fiscal year 2015, 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 Wednesday, April 20, 2016, at the rate of Baht 0.05/share, representing a dividend yield of about 0.92% per year (a yield per share of Baht 0.05 / an average yearly price of Baht 5.41 per share) and a dividend of 30.01% of the net profits in the consolidated financial statements for shareholders who have a right to receive the dividends on March 16, 2016, and whose names will be collected in accordance with Section 225 of the Securities and Exchange Act, closing the register on March 17, 2016 and scheduling the dividends to be paid on May 9, 2016.

3) Asset Management Abilities

- **Asset Components**

The table compares the annual financial statements in 2015 and 2014.

Unit : Million Baht

Statement of Financial Position	Dec 31, 2015	%	Dec 31, 2014	%
Cash and cash equivalents	358	7.76%	342	7.44%
Current investments - deposits with financial institutions	5	0.11%	9	0.20%
Trade account receivables and other receivables	514	11.14%	564	12.27%
Short-term loans to related parties	21	0.46%	23	0.50%
Inventories, net	1,853	40.17%	1,845	40.13%
Other current assets	70	1.52%	51	1.11%
Total current assets	2,821	61.15%	2,834	61.64%
Total non-current assets	1,792	38.85%	1,764	38.36%
Total assets	4,613	100.00%	4,598	100.00%

- **Asset Quality**

The Group had total assets of Baht 4,613 million, an increase over the previous year of Baht 15 million, or an increase of 0.33%, with non-current assets increasing by Baht 28 million, mainly from the addition of buildings and building improvements in the value of Baht 20 million, and the share of profits from investments in associated companies in the value of Baht 9 million, and long-term investments amounting to Baht 114 million which are equity instruments in response to demands of foreign markets.

- 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)
	2015	2014	
Not yet due	-	-	-
Overdue			
No more than 3 months	1	2	(1)
3 - 6 months	-	2	(2)
6 - 12 months	1	4	(3)
More than 12 months	32	23	9
Total	34	31	3
Less the allowance for doubtful accounts	(2)	(2)	-
Total accounts receivable - net	32	29	3

The Group's net accounts receivable from related parties stands at Baht 32 million, an increase of Baht 3 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 - Affiliates		Increase (Decrease)
	2015	2014	
Not yet due	202	201	-
Overdue			
No more than 3 months	167	206	(39)
3 - 6 months	19	31	(12)
6 - 12 months	49	35	14
More than 12 months	56	67	(11)
Total	493	540	(47)
Less the allowance for doubtful accounts	(51)	(45)	(6)
Total accounts receivable - net	442	495	(53)

The Group has net accounts receivable from trade receivables of unrelated parties totaling Baht 442 million, representing a decrease of Baht 53 million from the previous year, or 10.71%, mostly from a reduction of those accounts more than 3 months overdue by Baht 39 million. This is because in the year 2014, the Group entered into a repayment agreement with a foreign trade receivable amounting to USD 5.3 million via repayment in cash of USD 0.75 million, for which receipt of payment was scheduled under the terms of the contract, and promissory notes issued by the 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" - the promissory notes have an age of 5 years (maturing in April 2019), with no interest. All in all, in the month of April 2015, the Group has agreed to convert USD 3 million in promissory notes issued by a foreign company as an investment into the same company in the amount of USD 3 million or approximately Baht 98 million, of which the money has been invested in 333,334 ordinary shares with a par value of 9 US dollars, represented in the financial statements as "other long-term investments."

- Inventories

Unit : Million Baht

Inventories	2015	2014	Increase (Decrease)
Finished products	1,328	1,318	10
Work-in-progress	204	184	20
Raw materials	537	558	(21)
Plant materials	14	15	(1)
Goods in-transit	3	1	2
Total	2,086	2,076	10
Less the listings of cost reduction adjustment for net capital	(233)	(230)	(3)
Remaining inventories - net	1,853	1,846	7

As of December 31, 2015 the Group and its subsidiaries had inventories of Baht 2,086 million, which increased from the 2014 year-end figure by Baht 10 million, an increase in finished goods, work-in-progress and goods in transit, because of the increase in orders from customers for use in production, as well as the raw material prices in the world market which declined during the year 2015. This results in a lower average cost per unit of inventory than that of year-end 2014.

For the reduction of costs 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 Group

4.1 Sources and Uses of Funds

- Cash Flow Components

The Group's net cash flow from its operations decreased from Baht 59 million to Baht (1) million due a decrease in the collection of accounts receivable debts and other payables and lowered inventory sales, as well as an increase in taxes paid.

Cash flow from investing activities decreased from Baht (157) million to Baht (91) 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 increased from Baht 120 million to Baht 129 million the increase of long-term loans.

From operating, investing and financing activities, the Group had an increase of Baht 16 million net cash for the year 2015, and when combined with the Baht 342 million cash at beginning of period, forms a total of Baht 358 million in cash at the end of the period.

The table compares the statement of cash flows for the year 2015 and 2014

Unit : Million Baht

Statement of Cash Flows	Dec 31, 2015	Dec 31, 2014
Cash flows from (used in) operating activities	(1)	59
Cash flows from (used in) investing activities	(91)	(157)
Cash flows from (used in) financing activities	129	120
Translation adjustment	(23)	32
Net cash flows	16	54
Cash at the beginning of the year	342	288
Cash at the end of the year	358	342

- **Liabilities**

The Group's liabilities totaled Baht 2,080 million, up Baht 203 million from the previous year, and current liabilities increased by Baht 449 million, mainly due to the increase of long-term loans due within one year which amounted to Baht 589 million, resulting in a debt-to-equity (D/E) ratio that was 0.82 times while the previous year's was 0.69 times; however, it can be concluded that the Group still continues to have a strong financial structure.

- **Shareholder's equity**

The Group's shareholders' equity decreased from Baht 2,721 million to Baht 2,533 million due to a decrease in retained earnings.

4.2 Capital expenditure

- **Past capital expenditures**

The Group invested a total of Baht 105 million which is divided into two types of investment, as follows:

- 1) Approximately Baht 87 million was invested in the production base, to improve the plant facilities of 1.1) Pranda Jewelry (PCL), 1.2) Crystaline Co., Ltd, 1.3) Pranda Vietnam, Co., Ltd, as well as the replacement of machinery and equipment.
- 2) Approximately Baht 18 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 Jewelry Pvt. Ltd. And 2.6) PT Pranda Marketing Indonesia 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 31, 2015, the Group 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 2015 the Company's sales dropped. Therefore the Group sent a letter to the bank requesting a waiver of the DSCR Ratio conditions as covenanted in the loan agreements. Currently the Company is in the process of obtaining an approval letter for the waiver from the lenders.

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 Group's sales volume and a loss (gain) on exchange rates which will significantly affect net income.

Cost of Raw Materials

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.

Liquidation of the Subsidiary Pranda Trading (Shenzhen) Limited

The subsidiary Pranda Trading (Shenzhen) Limited holds 100% of the shares of retail jewelry business in China. Its dissolution will be in effect from the date that the Stock Exchange of Thailand is notified, and is currently undergoing liquidation of its accounts. The revenue from the retail sales of Pranda Trading (Shenzhen) Limited in 2015 accounted for only 0.03% of the total sales of the Group. Therefore is no significant impact on the operations and revenues of the Group.

Financial Ratios		For the 12-month period ending December 31			
		Dec 31, 2015	Dec 31, 2014	Dec 31, 2013	Dec 31, 2012
Liquidity ratio					
Current Ratio ¹	(times)	1.50	1.98	2.29	2.54
Quick Ratio ²	(times)	0.47	0.64	0.77	1.03
Cash Flow Ratio ³	(times)	0.00	0.04	(0.14)	0.38
Accounts Receivable Turnover Ratio ⁴	(times)	5.13	4.84	4.71	4.86
Average Collection Period ⁵	(days)	70	74	76	74
Inventory Turnover Ratio ⁶	(times)	1.64	1.89	2.29	2.63
Average Sale Period ⁷	(days)	220	191	158	137
Creditors Turnover Ratio ⁸	(times)	4.80	5.01	3.90	3.24
Repayment Period ⁹	(days)	75	72	92	111
Cash Cycle ¹⁰	(days)	215	193	142	100
Profitability ratio					
Gross Profit Margin ¹¹	(%)	30.01	30.39	28.44	33.93
Operating Margin ¹²	(%)	(4.22)	(0.22)	0.68	11.29
Other Margin ¹³	(%)	1.70	1.37	0.93	1.00
Cash to Profitability ¹⁴	(%)	1.55	(821.23)	(764.56)	114.09
Net Profit Margin ¹⁵	(%)	(1.91)	4.36	4.36	10.64
Return on Equity ¹⁶	(%)	(2.12)	5.42	6.09	16.97
Efficiency ratio					
Return on Assets ¹⁷	(%)	(1.21)	3.19	3.62	10.15
Return on Fixed Assets ¹⁸	(%)	1.95	14.31	18.66	45.39
Asset Turnover ¹⁹	(times)	0.63	0.73	0.83	0.95
Financial policy ratio					
Liabilities to Shareholders' Equity Ratio ²⁰	(times)	0.82	0.69	0.71	0.65
Interest Coverage Ratio ²¹	(times)	1.25	1.96	(3.03)	13.40
Debt Service Coverage Ratio (cash basis) ²²	(times)	(0.01)	0.12	(0.35)	1.28
Divident Payout Ratio ²³	(%)	(110.12)	56.28	123.53	53.89

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 / Inventory (Average)

*Only the finished product is taken into account; work-in-progress, goods in-transit & raw materials are not included.

⁷ Average Sale Period = 360 / Inventory Turnover

⁸ Creditors Turnover Ratio = Cost of Buying or Selling / (Creditors + Notes Payable) (Average)

⁹ Repayment Period = 360 / Creditors 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 Revenues

- ¹⁶ Return on Equity = Net Income / Equity Shares (Average)
- ¹⁷ Return on Assets = Net Income / Total Assets (Average)
- ¹⁸ Return on Fixed Assets = (Net Income + Depreciation) / Net Fixed Assets (Average)
- ¹⁹ Asset Turnover = Total Income / Total Assets (Average)
- 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 is responsible for the financial statements of Pranda Jewelry Public Co., Ltd. (PCL) and the consolidated financial statements of the Company and its subsidiaries, including the financial information presented in the annual under the Accounting Act of 1999, and according to the regulations of the Securities and Exchange Commission, preparing and presenting the financial reports under the Securities Exchange Act of 1991. The Board has considered and chosen to apply the appropriate accounting practices and consistently held to them, providing adequate disclosure of important information in relation to remarks made on the financial statement in which the auditor reviewed and audited the financial statements and commented on the audit report without providing sufficient reason or explanation.

The Board of Directors takes responsibility for corporate governance, and has also provided and maintained a risk management system, a system of internal controls which is appropriate and effective, in order to create a reasoned sense of confidence that the accounting information provided is accurate, thorough and sufficient to safeguard the property as well as to significantly prevent fraud or any undue operation. The Board of Directors has authorized the Audit Committee, composed of independent officials, to take the role of reviewing the accounting policies and quality of the financial reporting, and to review the system of corporate governance and internal controls, auditing for efficiency and effectiveness as well as examining the disclosure of related party transactions, of which the opinions of the Audit Committee have already been presented in this annual report.

The financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries have been examined by the Company's auditor which is Ernst & Young (EY) Corporate Services Limited, during which the Board of Directors of the Company has provided supporting information and various documents to enable the auditor to review and comment in accordance with auditing standards. The comments of the auditor have been stated in the auditor's report, which is also displayed in the annual report.

The Board of Directors is of the opinion that the system of internal controls and the internal audit of the Company creates a well-founded sense of confidence in the financial statements of the Company and its subsidiaries for the year ending on December 31, 2015, and that it has displayed the financial position, performance results, and cash flow properly, as is appropriate in terms of essential information, and according to the accepted standards of financial reporting.

Mr. Prida Tiasuwan
Chairman of the Board



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 2015, 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 2015, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Siraporn Ouaanunkun

Certified Public Accountant (Thailand) No. 3844

EY Office Limited

Bangkok: 27 February 2016

Pranda Jewelry Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2015

(Unit: Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Assets					
Current assets					
Cash and cash equivalents	7	358,218,385	342,388,503	194,520,660	141,438,151
Current investments - deposits with financial institutions		5,066,529	8,819,818	-	-
Trade and other receivables	8	513,502,173	563,646,375	1,002,627,494	971,879,643
Short-term loans to related parties	6	21,000,000	23,000,000	6,625,257	-
Current portion of long-term loans to related parties	6	-	-	34,806,437	9,029,369
Inventories	9	1,853,098,285	1,845,452,200	745,974,346	762,624,688
Other current assets		69,772,252	50,782,671	25,787,668	18,754,086
Total current assets		<u>2,820,657,624</u>	<u>2,834,089,567</u>	<u>2,010,341,862</u>	<u>1,903,725,937</u>
Non-current assets					
Restricted bank deposits	10	9,014,331	8,781,001	-	-
Investment in convertible debentures issued by subsidiary	11	-	-	-	31,512,300
Investments in subsidiaries	12	-	-	878,083,220	834,264,320
Investment in associated company	13	9,500,518	232,489	-	-
Other long-term investments	15	113,989,764	24,378,901	112,849,644	23,238,781
Advances for investment	6	-	-	-	5,308,824
Other receivables	14	32,011,506	111,047,431	32,011,506	111,047,431
Amounts due from related party	6	-	-	39,381,152	38,752,405
Long-term loans to related parties	6	-	-	194,876,585	208,478,588
Investment properties	16	687,337,158	689,261,812	676,365,343	676,992,176
Property, plant and equipment	17	780,945,256	760,146,962	644,192,740	618,316,934
Leasehold rights	18	23,137,276	25,621,675	-	-
Other intangible assets	19	33,158,136	31,780,854	22,447,021	19,623,490
Deferred tax assets	29	82,595,732	95,404,589	73,870,273	61,552,436
Other non-current assets		20,502,599	17,494,653	926,870	683,445
Total non-current assets		<u>1,792,192,276</u>	<u>1,764,150,367</u>	<u>2,675,004,354</u>	<u>2,629,771,130</u>
Total assets		<u>4,612,849,900</u>	<u>4,598,239,934</u>	<u>4,685,346,216</u>	<u>4,533,497,067</u>

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 2015

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	20	603,928,567	689,031,332	361,794,983	513,440,415
Trade and other payables	21	545,087,772	553,143,516	333,441,844	305,033,186
Short-term loan from related party	6	689,000	627,500	-	-
Short-term loans from unrelated individuals	22	-	30,000,000	-	30,000,000
Current portion of long-term loans	23	678,441,977	88,701,403	673,978,572	80,200,000
Income tax payable		6,128,835	11,753,645	-	-
Other current liabilities		44,997,263	56,499,747	9,810,862	12,094,547
Total current liabilities		1,879,273,414	1,429,757,143	1,379,026,261	940,768,148
Non-current liabilities					
Long-term loans, net of current portion	23	15,421,508	293,967,046	-	274,750,000
Provision for long-term employee benefits	24	183,901,261	152,319,839	153,255,379	126,580,179
Other non-current liabilities		1,092,118	1,063,566	-	-
Total non-current liabilities		200,414,887	447,350,451	153,255,379	401,330,179
Total liabilities		2,079,688,301	1,877,107,594	1,532,281,640	1,342,098,327

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 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Shareholders' equity					
Share capital					
Registered					
409,529,000 ordinary shares of Baht 1 each					
(2014: 410,000,000 ordinary shares					
of Baht 1 each)	25	<u>409,529,000</u>	<u>410,000,000</u>	<u>409,529,000</u>	<u>410,000,000</u>
Issued and fully paid up					
409,529,000 ordinary shares of Baht 1 each		409,529,000	409,529,000	409,529,000	409,529,000
Share premium		786,855,043	786,855,043	786,855,043	786,855,043
Retained earnings					
Appropriated - statutory reserve	26	41,000,000	41,000,000	41,000,000	41,000,000
Appropriated - treasury shares reserve	27	20,130,875	-	20,130,875	-
Unappropriated		1,507,157,628	1,663,393,307	1,924,085,704	1,954,014,697
Treasury shares	27	(20,130,875)	-	(20,130,875)	-
Other components of shareholders' equity		<u>(70,476,350)</u>	<u>(47,503,582)</u>	<u>(8,405,171)</u>	-
Equity attributable to owners of the Company		2,674,065,321	2,853,273,768	3,153,064,576	3,191,398,740
Non-controlling interests of the subsidiaries		<u>(140,903,722)</u>	<u>(132,141,428)</u>	-	-
Total shareholders' equity		<u>2,533,161,599</u>	<u>2,721,132,340</u>	<u>3,153,064,576</u>	<u>3,191,398,740</u>
Total liabilities and shareholders' equity		<u>4,612,849,900</u>	<u>4,598,239,934</u>	<u>4,685,346,216</u>	<u>4,533,497,067</u>

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 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Revenues					
Sales		2,820,763,257	3,295,125,903	1,861,463,030	2,322,698,937
Other income					
Interest income		3,876,374	8,492,537	22,824,712	22,712,387
Gain on exchange		53,479,922	-	63,512,531	-
Others		45,878,797	37,168,407	83,375,365	66,850,621
Total revenues		2,923,998,350	3,340,786,847	2,031,175,638	2,412,261,945
Expenses					
Cost of sales		1,974,251,057	2,293,665,993	1,575,395,584	1,858,431,283
Selling expenses		447,262,747	455,186,516	60,828,219	68,769,295
Administrative expenses		518,229,537	553,448,081	288,391,597	319,163,261
Other expenses					
Loss on exchange		-	73,789,260	-	48,165,771
Impairment loss on investments in subsidiaries	12	-	-	-	123,897,584
Reversal impairment loss on investment properties	16	-	(188,015,909)	-	(188,015,909)
Total expenses		2,939,743,341	3,188,073,941	1,924,615,400	2,230,411,285
Profit (loss) before share of profit from investment in associated company, finance cost and income tax expenses					
		(15,744,991)	152,712,906	106,560,238	181,850,660
Share of profit from investment in associated company	13.2	9,268,029	232,489	-	-
Profit (loss) before finance cost and income tax expenses		(6,476,962)	152,945,395	106,560,238	181,850,660
Finance cost		(64,147,670)	(63,556,265)	(47,972,547)	(43,060,875)
Profit (loss) before income tax expenses		(70,624,632)	89,389,130	58,587,691	138,789,785
Tax income (expenses)	29	(17,913,443)	(2,191,905)	8,462,902	7,828,900
Profit (loss) for the year		(88,538,075)	87,197,225	67,050,593	146,618,685
Profit (loss) attributable to:					
Equity holders of the Company (loss)		(55,783,822)	145,533,874	67,050,593	146,618,685
Non-controlling interests of the subsidiaries (loss)		(32,754,253)	(58,336,649)		
		(88,538,075)	87,197,225		
Earnings per share	31				
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company		(0.1363)	0.3554	0.1639	0.3581
Diluted earnings per share					
Profit (loss) attributable to equity holders of the Company		(0.1363)	0.3554	0.1639	0.3580

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 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Profit (loss) for the year		(88,538,075)	87,197,225	67,050,593	146,618,685
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currency		(17,958,646)	29,658,348	-	-
Loss on change in value of available-for-sale investments		(8,405,171)	-	(8,405,171)	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods		(26,363,817)	29,658,348	(8,405,171)	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial gains (loss)	24	(23,036,663)	47,992,434	(19,274,670)	38,097,991
Less: Income tax effect	29	4,035,163	(8,228,708)	3,854,934	(7,619,598)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(19,001,500)	39,763,726	(15,419,736)	30,478,393
Other comprehensive income for the year		(45,365,317)	69,422,074	(23,824,907)	30,478,393
Total comprehensive income for the year		(133,903,392)	156,619,299	43,225,686	177,097,078
Total comprehensive income attributable to:					
Equity holders of the Company (loss)		(97,648,597)	213,475,335	43,225,686	177,097,078
Non-controlling interests of the subsidiaries (loss)		(36,254,795)	(56,856,036)	-	-
		(133,903,392)	156,619,299	43,225,686	177,097,078

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 2015

(Unit: Baht)

Consolidated financial statements																
	Equity attributable to owners of the Company															
	Retained earnings				Other components of shareholders' equity											
	Appropriated		Unappropriated		Treasury shares		Exchange differences on translation of financial statements in foreign currency		Other comprehensive income		Total other components of shareholders' equity		Total equity attributable to owners of the Company		Equity attributable to non-controlling interests of the shareholders' equity	
	Issued and paid-up share capital	Share premium	Statutory reserve	Treasury shares reserve	Unappropriated	Treasury shares	In foreign currency	in value of investments available-for-sale	Deficit from change in shareholding of subsidiary	Deficit on change in value of investments available-for-sale	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the shareholders' equity			
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		
Profit for the year	-	-	-	-	145,533,874	-	-	-	-	-	-	145,533,874	(58,336,649)	87,197,225		
Other comprehensive income for the year	-	-	-	-	39,501,319	-	28,440,142	-	-	-	28,440,142	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		
Ordinary shares issuance from exercised warrants	384,200	768,400	-	-	-	-	-	-	-	-	-	1,152,600	-	1,152,600		
Dividend paid (Note 34)	-	-	-	-	(81,905,300)	-	-	-	-	-	-	(81,905,300)	-	(81,905,300)		
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		
Balance as at 1 January 2015	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		
Loss for the year	-	-	-	-	(55,783,822)	-	-	-	-	-	-	(55,783,822)	(32,754,253)	(88,538,075)		
Other comprehensive income for the year	-	-	-	-	(18,892,007)	-	(14,567,597)	(8,405,171)	-	-	(22,972,768)	(41,864,775)	(3,500,542)	(45,365,317)		
Total comprehensive income for the year	-	-	-	-	(74,675,829)	-	(14,567,597)	(8,405,171)	-	-	(22,972,768)	(97,648,597)	(36,254,795)	(133,903,392)		
Treasury shares (Note 27)	-	-	-	-	-	(20,130,875)	-	-	-	-	-	(20,130,875)	-	(20,130,875)		
Transferred to treasury shares reserve (Note 27)	-	-	-	20,130,875	(20,130,875)	-	-	-	-	-	-	-	-	-		
Dividend paid (Note 34)	-	-	-	-	(61,428,975)	-	-	-	-	-	-	(61,428,975)	-	(61,428,975)		
Increase in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Balance as at 31 December 2015	409,529,000	786,855,043	41,000,000	20,130,875	1,507,157,628	(20,130,875)	(3,643,672)	(8,405,171)	(58,427,507)	-	(70,476,350)	2,674,065,321	(140,903,722)	2,533,161,599		

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 2015

Separate financial statements										(Unit: Baht)	
	Issued and paid-up share capital	Share premium	Retained earnings			Treasury shares	Other components of equity		Total shareholders' equity		
			Statutory reserve	Appropriated			Unappropriated	Other comprehensive income			Total other components of shareholders' equity
				Treasury shares reserve	in value of available-for-sale investments						
Balance as at 1 January 2014	409,144,800	786,086,643	41,000,000	-	1,858,822,919	-	-	-	3,095,054,362		
Profit for the year	-	-	-	-	146,618,685	-	-	-	146,618,685		
Other comprehensive income for the year	-	-	-	-	30,478,393	-	-	-	30,478,393		
Total comprehensive income for the year	-	-	-	-	177,097,078	-	-	-	177,097,078		
Ordinary shares issuance from exercised warrants	384,200	768,400	-	-	-	-	-	-	1,152,600		
Dividend paid (Note 34)	-	-	-	-	(81,905,300)	-	-	-	(81,905,300)		
Balance as at 31 December 2014	409,529,000	786,855,043	41,000,000	-	1,954,014,697	-	-	-	3,191,398,740		
Balance as at 1 January 2015	409,529,000	786,855,043	41,000,000	-	1,954,014,697	-	-	-	3,191,398,740		
Profit for the year	-	-	-	-	67,050,593	-	-	-	67,050,593		
Other comprehensive income for the year	-	-	-	-	(15,419,736)	(8,405,171)	(8,405,171)	(8,405,171)	(23,824,907)		
Total comprehensive income for the year	-	-	-	-	51,630,857	-	(8,405,171)	(8,405,171)	43,225,686		
Treasury shares (Note 27)	-	-	-	-	-	(20,130,875)	(20,130,875)	-	(20,130,875)		
Transferred to treasury shares reserve (Note 27)	-	-	-	20,130,875	(20,130,875)	-	-	-	-		
Dividend paid (Note 34)	-	-	-	-	(61,428,975)	-	-	-	(61,428,975)		
Balance as at 31 December 2015	409,529,000	786,855,043	41,000,000	20,130,875	1,924,085,704	(20,130,875)	(8,405,171)	(8,405,171)	3,153,064,576		

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 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cash flows from operating activities				
Profit (loss) before tax	(70,624,632)	89,389,130	58,587,691	138,789,785
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	91,603,563	80,974,140	59,805,404	45,404,880
Amortisation of leasehold rights	2,484,399	2,484,400	-	-
Amortisation of deferred financial service fee of long-term loans	28,571	-	28,571	-
Write-off equipment and intangible assets	1,642,512	4,656,296	167,440	702,110
Amortisation of discounted value of government bond	(36,934)	(36,934)	(36,934)	(36,934)
Doubtful accounts (reversal)	(7,867,968)	233,345	37,520,674	62,642,472
Write-off bad debts	9,591,266	1,765,230	911,169	1,765,230
Write-off withholding tax deducted at source	2,196,202	-	2,196,202	-
Reduce cost to net realisable value of inventories (reversal)	3,229,801	4,028,406	5,084,000	(8,615,000)
Gain on sales of property, plant and equipment	(8,326,575)	(5,244,594)	(7,286,584)	(194,686)
Share of profit from investment in associated company	(9,268,029)	(232,489)	-	-
Long-term employee benefits expenses	16,033,708	12,009,734	12,751,268	10,299,517
Impairment loss on investments in subsidiaries	-	-	-	123,897,584
Reversal impairment loss on investment properties	-	(188,015,909)	-	(188,015,909)
Unrealised loss (gain) on exchange	15,699,234	193,760	(41,963,579)	51,297,593
Interest income	(3,876,374)	(8,492,537)	(22,824,712)	(22,712,387)
Interest expenses	56,394,473	58,028,745	43,607,230	41,218,896
Profit from operating activities before changes in operating assets and liabilities	98,903,217	51,740,723	148,547,840	256,443,151
Operating assets (increase) decrease				
Trade and other receivables	27,421,052	72,268,040	(36,530,524)	(110,953,911)
Inventories	(10,875,886)	131,677,056	11,566,342	109,297,293
Other current assets	(7,406,745)	22,841,194	(5,364,152)	11,476,334
Other non-current assets	(3,007,946)	(1,970,934)	(243,425)	(14,999)
Operating liabilities increase (decrease)				
Trade and other payables	(11,491,237)	(164,789,488)	17,788,163	(187,274,929)
Other current liabilities	(11,502,484)	10,883,994	(2,283,685)	1,851,854
Provision for long-term employee benefits	(7,488,949)	(4,503,898)	(5,350,738)	(4,206,349)
Other non-current liabilities	28,552	5,202	-	-
Cash flows from operating activities	74,579,574	118,151,889	128,129,821	76,618,444
Cash paid for interest expenses	(54,883,180)	(58,356,875)	(43,428,233)	(41,395,634)
Cash paid for corporate income tax	(18,866,194)	(7,796,421)	(2,258,555)	(2,196,202)
Cash refund from corporate income tax	-	6,925,388	-	-
Net cash flows from operating activities	830,200	58,923,981	82,443,033	33,026,608

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 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cash flows from investing activities				
Decrease (increase) in current investments -				
deposits at financial institutions	3,753,289	(612,195)	-	-
Increase in restricted bank deposits	(233,330)	(4,765,388)	-	-
Decrease (increase) in short-term loans to related parties	2,000,000	(7,000,000)	(6,590,800)	-
Increase in long-term loans to related parties	-	-	(3,491,728)	(20,197,500)
Decrease in advances for investment	-	-	5,308,824	-
Payments for investments in subsidiaries	-	-	(4,054,200)	(4,966,500)
Acquisition of property, plant and equipment	(104,739,672)	(166,578,650)	(86,404,295)	(143,666,548)
Acquisition of other intangible assets	(5,791,955)	(1,550,931)	(4,517,483)	(1,476,400)
Proceeds from sales of property, plant and equipment	9,973,330	6,050,125	9,939,382	303,737
Proceeds from sales of investment in associated company	-	7,665,258	-	7,665,258
Cash receipt from interest income	<u>3,751,427</u>	<u>9,545,368</u>	<u>4,655,058</u>	<u>7,802,993</u>
Net cash flows used in investing activities	<u>(91,286,911)</u>	<u>(157,246,413)</u>	<u>(85,155,242)</u>	<u>(154,534,960)</u>
Cash flows from financing activities				
Increase in bank overdrafts and				
short-term loans from financial institutions	123,169,850	229,975,129	58,354,568	272,053,855
Increase in short-term loans from related parties	61,500	627,500	-	-
Increase (decrease) in short-term loans from unrelated individuals	(30,000,000)	29,779,483	(30,000,000)	29,779,483
Cash receipt for long-term loans	190,000,000	54,526,900	190,000,000	54,526,900
Repayment of long-term loans	(88,033,005)	(113,529,288)	(80,200,000)	(105,310,000)
Cash paid for financial service fee of long-term loans	(800,000)	-	(800,000)	-
Proceeds from ordinary shares issuance from				
exercised warrants	-	1,152,600	-	1,152,600
Proceeds from increase in investments in subsidiary				
by non-controlling interests of the subsidiary	16,238,043	-	-	-
Acquisition of treasury shares	(20,130,875)	-	(20,130,875)	-
Dividend paid	(61,428,975)	(81,905,300)	(61,428,975)	(81,905,300)
Cash receipt from (payment to) non-controlling				
interests of the subsidiary	<u>4,458</u>	<u>(131,927)</u>	<u>-</u>	<u>-</u>
Net cash flows from financing activities	<u>129,080,996</u>	<u>120,495,097</u>	<u>55,794,718</u>	<u>170,297,538</u>
Increase (decrease) in translation adjustment	<u>(22,794,403)</u>	<u>32,252,237</u>	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	<u>15,829,882</u>	<u>54,424,902</u>	<u>53,082,509</u>	<u>48,789,186</u>
Cash and cash equivalents at beginning of year	<u>342,388,503</u>	<u>287,963,601</u>	<u>141,438,151</u>	<u>92,648,965</u>
Cash and cash equivalents at end of year	<u>358,218,385</u>	<u>342,388,503</u>	<u>194,520,660</u>	<u>141,438,151</u>

Supplemental cash flow information

Non-cash transactions

Conversion of investment in convertible debentures issued by				
subsidiary to investments in subsidiaries	-	-	39,764,700	-
Conversion of related party trade payable of subsidiary to				
called-up capital by non-controlling interests of the subsidiary	11,250,000	-	-	-
Conversion of other receivables to other long-term investments	97,979,100	-	97,979,100	-

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 2015

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>2015</u> Percent	<u>2014</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

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2015</u> Percent	<u>2014</u> Percent
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	Distribution of jewelry	Germany	75	75
Pranda Jewelry Private Limited	Distribution of jewelry	India	51	51
Pranda Trading (Shenzhen) Limited	Ceased its operation in 2015	China	100	100
Guangzhou Pangda Zhubao Shoushi Youxian Gongsi	Ceased its operation in 2013	China	100	100
<u>Held by the subsidiaries</u>				
Pranda Acceptance Sdn. Bhd. (Held by Pranda Singapore Pte. Limited)	Ceased its operation in 2000	Malaysia	100	100
KSV Brand GmbH (Held by Pranda & Kroll GmbH & Co. KG)	Ceased its operation in 2013	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) The Company is deemed to have control over an investee or subsidiaries 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.
- c) Subsidiaries are fully consolidated, on the date which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

- e) 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.
 - f) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
 - g) 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.

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 year

The Company has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which 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 standards. The adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements. However, some of these standards involve changes to key principles, which are summarised 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 former standard allowed the entity to recognise such gains and losses immediately in either profit or loss or 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 recognise 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 content of TAS 27 *Consolidated and Separate Financial Statements* dealing with consolidated 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 investees and determining which entities have to be included in preparation of the consolidated financial statements.

This standard does not have any impact on the Company's and its subsidiaries' financial statements.

TFRS 11 Joint Arrangements

TFRS 11 supersedes TAS 31 *Interests in Joint Ventures*. This standard requires an entity investing in any other entity to determine whether the entity and other investors have joint control in the investment. When joint control exists, there is deemed to be a joint arrangement and the entity then needs to apply judgement to assess whether the joint arrangement is a joint operation or a joint venture and to account for the interest in the investment in a manner appropriate to the type of joint arrangement. If it is a joint operation, the entity is to recognise its shares of assets, liabilities, revenue and expenses of the joint operation, in proportion to its interest, in its separate financial statements. If it is a joint venture, the entity is to account for its investment in the joint venture using the equity method in the financial statements in which the equity method is applied or the consolidated financial statements (if any), and at cost in the separate financial statements.

This standard does not have any impact on the financial statements since the Company and its subsidiaries already apply the equity method to account for the investment in a joint venture.

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 on 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 measurement. 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 effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Company's and its subsidiaries' financial statements.

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

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's management believes that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when it is initially applied.

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 available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- b) 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.
- c) Investment in associated company are accounted for in the consolidated financial statements using the equity method.
- d) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method.
- e) 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 fair value of marketable securities is based on the latest bid price of the last working day of the period.

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

In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

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.

4.19 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

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 asses of the result of the tax assessment.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management 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
	2015	2014	2015	2014	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	1,068	1,296	Normal business price close to those charged to other customers
Purchases of goods and raw materials	-	-	203	257	With reference to market price
Loan interest income	-	-	20	16	Per loan agreement
Interest income on overdue payment	-	-	1	1	Interest rate at 7.5 percent per annum
Guarantee fee income	-	-	4	3	1 percent per annum
Service income	-	-	41	36	Agreed between the parties
Management income	-	-	12	13	Agreed between the parties
Service expenses	-	-	4	2	Agreed between the parties
Commission payments	-	-	2	3	Agreed between the parties
<u>Transactions with associated company</u>					
Purchases of raw materials	157	242	157	242	With reference to market price
<u>Transactions with related companies</u>					
Sales of goods	7	9	5	7	Normal business price close to those charged to other customers
Purchase of goods	56	59	3	1	With reference to market price
Loan interest income	1	1	-	-	Per loan agreement
Service expenses	3	7	-	3	Agreed between the parties
Service income	1	1	1	1	Agreed between the parties
<u>Transactions with management and directors</u>					
Commission payments	-	1	-	1	Agreed between the parties

As at 31 December 2015 and 2014, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<u>Trade accounts receivable - related parties (Note 8)</u>				
Subsidiaries	-	-	1,003	929
Related companies (related by common directors)	34	31	33	27
Total	34	31	1,036	956
Less: Allowance for doubtful accounts	(2)	(2)	(263)	(241)
Total trade accounts receivable - related parties, net	<u>32</u>	<u>29</u>	<u>773</u>	<u>715</u>
<u>Other receivables - related parties (Note 8)</u>				
Subsidiaries	-	-	230	200
Related companies (related by common directors)	2	2	2	1
Subsidiary and related company's directors	23	26	16	15
Total	25	28	248	216
Less: Allowance for doubtful accounts	-	-	(181)	(159)
Total other receivables - related parties, net	<u>25</u>	<u>28</u>	<u>67</u>	<u>57</u>
<u>Accrued interest income - related parties (Note 8)</u>				
Subsidiaries	-	-	49	31
<u>Advances for investment</u>				
Subsidiary	-	-	-	5
<u>Amounts due from related party</u>				
Subsidiary	-	-	52	51
Less: Allowance for doubtful accounts	-	-	(13)	(12)
Total amounts due from related party, net	<u>-</u>	<u>-</u>	<u>39</u>	<u>39</u>
<u>Trade and other payables - related parties (Note 21)</u>				
Subsidiaries	-	-	32	29
Related companies (related by common directors)	16	44	-	-
Total trade and other payables - related parties	<u>16</u>	<u>44</u>	<u>32</u>	<u>29</u>

During the year 2015, the Company has recorded allowance for doubtful accounts for its trade and other receivables - related parties in the income statement for the year 2015, a total of Baht 43 million (2014: Baht 63 million).

Loans to related parties

As at 31 December 2015 and 2014, the balances of loans between the Company and those related parties and the movement are as follows:

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	2015	2014	2015	2014
<u>Short-term loans to related parties</u>				
Subsidiaries	-	-	7	-
Related companies (related by common directors)	21	23	-	-
Total short-term loans to related parties	21	23	7	-
<u>Long-term loans to related parties</u>				
<u>Subsidiaries</u>				
Long-term loans	-	-	230	218
Less: Current portion	-	-	(35)	(9)
Long-term loans, net of current portion	-	-	195	209

During the year 2015, movements of loans to related parties were as follow:

		(Unit: Million Baht)			
		Consolidated financial statements			
Loans to related parties	Related by	Balance			Balance
		as at	Increase	Decrease	as at
		31 December	during	during	31 December
		2014	the year	the year	2015
A-List Corporate Co., Ltd.	The Director related to the Company's director	20	5	(7)	18
Supree Holding Co., Ltd.	Shareholders related to the Company's director	3	-	-	3

(Unit: Million Baht)

		Separate financial statements				
		Balance			Unrealised	Balance
		as at	Increase	Decrease	gain on	as at
		31 December	during	during	exchange	31 December
Loans to related parties	Related by	2014	the year	the year	rate	2015
Pranda & Kroll GmbH & Co. KG	Subsidiary	24	10	-	-	34
Pranda UK Ltd.	Subsidiary	194	-	-	9	203

Short-term loans to related parties

Consolidated financial statements

A local subsidiary (Pranda Lodging Co., Ltd.) granted short-term loans of Baht 18 million (2014: 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 (2014: 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. During the year 2015, the subsidiary has been repaid this loan.

Separate financial statements

In 2015, the Company granted a short-term loan to a subsidiary, Pranda & Kroll GmbH & Co. KG, of EUR 0.2 million or approximately Baht 6 million. This loan 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 one year.

Long-term loans to related parties

Consolidated financial statements

A local subsidiary granted a long-term loan of USD 2 million, or approximately Baht 72 million (2014: USD 1 million or approximately Baht 33 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 some 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 (2014: 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. During the year 2015, this subsidiary has not yet paid loan principal of GBP 0.1 million, or approximately Baht 5 million, payable in accordance with the agreement, since the subsidiary has requested that the principal payment be rescheduled.

The long-term loan of EUR 0.7 million (2014: 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 April 2017. Interest is payable quarterly at a rate of 7.5 percent per annum. During the year 2015, this subsidiary has not yet paid the loan principal of EUR 0.1 million, or approximately Baht 5 million, payable in accordance with the agreement, since the subsidiary has requested that the principal payment be rescheduled.

Loan from related party

As at 31 December 2015 and 2014, the balance of short-term loan from related party are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<u>Short-term loan from related party</u>				
Subsidiary's director	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>

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 2015 and 2014, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

(Unit: Million Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Short-term employee benefits	75	88	35	43
Post-employment benefits	3	2	3	2
Other long-term benefits	2	2	-	-
Total	80	92	38	45

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)

	<u>Consolidated</u>		<u>Separate</u>	
	<u>financial statements</u>	<u>financial statements</u>	<u>financial statements</u>	<u>financial statements</u>
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cash	3,550	3,739	559	604
Bank deposits	279,613	273,650	118,907	75,834
Fixed deposit receipt	75,055	65,000	75,055	65,000
Total	358,218	342,389	194,521	141,438

As at 31 December 2015, bank deposits and fixed deposit receipt carried interests between 0.13 to 2.50 percent per annum (2014: between 0.05 and 2.50 percent per annum).

8. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	52	-	123,467	174,966
Past due				
Up to 3 months	1,124	2,730	165,466	93,857
3 - 6 months	183	1,867	40,313	33,127
6 - 12 months	927	4,015	69,097	111,247
Over 12 months	32,258	22,651	637,589	542,794
Total	34,544	31,263	1,035,932	955,991
Less: Allowance for doubtful debts	(2,432)	(1,931)	(262,766)	(241,474)
Total trade accounts receivable - related parties, net (Note 6)	32,112	29,332	773,166	714,517
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	202,085	201,529	50,643	51,994
Past due				
Up to 3 months	167,010	205,712	41,882	78,601
3 - 6 months	18,584	30,623	1,880	7,114
6 - 12 months	48,892	34,706	22,544	4,306
Over 12 months	56,282	67,462	21,709	43,044
Total	492,853	540,032	138,658	185,059
Less: Allowance for doubtful debts	(50,950)	(45,111)	(25,627)	(18,087)
Total trade accounts receivable - unrelated parties, net	441,903	494,921	113,031	166,972
Total trade accounts receivable, net	474,015	524,253	886,197	881,489
<u>Other receivables</u>				
Other receivables - related parties (Note 6)	24,939	27,468	247,461	216,457
Other receivables - unrelated parties	15,226	8,220	441	720
Accrued interest income - related parties (Note 6)	-	454	48,924	30,795
Accrued interest income	1,478	1,353	1,356	1,187
Accrued income	340	4,307	-	-
Total	41,983	41,802	298,182	249,159
Less: Allowance for doubtful debts	(2,496)	(2,409)	(181,751)	(158,768)
Total other receivables, net	39,487	39,393	116,431	90,391
Total trade and other receivables, net	513,502	563,646	1,002,628	971,880

In 2014, the Company entered into a settlement agreement with an overseas trade debtor to settle debts totaling USD 5.3 million by means of 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 14 to the financial statements.

During the second-quarter of 2015, the Company received cash payment of USD 0.75 million or approximately Baht 25 million. As a result, as at 31 December 2015, there was no outstanding balance receivable from this overseas trade debtor, included in trade accounts receivable - unrelated parties (2014: 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	
	2015	2014	2015	2014	2015	2014
Finished goods	1,328,036	1,318,166	(116,074)	(120,076)	1,211,962	1,198,090
Work in process	204,405	183,724	-	-	204,405	183,724
Raw materials	536,670	558,392	(117,369)	(110,137)	419,301	448,255
Factory supplies	14,103	14,586	-	-	14,103	14,586
Goods in transit	3,327	797	-	-	3,327	797
Total	<u>2,086,541</u>	<u>2,075,665</u>	<u>(233,443)</u>	<u>(230,213)</u>	<u>1,853,098</u>	<u>1,845,452</u>

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2015	2014	2015	2014	2015	2014
Finished goods	242,087	251,492	(62,151)	(64,322)	179,936	187,170
Work in process	194,874	173,663	-	-	194,874	173,663
Raw materials	472,726	494,872	(110,378)	(103,123)	362,348	391,749
Factory supplies	8,799	9,315	-	-	8,799	9,315
Goods in transit	17	728	-	-	17	728
Total	<u>918,503</u>	<u>930,070</u>	<u>(172,529)</u>	<u>(167,445)</u>	<u>745,974</u>	<u>762,625</u>

During the current year, the Company and its subsidiaries reduced cost of inventories by Baht 11 million (The Company only: Baht 7 million) (2014: Consolidated financial statement: Baht 4 million), to reflect the net realisable value. This was included in cost of sales. In addition, the Company and its subsidiaries reversed the write-down of cost of inventories by Baht 8 million (The Company only: Baht 2 million and 2014: 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 1,000 Indian rupees each, or a total of 69 million Indian rupees. 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 69,000 units of convertible debentures outstanding, with a par value of 1,000 Indian rupees each, totaling of 69 million Indian rupees or approximately of Baht 32 million, with an interest rate of 7.5 percent per annum.

Later in December 2015, the Company exercised its right to convert all debentures into fully paid-up equity shares of the subsidiary as described in note 12.1.

12. Investments in subsidiaries

12.1 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	
	2015	2014		2015 (Percent)	2014 (Percent)	2015	2014
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	575,303	573,303
Pranda Jewelry Private Limited	150	1	Million Indian Rupee	51	51	44,255	436
Pranda Trading (Shenzhen) Limited	0.55	0.55	Million USD	100	100	17,437	17,437
Total						1,680,183	1,636,364
Less: Allowance for impairment of investments						(802,100)	(802,100)
Investments in subsidiaries, net						878,083	834,264

During 2015 and 2014, no dividend income was received from its investments in subsidiaries.

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.

Subsidiary - PT Pranda Marketing Indonesia (controlled by Primagold International Co., Ltd.)

During the first-quarter of 2015, the Annual General Shareholder's Meeting of PT Pranda Marketing Indonesia passed the following resolutions:

- 1) To approve an increase in its registered share capital from 4 thousand million Indonesian Rupiah (4,000 ordinary shares of 1 million Indonesian Rupiah each) or approximately of Baht 12 million to 20 thousand million Indonesian Rupiah (20,000 ordinary shares of 1 million Indonesian Rupiah each) or approximately of Baht 50 million.
- 2) To approve an increase in its paid-up capital from 1 thousand million Indonesian Rupiah, or approximately of Baht 3 million to 10 thousand million Indonesian Rupiah, or approximately Baht 25 million.

The increase in paid-in capital was made by means of cash payment of 4.5 thousand million Indonesian Rupiah, or approximately of Baht 11 million, and the conversion to equity of trade accounts payable of 4.5 thousand million Indonesian Rupiah, or approximately of Baht 11 million.

After the increase in share capital, the Group still has control over the subsidiary and has an equity interest of 55 percent.

Subsidiary - Pranda Trading (Shenzhen) Limited

On 8 July 2015, a meeting of the Company's Board of Directors passed a resolution to dissolve a subsidiary, Pranda Trading (Shenzhen) Limited, on 8 July 2015. At present, the subsidiary is in the process of dissolution. This subsidiary is not a significant segment of the Group, therefore, there is no significant impact on the consolidated financial statements. As at 31 December 2015, the Company has made full allowance for impairment loss on investment in this subsidiary totaling of Baht 17 million.

Subsidiary - Pranda Jewelry Private Limited

On 16 December 2015, the Extraordinary Shareholder's Meeting of Pranda Jewelry Private Limited (a subsidiary established in India) passed a resolution to increase its registered share capital from 1 million Indian rupees (100,000 ordinary shares at the par value of Indian rupee 10 each) to 150 million Indian rupees (15,000,000 ordinary shares with a par value 10 Indian rupee each). The subsidiary registered the increase in its registered share capital on 31 December 2015. The Company paid 76 million Indian rupees for the additional capital in the form of cash payment of 7 million Indian rupees, or approximately Baht 4 million, and the conversion of convertible debentures issued by the subsidiary of 69 million Indian rupees or approximately Baht 40 million. After the increase in share capital, the Company's shareholding in this subsidiary remains 51 percent.

The non-controlling interest of this subsidiary paid for the additional capital by means of cash payment totaling 10 million Indian rupees or approximately Baht 5 million, and there are outstanding shares receivables of 63 million Indian rupees or approximately Baht 33 million. Payments for such share receivables are to be made annually until the year 2019 in accordance with the subsidiary's shareholders agreement.

12.2 Details of investments in subsidiaries that have material non-controlling interests

(Unit: Million Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit/loss allocated to non-controlling interests during the year	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	(%)	(%)				
Pranda & Kroll GmbH & Co. KG	25	25	(115)	(101)	(14)	(31)

12.3 Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling

Summarised information about financial position

(Unit: Million Baht)

	Pranda & Kroll GmbH & Co. KG	
	<u>2015</u>	<u>2014</u>
Current assets	77	102
Non-current assets	2	2
Current liabilities	169	170
Non-current liabilities	28	-

Summarised information about comprehensive income

(Unit: Million Baht)

	For the year ended 31 December	
	Pranda & Kroll GmbH & Co. KG	
	<u>2015</u>	<u>2014</u>
Revenue	49	157
Loss	(51)	(117)
Other comprehensive income	(1)	3
Total comprehensive income	(52)	(114)

Summarised information about cash flow

(Unit: Million Baht)

For the year ended 31 December

Pranda & Kroll GmbH & Co. KG

	<u>2015</u>	<u>2014</u>
Cash flow from (used in) operating activities	2.5	(21.0)
Cash flow from investing activities	-	3.6
Cash flow from financing activities	0.4	17.6
Net increase in cash and cash equivalents	<u>2.9</u>	<u>0.2</u>

13. Investments in associated company

13.1 Details of associated company:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements			
			Shareholding Percentage		Investment value - equity method	
			<u>2015</u> (Percent)	<u>2014</u> (Percent)	<u>2015</u>	<u>2014</u>
KZ-Pranda Co., Ltd.	Import and distribution of raw materials - precious metals	Thailand				
- Cost			40	40	3,600	3,600
- Accumulated share of profit (loss)					5,900	(3,368)
Total carrying amounts based on equity method					<u>9,500</u>	<u>232</u>

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements							
			Shareholding percentage		Cost		Allowance for impairment of investment		Carrying amounts based on cost method - net	
			<u>2015</u> (Percent)	<u>2014</u> (Percent)	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
KZ-Pranda Co., Ltd.	Import and distribution of raw materials - precious metals	Thailand	40	40	3,600	3,600	(3,600)	(3,600)	-	-

13.2 Share of profit

During the years, the Company recognised its share of profit from investment in associated company in the consolidated financial statements as follows:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements	
	Share of profit from investment in associated company	
	2015	2014
KZ-Pranda Co., Ltd.	9,268	232
Total	9,268	232

During 2015 and 2014, the Company received no dividend income from its investment in associated company.

13.3 Financial information of associated company

Financial information of the associated company is summarised below.

											(Unit: Million Baht)
Company's name	Paid-up capital		Currency	Total assets		Total liabilities		Total revenues		Profit for	
	as at			as at		as at		for the years		the years	
	31 December			31 December		31 December		ended		ended	
	2015	2014		2015	2014	2015	2014	2015	2014	2015	2014
KZ-Pranda Co., Ltd.	9	9	Million Baht	92	98	68	98	2,116	1,784	24	8

An associated company filed a lawsuit against a customer and a financial institution providing a debt guarantee under a purchase and sale agreement, claiming compensation of approximately Baht 51 million plus interest at the rate of 7 percent per annum, counting from the date that on which the lawsuit was lodged (year 2009). During the year 2015, the Supreme Court ruled in favor of the associated company. Consequently, the associated company received principal plus interest totaling Baht 79 million in 2015, and recorded the interest income received as a result of this lawsuit, amounting to Baht 28 million in the income statement for the year 2015.

14. Other receivables

In 2014, the Company received the settlement from an overseas trade debtor in the form of promissory notes totaling USD 4.55 million, that were issued by two overseas companies, in accordance with the settlement agreement described in Note 8 to the financial statements. These promissory notes are repayable in five years (maturity in April 2019), with no interest.

Subsequently, in April 2015, the Company agreed to convert a promissory note of USD 3 million issued by an overseas company into investment in that company amounting to USD 3 million or approximately Baht 98 million, in the form of 333,334 ordinary shares with a value of USD 9 each as described in Note 15 to the financial statements.

The outstanding balances as at 31 December 2015 and 2014 are presented below.

	(Unit: Thousand Baht)	
	Consolidated / Separate financial statements	
	<u>2015</u>	<u>2014</u>
Promissory notes	55,862	149,192
Less: Allowance for devaluation	(23,850)	(38,145)
Net balances	<u>32,012</u>	<u>111,047</u>

15. Other long-term investments

Other long-term investments as at 31 December 2015 and 2014 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	<u>2015</u>		<u>2014</u>	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Available-for-sale securities				
Overseas marketable equity securities	97,979	89,574	-	-
Add: Deficit on changes in value of investments in securities available for sales	(8,405)		-	
	<u>89,574</u>		<u>-</u>	
Held-to-maturity debt securities				
Government bonds	<u>9,926</u>		<u>9,889</u>	
Other investments				
Overseas non-marketable equity securities	<u>14,490</u>		<u>14,490</u>	
Total other long-term investments	<u>113,990</u>		<u>24,379</u>	

(Unit: Thousand Baht)

	Separate financial statements			
	2015		2014	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Available-for-sale securities				
Overseas marketable equity securities	97,979	89,574	-	-
Add: Deficit on changes in value of investments in securities available for sales	(8,405)		-	
	89,574		-	
Held-to-maturity debt securities				
Government bonds	9,926		9,889	
Other investments				
Overseas non-marketable equity securities	13,350		13,350	
Total other long-term investments	112,850		23,239	

16. Investment properties

The net book value of investment properties as at 31 December 2015 and 2014 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Land held for development	Land and building for rent	Total	Land held for development	Land and building for rent	Total
<u>31 December 2015:</u>						
Cost	667,381	66,852	734,233	667,381	20,245	687,626
<u>Less:</u> Accumulated depreciation	-	(46,896)	(46,896)	-	(11,261)	(11,261)
Net book value	667,381	19,956	687,337	667,381	8,984	676,365
<u>31 December 2014:</u>						
Cost	667,381	66,852	734,233	667,381	20,245	687,626
<u>Less:</u> Accumulated depreciation	-	(44,971)	(44,971)	-	(10,634)	(10,634)
Net book value	667,381	21,881	689,262	667,381	9,611	676,992

A reconciliation of the net book value of investment properties for the years 2015 and 2014 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Net book value at beginning of year	689,262	504,104	676,992	489,603
Depreciation	(1,925)	(2,858)	(627)	(627)
Reversal allowance for loss on impairment	-	188,016	-	188,016
Net book value at end of year	<u>687,337</u>	<u>689,262</u>	<u>676,365</u>	<u>676,992</u>

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		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land held for development	823,500	823,500	823,500	823,500
Land and building for rent	62,790	62,790	142,730	142,730

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 2015, amounting to approximately Baht 673 million (2014: Baht 673 million) as collateral against credit facilities received from commercial banks (The Company only: Baht 676 million, 2014: Baht 676 million).

(Unit: Thousand Baht)

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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
Accumulated depreciation:							
1 January 2014	-	7,166	306,309	31,268	185,747	354,850	25,400
Depreciation for the year	-	456	14,583	1,369	18,940	34,363	3,413
Depreciation on disposals	-	-	(2,111)	(5,121)	(9,566)	(17,690)	(1,597)
Translation adjustment	-	-	82	(729)	(488)	(2,214)	(289)
31 December 2014	-	7,622	318,863	26,787	194,633	369,309	26,927
Depreciation for the year	-	515	21,482	1,157	15,845	42,816	3,285
Depreciation on disposals	-	-	(4,102)	-	(829)	(13,310)	(1,928)
Translation adjustment	-	-	3,175	477	1,037	2,664	214
31 December 2015	-	8,137	339,418	28,421	210,686	401,479	28,498
Allowance for impairment loss:							
31 December 2014	-	-	-	-	-	11,833	-
31 December 2015	-	-	-	-	-	11,833	-
Net book value:							
31 December 2014	95,679	7,867	171,274	7,797	38,852	139,323	4,453
31 December 2015	95,247	7,422	456,081	7,309	25,957	147,182	6,838
Depreciation for the year							
2014 (Baht 36 million included in manufacturing cost, and the balance in selling and administrative expenses)							73,124
2015 (Baht 35 million included in manufacturing cost, and the balance in selling and administrative expenses)							85,100

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
Cost:							
1 January 2014	88,570	11,300	350,109	211,888	261,004	19,815	279,371
Additions	-	87	-	8,171	7,655	-	90,797
Disposals	-	-	(777)	(6,640)	(10,837)	(2)	-
Transfers	-	4,103	20,683	193	62,617	-	(87,596)
Capitalised interest	-	-	-	-	-	-	5,465
31 December 2014	88,570	15,490	370,015	213,612	320,439	19,813	288,037
Additions	-	70	10,373	2,275	6,205	5,064	62,194
Disposals	(432)	-	(5,963)	(814)	(7,033)	(1,259)	(172)
Transfers	-	-	294,967	511	27,044	-	(322,522)
31 December 2015	88,138	15,560	669,392	215,584	346,655	23,618	27,537
Accumulated depreciation:							
1 January 2014	-	7,166	256,284	165,703	215,853	15,255	-
Depreciation for the year	-	456	9,995	17,779	12,731	2,048	-
Depreciation on disposals	-	-	(207)	(6,530)	(10,705)	(2)	-
31 December 2014	-	7,622	266,072	176,952	217,879	17,301	-
Depreciation for the year	-	515	17,329	15,260	22,393	1,987	-
Depreciation on disposals	-	-	(4,102)	(814)	(6,677)	(1,259)	-
31 December 2015	-	8,137	279,299	191,398	233,595	18,029	-
							730,458

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
Allowance for impairment loss:						
31 December 2014	-	-	-	-	11,833	-
31 December 2015	-	-	-	-	11,833	-
Net book value:						
31 December 2014	88,570	7,868	103,943	36,660	90,727	2,512
31 December 2015	88,138	7,423	390,093	24,186	101,227	5,589
Depreciation for the year						
2014 (Baht 32 million included in manufacturing cost, and the balance in selling and administrative expenses)						43,009
2015 (Baht 32 million included in manufacturing cost, and the balance in selling and administrative expenses)						57,484

As at 31 December 2015, 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 789 million (2014: Baht 684 million) (The Company only: Baht 576 million, 2014: Baht 520 million).

The Company and its subsidiaries have mortgaged their property, plant and equipment with a total net book value as at 31 December 2015 amounting to approximately Baht 463 million (2014: Baht 406 million) as collateral against credit facilities received from commercial banks (The Company only: Baht 391 million, 2014: Baht 332 million).

18. Leasehold rights

A local subsidiary company has mortgaged leasehold rights with a total net book value as at 31 December 2015 of approximately Baht 12 million (2014: Baht 14 million) as collateral for credit facilities received from commercial banks.

19. Intangible assets

The net book value of intangible assets as at 31 December 2015 and 2014 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 2014	63,966	3,352	67,318	30,071	3,352	33,423
Additions	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
Additions	5,792	-	5,792	4,518	-	4,518
Disposals	(1,358)	-	(1,358)	-	-	-
Translation adjustment	822	-	822	-	-	-
As at 31 December 2015	68,989	3,402	72,391	36,015	3,402	39,417
Accumulated amortisation:						
As at 1 January 2014	31,653	-	31,653	13,507	-	13,507
Amortisation during the year	4,992	-	4,992	1,769	-	1,769
Translation adjustment	(1,291)	-	(1,291)	-	-	-
As at 31 December 2014	35,354	-	35,354	15,276	-	15,276
Amortisation during the year	4,578	-	4,578	1,694	-	1,694
Amortisation on disposals	(1,199)	-	(1,199)	-	-	-
Translation adjustment	500	-	500	-	-	-
As at 31 December 2015	39,233	-	39,233	16,970	-	16,970
Net book value:						
31 December 2014	28,379	3,402	31,781	16,221	3,402	19,623
31 December 2015	29,758	3,402	33,158	19,044	3,402	22,447

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

(Unit: Thousand Baht)					
	Interest rate (percent per annum)	Consolidated		Separate	
		financial statements		financial statements	
		<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Bank overdrafts	4.65, 9.45	1,650	14,211	-	-
Bills of exchange	3.85, 3.90	180,000	120,000	180,000	120,000
Short-term loans from financial institutions	2.76 - 3.60, 12.75	422,279	554,820	181,795	393,440
Total		603,929	689,031	361,795	513,440

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.

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		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Trade and other payables - related parties (Note 6)	15,764	43,509	32,497	28,879
Trade payables - unrelated parties	424,877	397,205	257,837	229,225
Other payables - unrelated parties	65,261	38,457	21,421	19,305
Accrued expenses	39,186	73,973	21,687	27,624
Total trade and other payables	545,088	553,144	333,442	305,033

22 Short-term loans from unrelated individuals

As at 31 December 2014, short-term loans from unrelated individuals 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 and unsecured. The Company made the repayment of these loans in 2015.

23. Long-term loans

(Unit: Thousand Baht)

Loan	Interest rate (percent per annum)	Repayment schedule	Consolidated		Separate	
			financial statements	financial statements	financial statements	financial statements
			2015	2014	2015	2014
1	MLR - 1	Quarterly installment as from April 2016 to July 2022	400,000	-	400,000	-
2	MLR - 1	Quarterly installment as from November 2012 to February 2019	154,400	199,200	154,400	199,200
3	MLR - 1	Quarterly installment as from October 2013 to October 2017	120,350	155,750	120,350	155,750
4	MLR	Monthly installment as from January 2007 to December 2017	1,813	2,723	-	-
5	MLR + 0.5	Monthly installment as from July 2009 to December 2015	-	1,818	-	-
6	MLR	Monthly installment as from October 2009 to June 2016	3,072	8,630	-	-
7	13.50	Monthly installment as from September 2013 to August 2028 (Indian Rupee loan)	15,000	14,547	-	-
Total			694,635	382,668	674,750	354,950
Less: Deferred financial service fee			(771)	-	(771)	-
Total loans, net			693,864	382,668	673,979	354,950
Less: Current portion of long-term loans			(678,442)	(88,701)	(673,979)	(80,200)
Long-term loans, net of current portion			15,422	239,967	-	274,750

In October 2015, the Company entered into a long-term loan agreement with the local bank for credit facilities totaling Baht 400 million, of which Baht 210 million is to refinance with the existing short-term loans from this bank and Baht 190 million is to fund the Company's general investments, with a term of 7 years. Loan is subject to interest rate in the first year to fourth year at MLR - 1 percent per annum and in the fifth year to seventh year at MLR - 0.5 percent per annum. Interest is repayable monthly and principal is repayable quarterly. At present, the Company withdrew such long-term loan of Baht 400 million.

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 ratio and debt service coverage ratio (DSCR) prescribed in the agreements.

However, as at 31 December 2015, the Company was unable to maintain a debt service coverage ratio in accordance with the agreements. As a result, the lender has the right to call the loans on demand and the Company has classified the full balance as current portion of long-term loans. Currently, the Company is in the process of obtaining a letter granting a waiver for some conditions from the lender.

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, ratio at the rate prescribed in 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		Other long-term		Total	
	benefits from		employee benefits plan			
	employee's retirement		employee benefits plan			
	<u>2015</u>	<u>2015</u>	<u>2015</u>	<u>2015</u>	<u>2015</u>	<u>2015</u>
Defined benefit obligation at beginning of year	144,914	184,215	7,406	8,591	152,320	192,806
Included in statement of income:						
Current service cost	9,179	7,284	935	903	10,114	8,187
Interest cost	5,261	5,030	227	224	5,488	5,254
Actuarial (gain) loss arising from						
Demographic assumptions changes	-	-	-	(1,444)	-	(1,444)
Financial assumptions changes	-	-	431	(327)	431	(327)
Experience adjustments	-	-	-	340	-	340
Included in other comprehensive income:						
Actuarial (gain) loss arising from						
Demographic assumptions changes	-	(34,787)	-	-	-	(34,787)
Financial assumptions changes	23,037	(1,911)	-	-	23,037	(1,911)
Experience adjustments	-	(11,294)	-	-	-	(11,294)
Benefits paid during the year	(5,082)	(3,623)	(2,407)	(881)	(7,489)	(4,504)
Provision for long-term employee benefits at end of year	<u>177,309</u>	<u>144,914</u>	<u>6,592</u>	<u>7,406</u>	<u>183,901</u>	<u>152,320</u>

(Unit: Thousand Baht)

Separate financial statements

	Post-employment benefits from employee's retirement		Other long-term employee benefits plan		Total	
	2015	2015	2015	2015	2015	2015
Defined benefit obligation at beginning of year	120,433	150,851	6,147	7,734	126,580	158,585
Included in statement of income:						
Current service cost	7,026	6,755	678	653	7,704	7,408
Interest cost	4,490	4,343	193	190	4,683	4,533
Actuarial (gain) loss arising from						
Demographic assumptions changes	-	-	-	(1,227)	-	(1,227)
Financial assumptions changes	-	-	364	(281)	364	(281)
Experience adjustments	-	-	-	(133)	-	(133)
Included in other comprehensive income:						
Actuarial (gain) loss arising from						
Demographic assumptions changes	-	(29,255)	-	-	-	(29,255)
Financial assumptions changes	19,275	(1,601)	-	-	19,275	(1,601)
Experience adjustments	-	(7,242)	-	-	-	(7,242)
Benefits paid during the year	(3,192)	(3,418)	(2,159)	(789)	(5,351)	(4,207)
Provision for long-term employee benefits at end of year	148,032	120,433	5,223	6,147	153,255	126,580

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	
	2015	2014	2015	2014	2015	2014
Cost of sales	7,822	7,662	826	777	8,648	8,439
Selling and administrative expenses	6,618	4,652	767	(1,081)	7,385	3,571
Total expense recognised in statement of income	14,440	12,314	1,593	(304)	16,033	12,010

(Unit: Thousand Baht)

Separate financial statements

	Post-employment benefits from employee's retirement		Other long-term employee benefits plan		Total	
	2015	2014	2015	2014	2015	2014
Cost of sales	6,854	6,696	733	708	7,587	7,404
Selling and administrative expenses	4,662	4,402	502	(1,506)	5,164	2,896
Total expense recognised in statement of income	11,516	11,098	1,235	(798)	12,751	10,300

The Company and its subsidiaries expect to pay Baht 14 million of long-term employee benefits during the next year (Separate financial statements: Baht 12 million) (2014: Baht 7 million, separate financial statements: Baht 5 million).

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit is 9 - 10 years (Separate financial statements: 10 years) (2014: 9 - 10 years, separate financial statements: 10 years).

Key actuarial assumptions used for the valuation are as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(Percent per annum)	(Percent per annum)	(Percent per annum)	(Percent per annum)
Discount rate	1.6 - 9.0	1.0 - 8.0	2.5	4.0
Future salary increase rate	0.5 - 10.0	2.0 - 10.0	5.0	5.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation under post-employment benefits from employee's retirement as at 31 December 2015 are summarised below:

	Consolidated financial statements		Separate financial statements	
	Increase 0.5 - 1%	Decrease 0.5 - 1%	Increase 0.5%	Decrease 0.5%
Discount rate	(8)	9	(7)	7
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Salary increase rate	20	(17)	16	(14)

25. Share capital

On 21 April 2015, the Annual General Meeting of the shareholders of the Company passed a resolution to approve 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. The Company registered the decrease in its registered share capital with the Ministry of Commerce on 29 April 2015.

26. Statutory reserve

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

27. Treasury shares/ appropriated retained earnings for treasury shares reserve

On 14 October 2015, the Board of Directors of the Company approved a program with a budget of up to Baht 50 million, to repurchase no more than 10,600,000 shares (par value of Baht 1 each), which accounts for not more than 2.59 percent of the total number of shares in issue, for financial management purposes. The shares are to be repurchased on the Stock Exchange of Thailand from 28 October 2015 to 27 April 2016. The share resale period is determined after 6 months from the completion date of share repurchase but no later than 3 years. The Company has purchased of treasury shares since 28 October 2015.

As at 31 December 2015, the Company has purchased back 4,091,400 ordinary shares (par value of Baht 1 each), or 1 percent of total number of shares in issue, a total of Baht 20 million.

According to letter No. Gor Lor Tor. Chor Sor. (Vor) 2/2548 of the Office of the Securities and Exchange Commission, dated 14 February 2005, concerning the acquisition of treasury shares, a public limited company may buy back treasury shares in an amount not exceeding the amount of its retained earnings and is to appropriate an equal amount of retained earnings to a reserve for treasury shares, which must be maintained until the Company either sells the treasury shares or reduces its paid up share capital by an amount equal to the value of the treasury shares which it could not sell.

As at 31 December 2015, the Company has already appropriated the required amount of retained earnings to a reserve for the treasury shares amounting to Baht 20 million.

28. Expenses by nature

Significant expenses classified by nature are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2015	2014	2015	2014
Salaries and wages and other employee benefits	979,149	984,144	612,683	601,615
Depreciation and amortisation	94,088	83,459	59,805	45,405
Raw materials and consumables used and purchase				
of finished goods	1,244,843	1,474,398	1,068,025	1,276,197
Changes in inventories of finished goods and work				
in process	(30,551)	51,563	(11,806)	45,174
Decrease of inventory to net realisable value (reversal)	3,230	4,028	5,084	(8,615)
Doubtful accounts (reversal)	(7,868)	223	37,521	62,642
Commission and sales promotion expenses	86,547	73,567	11,682	17,315
Rental expenses from operating lease agreements	67,561	66,240	396	379

29. Income tax

Tax expenses (income) for the years ended 31 December 2015 and 2014 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current income tax:				
Current income tax charge for the year	1,541	22,342	-	-
Adjustment in respect of income tax of previous year	(104)	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	16,476	(20,150)	(8,463)	(7,829)
Tax expense (income) reported in the statements of income	<u>17,913</u>	<u>2,192</u>	<u>(8,463)</u>	<u>(7,829)</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2015 and 2014 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Deferred tax relating to actuarial gains (loss)	<u>(4,035)</u>	<u>8,229</u>	<u>(3,855)</u>	<u>7,620</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Accounting profit (loss) before tax	<u>(70,625)</u>	<u>89,389</u>	<u>58,588</u>	<u>138,790</u>
Applicable tax rate	15% - 40%	15% - 40%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	(32,298)	19,402	11,718	27,758
Adjustment in respect of current income tax of previous year	(104)	-	-	-
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	58,799	51,633	7,023	36,920
Decrease in deferred tax assets	17,884	-	-	-
Effect of elimination entries on the consolidated financial statements	(932)	(4,416)	-	-
Effects of:				
Promotional privileges (Note 30)	(26,824)	(33,250)	(28,571)	(35,679)
Non-deductible expenses	2,256	6,735	2,040	1,014
Additional expense deductions allowed	(1,082)	(1,048)	(957)	(978)
Others	214	739	284	739
Total	<u>(25,436)</u>	<u>(26,824)</u>	<u>(27,204)</u>	<u>(34,904)</u>
Tax expenses (income) reported in the statements of income	<u>17,913</u>	<u>2,192</u>	<u>(8,463)</u>	<u>(7,829)</u>

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

(Unit: Thousand Baht)		
Consolidated financial statements		
	<u>2015</u>	<u>2014</u>
Deferred tax assets		
Allowance for doubtful accounts	1,054	2,504
Reduce cost of inventories to net realisable value	1,500	12,665
Provision for long-term employee benefits	32,705	27,310
Difference between tax and accounting of revenue recognition	1,022	1,104
Unused tax loss	19,815	13,906
Unrealised profit from inter-sales transactions	3,833	9,931
Allowance for impairment of investments in subsidiaries	22,505	22,505
Others	316	7,253
Total	<u>82,750</u>	<u>97,178</u>
Deferred tax liabilities		
Deferred financial service fee	154	-
Difference of depreciation for accounting and tax purpose	-	1,773
Total	<u>154</u>	<u>1,773</u>
Total deferred tax assets, net	<u>82,596</u>	<u>95,405</u>

(Unit: Thousand Baht)		
Separate financial statements		
	<u>2015</u>	<u>2014</u>
Deferred tax assets		
Allowance for doubtful accounts	1,053	1,053
Provision for long-term employee benefits	30,651	25,316
Unused tax loss	19,815	12,678
Allowance for impairment of investments in subsidiaries	22,505	22,505
Total	<u>74,024</u>	<u>61,552</u>
Deferred tax liabilities		
Deferred financial service fee	154	-
Total	<u>154</u>	<u>-</u>
Total deferred tax assets, net	<u>73,870</u>	<u>61,552</u>

As at 31 December 2015, the Company has deductible temporary differences totaling Baht 1,378 million (2014: Baht 1,326 million), on which deferred tax assets have not been recognised as the Company believes such deductible temporary differences cannot be utilised.

As at 31 December 2015, the subsidiaries have deductible temporary differences and unused tax losses totaling Baht 1,699 million (2014: Baht 1,375 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.

The unused tax losses amounting to Baht 274 million will expire by 2020.

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 Nakorn Rachasima province, pursuant to the promotion certificate No. 1616(2)/2553 issued on 14 June 2010. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax on income derived from the promoted operations for a period of 8 years from the date the promoted operations commenced generating revenues (4 January 2011) and a 50% reduction of corporate income tax on income derived from the promoted operations for a period of 5 years after the tax-exemption period ends.

The Company's operating revenues for the years ended 31 December 2015 and 2014, divided between promoted and non-promoted operations, are summarised below.

	Promoted operations		Non-promoted operations		(Unit: Thousand Baht) Total	
	2015	2014	2015	2014	2015	2014
Sales						
Domestic sales	12,868	21,049	495,003	466,502	507,871	487,551
Export sales	646,270	998,410	707,322	836,738	1,353,592	1,835,148
Total sales	659,138	1,019,459	1,202,325	1,303,240	1,861,463	2,322,699

- 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 % 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 (loss) 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 which are net from treasury shares holding by the Company as discussed in notes 27.

Diluted earnings per share is calculated by dividing profit (loss) 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 warrants to purchase the Company's ordinary shares under Employee Stock Option Plan (ESOP) were due for the last exercise date on 27 February 2014. As a result, there was no effect of dilutive potential ordinary shares during the current year.

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

	Consolidated financial statements					
	Profit (loss) for the year		Weighted average number of ordinary shares		Earnings per share	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)
Basic earnings per share						
Profit (loss) attributable to equity holders of the Company	(55,784)	145,534	409,151	409,468	(0.1363)	0.3554
Effect of dilutive potential ordinary shares						
Warrants	-	-	-	35		
Diluted earnings per share						
Profit (loss) of ordinary shareholders assuming the conversion of warrants to ordinary shares	<u>(55,784)</u>	<u>145,534</u>	<u>409,151</u>	<u>409,503</u>	<u>(0.1363)</u>	<u>0.3554</u>

	Separate financial statements					
	Profit for the year		Weighted average number		Earnings per share	
			of ordinary shares			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the Company	67,051	146,619	409,151	409,468	0.1639	0.3581
Effect of dilutive potential ordinary shares						
Warrants	-	-	-	35		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	<u>67,051</u>	<u>146,619</u>	<u>409,151</u>	<u>409,503</u>	<u>0.1639</u>	<u>0.3580</u>

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 Company and its subsidiaries are organised into business units based on its business activities. During the current year, the Company and its subsidiaries have not changed the organisation of their reportable segments, except for its subsidiary, Pranda & Kroll GmbH & Co. KG has discontinued its production segment since January 2015. However, the subsidiary's production segment is not a significant segment of the group. Therefore, there is no significant impact on the consolidated financial statements.

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 2015 and 2014.

	(Unit: Million Baht)									
	Production		Distribution		Retail		Others		Total Segments	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
For the years ended 31 December										
Revenues										
Revenues from external customers	936	1,255	977	1,227	908	813	-	-	2,821	3,295
Revenues from intersegment	1,064	1,273	14	10	174	227	-	2	1,252	1,512
Total revenues	2,000	2,528	991	1,237	1,082	1,040	-	2	4,073	4,807
Results										
Segment profit (loss)	(6)	97	(169)	(112)	64	65	(9)	(29)	(120)	21
Unallocated revenues and expenses										
Interest income										
Gain (loss) on exchange rate										
Other income										
Depreciation and amortisation										
Reversal impairment loss on investment properties										
Share of profit from investment in associated company										
Finance cost										
Profit (loss) before income tax expenses										
Tax income (expenses)										
Profit (loss) for the year										
	(25)	4	8	53	46	(94)	-	9	(64)	(63)
	76	8	(74)	37	(83)	188	-	89	(2)	87

Geographic information

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

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2015</u>	<u>2014</u>
Revenue from external customers		
Thailand	1,070,018	818,839
United States of America	857,517	1,070,126
Germany	249,852	488,212
Others	643,376	917,949
Total	<u>2,820,763</u>	<u>3,295,126</u>

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2015</u>	<u>2014</u>
Non-current assets		
(other than financial instruments and deferred tax assets)		
Thailand	1,620,713	1,576,680
Others	88,884	92,066
Total	<u>1,709,597</u>	<u>1,668,746</u>

Major customers

For the year 2015, the Company and its subsidiaries have revenue from two major customers in totaling amount of Baht 792 million, arising from sales by the production and distribution segments (2014: Baht 1,099 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 2015, the Company contributed Baht 10 million to the fund (2014: Baht 11 million).

34. Dividends

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht per share)
Find dividends for 2013	Annual General Meeting of the shareholders on 21 April 2014	81,905	0.20
Find dividends for 2014	Annual General Meeting of the shareholders on 21 April 2015	61,429	0.15

35. Commitments and contingent liabilities

35.1 Capital commitments

As at 31 December 2015, the Company had capital commitments totaling of approximately Baht 10 million (2014: Baht 21 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: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	As at 31 December		As at 31 December	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Payable:				
In up to 1 year	38	37	-	-
In over 1 and up to 5 years	56	56	-	-
In over 5 years	13	18	-	-

35.3 Guarantees

- 35.3.1 The Company has issued guarantees to secure bank overdrafts and credit facilities of its subsidiaries. As at 31 December 2015, there were outstanding guarantees of Baht 575 million and USD 11.1 million (2014: Baht 591 million, EUR 0.3 million and USD 6.6 million), totaling of Baht 975 million (2014: Baht 822 million).
- 35.3.2 As at 31 December 2015, there was outstanding bank guarantee of Baht 21 million (2014: Baht 18 million) has been issued by a bank to meet obligations of the Company to the Revenue Department as described in Note 35.5.1 to the financial statements.
- 35.3.3 As at 31 December 2015, there were outstanding bank guarantees of Baht 2 million (2014: USD 1 million and Baht 1 million or totaling Baht 34 million) issued by banks on behalf of the Company and its subsidiaries to guarantee purchase of goods, electricity use, among others. (The Company only: Baht 0.4 million (2014: USD 1 million or Baht 33 million)).
- 35.3.4 As at 31 December 2015, the Company and its subsidiaries have outstanding standby-letters of credit of USD 12 million, or approximately Baht 432 million (2014: USD 5.6 million and EUR 0.4 million or totaling Baht 198 million) (The Company only: USD 7.5 million, or approximately Baht 270 million (2014: USD 3 million and EUR 0.4 million, or Baht 113 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 5 million (2014: Baht 4 million) were recognised as expenses.

35.5 Litigations

35.5.1 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. 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 the tax and surcharges to the Revenue Department. The Company, therefore petitioned the Central Tax Court to revoke this tax assessment on 25 December 2014 and provided a bank guarantee of approximately Baht 21 million (2014: Baht 18 million) issued by a bank on behalf of the Company to the Revenue Department in relation to the tax assessment.

Later, on 9 December 2015, the Central Tax Court announced its judgement in the Company's favour, revoking all of the assessment made by the Revenue Department and the Tax Appeal Committee's decision. The Revenue Department was entitled to lodge an appeal to the Supreme Court, Department of Taxation within 30 days but requested an extension of this deadline to 8 March 2016, which was granted by the 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. Therefore, the Company has not recorded any provision for this tax assessment.

35.5.2 Litigation of an overseas subsidiary

In December 2015, an overseas subsidiary company in France was jointly sued for infringement of models and unfair competition by two companies incorporated in Switzerland, claiming compensation of EUR 1.02 million, or approximately Baht 40 million. At present, the lawsuit is under consideration by the Court in France. The management and lawyer of the subsidiary company believe that no significant losses will be incurred. Moreover, since the result of the lawsuit is not yet known, the subsidiary has not recorded any provision for the contingent liabilities arising from this case in its accounts.

36. Other information

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

- 1) 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.
- 2) 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.

On 21 April 2015, the Annual General Meeting of the shareholders of the Company passed the above resolutions 1).

37. Fair value hierarchy

As at 31 December 2015, the Company and its subsidiaries had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated Financial Statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Held for trade investments				
Equity instruments	90	-	-	90
Assets for which fair value are disclosed				
Investment property	-	886	-	886

(Unit: Million Baht)

	Separate Financial Statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Held for trade investments				
Equity instruments	90	-	-	90
Assets for which fair value are disclosed				
Investment property	-	966	-	966

During the current year, there was transfer within the fair value hierarchy from Level 2 to Level 1 because the security was listed to be trading on an overseas stock exchange.

38. Financial instruments

38.1 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 2015

	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	80	-	-	106	172	358	0.05-1.25
Current investments - deposits with financial institutions	4	-	-	-	1	5	2.90
Trade and other receivables	11	-	-	-	503	514	8.00
Short-term loans to related parties	21	-	-	-	-	21	7.00
Restricted bank deposits	4	-	-	5	-	9	0.75-2.00
Other long-term investments	-	10	-	-	104	114	2.80
Other receivables	-	-	-	-	32	32	-
Total	120	10	-	111	812	1,053	
Financial liabilities							
Bank overdrafts and short-term loans from financial institutions	604	-	-	-	-	604	2.75 - 12.75
Trade and other payables	124	-	-	-	421	545	2.25 - 2.30
Short-term loan from related party	-	-	-	-	1	1	-
Long-term loans	-	2	13	678	-	693	(1)
Total	728	2	13	678	422	1,843	

(1) MLR, MLR - 0.5, MLR - 1, 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	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

(Unit: Million Baht)

Separate financial statements as at 31 December 2015

	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	80	-	-	71	43	194	0.125 - 0.5, 1.25
Trade and other receivables	-	-	-	-	1,003	1,003	-
Amounts due from related parties	-	-	-	-	39	39	-
Long-term loans to related parties	35	195	-	-	-	230	7.50
Other long-term investments	-	10	-	-	102	112	2.80
Other receivables	-	-	-	-	32	32	-
Total	115	205	-	71	1,219	1,610	
Financial liabilities							
Bank overdrafts and short-term loans							
from financial institutions	362	-	-	-	-	362	3.60 - 3.90
Trade and other payables	-	-	-	-	333	333	2.30 - 3.40
Long-term loans	-	-	-	675	-	675	MLR-0.5, MLR-1
Total	362	-	-	675	333	1,370	

(Unit: Million Baht)

Separate financial statements as at 31 December 2014

	Fixed interest rates						
	Within	1-5	Over	Floating	Non-interest		
	1 year	years	5 years	interest rate	bearing	Total	Interest rate
							(% per annum)
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	

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)

	Consolidated financial statements				Separate financial statements					
	Financial		Financial		Financial		Financial		Average exchange rate	
Foreign currencies	assets		liabilities		assets		liabilities		as at 31 December	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	(Baht per 1 foreign currency unit)									
US dollar	11	12	12	9	29	28	6	6	36.04	32.92
Euro	-	-	-	-	9	9	-	-	39.39	40.00
Singapore Dollar	-	-	-	-	-	-	1	1	25.48	24.86
Pound Sterling	-	-	-	-	8	8	-	-	53.43	51.07
Indian Rupee	-	-	-	-	-	69	-	-	0.53	0.50
Vietnam Dong	-	7,931	-	512	-	-	1	-	0.0026	0.0016

Foreign exchange contracts outstanding are summarised below.

Consolidated financial statements as at 31 December 2015

Foreign currencies	Amount	Contractual exchange rate	Contractual maturity date
<u>Forward contracts to "Sell"</u>			
US dollar	3,660,319	35.98 - 36.81 Baht per US dollar	March - June 2016
Euro	18,915	39.85 Baht per Euro	June 2016
<u>Forward contracts to "Buy"</u>			
US dollar	243,384	0.94 - 0.96 Euro per US dollar	January - April 2016

Consolidated financial statements as at 31 December 2014

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

Separate financial statements as at 31 December 2015

Foreign currencies	Amount	Contractual exchange rate	Contractual maturity date
<u>Forward contracts to "Sell"</u>			
US dollar	3,660,319	35.98 - 36.81 Baht per US dollar	March - June 2016
Euro	18,915	39.85 Baht per Euro	June 2016

Separate financial statements as at 31 December 2014

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

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.

38.2 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.

39. 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 2015, the Group's debt-to-equity ratio was 0.78:1 (2014: 0.66:1) and the Company's debt-to-equity ratio was 0.49:1 (2014: 0.42:1).

40. Events after the reporting period

40.1 Short-term loan to a related company

On 18 January 2016, Pranda Lodging Co., Ltd., a subsidiary company, granted additional short-term loan in the form of promissory notes of Baht 5 million to A-List Corporate Co., Ltd., a related company. This loan is secured by the director of this related company and subject to interest rate at 7 percent per annum and repayable on demand.

40.2 Dissolution of an overseas subsidiary - Pranda Singapore Pte. Limited

On 23 February 2016, a meeting of the Company's Board of Directors passed a resolution to dissolve a subsidiary, Pranda Singapore Pte. Limited, on 23 February 2016. At present, the subsidiary is in the process of dissolution, which might take approximately for 1 year. This subsidiary is not a significant segment of the Group, therefore, there is no significant impact on the consolidated financial statements.

41. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 27 February 2016.

Director and Management Biography



Mr. Prida Tiasuwan

Board Chairman

Member of the Board of Director since
April 22, 2013 Age 67 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
- Director of Duang Prateep Foundation
- Director of 14 tula Foundation

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 69 Years
Shareholding in the company : 1.79%

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
- Chairman, Sub Committee on Gems and Jewelry Business 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
 - Board of director of trade promotion 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 /
Nomination and Remuneration Director
Member of the Board of Directors since
April 21, 2014

Age 66 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 65 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 63 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 72 Years

Shareholding in the company : 4.51%

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 61 Years
Shareholding in the company : 4.41%

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 73 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
 - Tax Advisor of the Siam Commercial Bank Public Company Limited
- Non-listed businesses
 - Legal Advisor of SCG Legal Company 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 66 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)
- The Training Program for High Level Executives in Criminal Justice (Class 19)
- 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 the Risk Management Committee of the Thai Credit Guarantee Corporation
- Director of Airport Authority of Thailand Public Company Limited
- Representative of the Ministry of Finance in the Committee of the Tourism Authority of Thailand (TAT), the Ministry of Tourism and Sport
- Chairman of the Executive Committee of Office of Market Affairs Administration of Bangkok Metropolitan
- Clearing Director of Thai Asset Management Corporation
- The Committee in the Sub-Committee on Monetary, Fiscal, Banking, and Financial Institution, Senate

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.



Chamnong Watanagase

Independent Director/ Member of the Audit Committee

Member of the Board of Directors since March 25, 2014 Age: 64
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 (Finished the PhD coursework and quit without pursuing the doctoral dissertation)
- 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), Audit Committee Program, Class 1 (2002), DCP Refresher Course 2/2006, 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
- Marketing Coaching, Tack Training International, London, UK, 1991

Work Experience

- Chairman of the Audit Committee, Chairman of the Risk Management Committee, Indara Insurance, Plc. (2000-2012)
- President of the following joint ventured companies with the Siam Commercial Bank, Plc. (1994-1998)
 - 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) (1999-2000)
- Member of the Executive Committee, Thailand Science Park, the National Science and Technology Development Agency
- Adviser, the Technical Services Center, Mahidol University (1997)
- Audit Committee member, John Hancock Life Assurance, Plc. (2000-2006)
- Cultural Affairs staff, United States Information Agency, US Department of State, Washington, DC (1985-1991)
- Insurance instructor, School of Management Science, Prince of Songkla University, Haad Yai, Songkla (1980-1982)
- Manager, the Technical Service Center, Interlife Assurance, Ltd. (1977-1982)
- Adjunct professor of Linguistics and Philosophy, Graduate School of Humanities, Ram Khamhaeng University (2004-2013)

Directorship

- Other listed company
 - Chairman of the Audit Committee, member of the Investment Committee, LDC Dental, Plc. (2013-present)
- Non-listed institutes
 - Chairman of the Audit Committee, member of the Selection & Compensation Committee, Thai Cardif Life Assurance, Plc. (2007-2016)
 - Chairman of the Selection Committee, Thai Investors Association, under the patronage of the Stock Exchange of Thailand
 - Advisor (Director, 2011-2015) of Thai Investors Association)
 - 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 80 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 (Norborsor1) 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 69 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 Nuntanjaroenkul

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

Age 56 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 Hampshire Insurance, Bangkok Year 1981
- Visiting lecturer at Srinakharinwirot University, Sukhumvit, General Science Department, Materials Science (Gems and Jewelry) during 1996-1997
- Member of Thai-Russian Chamber of Commerce

Directorship

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



Mr. Chatchai Teekaveerakit

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

Age 49 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. Chant Sorakraikitkul

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

Age 37 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 Leadership 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, 3 company



Mrs. Nirarat Tanalekhapat

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

Age 61 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 -



Mrs. Sasisopa Wattakeechoen

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

Age 54 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



Ms. Suporn Rungpitayatorn

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

Age 55 Years

Shareholding in the company : 0.01%

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 -



Mr. Somsak Srirueangmon

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

Age 56 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 -



Mrs. Chawee Jarukornvasin

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

Age 52 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. Thanes Panjakrid

Finance and Accounting Department
Manager

Age 54 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 44 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
- Lecturer of "Concise 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		The list of the Board of Directors	Subsidiary Companies										Associated Companies	Related Companies				
			PRANDA			Country			Foreign							Country		Foreign
						*PMG	CTL	PLG	*PNA	HGG	PUK	PVN	PKL	PDI	PDU	PMI	KZ-PRANDA	P. Holding
1. Mr. Prida	Tiasuwan	X	X + ☉		/ + //	X	/	X	☉	X + ☉	/			X + ☉	/		X + ☉	
2. Mrs. Prapee	Sorakraikitkul	➤	/ + //	/ + //	X + ☉		X + //	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. Rawitha	Pongnuchit	/																
9. Mr. Channong	Watanagase	/																
10. Ms. Pittaya	Tiasuwan	/ + //		/ + //		//		//			//			/				
11. Mr. Decha	Nuntanajaroenkul	//			//		☉	//			☉							
12. Mr. Chartchai	Teekavirakij	//	/ + ◇															
13. Mr. Chanat	Sorakraikitkul	⊙ + // + ■	/ + //		//		//	//	//	//	/ + //		/ + //	/				
14. Ms. Rungnapa	Ngowngamratana	/																
15. Ms.Chonvicha	Loekvitunkul	◇																
16. Ms. Lamiad	Pancharoen	//												/			//	
17. Ms. Maureen	Kelley				/ + ◇													

Note: 1. X = Chairman ➤ = Vice Chairman / = Director // = Executive * = Chairman of Audit Committee ● = Chairman of Group executive Committee
 ○ = Chairman of Finance & Risk Management Committee □ = Chairman of Core 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 Pcl.	PKL	=	Pranda & Kral 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.	PMI	=	PT Pranda Marketing Indonesia
PNA	=	Pranda North America, Inc.	KZ - PRANDA	=	KZ-Pranda Co., Ltd.
HGG	=	H. Gringaitte s.a.r.l.	P. Holding	=	Pranda Holding Co., Ltd.
PUK	=	Pranda UK Ltd.	Forward Freeland	=	Forward Freeland Co., Ltd.
PVN	=	Pranda Vietnam Co., Ltd.	SCL	=	P.T. Pranda SCL Indonesia

A modern office lounge area featuring two sets of white leather armchairs with large cushions, positioned around low, rectangular wooden coffee tables. The floor is dark grey carpet. In the background, there is a reception desk with a marble top and a glass partition, and large windows offering a view of the outside. The ceiling has a slatted design.

For Additional Information
Please Refer to Annual Report Registration Statement (Form 56-1)
on www.sec.or.th or Company Official Website
www.pranda.com

and

For Other Inquiries, Please Contact Corporate Secretary Office

E-mail : cs@pranda.co.th ; ir@pranda.co.th

Tel : +662 769 9999 Ext. 403, 431, 436



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