



TURNING POINT

Pranda Jewelry Public Company Limited

Annual Report 2018





PRANDA
GROUP

The Journey to “THE ARCHITECTURE OF CRAFTSMANSHIP”

More than 45 years journey is built upon our belief in the heart of craftsmanship. We have established ourselves as a leading global jewelry producer and continuously driving our vision for the future.

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



THE ARCHITECTURE OF CRAFTSMANSHIP

www.pranda.com



Pranda Group

info@pranda.com



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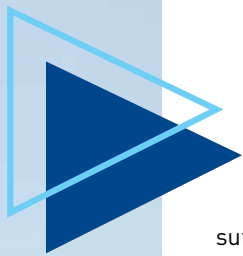
Vision

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



TURNING POINT : Turnaround Result





TURNING POINT : Turnaround Result

During the past 4 years, PRANDA Group has consecutively suffered from financial losses as a result of underutilized operating capacity due to a decreasing level of operating income. This inevitably affected the group's liquidity and incurred debts.

Nevertheless, the management of the PRANDA Group has strategized ways to reduce the losses incurred and to achieve profitability and sustainable growth in the future, which the Group has implemented successfully in accordance with its strategic plan.







The production base

faced with problems of reduced purchasing orders from major customers in the United States and the European Union. The management therefore focused on finding new customers and maintaining major existing ones who have high growth potential, by closely working mutually from product development to delivery, stringently ensuring finished pieces being according to customer's requirement.

This successful strategic implementation has reduced risks of dependency on either one of customers, at the same time, spreading our customer base for sustainable diversity. Moreover, the strategy has created long-term customer loyalty for a client to view Pranda group as its business partner who would mutually grow sustainably.

In 2019, the Company expected to resume a recovery of the production base, even stronger than before, as a result of improving production process effectively and efficiently, while also enhancing human resource skills and controlling production losses and defects that would make the company more cost-effective.







The distribution base faced with the economic problems in their own domestic markets as well as the changing of consumer purchasing behaviour from buying through physical stores to online channels which inevitably affected the business. However, the PRANDA Group has implemented the distribution base restructuring in order to retain competitiveness in the long-term.

This successful strategic implementation has made the distribution base capable to manage the operating expenses efficiently. Moreover, it helped create liquidity for the PRANDA Group by utilizing a comprehensive marketing network both in the United States and the European Union in managing inventories for optimal benefits.

In 2019, the Company expected that the implemented strategy would finally lead to the consolidation of the distribution base that creates added-value for the PRANDA Group even more, thanks to the downsizing and refocusing on high growth potential markets.







The retail base has been consecutively growing with its owned sustainable customer base, mainly because of the group's own premium quality renowned brands that we have uniquely on hands, i.e. Prima Gold, Prima Diamond, Prima Art. These trusted branded products are retailed in Thailand, Vietnam, and Indonesia where customers can easily access and always being serviced attentively.

This successful strategic implementation has made the retail base progressively expanded both domestically and internationally as well as been accepted in the global jewelry market. Moreover, the strategy will lead to an ample operating profit, even in the highly fluctuating economic environment.

In 2019, the Company expected to continue retail expansion by focusing on developing new product varieties, improving shopping experience in existing retail channels, as well as exploring new channels to promote sales.



Pranda Brands Avenue

To continue the vision through its more than 45 years of experience and expertise in jewelry manufacturing and distribution, together with its understanding of present jewelry market, PRANDA group has continuously focused on marketing its Own Brands and Licensed Brands. The Company and its affiliated companies have jointly developed a portfolio of brands with different identities and positioning to serve the demand to each segment of customers.



PRIMA GOLD

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

PRIMA DIAMOND

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



Julia

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

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



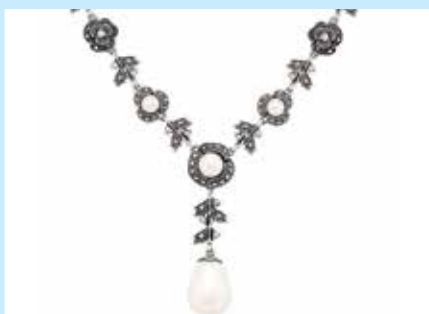
Gringoire
Joaillier - Paris 1880

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



Merii

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



esse

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



GEMONDO

Genuine color gemstone jewelry omni-channel platform established in UK since 2006

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
50%	17%	17%	29%	33%	42%
<p>To implement economies of scales in jewel production, which results in production cost of goods suitable for quality of goods. In addition, the Company has diversified its production risks to cover almost every product price range. The Group has 3 factories situated in Thailand, Vietnam and Indonesia with total production capacity of 4 million pieces/ per year. The Company also has the design and development center which can broadly meet the customers' needs.</p>		<p>The Company has its own distribution company and distributors in foreign countries in order to focus on serving our customer needs and expand markets at the same time. Currently the Group has major distributors spreading throughout major regions around the world including the United States, England, France, Italy, Spain, Japan and India, and has subsidiaries that provide a basis of distribution, all in all four companies in four countries, including the United States, UK, France and India.</p>		<p>The company has subsidiaries that are experienced in retail management, including its own retail shops and distribution through franchise businesses covering Asia and Middle East to directly access to jewelry consumers. Nowadays, there are 4 companies in Thailand, Indonesia, Vietnam and UK. (E-commerce)</p>	

TIMELINE

1973 - 1991

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

1992 - 2002

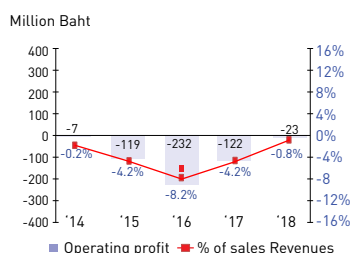
- Pranda North America, Inc.
- H. Gringoire s.a.r.l.
- Primagold International Co., Ltd.
- Pranda UK Limited
- Pranda Lodging Co., Ltd.
- Pranda Vietnam Co., Ltd.
- P.T. Pranda SCL Indonesia
- KZ - PRANDA Co., Ltd.

2003 - 2018

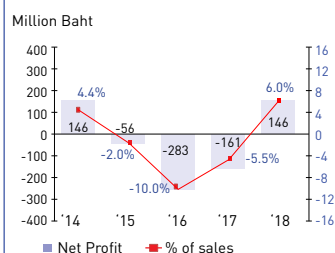
- Pranda Jewelry Pvt. Ltd.
- PT Pranda Marketing Indonesia

Financial Perspective

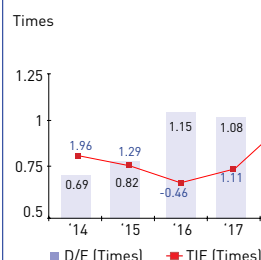
Operating Profit



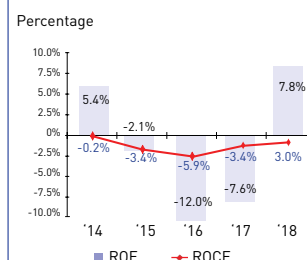
Net Profit



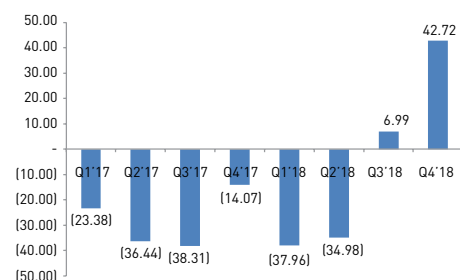
Financial Risks



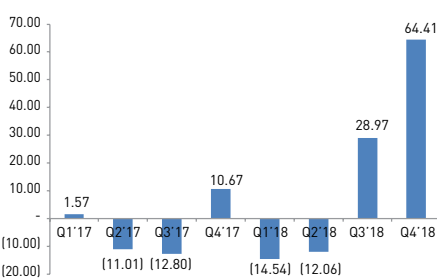
Rate of Return



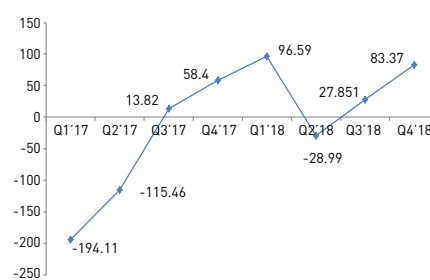
EBIT by Quarter



EBITDA by Quarter



Net Cash Flow



Note: For operating results of the year 2018, the Company's Board of Directors had a resolution to approve and propose no dividend payment to the shareholders meeting for acknowledgement.



Financial Highlights

Consolidated Financial Statements	2018	2017	2016	2015	2014
FINANCIAL PERFORMANCE					
Sales Revenue (Million Baht)	2,794	2,913	2,831	2,821	3,295
Gross Profit (Million Baht)	881	828	786	847	1,001
Gross Profit Margin	31.54%	28.44%	27.77%	30.01%	30.39%
EBITDA ^{/1} (Million Baht)	54	(36)	(142)	(25)	76
EBITDA Margin	1.92%	(1.23%)	(5.03%)	(0.88%)	2.32%
Operating Loss (Million Baht) ^{/2}	(23)	(123)	(232)	(119)	(7)
Operating Loss Margin ^{/3}	(0.83%)	(4.21%)	(8.21%)	(4.22%)	(0.22%)
Profit (Loss) to Equity holders of the Company (Million Baht)	168	(161)	(283)	(56)	146
Profit (Loss) Margin to Equity holders of the company	6.00%	(5.54%)	(10.00%)	(1.98%)	4.42%
FINANCIAL POSITION (Million Baht)					
Current Assets	2,621	2,646	2,972	2,819	2,834
Total Assets	4,054	4,217	4,741	4,611	4,598
Current Liabilities	1,423	1,853	2,182	1,878	1,430
Total Liabilities	1,774	2,188	2,536	2,078	1,877
Total shareholders' equity	2,280	2,029	2,204	2,533	2,721
RATE OF RETURN					
ROA ^{/4}	3.32%	(4.02%)	(6.73%)	(1.92%)	1.91%
ROCE ^{/5}	(2.96%)	(3.43%)	(5.89%)	(3.41%)	(0.24%)
ROE ^{/6}	7.17%	(7.05%)	(11.23%)	(2.02%)	5.22%
RISKS					
Current Ratio (Times)	1.84	1.43	1.36	1.50	1.98
Quick Ratio (Times) ^{/7}	0.56	0.32	0.41	0.45	0.61
Times Interest Earned (Times) ^{/8}	5.24	1.11	(0.46)	1.29	1.96
Debt to Equity Ratio (Times)	0.78	1.08	1.15	0.82	0.69
DATA PER SHARE					
Book Value Per Share	5.92	5.53	5.93	6.54	6.97
Earnings (Loss) Per Share to Equity holders of the Company	0.40	(0.40)	(0.71)	(0.14)	0.36
Dividend Per Share ^{/9}	-	-	-	0.05	0.15
Paid-up Shares (Million Shares)	424.64	409.53	409.53	409.53	409.53

Note :

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

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

^{/3} Operating Loss Margin = Operating Profit(Loss) / Net Sales

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

^{/5} Return on Capital Employed = Net Operating Profit(Loss) After Tax / (Total Assets - Non interest bearing Liabilities)

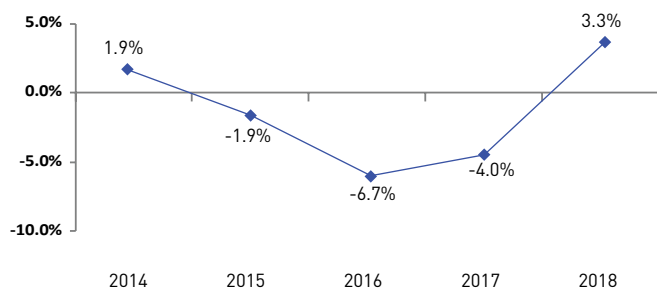
^{/6} Return on Equity = Net Profit(Loss) to equity holders/ Average Shareholders' Equity of the Company

^{/7} Quick Ratio = (Cash and Cash at Bank + Marketable Security + Net Account Receivable and Net Notes Receivable) / Current Liability

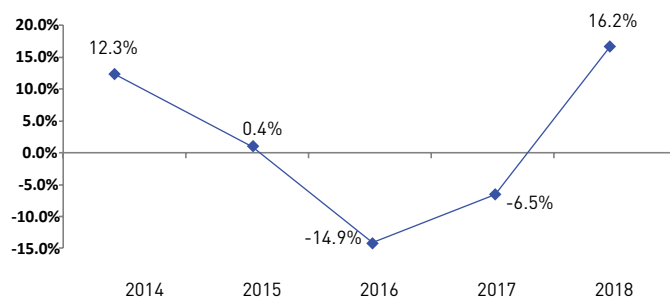
^{/8} Times Interest Earned = (Operating Cash Flow + Operating Interest + Tax) / Operating and Investing Inerests

^{/9} For operating results of year 2018, the Company's Board of Directors had a resolution to approve for propose no dividend payment to the shareholders meeting for acknowledgement.

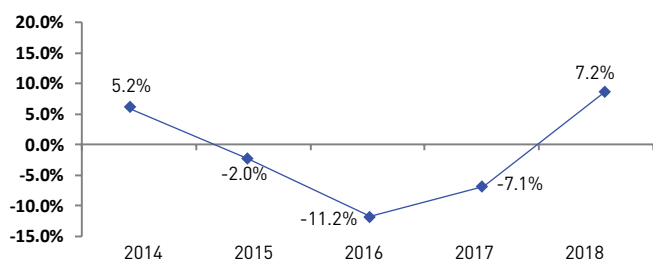
RETURN ON ASSETS



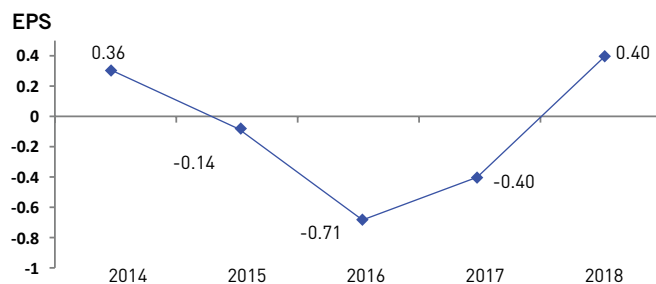
RETURN ON FIXED ASSETS



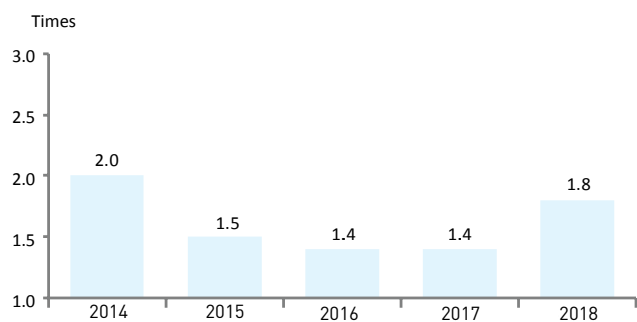
RETURN ON EQUITY



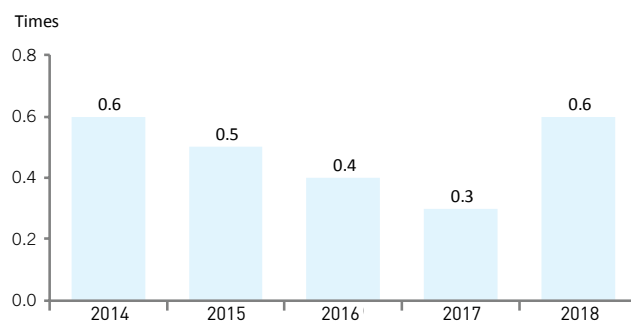
EARNING (LOSS) PER SHARE TO EQUITY HOLDERS OF THE COMPANY



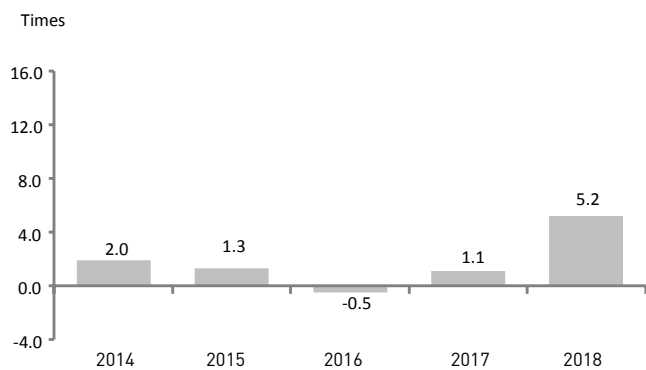
CURRENT RATIO



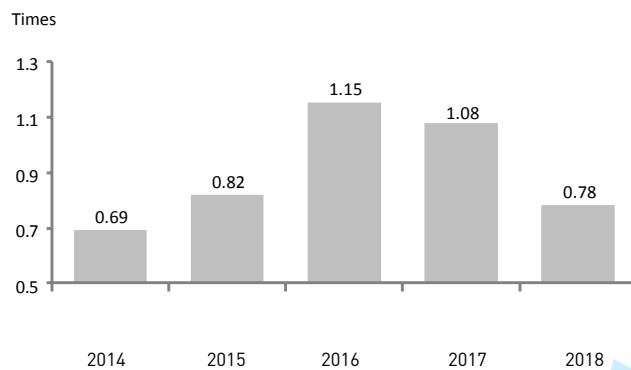
QUICK RATIO



TIMES INTEREST EARNED



DEBT TO EQUITY RATIO



Message from Chairman



Dear All Shareholders,

In previous year 2018 there has been trade war between USA the major global consumer and China the major world manufacturer, causing the deceleration in world economic unavoidably. This reflects through all worldwide enterprises in production deceleration and investment. World Bank has to reduce the growth rate of world economic(GDP), besides the additional risks from withdrawal of the United Kingdom from the European Union (BREXIT) which explicit solution hasn't been found and

it affects the instability of trading relation in EU. The speedy currency depreciation of the countries under weak economic fundamental, inclusively, forces to increase interest rate to diminish the outbound Fund Flow which have even more effects from the mentioned event.

Under these challenging business environment from both world political policy (Geopolitical) that may lead to Trade War and changing in consumer behavior through blending in various generation till Disruptive Technology

forces the business to perform self-adaptive towards certain events and that is the cause of Business Restructure of Pranda Group which brief informations are given as followed:

1) Production Recovery : Developing efficiency and effective of production base initiate from more direct sale to customers as well as the fast production and loss control, besides apply the modern technology along with high skill labor.

2) Distribution Consolidation : Building strong distribution base emphasizes mainly the sale in term of Online by using www.gemondo.com

3) Retail Expansion : Expand retailing base both domestic and foreign trade under Owned Brands via Modern Trade and Traditional Trade.

This operation will decrease role of distribution agency which lead to more trade transaction between production base and customers(DIRECT FROM FACTORY TO CUSTOMERS). Our performance is estimated to be better in the future due to capability of sale is increased while cost tends to decrease continuously.

For annual results in year 2018 We have earned revenue of 2,793.8 million Baht, lesser when comparing to the same period of previous year 119.0 million Baht or decreased by 4.1 %. It is due to the first quarter of 2017 that has outstanding shipment from the fourth quarter in 2016 of production base. However, this year's sale and shipment are back to normal. Hence, allows 2017 to have higher sale than the same period in 2018. But the company has gross profit margin increased from 28.4% to 31.5% due to gross profit margin adjusted from the above mentioned production base and gross profit margin of distribution base which is getting better since discount sale is reduced comparing to the previous year. It results by reducing the operating loss from 122.6 million Baht to 23.2 million Baht.

Despite of the currency Baht appreciation comparing to the same period of previous year, the loss from currency exchange is increased for the amount of 61.7 million Baht or Loss increased by 308.8 % while the same period of previous year , loss from currency exchange was only 15.1 million Baht. Most of these losses are Unrealized Loss but still the company has managed to earn net profit 167.7 million Baht from the land sale for the amount of 334.6 million Baht. While last year, there were net loss at the amount of 161.3 million Baht.

The company can maintain the strong financial position considering from Debt to Equity 0.78 times, moreover the company has possessed enough liquidity considering from Current Ratio highly at 1.84 times and cash flow from operation including the net cash flow are positive.

There are important events of the company in 2018 as followed:

- Cease operation of Pranda & Kroll GmbH & Co. KG, a subsidiary in Germany
- Decreased operating expenses of Pranda North America, INC.
- Issued convertible debenture twice in March and April for 100 million Baht.
- sale of land held for development in May for total amount of 443 million Baht and there was long term debt settlement for 310 million Baht.

The above operations have encouraged the company to succeed 3rd year better performance consecutively. Minimizing net loss from 161.3 million Baht to net profit 167.7 million Baht and even has sufficient cash flow to support the future growth.

Finally, on behalf of the chairman of Pranda Jewelry Public Company Limited., would like to thank all shareholders and stakeholders for your continued support and trust to the company and the chairman, management and all employees strive to do our job to bring the growth back to the organization with good operating results which can lead to sustainability in the future.



Prida Tiasuwan
Chairman



Board of Directors and Advisors/ Board of Group Executive Committee



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7

1. **Mr. Prida Tiasuwan**

Board Chairman

2. **Mrs. Prapee Sorakraikitikul**

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

3. **Mrs. Sunanta Tiasuwan**

Director/ Nomination and Remuneration Director

4. **Mr. Pramote Tiasuwan**

Director / Executive Director / Finance & Risk Management Director /
Nomination and Remuneration Director / Advisor of Core Values & CSR
Committee

5. **Mrs. Pranee Khunprasert**

Director / Chairman of Group Executive committee / Finance & Risk
Management Director / Nomination and Remuneration Director

6. **Mrs. Panidda Tiasuwan**

Advisor of the Board of Directors /
Nomination and Remuneration Director

7. **Ms. Pittaya Tiasuwan**

Director / Executive Director / Finance & Risk Management Director



8



9



10



11



12



13

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. **Mr. Chanat Sorakraikitikul**

Executive Director / Chairman of Finance & Risk Management Committee

12. **Mr. Decha Nuntanajaroenkul**

Executive Director / Finance & Risk Management Director

13. **Prof. Dr. Channarong Pornrungrroj**

Executive Director / Chairman of Core Values & CSR Committee



Managing Directors



1

Mr. Pramote Tiasuwan

Managing Director (Manufacturing)
Pranda Jewelry Pcl.



2

Mrs. Pranee Khunprasert

Managing Director (Marketing)
Pranda Jewelry Pcl.
Managing Director (Acting)
Primagold International Co., Ltd.



3

Mr. Santiparp Riyai

Managing Director
Pranda Vietnam Co., Ltd.



4

Mr. Chanat Sorakraikitikul

Managing Director (Acting)
Pranda North America, Inc.



5

Mr. Malcolm Pink

Managing Director
Pranda UK Limited



6

Mr. Vinod Tejwani
Managing Director
Pranda Jewelry Private Limited



7

Mr. Kenny Salmon
Managing Director
PT Pranda Marketing Indonesia



8

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

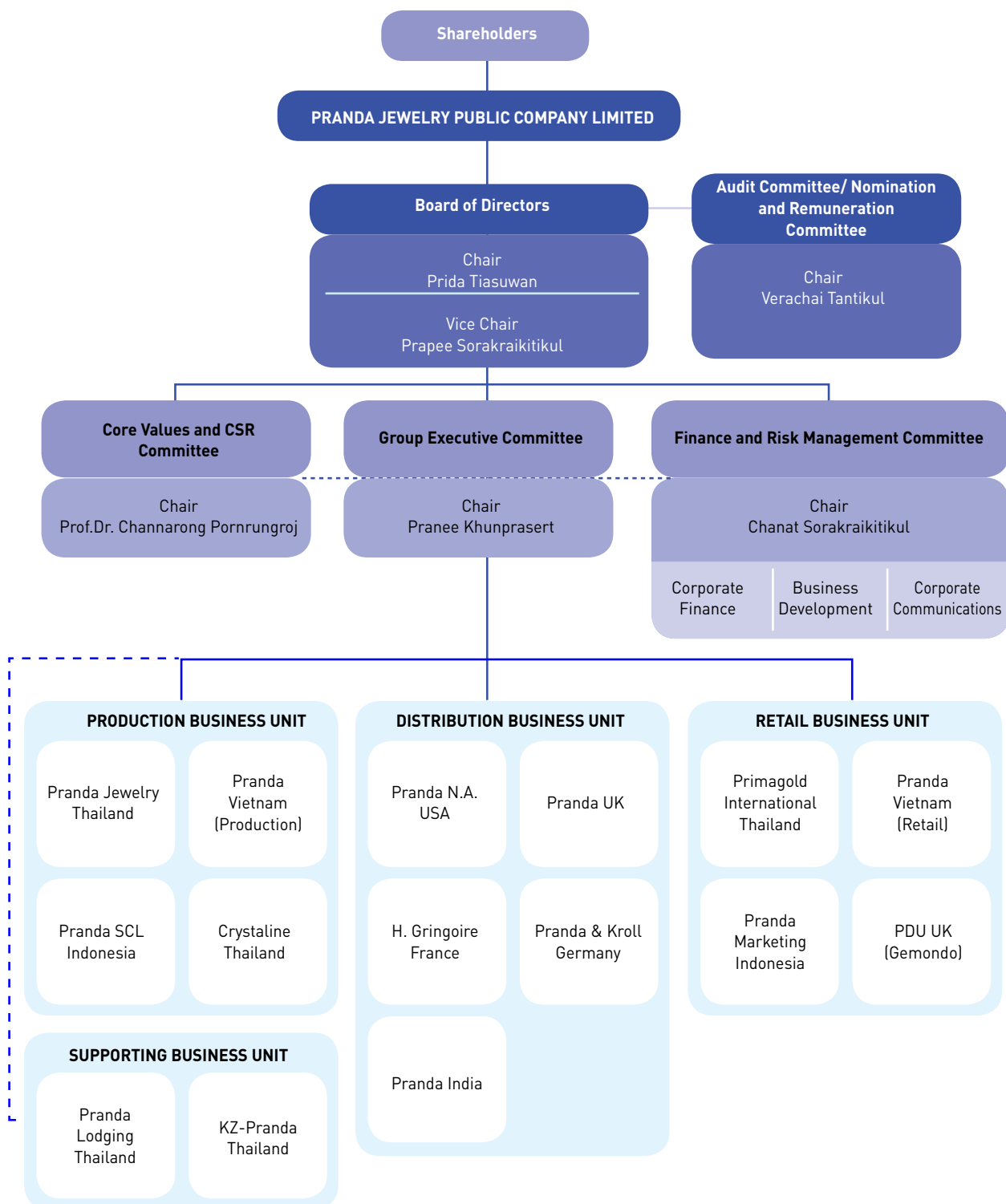


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Mr. Heechan Song
Managing Director
KZ-Pranda Co., Ltd.



Group Organization Chart



PRANDA's Direction

Pranda Jewelry Public Co., Ltd. has been operating gems and jewelry business for 4 decades, of which the business is classified into 2 major categories – the Original Design Manufacturing (ODM) and the Own Brand Manufacturing (OBM). The business direction of the Original Design Manufacturing (ODM) is to expand business by using experience and market expertise to enhance an opportunity in business growth of partners whilst the business of the Own Brand Manufacturing focuses on expansion with differentiated and suitable products the target market of the partners. The Company aims to balance the portions of revenue mix between the ODM and the OBM categories to lay a foundation of the Group's total revenue for sustainable long-term growth.

The business of the Original Design Manufacturing (ODM) will focus on production and distribution of mass quantity of international-scale products by skilled craftsmen with care as well as mass craftsmanship to meet broadly the needs of our customers. The Company has improved the production process to be more efficient and effective by enhancing human resource skills and controlling production losses and defects that would make the company more cost-effective. The Company will also focus on increasing sales from the top 15 customers, which is the main proportion of sales base, with the main goal to be an effective manufacturer and distributor of quality products and services to add value to the Company along with managing operational expenses to be efficient in order to maintain financial liquidity for the company.

In the area of Own Brand Manufacturing (OBM), the Company will focus on expanding such business through three main channels - retail, wholesale and e-channel. For the retail channel, the Company will concentrate on expanding its retail business through its retail stores and franchisees in the countries in Asia and the Middle East that have economic growth while the wholesale channel focuses on exporting jewelry to major and minor retailers in the US, France and India. E-Channel is focused on expanding its distribution channels through E-Commerce and TV Shopping in Europe, especially in the UK, with the goal to expand the customer base and to build brand loyalty as well as developing new products that are more diversified to the market.

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



Brief History and Honorary Rewards of PRANDA Group

2018

Awarded Lifetime Achievement Awards from JNA

Mr. Prida Tiasuwan, Board Chairman of Pranda Jewelry Public Co., Ltd. received “Greatest Achievement or JNA Lifetime Achievement Award 2018” held by JNA Awards on behalf of UBM Asia. This award is regarded as the highest prestigious award for people in international gems and jewellery industries who share their contribution to the advancement of jewelry industry by enhancing the best business operation, besides the excellence of innovative leader of “The Highest Achievement or JNA Lifetime Achievement Award 2018” contributed from Headline Partners Chow Tai Fook (CTF), Shanghai Diamond Exchange (SDE) and Bahrain Institute of Pearls and Gemstones (DANAT) together with KGK group, Guangdong Gems & Jade Exchange and Guangdong Land Holdings Limited (GDLAND)



Honored for “In recognition for the contribution to global gems and jewellery industries”

Mr. Prida Tiasuwan, Board Chairman of Pranda Jewelry Public Co., Ltd. was granted the award “in recognition for the contribution to global gems and jewellery industries” or “KGJS 2018 Award in recognition for the contribution made to the global gems & jewellery industry” in the 9th edition of the Kerala Gems and Jewellery Show, India.



Granted logo shield for manufacturer passes OCPB measurement standard

The company was granted logo shield for manufacturer passes purity measurement standard of 96.5% gold by the Office of The Consumer Protection Board (OCPB)

Awarded “Excellent Organization With Disability Support Activity”

Pranda jewelry Public Co., Ltd. is awarded “Excellent Organization With Disability Support Activity” held by Ministry of Social Development and Human Security on International Day of Persons with Disabilities.

Awarded “The organization that provides benefits for children and youth”

Pranda jewelry Public Co., Ltd. is granted the Royal Award as “The organization that provides benefits for children and youth 2018” held by Ministry of Social Development and Human Security in order to be enthusiastic about self-development, initiative, also to stimulate all societies to realize the importance of youth and share their contribution for youth development program.





Pranda received Certificate of Thai Labor-Standard (TLS8001-2553)

Pranda jewelry Public Co., Ltd. was granted the certificate of **Thai Labor-standard (TLS8001-2553)** which is the tool for business competition in domestic and international also it promotes corporate image in term of commodity and service under certified standard.



Pranda received “Outstanding Labor Relations and the Labor Welfare of the year 2018 award”

Received “**Outstanding Labor Relations and the Labor Welfare of the year 2018 award**”. Pranda jewelry Public Co., Ltd. Bangkok & Nakhon Ratchasima Branch has been receiving this award for the 7th consecutive year.



2017

Certificate of Responsible Jewelry Council (RJC) for the standard system

Pranda Jewelry Public Company Limited Head Quarter and Nakornratchasima branch **receive the standard system** Certificate of Responsible Jewelry Council (RJC), Code of Practice under the category of Design & Manufacturer of Jewelry & Accessories from the evaluating company named Global GROUP. This international standard accredited RJC certificate ensures the Company has not only social responsibility practices to be in line with the jewelry business but also a tool to reduce both internal and external gaps and risks to develop business sustainability with good reputation and trustworthiness from customers.

“Thailand Sustainability Investment 2017” or “Sustainable Stock”

Pranda Jewelry PCL. is one of the 65 registered companies evaluated and received with “**Thailand Sustainability Investment 2017**” or “**Sustainable Stock**” by the Stock Exchange of Thailand for reaching criteria on sustainability based on economic indicators (including corporate governance), environment and society. The Company once received this Thailand Sustainability Investment in 2015.

Being certified with “ISO 9001:2015”

Pranda Jewelry PCL. Head Office and Nakornratchasima branch are the first ones in Thailand, certified “**ISO 9001:2015**”, the latest quality standard of the jewelry industry. This certifies the Company has the organization management system both internal and external that meets international standard to effectively manage the organization and also applies risk-based thinking to analyze business risks and devise a risk management plan.

Award “Good Labour Practices : GLP”

Pranda Jewelry PCL., Nakornratchasima branch receives the certificate “**Good Labor Practices: GLP**, which is recognized as a role model for other businesses.

“Outstanding Labor Relations and Labor Welfare Award”

Pranda Jewelry PCL. HQ and Nakornratchasima branch receive the awards “**Outstanding Labor Relations and Labor Welfare 2017**” for the fifth consecutive year since 2013 – 2017.

Awarded with a shield of honor as a supporter of the Blind Foundation

Pranda Jewelry PCL. is awarded with a shield of honor as a supporter of the Blind Foundation, Thailand for promoting and encouraging vision impaired people to have more potential and better quality of life. Throughout 40 years of the business, Pranda Group has been having a policy to support the disabled; not only give a career opportunity to the blind but work in collaboration with the Royal Goldsmith College and Ratchasuda College to formulate the special course to be a jewelry craftsman for the hearing impaired. Moreover, the Company is cooperating with the Schools of Audiology, Nakornprathom and Kanchanaburi in developing the high school students in the field of Gems and Jewelry to improve their skills as well as supporting equipment and tools including raw materials used for practice, taking them to the related events, supporting and encouraging them to participate in relevant contests and providing an expert to share experiences and knowledge to the students. The Company also works in cooperation with other organizations such as Metropolitan Technical College and Art for All Foundation.

Certificate for participating in the Energy Conservation Project for the medium and small sized factories

Pranda Jewelry PCL., Nakornratchasima branch gets the certificate for participating in the Energy Conservation Project for the medium and small sized factories from the Energy Conservation Office, Ministry of Energy, Khon Kaen

Receiving the certificate as a member of the Thailand's Private Sector Collective Action Coalition against Corruption

Pranda Jewelry PCL. receives the certificate as a member of the Thailand's Private Sector Collective Action Coalition against Corruption from Mr. Chanin Wongkusolkrit, the director of the Thailand's Private Sector Collective Action Coalition against Corruption (CAC), at the Grand Ballroom, the Renaissance Hotel, Ratchaprasong, Bangkok. This function is held with support by the government and the Office of the National Counter Corruption Commission (NACC) in collaboration with the 8 leading organizations, which are the Thai Institute of Directors (IOD), the Thai Chamber of Commerce, the International Chamber of Commerce, the Thai Listed Companies Association, the Thai Bankers Association, The Federation of Thai Capital Market Organizations (FETCO) and the Tourism Council of Thailand.

▷▷ Pranda Jewelry PCL. has been evaluated by the Securities and Exchange Commission (SEC) in conjunction with the Thai Listed Companies Association and the Thai Investors Association for the quality of the Annual General Meeting of Shareholders for the year 2017 at 93.5 points.

▷▷ The Company is rated **"Excellent"** (5 stars) in the Corporate Governance Report of Thai Listed Companies 2017 by the Thai Institute of Directors (IOD)



2016

▷▷ **Mr. Prida Tiasuwan**, Board Chairman of Pranda Jewelry PLC was presented **"the Commerce Diamond Awards 2016"**, by Minister of Commerce to Entrepreneur of the industrial goods sectors, who made valuable contributions to the nation's economy, trade and commerce.

▷▷ Pranda Jewelry Public Limited Company was certified **"ISO 9001:2015"** the latest quality standard of Jewelry Industry granted to PRANDA as the first company in Thailand.

▷▷ Prima Gold, 24K gold jewelry brand operated under Pranda Group, was chosen as an Honouree of **"JNA Awards 2016"** for the category of Brand of the Year – Retail. JNA Awards is described as 'the Oscar' of the jewelry and gemstone industry honouring companies for innovation, excellency and advancement of trade and achievements made in Asia.

▷▷ Pranda Jewelry PLC, Nakhonratchasima was awarded **"Establishment with Outstanding Workplace Relations and Labour Welfare of the 2. Year 2016"** by the Department of Labour Protection and Welfare

▷▷ Pranda Jewelry PLC, Nakhonratchasima received a certificate of the **"Standards in Prevention and Resolution to Drug Problems in an Establishment."**

▷▷ Pranda Jewelry PLC received a **trophy from the Department of Labor Protection and Welfare as the good enterprise having a standardized child care center** in a workplace.

- ▶▶ Pranda Jewelry PLC received a **certificate showing a role model enterprise which has good management to prevent drug problem** from the department of Labor Protection and Welfare.
- ▶▶ Pranda Vietnam Limited received a **shield of honor called “Gem and Jewelry Design Award 2016” for promoting good product design in the 10th Jewelry Design Contest** held by the Gem and Jewelry Institute of Thailand (GIT).
- ▶▶ **“PRIMA ART”** of Prima Gold International Co., Ltd. manufactured by Pranda Jewelry PLC was **awarded for arts and culture “Premium Products of Thailand 2016”** by Ministry of Industry.
- ▶▶ The Company was evaluated **“Excellent and being a good model”** for the quality assessment of the 2016 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 2016 from the Thai Institute of Directors (IOD).



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
- ▶▶ The Company was evaluated **“Excellent”** for the quality assessment of the 2015 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 2015 from the Thai Institute of Directors (IOD).



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).

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

▶▶ Korat plant of Pranda Jewelry Plc. received the trophy for the Excellent Academy and Establishment with Dual Vocational Training **(5 stars)** from Mr. Jaturon Chaisaeng, Minister of Education.

▶▶ Prima Gold International Co., Ltd. received Consumer Protection Guarantee on Thai Consumer Rights Day 2013 under the category of producer of gold jewelry with 96.5% purity and distributor of gold jewelry with the product label in compliance with the law from Mr. Warathep Rattanakorn, Minister Attached to the Prime Minister's Office.



2012

▶▶ The Company has invested in establishing a new subsidiary in China, "Pranda Trading (Shenzhen) Limited", a registered capital is USD 2 million or about Baht 61 million for retail jewelry business in China.

▶▶ Pranda UK Limited, the Company's subsidiary has invested in PDU (UK) Co., Ltd, which operates retail jewelry business through E-Commerce. It is 100% owned by Pranda UK Limited.

▶▶ The Company has received **"Manufacturer of The Year"** award from Jewelry News Asia (JNA). The JNA Awards is an industry-wide event that honours and recognises excellence and achievement in the jewelry and gemstone trade in Asia.

▶▶ The Company received the **Excellent Labor Relation and Welfare Award 2012** from the Department of Labor Protection and Welfare, the Ministry of Labor for headquarters (Bangkok) and Nakhon Ratchasima branch.

▶▶ The Company received a recognition of being **"Excellent"** from the Securities and Exchange Commission, in cooperation with the Thai Listed Companies Association, and the Thai Investors Association which held an Annual General Meeting (AGM) checklist to assess the AGM held in 2012.

▶▶ The Company received **"very good"** recognition (four stars) of Corporate Governance Report of Thai Listed Companies 2012 from the Thai Institute of Directors (IOD).

▶▶ The Company received an honor certificate from Thai Red Cross Society, for being a cooperative organization to provide blood donors to National Blood Centre more than 14 years.

▶▶ The Company received an honor certificate, for being a good model to support educational work of the Ministry of Education on an anniversary of 120 years of Ministry of Education Day.

▶▶ The Company received **"Tara Award"** from Sathien Dhamma Sathan, for the organization which making merit and goodness for society.



2011

▶▶ The Company received a recognition of being **"Excellent and being a good example"** from the Securities and Exchange Commission, in cooperation with the Thai Listed Companies Association, and the Thai Investors Association which held an Annual General Meeting (AGM) checklist to assess the AGM held in 2011.

▶▶ The Company received **"very good"** recognition (four stars) of Corporate Governance Report of Thai Listed Companies 2011 from the Thai Institute of Directors (IOD).

▶▶ The Company received an honor trophy of the business sector which provided career support to the disabled from the Office of Welfare Promotion, Protection and Empowerment of Vulnerable Groups, the National Office for Empowerment for Persons with Disability, in cooperation with the Council of Persons with Disabilities of Thailand Association. Today, PRANDA has supported all persons with all kinds of disabilities, totaling 31 persons, accounting for 60 to 1 which is higher than the regulated law of 100 to 1.

▶▶ The Company had signed an (MOU) of **"The gems and jewelry personnel development project"** with the Golden Jubilee Royal Goldsmith College, King Mongkut's University of Technology North Bangkok to support project operation with the fund of Baht 54 million for 7 years from 2011 – 2017 in order to provide an opportunity for poor students to pursue the Bachelor of Fine Art program in Royal Goldsmith, majoring in gems and jewelry design.

▶▶ The Company received **the CREATIVE AWARD 2011** from the contest of "The Extreme colors of Ploi" which was organized by the Department of Export Promotion, the Ministry of Commerce and the Thai Gem and Jewelry Traders Association.

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

2010

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

2009

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

2008

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

- ▶▶ The annual general meeting of shareholders had approved the issuance of Employee Stock Option Plan (ESOP) in amount of 14,251,410 units which would be contributed for free to Directors and employees of the Company and/or subsidiaries. The warrants carry five year terms from the issue date with the exercise ratio equivalent to 1 warrant to 1 common share. The exercise price is three baht per share.
- ▶▶ The Company has set up the savings co-operatives for employees in Pranda group as a way to provide various financial services and promote savings among employees.
- ▶▶ Crystalline Co., Ltd. has obtained the copyright of V&A jewelry brand from England-based Victoria & Albert Museum (V&A), the world's largest museum of decorative arts, design and jewelry products.
- ▶▶ The Company has raised investment in Guangzhou Pangda Zhubao Shoushi Yiuxian Gongsi for USD1.5 million, increasing the China subsidiary registered capital to USD2.35 million, representing 100% ownership.



2007

- ▶▶ The Company was awarded the first runner-up award from participating in the work performance competition under the Philosophy of Sufficiency Economy for large-scale enterprises which run their business according to the Sufficiency Economy Philosophy which has been organized by the Office of the Royal Development Projects Board under the Prime Minister's Office.
- ▶▶ The Company won Thai Labor Standard award (TLS 8001-2003), Completion Level from the Department of Labor Protection and Welfare, the Ministry of Labor.
- ▶▶ The Company increased its investment in Primagold International Company Limited by 100 million baht, raising Primagold International registered and paid-up capital to 200 million baht. Pranda Jewelry Public Company Limited controls 100% in Primagold International.
- ▶▶ The Company raised the investment in Pranda & Kroll GmbH & Co. KG Limited by Euro 2.4 million or about Baht 116 million, raising Pranda & Kroll GmbH & Co. KG's registered and paid-up capital to Euro 5.34 million. Pranda Jewelry Public Company Limited holds 51% in the venture.
- ▶▶ Pranda & Kroll GmbH & Co. KG has taken over KSV Brand GmbH, which operates the distribution of jewelry products under Christ, Cai, Merii, and Michael Schumacher brands.
- ▶▶ The Company has formed a joint venture with Gunjan Jewels Pvt. Ltd., to set up Pranda Jewelry Pvt. Ltd. in India to distribute the gold and silver jewelry under its own brand in India. Pranda Jewelry Public Company Ltd. holds 51% of the shares.
- ▶▶ Primagold International Company Limited, the distributor of pure gold jewelry products under PRIMA GOLD brand won the Hot 2007 Award at the 38th Bangkok Gems & Jewelry Fair.



2006

- ▶▶ The Company has been acclaimed by the Stock Exchange of Thailand as the company with the best operating results in 2005 under the title ``Congratulate PRANDA as a Nominee for Best Performance-Consumer Products``
- ▶▶ Primagold International Company Limited, the distributor of pure gold jewelry products under PRIMA GOLD brand won the Hot 2007 Award at the 38th Bangkok Gems & Jewelry Fair. Primagold International launched Siam Pannarai designer Collections and received The Hot Design Award at the 37th Bangkok Gems & Jewelry Fair.
- ▶▶ Pranda & Kroll GmbH & Co. KG launched a new brand ``Cai``, at the Inhorgenta Fair, Munich, Germany.
- ▶▶ Pranda Jewelry Plc. has been selected as one of the four Thai Companies meeting the Sufficiency Economy standards in running business in compliance with the Sufficiency Economy Philosophy of His Majesty the King held by the Office of the National Economic and Social Development Board.
- ▶▶ PRANDA SCL (Indonesia) expanded capacity in response to increased overseas demand from 450 workers to 700 workers.



2005

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

2004

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

2003

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

2002

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

2001

- ▶▶ The Company's employees received bronze medal on jewelry designer from 36th World Skills Completion held at Seoul, South Korea.

- ▶▶ The Company received “white factory” (anti-drug entrepreneur project) certificate from Department of Labor Protection and Welfare, the Ministry of Labor
- ▶▶ The Company’s showroom received ISO 9001:2000 quality management standard certification for jewelry distribution and services from BM TRADA Certification, a leading multi-sector certification body accredited by UKAS (United Kingdom Accreditation Service). The Company’s Nakhon Ratchasima branch also received ISO 9001:2000 quality management standard certification for jewelry production in part of factory from an independent certification body BVQI.

2000

- ▶▶ The Company received the Gold Card exporter award from the Customs Department, Ministry of Finance which offers fast track benefits on imported raw materials. The award represents the company’s creditability and financial stability.
- ▶▶ The Company’s employees won the gold and silver medal on jewelry designer from the 18th national skills competition held by Department Of Skill Development under Ministry of Labour and Social Welfare.
- ▶▶ Crystaline 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 Crystaline 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., Crystaline 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 Crystaline Co., Ltd.

1984

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

1973

- ▷▷ Commenced export trading operations under Pranda Design

Policy and Business Overview

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

On December 19, 2018, the Board of Directors had passed a resolution approving to review the vision, mission and strategies of the company which are as same as previous year as follows:

Vision, Mission, Strategies and Core Values of Pranda Group

▶▶ Vision

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

▶▶ Mission

- Operate business of craftsmanship jewelry by utilizing proficiency to create mass quantity of products with consistent quality
- Consciously care for all needs and business opportunities of partners to mutually achieve sustainable success
- Provide opportunities, enhance competencies ,and uplift the quality of life for employees
- Act as a representative and a supporter for Thai jewelry industry to thrive on global stage
- 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 Own 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 skills 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

In 2018, The Company changed in the shareholding structure, management and business.

Subsidiary - Pranda & Kroll GmbH & Co. KG

On 13 February 2018, a meeting of the Company's Board of Directors passed a resolution to dissolve a subsidiary, Pranda & Kroll GmbH & Co. KG, since 13 February 2018 onwards. At present, the subsidiary is in the process of liquidation. 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 2017, the Company has made allowance for impairment loss on assets of this subsidiary totaling of Baht 386 million.

Subsidiary - Guangzhou Pangda Zhubao Shoushi Youxian Gongsi

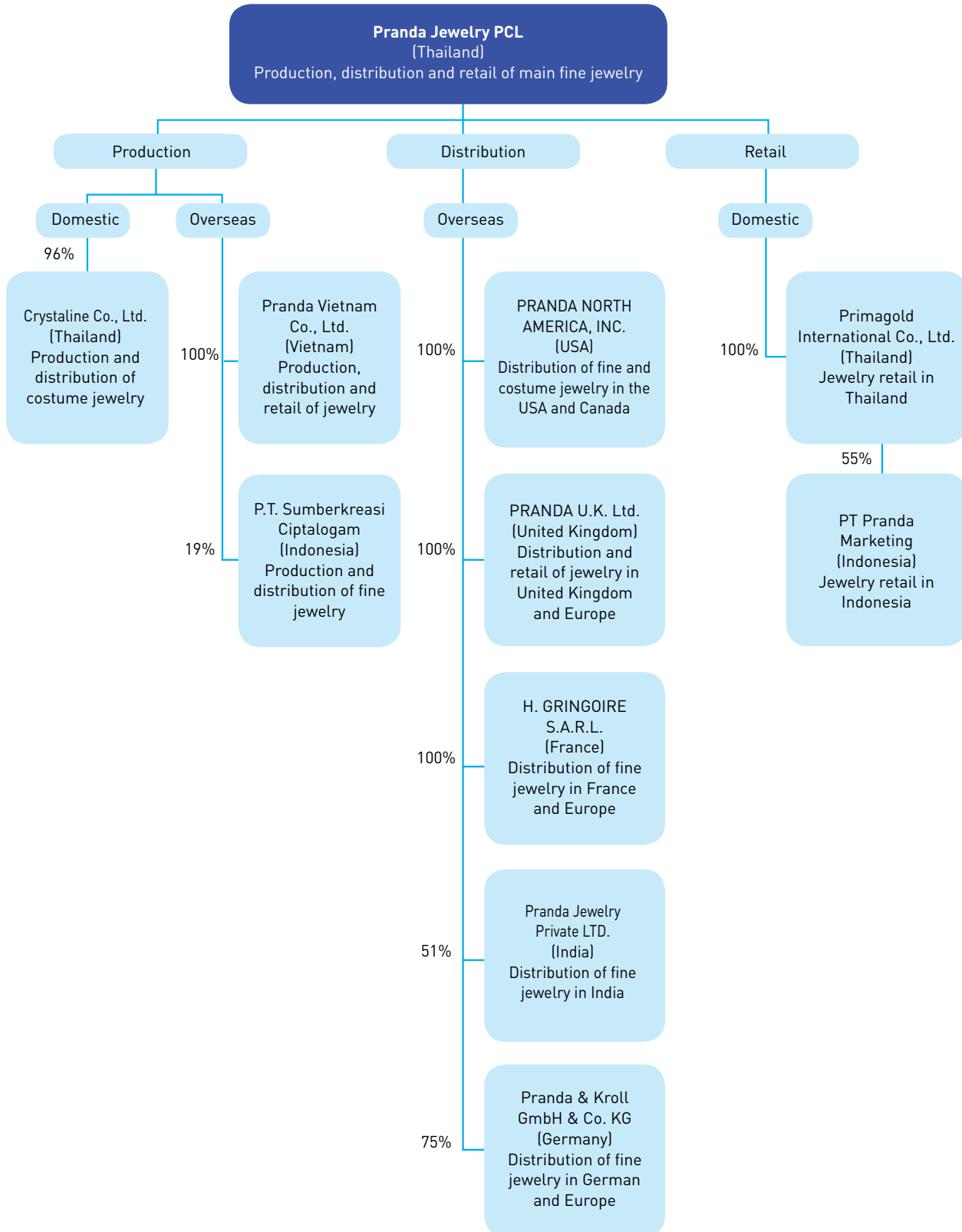
On 27 September 2013, a meeting of the Company's Board of Directors passed a resolution to dissolve a subsidiary, Guangzhou Pangda Zhubao Shoushi Youxian Gongsi, on 27 September 2013. This subsidiary is not a significant segment of the Group, therefore, there is no significant impact on the consolidated financial statements. In addition, the Company has made full allowance for impairment loss on investment in this subsidiary.

Subsequently on 27 June 2018, the subsidiary was liquidated. The Company recorded loss on write-off net investment in this subsidiary in the separate income statement, and recorded gain on liquidation of subsidiary company of Baht 2 million in the consolidated income statement.



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.

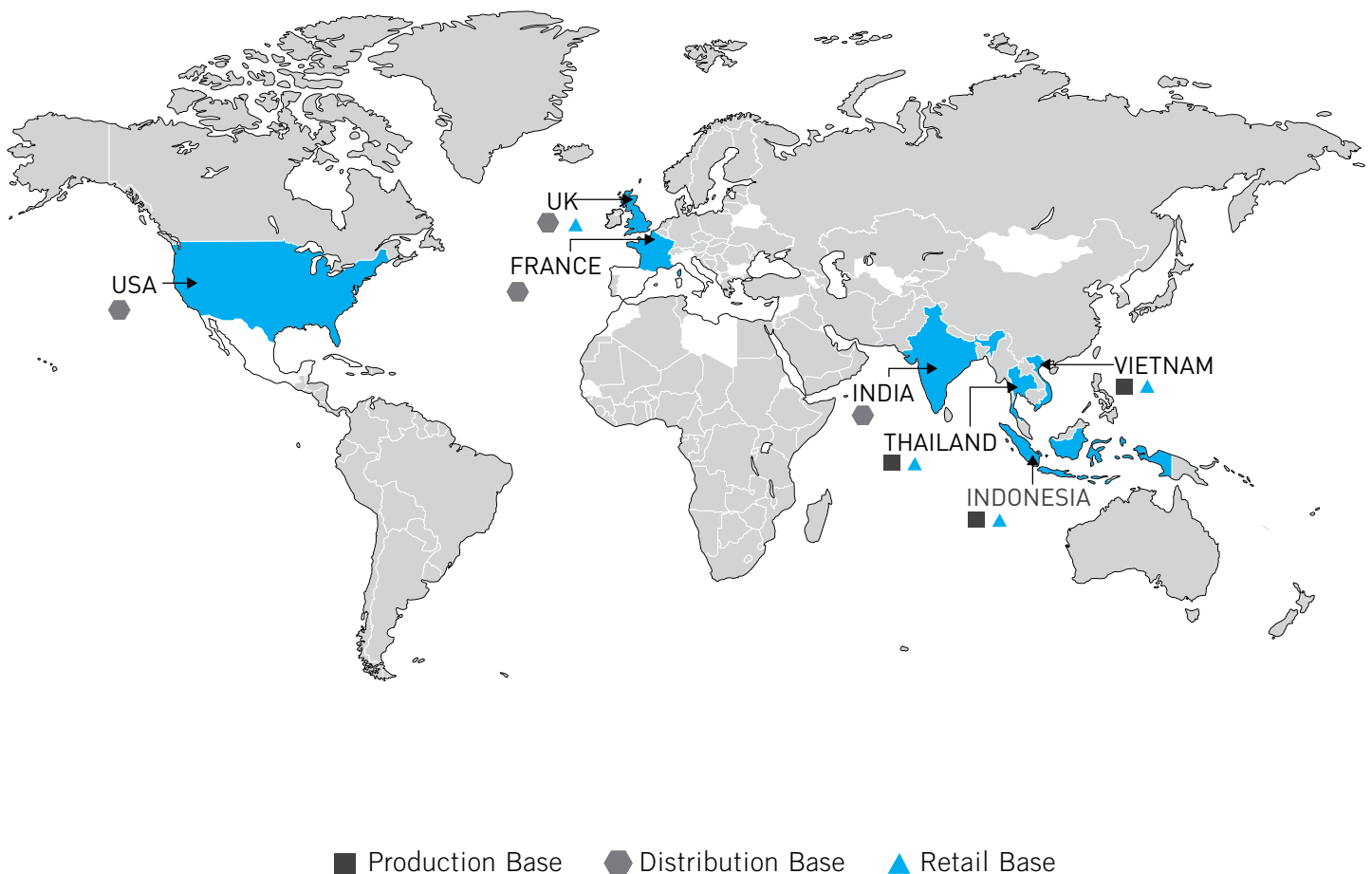


Our Business

Pranda Jewelry Public Company Limited (“PDJ”) was firstly established since 1973 under the name “Pranda Design Company Limited”. The PDJ was officially registered on April 27, 1984 and listed on the Stock Exchange of Thailand on July 6, 1990, and became a public limited company on June 3, 1994. The Company at present has the registered capital valued 634.77 million Baht with the registered and paid-up capital of 424.64 million baht. The head office is located at 28 Soi Bangna-Trad 28, Bangna Tai Subdistrict, Bangna District, Bangkok 10260.

PDJ is a manufacturer, distributor and retailer of fine jewelry. The Company is currently the leader in the export of Thai gems and jewelry, which has customer base in major regions of the world including North America, Europe and Asia.

PDJ has instituted the balanced management structure as detailed hereunder.



Production Base

To implement economies of scale in jewel production, which results in production cost of goods suitable for quality of goods. The company has diversified its production risk to cover almost all product price range. The Group has 3 factories situated in Thailand, Vietnam and Indonesia with the total production capacity of 4 million pieces/ year. PDJ also has the design and development center that can broadly meet the customer's need.

Distribution base

The Company has its own distribution company and dealers in foreign countries in order to focus on serving our customer needs and expand markets at the same time. At present, PDJ has major distributor throughout important regions in the world, such as the US, UK, France, Italy, Spain, Japan and India. Its subsidiaries which are considered as its distribution base are situated in five countries: the US, UK, France, and India.

Retail Base

The Company has subsidiaries that are experienced in retail management, including its own retail shops and distribution through franchise businesses covering Asia and Middle East to directly access to jewelry consumers. Nowadays, there are 4 companies in Thailand, Indonesia, Vietnam and UK. (E-commerce)



Income Structure of Pranda Jewelry PCL. and its subsidiaries (classified by division) These revenues are amortized on a straight-line basis.

Operated by	% Company's shareholding	Year 2018		Year 2017		Year 2016		Year 2015		Year 2014	
		Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Production											
Pranda Jewelry PLC		1,353	42.64	1,225	41.51	1,268	43.50	793	27.12	1,027	30.74
Crystalline Co., Ltd.	96	-	-	-	-	3	0.10	103	3.52	134	4.01
Pranda Vietnam Co., Ltd. (Production)	100	49	1.55	57	1.93	50	1.72	40	1.37	31	0.93
Pranda & Kroll GmbH & Co. KG	75	-	-	-	-	-	-	-	-	63	1.89
Total revenue from production		1,402	44.19	1,282	43.44	1,321	45.32	936	32.01	1,255	37.56
Distribution											
H.Gringoire s.a.r.l.	100	81	2.55	82	2.78	88	3.02	99	3.39	124	3.71
Pranda UK Limited	100	23	0.72	45	1.52	44	1.51	82	2.80	67	2.01
Pranda North America, Inc.	100	231	7.28	444	15.05	345	11.84	655	22.40	864	25.86
Pranda & Kroll GmbH & Co. KG	75	51	1.61	60	2.03	60	2.06	49	1.68	88	2.63
Pranda Jewelry Private Ltd.	51	90	2.84	52	1.76	66	2.26	92	3.15	83	2.48
Total revenue from distribution		476	15.00	683	23.14	603	20.69	977	33.41	1,226	36.70
Retail											
Primagold International Co., Ltd.	100	746	23.51	768	26.03	739	25.35	772	26.40	694	20.77
H.Gringoire s.a.r.l.	100	1	0.03	2	0.07						
Pranda UK Limited	100	60	1.89	52	1.76	49	1.68	19	0.65	17	0.51
Pranda Trading (Shenzhen) Limited	100	-	-	-	-	-	-	-	-	1	0.03
Pranda Vietnam Co., Ltd.	100	56	1.77	55	1.86	45	1.54	42	1.44	32	0.96
PT Pranda Marketing Indonesia	55	53	1.67	71	2.41	74	2.54	75	2.56	69	2.07
Total revenue from retail		916	28.87	948	32.12	907	31.11	908	31.05	813	24.33
Total revenue from sales		2,794	88.06	2,913	98.71	2,831	97.12	2,821	96.48	3,295	98.62
Pranda Lodging Co., Ltd.	83	8	0.25	8	0.27	7	0.24	7	0.24	8	0.24
Gain on liquidation of subsidiary company		2	0.06	-	-	-	-	-	-	-	-
Gain on sales of assets held for sales		335	10.56	-	-	-	-	-	-	-	-
Other revenues		34	1.07	30	1.02	77	2.64	96	3.28	38	1.14
Total other revenues		379	11.94	38	1.29	84	2.88	103	3.52	46	1.38
Grand total revenue		3,173	100	2,951	100	2,915	100	2,924	100	3,341	100.00

1. Nature of Products

The Company's products are classified into 2 main categories; which are

1.1 Original Brand Manufacturing: OBM

At present, PDJ has the Original Brand Manufacturing products with market differentiation to target medium to high-end jewelry customers in several regions as follows.

- **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** : high quality silver jewelry with cubic zirconia, primarily for the mainly Thai market
- **Gringoire** : 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 for the mainly European market.

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

1.2 Original Design Manufacturing (ODM)

The Company has experienced and specialized teams in product design and development towards developing the products with customers (Original Design Manufacturing: ODM) including Gold Jewelry, Silver Jewelry, Brass and Fashion Costume Jewelry mounted with precious stones or other materials to meet customers' requirements. The key customers are high and medium jewelry brands and jewelry stores located in different countries which are US, 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 Marketing Policy of the major products in the recent years

As the Company classifies product group into 2 main categories, which are the Original Brand Manufacturing (OBM) and the Original Design Manufacturing (ODM), the Company therefore establishes the significant marketing policy in the past few years as follows:

2.1.1 The Original Brand Manufacturing: OBM

The distribution strategy of the Original Brand Manufacturing products is focusing on business sustainability in the long run. The Company has had both of the brands for our own retail distribution channel and the brands for online and retail distributors. The major markets are as follows.

Thailand Prima Gold International Co., Ltd., having been running retail business under the brands of Prima Gold, Prima Diamond, Prima Art and Merii in Thailand. The company has adjusted product strategy of 99.9% gold jewelry and is focusing on Masterpiece and limited edition products as well as licenses character, which receive good response from Thai market. In addition, the company has developed new innovation of 18K gold jewelry with special technic of diamond setting and has adjusted marketing communication strategies to have new communication channel suitable to economic situation, the target groups' lifestyle. As a result, the sales volume of 99.9% gold jewelry and 18K gold jewelry are literally maintained the growth.

Vietnam Pranda Vietnam Co., Ltd., can expand customer bases of Prima Gold and Prima Art through continuous sales and marketing strategies. The Company is at present having 9 outlets in Ho Chi Minh and Hanoi and the company has expanded more customer base of Prima Gold and also developed new design of Prima Art, resulting in continuous sales growth.

Indonesia Pranda Marketing Indonesia Co., Ltd., is implementing the product strategy of the 18K gold jewelry with diamonds under the brand "Julia" to develop premium product for working women with mid to high income as well as the wedding collection for couples or newly-wed couples. There currently are 27 outlets in Jakarta and the islands.

India Pranda India Co., Ltd., is concentrating on sales distribution of the craftsmanship product of 99.9% gold plates under brand "Prima Art" through the retail jewelry stores. The continually popular collection is the design of the Gods of Hinduism, of which new products are constantly launched.

France H. Gringoire s.a.r.l. has concentrated on its sales strategy 2018 to increase sales per retailers. The focus is on retailers who are considered Premium Clubs. In addition, the company has developed the 18K gold jewelry product with special cutting design of gemstone which target customers whom prefer exclusive jewelry, valued-added jewelry and uniqueness.

The United Kingdom Pranda UK Limited is putting an emphasis on marketing the major brand "Gemondo" through website www.gemondo.co.uk. The website has been refurbished to be more easily accessible via mobile phones and tablets including the strategy to increase the number of the site visitors to gain more selling opportunity.

2.1.2 Product Group manufactured and co-design with customer (ODM)

In 2018, although the economy in USA, Europe had grown in deceleration rate due to the US-China trade war. Also additional risks from the withdrawal of the United Kingdom (UK) from the European Union (EU) (Brexit). Despite the US-China trade war, it may affect the overall purchasing, however Thailand and even the Company still have gained some good results. Since customers who order from USA, are afraid of the effect of uncertain barrier tax. This contributes them to find for other production source without this effect.

The Company has maintained their existing customer base and aimed towards new high potential customers. Most of the customer, who are having their own brands and competitive capability in global, are looking for reliable jewelry manufacturer with capability of high quality product manufacturing for different and exquisite design. Understanding in mutual product development, marketing aspect and be the manufacturer certified for social responsibilities which these properties are corresponded to the Company's potential.

Besides, the Company is oriented to distribute more through E-commerce, especially in England. We have also built customers in E-commerce base. Furthermore, the Company has foreseen the importance of building variety of customer base according to business category of customer and varieties of regional aspect in USA, Europe and Asia to reduce the risk in future. Also, the Company is working with the customers as the strategic partners, who are the leading brands in the retail business in the US and making a long-term plan with the major customers to not only increase the chance to create mutual benefits together, but also reduce the risk incurred from the cost of raw material and so on.

Proportion of domestic and foreign revenues

MB: million Baht

	Year 2018		Year 2017		Year 2016		Year 2015		Year 2014	
	MB	%	MB	%	MB	%	MB	%	MB	%
Foreign revenue	1,379	49.36	1,662	57.05	1,772	62.59	1,913	67.81	2,479	75.24
Domestic revenue	1,415	50.64	1,251	42.95	1,059	37.41	908	32.19	816	24.76
Total	2,794	100	2,913	100	2,831	100	2,821	100	3,295	100

2.2 Competition in the industry.

The Gems and Jewelry industry of Thailand relies on the export considering from the highly export value amount of 11,978 million US dollar or approximately 434,891 million baht. It is the third major export product of Thailand that reflects well the competition capacity of the industry in global market for many years consecutively. The export value of silver jewelry has extended to 3.8% from the increased export to USA, Germany and China by 9.4 %, 7.5 % and 37.8 % respectively. Especially, China has high import value due to more import directly from Thailand apart from Hong Kong the former.

There are major competitors such as China and India that manufacture product with labor intensive same as Thailand. However Thai's Jewelry still maintains the higher quality than China and India significantly. In order to avoid likely more intense competition in the future, the industry must adapted more from original equipment manufacture (OEM) to original design manufacture (ODM). Due to ODM are able to securely retain their customer base and change from price consciousness to quality consciousness instead.

Industry Trends and competition in the future

Business situation of Gems and Jewelry of Thailand in 2018 has grown continuously among the trend of trade barrier policy between the world's two largest economy countries and turbulence of Brexit. Gems and jewelry industry has been supported from the government by cabinet resolution determined the strategy plan to contribute and support Thai gems and jewelry industry. Thai Gem and Jewelry Institute of Thailand or GIT has been assigned as an intermediate to receive policy and provide integrated implementing plan with Ministry of Commerce, other government unit and private enterprises concretely. For instance, increase potential and create market for gems and jewelry industry, build image of Thailand, establish confidence for consumers by improving quality and product standard to be recognized in global market. To guarantee that consumers will receive quality and standard product. These all are to improve altogether and enhance Thai Gem and Jewelry industry as center of world gems and jewelry within 2021.

All of these above mentioned have supported the capability in the competition of the Company. Business structure that support the future competition, covers our own production operation, distribution operation, retail operation. For the production operation, the Company has capability to manufacture high end gold jewelry and silver jewelry and is flexible to various purchase order from customers. Moreover, we also have design & product development center to respond for the need of customer with high craftsmanship through Pranda unique process. The Company has owned their distribution operation over the world in various countries, North America, Europe and Asia and including retail operation derived from vision in self-brand development to spread out market risk and increase the business opportunity in new market that has future growth potential.

The upcoming challenge in 2019, in addition to economic risk factors such as trade barrier policy, the withdrawal of the United Kingdom (UK) from the European Union (EU), (Brexit) which affect the economics of Thailand's major partners. One factor that can't be disregarded, is the rapid change of consumer behaviour in new generation. Technology plays its major role more in routine life of consumers especially, Millennial consumer group who will become important purchasing power of the market in future both domestic and international. They are highly capable of using technology actively, interested in purchasing high technology product, include even spending more for life experience than collecting gem and jewelry product as they used to be. With this reason, it is real significant challenge for the Company and those in gem and jewelry industry to adapt and develop product to attract this consumer group. However, Pranda Group is ready to conduct the business with facility for the growth, managed by highly experienced commercial team.

3. Product Procurement

3.1 Procurement of products

The Company used mass production to produce silver products. For high & medium "Gold Handicrafts," Company 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 manufacturing processes that incurs a very low loss rates.

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 2013-2017 dividing into four quarters were as follows:

Quarter	2018		2017		2016		2015		2014	
	MB	%	MB	%	MB	%	MB	%	MB	%
1	707	25	945	32	604	21	684	24	866	26
2	616	22	627	22	710	25	562	20	736	22
3	716	26	627	22	639	23	731	26	789	24
4	755	27	714	24	878	31	844	30	904	28
Total 4 Quarters	2,794	100	2,913	100	2,831	100	2,821	100	3,295	100

Note: MB: million Baht

The Company has production volume in the 5 years as stated in the following table.

Production Base	Production Capacity (million pieces)				
	2018	2017	2016	2015	2014
In Thailand					
Bangna factory, Bangkok	1.0	1.0	1.0	1.0	1.0
Factory in Suranari Industrial Zone	2.1	2.1	2.1	2.1	2.1
Crytal Line factory	0.5	0.5	0.5	0.5	0.5
Aboard					
Pranda factory, Vietnam	0.4	0.4	0.4	0.4	0.4
Total	4.0	4.0	4.0	4.0	4.0

Raw Materials

Unit : Million Baht

Raw material	2018	2017	2016	2015	2014
Foreign :-					
Gold	336	229	331	267	225
Silver	-	-	-	-	2
Accessories	19	29	38	33	43
Gemstones	47	53	83	52	82
Others	67	60	55	46	58
Total	469	441	507	398	410
Domestic :-					
Gold	165	221	156	224	242
Silver	98	172	157	242	377
Alloy	3	6	2	2	2
Accessories	7	2	3	2	5
Gemstones	200	282	309	305	295
Others	55	58	54	64	101
Total	528	528	881	681	839
Grand total	997	997	1,388	1,079	1,249

Usage ratio of raw materials

	2018	2017	2016	2015	2014
Foreign materials (%)	47	38	37	37	33
Domestic materials (%)	53	62	63	63	67
Total	100	100	100	100	100

The company will diversify sourcing of raw materials from many suppliers and maintain purchasing ratio not to exceed 30% per supplier, all of which the company has a good business relationship with. Therefore, the Company will have a lower risk if there is a change / loss of the supplier.

3.2 Environmental Impact from Production Processes or Waste Disposal

There is no record of environmental abuses as the Company's jewelry business provides no impacts on environment because the materials and waste from the production process will be recycled and reused as raw materials for re-production. Moreover, the Company was selected to be the workplace with good hygiene, safety, and pollution-free workplace with "good 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 .



Risk Factors

The Company has been giving significance to the market development for more than 40 years in the business, and the Management has always seen the opportunity from the business risks. During the past five years, there have been the rapid and severe economic changes in the countries of the major foreign trade partners including the domestic market seeing from the crisis in the United States that has spread to all regions quickly through trade, linked by a commercial system of high technology, coupled with the spread of social media extensively. Until now the situation is getting better judging from the figures indicating the economies of various countries are gradually recovered and also new regulation which supports the growth in jewelry industry.

In order to have more efficient risk management in compliance with good corporate governance and the Charter of the Finance & Risk Management Committee as well as the risk management policy, the Risk Management Sub-Committee is set up to study, review and assess risks in order to establish the policy concerning risk management strategies; as well as, reviewing all policies related before submitting to the Finance & Risk Management Committee and the Board of Directors respectively.

1. Business Risks

1.1 Strategic Risk

Given that the Market Diversification strategy has been generally executed in the USA, the EU and Asia, the seminars called the World Strategic Meetings have been held for the top management of the PRANDA Group every year to review the business directions and strategies of the PRANDA Group to be in line with the global economic situation and the market in each country by focusing on the new potential markets while still retaining the existing markets in order to balance revenues from manufacturing, distribution and retail. This can be seen from both of the Annual Budgets and 5-year long-term plan and the Strategic Action Plans of every company completely indicating the goals, KPIs, marketing plan, financial and investment plan including the action plan. In addition, the Finance & Risk Management Committee is appointed to report the business operation of the PRANDA Group at least every quarter to inform and improve the business plan to be relevant with changes any circumstances including monitoring the business operation of the PRANDA Group to be executed as planned. All these plans must be approved by the Finance & Risk Management Committee.

1.2 Customer Concentration Risk

Despite good relationship with the customers over 20 years, the Company is aware of negative effects arising from reliance on sales with major foreign customers. Providing the business of these major customers has problems incurred from the economic crisis in their own countries, the revenue on sales of the Company will also be affected without doubt.

Therefore, the Company has the policy to lessen dependence on major customers by still distributing the products to the same customers that have business growth potential and trying to find new customers both from the existing markets and new markets as well as relying more on sales of its own brand.

1.3 Retail Risk

The Company is having a plan to continuously expand its own retail base in various regions including Thailand, Indonesia, Vietnam and the UK to control the distribution channels that generate stable and constant revenues. The investment on this retail may raise the operational risks; consequently, in the business performance doesn't go as expected because there is change on customer demand on gems and jewelry all the time.

The Company is thus having criteria to prevent the retail risk as follows:

1) Market Risk

The Company will initially study the market in term of macroeconomics specifically in consumer behavior in relation to demand on gems and jewelry products, the existing and new competitors in the markets, economic, legal and political situations and other related factors to evaluate business potential and right product assortment suitable to markets before devising the retail policy for each market.

2) Shop Location Risk

After evaluation of the market potential is accepted, the Marketing and Sales manager will be sent out to assess customers and competitors so as to use such collected information to estimate budget, revenue, expenses, cost of investment on products suited to the market, shop decoration, breakeven point and payback period. In the case that there is no confidence in shop location, the Company will open a counter in the mall for a short period of 1-3 months' time as the market trial until there is sufficient group of customers worth investing on the retail shop in the long run. However, the Company will have the outlets in the leading malls where the study of location has already been conducted and the target group of customers has already been identified for certain extent.

3) Operational Risk

The Company is having annual operational plan and budget which is evaluated and reviewed every quarter based on monthly sales and marketing performance, finances, inventory management, personnel management and operational control. The KPIs and goals have been assigned to all employees and performance evaluation has been regularly made in order to monitor and control the operations to perform in accordance with the plan and policy as agreed by every employee in all departments and as mentioned in the framework of the standard operating procedures and system. Hence, KPI is a measure of the remuneration and performance evaluation of employees and executives.

4) Property Safety Risk

As the Company's merchandise is of high value, the Company is thus establishing the strict policy of property safety and having salespersons trained on the property safety measures, emergency procedures, product checking procedures in case of return or exchange and daily work shift rotation and other issues related. Additionally, the Internal Audit is regularly maintaining inventory checking of each branch and clearly defined authority is being set. On top of that, surveillance cameras, alarms and security personnel at the risky areas are put in place. The Company also has insurance coverage for all products during transport to prevent damages due to a force majeure.

5) Price-Setting and Discount Risk

Product pricing and discount must clearly be set in compliance with the marketing strategy concerning product positioning of each brand that the Company is carrying and its clear portfolio because it directly affects financial status in term of gross margin the Company expects to get. For the discount, the Marketing team of each brand will prepare sales promotion program to suit to the need of the target group of customers, the discount, gift and payment term which would not have impacts on the margins the Company expect to have.

To prevent the risk of price fluctuations of gold that is the main raw material in the production of golden products, which would affect the selling price of the products, the Gold Lease Facility is used to make the cost of inventories which is mainly made of gold fluctuate based on the world market price of gold at that period of time.

1.4 Product Obsolescence Risk

The Company is selling jewelry products or the so called fashion products. In 2018, the Company has inventories valued 1,695 million Baht or 65 percentage of current assets and 42 percentage of total assets and the turnover rate of inventories is 1.67 times. A lot of inventories may result in the inability to sell the products according to the set target, which causes a large amount of obsolete inventories. The allowance for obsolete inventory is thus created to prevent decrease in net income.

However, the outstanding inventories mostly contains precious metal with no expiry and deterioration, which can be taken into extracting and smelting processing to turn into raw materials to be used again for production. And the Company also has inventory management policy to prevent slow moving inventories. If there are loads of slow moving inventories over the limit to certain extent, the Company will open the showroom to have special promotion to clear out such inventories.

2. Production Risk

2.1 Risk of Human Resources Management

The Company is aiming to expand their own brand and retail markets in the European and Asian countries where product designs and tastes are much different from each other, which may cause shortage of personnel who is experienced in markets, product design, production and innovation.

Nevertheless, the following human resources risk management is taken into action.

- The Company has founded the dual vocational education project in collaboration with the Department of Vocational Education, the Kanjanapisek Royal Goldsmith College and the Bangkok Arts and Crafts College in establishing a school in the factory. The Company has had more than 100 students each year to attend the vocational artisan jewelry program. After graduated, they would be hired as the permanent employees. This program has been continually conducted for more than 17 years.

- To keep employees working for the organization, the benefits are provided for employees as follows.

- Financial benefits such as Cooperative to encourage saving to employees, loan benefit to help reduce debt, provident fund, home loan for employees in cooperation with the Government Housing Bank to give long-term loan with lower interest than other banks

- Knowledge developing benefits such as library, internet room and internal and external training and seminars

- Health benefits such as Aerobic activity

- Quality of life benefits for instance dormitory, free rice for 3 meals and nursery for employees' children

- Various grants in cases of marriage, birth giving, ordination, parental death, medical pay in addition to the responsible amount of the social security in the case of in-patient, group insurance and annual health check

- Morale benefits such as diligence allowance, new year party, other parties, loyalty reward for employees and sports event

- For human resources development, the Company develops the proactive plan of human resources development by adopting KPIs and Competency Development to be used in the organization, which helps improve recruitment, selection, training process, performance evaluation to be more efficient.

- To create good corporate culture and build awareness of collaborative working, the Core Values or the so called the Cores of PRANDA, namely Teamwork, Continuous Improvement and stakeholder Focus, are established and passed along to all employees to adhere with when working. The Company realizes that this is the foundation of business sustainability.

- To conform to the International Labor Standards and to be accepted by customers overseas, the Thai Labor Standards have been used to improve working systems; for example, safe workplace, good hygiene, measures to prevent violation of human rights, equality for all and so on.

- The International Quality Standard ISO 9001:2015 is implemented to build good and efficient working system as well as trust from customers both at home and abroad. This system has already been evaluated and approved by the Bureau Veritas Thailand Limited and certified by The United Kingdom Accreditation Service (UKAS), UK with 3-year certificate valid from September 3, 2016 – September 2, 2019.

2.2 Risk of The Volatility of Raw Material Prices

Though the global economy is getting recovered, high uncertainty still remains, resulting in continuous price volatility of gold and silver which are considered the main cost of production of authentic gems and jewelry products.

However, the Company has implemented financial risk management for the production business as follow:

- For the raw material prices, the Pass-Through system is used, so the Company will have no profit or loss incurred from volatility of raw material prices.

- The Forward rate is contracted with the Financial Institute to guarantee material prices in advance.

In addition, the price volatility has no effect on the distribution and retail business as the product prices are calculated from the cost of goods sold.

3. Financial Risk

As the Company is engaged in the manufacturing, distribution and retail businesses both domestic and overseas, most of the revenues are in foreign currencies and some in Baht while the cost of raw materials including gold and silver considered as commodities and imported jewelry are in foreign currencies. The natural hedge and forward contract is used to hedge the exchange rate.

Credit checking of the existing and new customers on a regular basis including credit limit setting based on turnover and the financial status of the customers as well as evaluating potential competitiveness of the customers in the long run is made. Moreover, the debt collecting procedures is closely monitored and the credit limit for customers is regularly reviewed. Provided that there is a risk over the accepted level, the deposit will be requested from the customers before taking purchase orders.

Furthermore, there are risk of short termed loan considered as revolving money of which contract may not be extended and one of interest rate volatility based on the market situation. The risk management by controlling ratio between short-term and long-term loans to make appropriate balance of debt repayment according to type of investment and business operations is applied. The Company will be also engaged for circulating funds with several different banks to prevent cancellation on the loan contracts as well as maintaining D/E ratio to have debt less than 1.5 times of equity by using a floating interest rate. Nonetheless, this is closely monitored by the management and the interest rate volatility has no significant effects on the business operation.

4. Risks affecting the rights of shareholders

The Company has risk of having major shareholders more than 25%

The Company has the largest shareholder who is the founder of the Company holding 144,327,880 shares or 34.0% of the total shares sold as of December 31, 2018. That enables this family have the right to oppose or disapprove the votes in the shareholders' meeting in regard to the Company's Articles of Association or any associated laws which requires the votes of not less than one third of the total votes of the shareholders entitled to vote and presenting at the meeting.

Nevertheless, the major group of shareholders is serving in administrative affairs and policy. Therefore, the interest of the shareholders will be taken into account as priority.



General Information and Other Important Information

1. Other Information

Company Name	Pranda Jewelry Public Company Limited
Symbol	PDJ (Effective date of January 19, 2018)
Core Business	Production, distribution and retail of fine jewelry
Head office	28 Soi Bangna-Trad 28, Bangna Tai, Bangna, Bangkok 10260 Thailand
Registration	0107537001986
Telephone	+66 2769 9999
Fax	+66 2769 9998
Registered Capital	634,769,950 THB
Paid Capital	424,639,788 THB
Home Page	www.pranda.com
Responsible Person	Mrs. Pranee Khunprasert Email : pranee@pranda.co.th Mr. Pramote Tiasuwan Email : pramote@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 Sriruangmon
Email	Somsak_s@pranda.co.th

2 The Company's Shareholding Exceeded 10% of Paid Capital. (December 31, 2018)

Company Name / Address	Business	% of Holding	% of Co -shareholder	Registered Capital	Paid-up Capital
Crystalline Co., Ltd. No. 22 Soi Bangna-Trad 28, Bangna Tai Sub-district, Bangna District, Bangkok 10260 Telephone +66 2769 9999 Fax +66 2399 4874 Home Page: www.crystalline.com Responsible Person: Mrs. Sunanta Tiasuwan Email: sunanta@pranda.co.th	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 1.5 Million	USD 1.5 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

Company Name / Address	Business	% of Holding	% of Co -shareholder	Registered Capital	Paid-up Capital
Primagold International Co., Ltd. No. 1093/64 12th Floor, Central City Bangna Tower, Bangna-Trad Rd., Bangna Tai Sub-district, Bangna District, Bangkok 10260 Telephone +66 2745 6111 Fax +66 2745 6117 Home Page: www.primagold.co.th Responsible Person: Mrs. Pranee Khunprasert Email: pranee@pranda.co.th	Jewelry retail in Thailand.	100		THB 200 Million	THB 200 Million
PT Pranda Marketing 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. 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 Ciptalogam	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
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: Mr. Chanat Sorakraikitikul Email: art_s@pranda.co.th	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 53 01 95 41 +33 6 07 95 99 65 Fax +33 1 5301 9540 Home Page: www.h-gringoire.fr Responsible Person : Mina El Hadraoui : Laurence Brunel Email: M.ElHadraoui@h-gringoire.fr l.brunel@h-gringoire.fr	Distribution of fine jewelry in France and Europe.	100		EUR 5 Million	EUR 5 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

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

RL Counsel Co., Ltd.

62/15 Thaniya Soi Suriyawongse Road, Suriyawongse, Bangrank

Bangkok 10500

Telephone +66 235 3339

Fax +66 2235 3076

www.rlcounsel.com

Other Important Information

-None-

Shareholders

1. List of Major Shareholders

(a) Top ten major shareholders as of the closure date of the register book on 28 December 2018 are as follows:

List of Major Shareholders	No. of Shares	Shareholding Percentage
1. Founding family	144,327,880	34.0%
Mr. Prida Tiasuwan	21,996,420	5.18%
Mrs. Panidda Tiasuwan	20,232,960	4.77%
Ms. Pittaya Tiasuwan	18,451,160	4.35%
Mrs. Pranee Khunprasert	10,328,560	2.43%
Mrs. Ratchara Pornrungraj	9,581,960	2.26%
Mr. Pramote Tiasuwan	9,280,560	2.19%
Mrs. Prapee Sorakraikitikul	7,400,060	1.74%
Mrs. Sunanta Tiasuwan	2,720,500	0.64%
Relatives of founders	29,541,400	6.96%
Pranda Holding Co., Ltd. ^{/1}	14,794,300	3.48%
2. Mr. Prateep Tangmatitham	41,179,700	9.70%
3. Thai NVDR Company Limited	20,760,800	4.89%
4. Mr. Somchai Padpai	19,610,000	4.62%
5. STATE STREET BANK AND TRUST COMPANY	13,525,137	3.19%
6. BANK OF SINGAPORE LIMITED	11,844,700	2.79%
7. Bualuang Siriphol Corporate Governance	7,887,900	1.86%
8. Bualuang Siriphol Corporate Governance RMF	6,227,600	1.47%
9. J.P. MORGAN BANK LUXEMBOURG S.A. LEND	5,351,345	1.26%
10. CITI(NOMINEES) LIMITED-HOST-PLUS PTY LTD-HOSTPLUS POOLED SUPERANNUATION TST-PARADICE GLO SMALL	3,746,100	0.88%
Total	274,461,162	64.63%

The shareholders 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 and www.pranda.co.th / section Investor Relations / category Shareholder Information : Major shareholders) before commencement of Annual General Meeting of shareholders 2018.

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

List of Shareholders		No. of Shares	Shareholding Percentage
1. Ms.Jurane	Tiasuwan	220,000	22%
2. Mrs.Pranee	Khunprasert	120,000	12%
3. Mr.Dusit	Chongsutthanamanee	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%
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.

Major shareholders comprise of the family group of founders as (a) top ten major shareholders.

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 2018 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

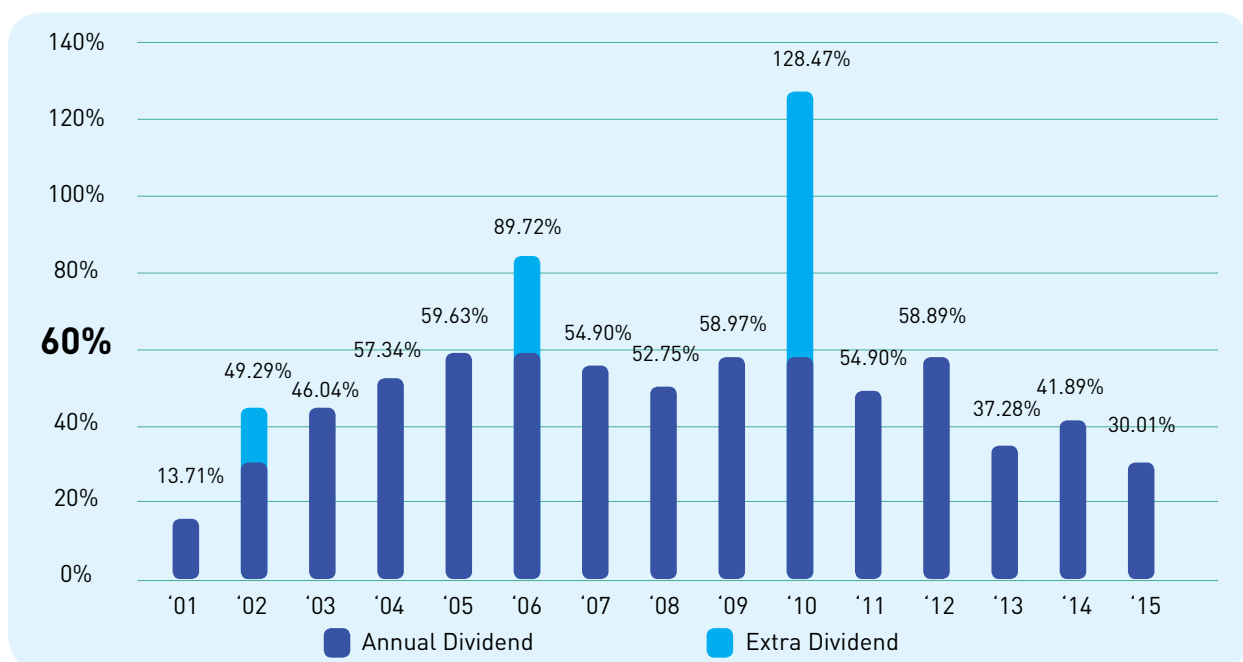
Year	Net profit (million baht)	% of dividend payment	Dividend pay-out (million baht)	Number (million shares)	Dividend per share (baht)
Extra dividend from retained earnings, a net profit of year 2007	-	-	120.20	400.67	0.30
2010	343.79	58.33	200.54	401.09	0.50
Interim dividend from the profit for period 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	67.05	30.01	20.12	402.39	0.05
2016	(1.32)	-	-	-	-
2017	(419.25)	-	-	-	-
2018 ^{/3}	48.35				

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

^{/2} The Board of Director's meeting NO. 14/2007 held 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 operating results of year 2018, the Company's Board of Directors to approve for no dividend payment.

The dividend payment in comparison to net profit over the last 15 years.



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, 2018 is composed of 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. There are 9 existing members of the Board of Directors of the Company as follow:

1. Three 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	20 April, 2016
2. Mrs. Prapee Sorakraikitikul	Vice Chairman	20 April, 2016
3. Mrs. Sunanta Tiasuwan	Director	20 April, 2017
4. Mrs. Pranee Khunprasert	Director/ Chairman of Group Executive Committee	20 April, 2017 ^{/2}
5. Mr. Pramote Tiasuwan	Director	21 April, 2018 ^{/2}
6. Mrs. Pittaya Tiasuwan	Director	20 April, 2016
7. Mr. Verachai Tantikul	Independent Director/ Chairman of Audit Committee/ Chairman of Nomination and Remuneration Committee	21 April, 2018
8. Mrs. Rawittha Pongnuchit	Independent Director/ Member of Audit Committee	21 April, 2018 ^{/2}
9. Mr. Chamnong Watanagase	Independent Director/ Member of Audit Committee	20 April, 2017

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

^{/2} The 2017 Annual Shareholders' Meeting, held on April 18, 2018 has resolved to re-appoint the following Directors for another term; namely Mr. Pramote Tiasuwan, Mr. Verachai Tantikul and Mrs. Rawittha Pongnuchit.

The advisors to the Board of Directors of the Company are Mrs. Panida Tiasuwan.

Authorized Directors

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

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 and have qualifications as prescribed by laws.

3. The Board of Directors comprises the Independent Directors of at least one-third of total members, but no less than 3 members by having the office term of no more than 9 years from the date of their first appointment as the Independent Director

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.

8. The Directors of the Company shall have a board diversity of qualifications in view of industrial, financial & accounting, management and legal skills, experiences, capabilities and other specific qualifications including proper gender and age necessary to achieve the company objectives and goals. There shall be at least one non-executive director who has experience in the core business or industry of the Company.

9. The Board of Directors shall have a proportion of executive directors and non-executive directors who reflect the appropriate balance of power. Most of the Board of Directors is non-executive who can freely give comment on the operation of the Management.

Qualifications of the Board of Directors of the Company

1. The Directors must be qualified with knowledge, competency, integrity, and ethics, and have enough time to be able to dedicate his/her knowledge and competency to perform duties for the Company.

2. Does 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 held by public as required by the regulations of the Securities and Exchange Commission [SEC].

3. Is not a person who violates the rules, regulations, announcements, orders, resolutions of the Board of Directors or the regulations of the SET including any circulars that are required to be adhered to and may have extremely negative effect on the benefits or decisions of shareholders or investors or changes in securities prices.

4. 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.

Qualifications of the 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 other directors, 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. Neither 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 aforementioned 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 a Director appointed to be the representative of the Directors of the Company, major shareholders, or any other shareholders related to major shareholders.

7. 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.

8. 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.

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:

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 including the key performance index and the operating performance in comparison with the other competitors.
5. To perform human resource management as follows:
 - 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 a 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 manage those connected transactions to be reported to the Board of Directors on a 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 maximum 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 the 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 Board meeting, to produce the complete minutes of the meeting, and to prevent any amendment to the certified minutes
 - 6.11 To monitor the conflicts of interest that may arise

6.12 To provide the adequate and efficient communication channels with all stakeholders of the Company and the public, and to 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 that may affect the performance of the appointed Sub-committees

8. The evaluation of the performance of the Board is made as follows:

8.1 The Board of Directors has annually arranged the two following forms of evaluation of the Directors.

8.1.1 Individual evaluation in the form of self assessment

8.1.2 Group evaluation of both the Board of Directors and Sub-committees

8.2 Assessment of the results and various commentaries as well as submission to the general assembly to jointly support the Board of Directors for better performance

9. To ensure that the company operates its business with transparency, adhering to the principles of good governance, and that does not support any forms of corruption; whether directly or indirectly

10. To devote time without expectation of benefit from the Directors or from 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 to have a strong sense of ethics and morality, and act in compliance with the principles of corporate governance, ethics and anti-corruption policies applicable to the Company, and at the same time to regulate the internal control system and appropriate internal audits to reduce the risk of corruption and abuse of power, including the prevention of illegal acts.

12. To protect the interests of shareholders, both major and minor, according to their fair share of rights, also to encourage the shareholders to exercise their right to maintain their own interests and receive accurate, complete, transparent, verifiable and timely news or information updates.

13. To recognize the roles and responsibilities of the Company's Board of Directors, to respect their rights and treat shareholders and other stakeholders fairly and transparently as well as to monitor and provide the processes and channels to receive and deal with any complaint or any hint of violation from any party or stakeholder who wishes to report or lodge a complaint on impending problems directly to 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 Board of Directors and of the Company, such as holding the shareholders' meeting and to provide advices to the Directors or the Company pertaining to compliances 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 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. 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 at the Company's cost.

4. Approve the credit line acceptance or cancellation on 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 the other companies at the amount exceeding the approval limit of the Executive Committee.

6. Consent to enter into the guarantee agreement upon credit facility for the related party who is also the shareholder of the Company at the amount exceeding the approval limit of the Executive Committee.

7. Approve the establishment, merger, or dissolution of the Subsidiaries of the Company.

8. Approve the Capital Increase of the subsidiaries and the associates at the amount exceeding the approval limit of the Executive Committee.

9. Approve the investment or purchase of the stock and/or debt instrument at the amount exceeding the approval limit of the Executive Committee

10. Consent to acquire or invest in fixed asset at the amount exceeding the approval limit of the Executive Committee.

11. Consent 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 on the purchase of products, raw materials and expendable supplies amounting more than 10 million baht

13. Approval on general expenses costing over 10 million baht

14. Approval on the expense of charitable donations, and the giving of funding in the amount exceeding five hundred thousand baht

15. Approval on the gifts and reception costs more than one hundred thousand baht

16. Approve the purchase of fixed asset with the value over Baht 20 million and not being set in the budget plan with the value over Baht 5 million.

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. Consent 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. Consent 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 the advisor of the Board, Sub-committees, Managing Director, Executives, or any 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. Approve the annual business plan and budget as proposed by the Management

23. Approve crucial matters for business as prescribed by laws or regulations of the Company
24. Appoint and remove the Corporate Secretary of the Company
25. The aforementioned 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.

The Board of Directors has approved in principle on the general commercial terms and conditions. The transactions with no more than 1% of total revenue between the Company and the subsidiaries and the Directors, Executives or any related person shall be approved by The Management after the last accounting period of the transaction.

Authority of the Chairman of the Board

1. Perform as the leader of business strategy of the Company, monitor and follow-up to ensure the Board of Directors can perform their duties efficiently and reach the agreed objectives and corporate goals.
2. Manage to ensure that all Directors are involved in the promotion of the ethical corporate culture and good corporate governance.
3. 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.
4. Act as the chairperson in the Board of Directors' meeting, and make the final vote in case of having a tie vote.
5. Determine the meeting agenda in cooperation with the Managing Director and have the measure to ensure that the crucial matters are included in the agenda.
6. 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.
7. Establish good relationship between the Non-Executive Directors and Executive Directors
8. Communicate complete information to all Directors
9. 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
10. 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
11. Encourage the Directors of the Company to perform their duties and responsibilities in compliance with the relevant laws and the principle of good corporate governance

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

Name		Meeting attendance/ Total meetings [times]					
		The Board of Directors	Group Executive Committee	Audit Committee	Nomination and Remuneration Committee	Finance & Risk Management Committee	Core Values and CSR Committee
		Total: 18 meetings	Total: 12 meetings	Total: 4 meetings	Total: 3 meetings	Total: 4 meetings	Total: 4 meetings
1. Mr. Prida	Tiasuwan	16/18					
2. Mrs. Prapee	Sorakraikitikul	17/18			3/3	4/4	
3. Mrs. Sunanta	Tiasuwan	17/18			3/3		
4. Mr. Pramote	Tiasuwan	18/18	12/12		3/3	4/4	2/4
5. Mrs. Pranee	Khunprasert	17/18	10/12		3/3	4/4	
6. Mr. Verachai	Tantikul	18/18		4/4	3/3		
7. Mrs. Rawittha	Pongnuchit	16/18		1/4			
8. Mr. Chamnong	Watanagase	17/18		3/4			
9. Ms. Pittaya	Tiasuwan	18/18	12/12			4/4	
10. Mrs. Panidda	Tiasuwan				3/3		
11. Mr. Decha	Nuntanajaroenkul		11/12			4/4	
12. Mr. Chanat	Sorakraikitikul		12/12			4/4	
13. Mr. Dusit	Chongsutthanamanee					4/4	
14. Prof.Dr.Channarong	Pornrungrroj		11/11				4/4
15. Mr. Somsak	Sriruengmon						4/4
16. Mrs. Nirarat	Tanalekhapat						3/4
17. Mrs. Chawee	Jarukornvasin						1/4
18. Ms. Sasisopa	Wattakeecharoe						3/4
19. Ms. Suporn	Rungpitayatorn						1/4
20. Mr. Pitipong	Tiasuwan						1/4

Remark:

1. No. 1-9 are 9 Members of the Board of Directors
2. No. 4-5, 9, 11-12 and No. 14 are six Members of the Group Executive Committee.
3. No. 6-8 are three Members of the Audit Committee
4. No. 2-6, and No. 10 are six Members of the Nomination and Remuneration Committee
5. No. 2, 4-5 and 9 and No. 11-13 are seven Members of the Finance & Risk Management Committee.
6. No. 4 and 14-20 are seven Members of the Core Values and CSR Committee.
7. Figures in the table mean the number of meeting participation / number of total meetings during the period the Directors are holding the position

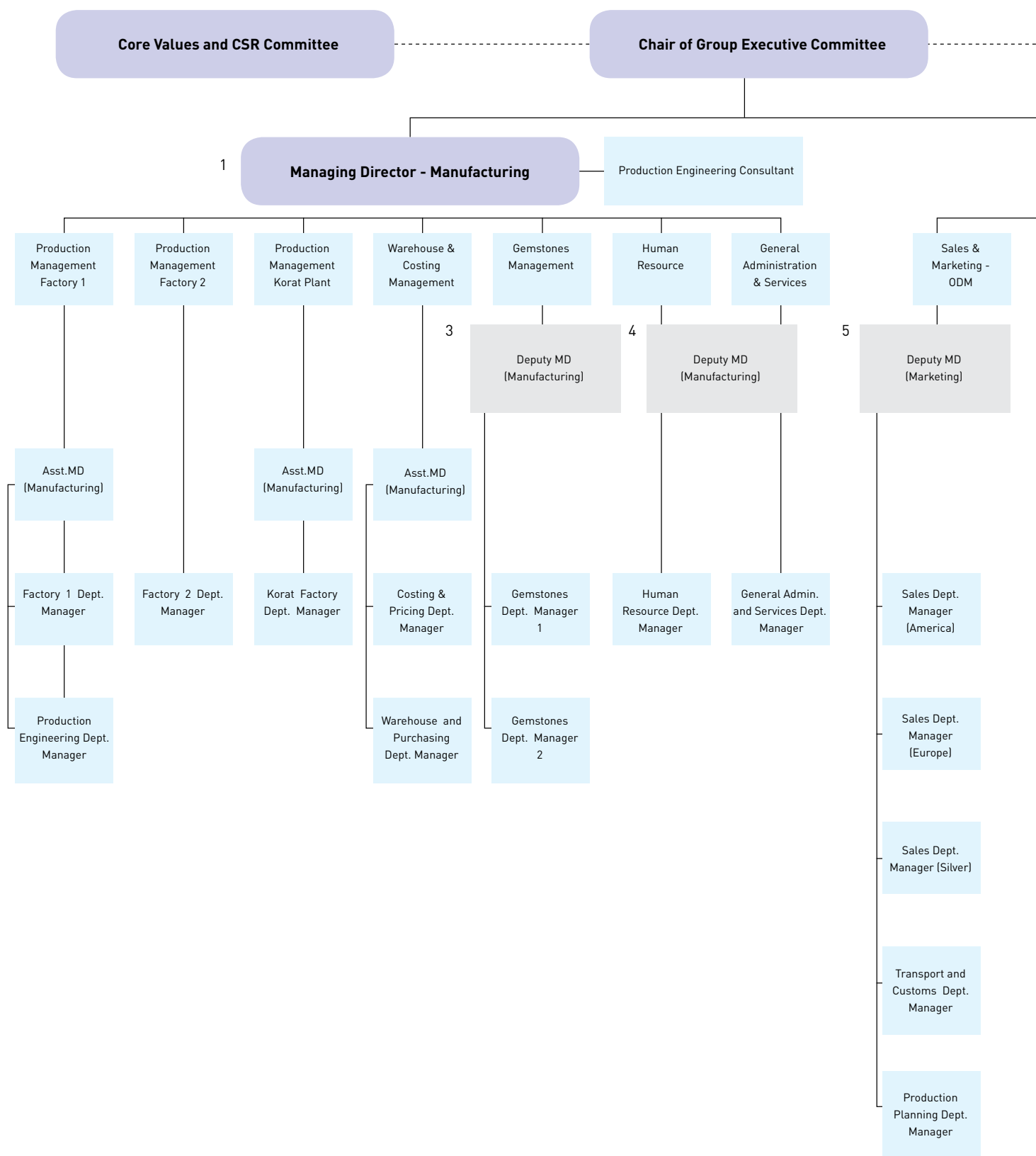
2. Executives of the Company

The Executives of the Company^{/1} as of December 31, 2018 according to definition of the Securities and Exchange Commission are as follows:

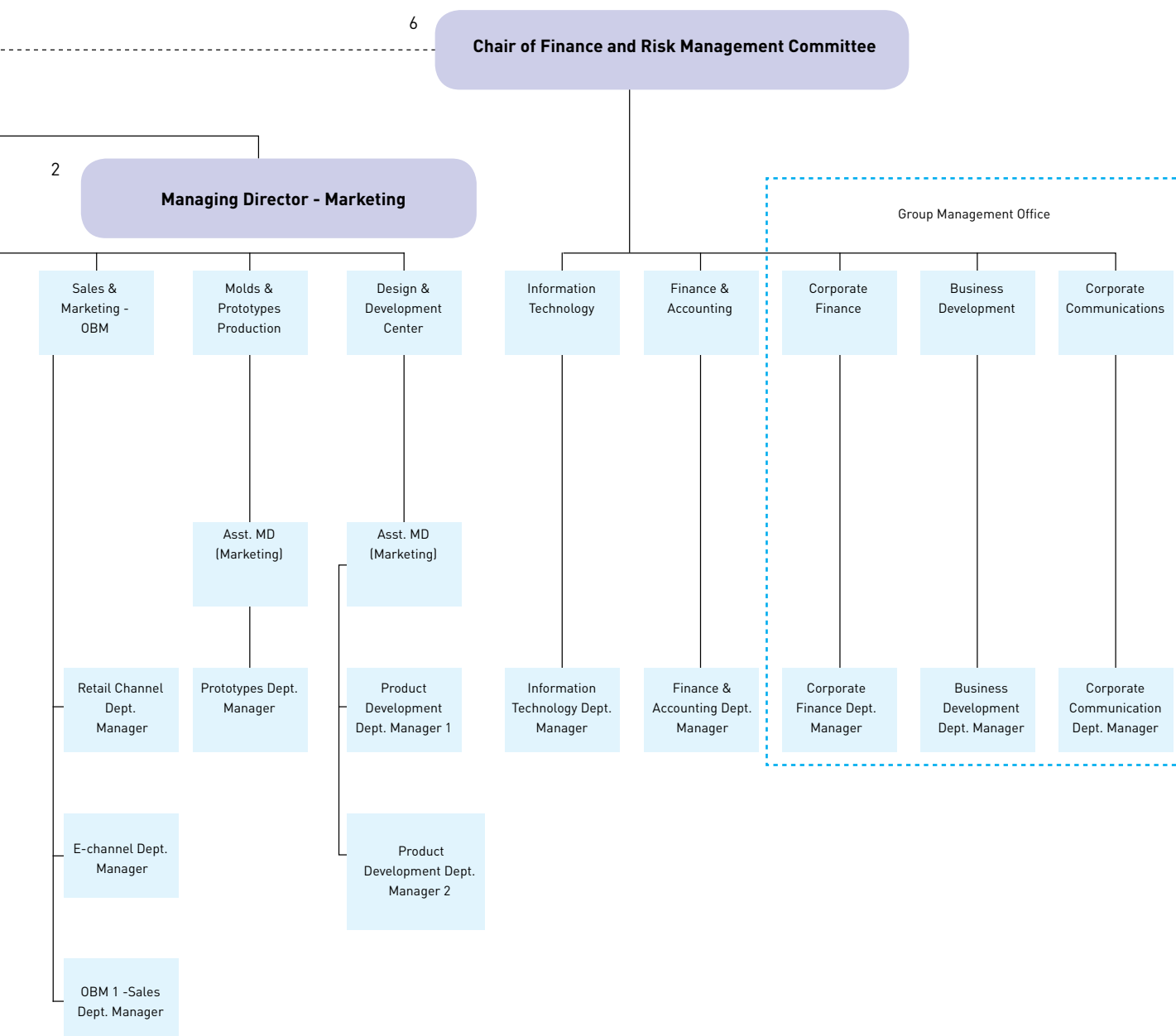
Name		Position
1. Mr. Pramote	Tiasuwan	Managing Director (Manufacturing)
2. Mrs. Pranee	Khunprasert	Managing Director (Marketing)
3. Ms. Pittaya	Tiasuwan	Deputy Managing Director (Manufacturing)
4. Prof. Dr. Charnnarong	Pornrungrroj	Deputy Managing Director (Manufacturing)
5. Mr. Decha	Nuntanajaroenkul	Deputy Managing Director (Marketing)
6. Mr. Chanat	Sorakraikitikul	Chairman of Finance & Risk Management Committee

Note: ^{/1} means the Managing Director, or the Executives who hold the first four positions lower than the Managing Director 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.



1-6 are the Executives of the Company as per the Notification of the Securities and Exchange Commission



3. The Corporate Secretary: Mr. Dusit Chongsutthanamane

The Board of Directors has resolved to appoint Mr. Dusit Chongsutthanamane 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.

Composition and Qualifications

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 of corporate governance.
3. Having knowledge in the nature of business of the 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 their duties in compliance with the laws and regulations of the Securities and Exchange Commission, the Stock Exchange of Thailand, and other related laws.
12. To organize the Office of the Corporate Secretary to be the center of corporate records, 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

4.1 Criteria and Remuneration Policy for the Directors and Executives

Remuneration is divided into 2 types, one for the Non-Executive Directors and the other for the Executive Directors, which will be disclosed and included in the remuneration part for the Executives under the following criteria:

- 1) Remuneration for the Directors is classified into 2 types: financial and others.
- 2) The Board of Directors appoints Nomination and Remuneration Committee to determine the remuneration policy and criteria in regard to type of remuneration, way to return remuneration and the amount of remuneration for the Directors by making it compatible to the value of the Company's shares and presenting for approvals to the Board of the Directors and in the shareholders' meeting respectively.
- 3) Remuneration shall be set up with transparency by considering the duties and responsibilities, performance and the long-term goals and objectives of the Company. In addition, the comparative performance of the Directors in the same industry and of comparable business size must be taken into account by the Nomination and Remuneration Committee.
- 4) To retain the potential Directors, the Nomination and Remuneration Committee determines the remuneration for the Directors by taking the benefits expected from each Director into consideration and returning the remuneration at the proper rate that can be motivated or at the comparable rate to that given in the same industry.

4.2 Remuneration for the Directors

- 1) The Board of Directors appoints Nomination and Remuneration Committee to determine the remuneration policy and criteria in regard to type of remuneration, way to return remuneration and the amount of remuneration for the Directors by making it compatible to the value of the Company's shares and presenting for approvals to the Board of Directors and in the shareholders' meeting respectively.
- 2) Remuneration shall be determined by considering the strategies and long-term goals of the Company, experience, duties and responsibilities including the benefits the Company expects from each Director. In addition, the comparative performance of the Directors in the same industry and of comparable business size must be taken into account.



1 Financial remuneration during January 1, 2018 to December 31, 2018.

[A] Remuneration for the Director Position^{/1} comprises salary, allowance and bonus.

Unit: Million Baht

Name		Remuneration to the Directors			
		Position	The Board of Directors (Salary and Bonus)	The Audit Committee (Allowance and Bonus)	Total
1. Mr. Prida	Tiasuwan	Chairman of the Board	5.088		5.088
2. Mrs. Prapee	Sorakraikitikul	Director/ Member of Finance & Risk Management Committee/ Member of Nomination and remuneration Committee	1.586		1.586
3. Mrs. Sunanta	Tiasuwan	Director/ Member of Nomination and remuneration Committee	1.506		1.506
4. Mr. Verachai	Tantikul	Independent Director/ Chairman of Audit Committee/ Chairman of Nomination and remuneration Committee		0.780	0.780
5. Mrs. Rawittha	Pongnuchit	Independent Director/ Member of Audit Committee		0.520	0.520
6. Mr. Chamnong	Watanagase	Independent Director/ Member of Audit Committee		0.520	0.520
Total Remuneration			8.180	1.820	10.000

Note: ^{/1} The remaining 3 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 Baht)
Executive Directors and Executives	Salary and Bonus	6	18.073

Note: 1. Three Directors are entitled to receive remuneration for the Executive Director.

- Remuneration Structure of the Chairman of Group Executive Committee, The Executives and all employees**

The Board of Directors appoints the Nomination and Remuneration Committee to propose criteria and factors for performance evaluation and remuneration structure of the Chairman of Group Executive Committee and the Executives and present to the Board of Directors for an approval and nominates the Managing Director to propose criteria and factors for performance evaluation of employees at all levels to the Group Executive Committee for an approval to be inconsistent with the objectives and corporate goals as well as long-term benefits of the business.

1) Consider appropriate ratio of financial remuneration, short-term performance such as, bonus and long termed performance namely, Balanced Scorecard

2) Define compensation policy by considering the compensation level to be equal to the estimated level in the same industry and the business performance

3) Policy on evaluation criteria is widely communicated in the organization.

Other remunerations

- **Provident Fund**

The Company has contributed the additional provident fund for the Directors and the Executives in 2018 as per following details:

[A] Directors

Name	Amount (million Baht)
1. Mr. Prida Tiasuwan	0.2348
2. Mrs. Prapee Sorakraikitikul	0.0366
3. Mrs. Sunanta Tiasuwan	0.0695
Total	0.3409

[B] The Executives

	No. (person)	Amount (million Baht)
The Executives	6	0.7530

- **Warrants to purchase new ordinary shares of the Company issued to the directors and employees of the Company (ESOP)**

On 29 January 2018, the Extraordinary Shareholder's Meeting of the Company passed a resolution to approve issuance and offering of the warrants to purchase ordinary shares of the Company to its directors and employees of the Company No.2 at the total number of 20,476,450 units at no cost and with the exercise price of Baht 4 per share and with the term not exceeding 3 years from issuance date of the warrants.

On 14 August 2018, the Board of Director Meeting of the Company passed a resolution to approve the allocation and determine any other detail regarding the issuance of the warrants to purchase ordinary shares of the Company to its directors and employees of the Company (PDJ ESOP-2). Details of the warrants are summarised below.

Warrants issuing date	14 August 2018
Term of warrants	3 years from the issuance date
Warrants expiring date	14 August 2021
Amount of warrants (Units)	20,476,450
Exercise ratio	One unit of the Warrants for Directors and Employees No. 2 for one ordinary share
Exercise price	Baht 4 per share unless the exercise ratio is otherwise adjusted pursuant to the conditions concerning the right adjustment.
Exercise period	Once a year on the date of each anniversary of the issuance of the Warrants.
First Exercise date	14 August 2019
Last Exercise date	14 August 2021
Proportion for Exercise	The First Exercise: To exercise the accrued right not exceeding 25 percent of the Warrants which allocated to each holder by the Company. The Second Exercise: To exercise the accrued right not exceeding 50 percent of the Warrants which allocated to each holder by the Company (inclusive of first and second exercises). The Third Exercise: To exercise the accrued right not exceeding 100 percent of the Warrants which allocated to each holder by the Company. (inclusive of first to third exercises)

5. Human Resources

Number of employees of the Company and the subsidiaries as of December 31, 2018 is as follow:

Number of employees	Production	Distribution	Retail	Others	Total
Employees in Operation/ Service Unit (persons)	2,078	2	226	2	2,,308
Employees in office (persons)	653	101	89	3	846
Total (persons)	2,731	103	315	5	3,154

Note: The Company has no labor dispute.

Employee Remuneration

The Company realizes human resources are the most valuable resources, therefore fair remuneration and benefits are given to all employees. The Company constantly revises remuneration scheme and other benefits provided to employees to ensure that remuneration rates are competitive when compared to others in the same industry. On top of that, Key Performance Indicator (KPI) is used to measure performance of the employees in comparison to the objective measurement.

In 2018 the total remuneration amounting 956 million Baht is paid by the Company and the subsidiaries in form of monthly salary, wage and bonus including other benefits, which is classified into 3 main categories as mentioned hereafter.

1. Financial Aids

The following financial aids are granted in the case of ordination, marriage, childbearing, death of the Management and employees, death of parents, spouse and child of the Management and employees in accordance with the Company's related regulations.

2. Health and Life Insurance - for example, annual health check-up, group health insurance and group accident insurance

2.1 Annual Health Check-up

The Health Check-up is provided to the Executives, senior supervisors, workers at risk of having accident and Dual Vocational Education students

2.2 Group Health Insurance

The group insurances are provided as follows.

- Group insurance
- Life and health group insurance for the Executives
- Accident insurance and international travel and health insurances
- Travel insurance
- Group accident insurance

3. Funds

3.1 The Provident Fund

The provident fund is rendered as saving assurance for the employees who are retired or resign from the Company on the condition that the entitled Executive must work for the company for 3 years whilst no less than 5 years or more for the employees.

3.2 The Compensation Fund

The Compensation Fund has been registered in according to Compensation Act.

3.3 The Social Security Fund

The Social Security Fund has been registered in accordance with Social Security Fund Act.

Human Resources Management Policy

As the Company realizes employee or the so called “Human Capital” is the most valuable asset that can drive business growth for sustainability, it is important to constantly improve employee’s knowledge and skills. It can be seen that most employees are experienced and can transfer knowledge and experience from generation to generation, which helps the Company to efficiently produce high quality jewelry.

The Company has integrated staff training in line with corporate strategy by having Competency-Based Training Road Map in consistence with the ISO 9001:2015 in regard to knowledge support essential for business, which helps set the framework for planning long-term training to match positions and abilities of the people in the organization. Employees are continually improving their knowledge, both in professional and ethics, and skills along with good quality of life, which can be used as guidelines when working and drive for business growth in the end.

Besides, the Company has established three corporate values or core values - Teamwork, Continuous Improvement and Stakeholder Focus – and encouraged employees to share opinions and comments in order to develop the organization. In the entire year of 2018, “the Team Building: Grow Together” training has been conducted to constantly build teamwork and good relationship among employees. The Individual Development Plan has also been built up to match individual difference in capability and support career advancement for employees.

For the year 2018, the Company provided the budget of training around 1.6 Mil. Baht for our employees totaling 3,300 persons, which having in-house and outside all together 87 courses or average training 1.05 day/person/annum. In addition, we closely managed the quality and standard of the learning by evaluating satisfaction of average training having high score at 83.83%, focusing on developed multi-skill for all employees in order to create potential persons and fit with our vision and mission which complied with learning organization.



Corporate Governance

Pranda Jewelry Public Co., Ltd. is committed to operate the business with good corporate governance by building awareness and work ethic to employees as well as giving considerable concern to provide benefits of the shareholders and stakeholders fairly. Since the year 2000, the Company has been having a policy regarding good corporate governance in writing to be the guidelines for the Board of Directors, Executives and all employees to follow. The principles of good corporate governance have been practiced in daily administration at all levels till they become a good corporate culture that builds the shared values for all employees to adhere with together in relation to fair treats to all stakeholders, working in full capacity with integrity, transparency and accountability for the benefit of the Company, which finally brings trust and confidence to the shareholders, investors, stakeholders and any concerned parties. The Board of Directors have therefore kept monitoring the business operation to be in compliance with the principles of good corporate governance of The Stock Exchange of Thailand (SET) and the regulations of the Securities and Exchange Commission (SEC) and the Capital Market Commission. This is to ensure the corporate governance consistently meets the international standard practices and efficiently strengthen not only the management system but also the sustainability of business growth.



Excellent Corporate Governance Scoring

In year 2018 the Company is scored in the **Corporate Governance Report of Thai Listed Companies 2018** with 5 stars as “Excellent” corporate governance. The Company is not only one of the 142 listed companies rated “Excellent” out of the grand total of 657 companies but also one of the 51 companies of the Top Quartile group listed with 1,000-2,999 million Baht of market values, of which there are 201 companies in total according to the survey of corporate governance of listed companies in the year 2018, organized by the Stock Exchange of Thailand, The Securities and Exchange Commission Thailand and the Thai Institute of Directors.

1. Corporate Governance Policy

The Board of the Directors has set up the policy of good corporate governance written in the Corporate Governance Manual since the year 2000 and reviewed as well as adjusted the policy to be in line with the Company’s strategies and the Guidelines on Corporate Governance for the listed companies in the year 2013 of the Stock Exchange of Thailand (SET) and the regulations and the Corporate Governance Report of Thai Listed Companies: CGR of the Thai Institution of Director (IOD). The Board of Directors has applied good corporate code (CG Code) of year 2017 to their own business operation in long term, form trust for shareholders in order to beneficially create value sustainably to the Company. This policy has been thus set up as the operational guidelines or frameworks for the Board of Directors, Executives and employees at all levels to sign up and adhere to as mentioned hereunder.

1. The Board of Directors, Executives and all employees must follow the Corporate Governance Manual with trust, faith and understanding of the corporate governance that is relevant to the Philosophy of Economic Sufficiency of H.M the Late King Bhumibol Adulyadej who granted an advice on sustainable development that focuses on balance and readiness to rapid changes by giving importance to use of knowledge with carefulness and ethics to complement to the 8 basic principles of the Company as follows:

- Accountability: being accountable for your own decisions and actions and can clarify or justify such decisions
- Responsibility: being responsible for duties with capacity and sufficient efficiency
- Integrity: having the quality of being honest
- Equitable Treatment: treating stakeholders with equality and fairness
- Transparency: performing duties with transparency and verifiability as well as transparently disclosing information to all parties concerned

- Ethics: having moral and business ethics principles of conducting business
 - Vision to Create Long Term Value: having vision to create added values to the corporate in the long run
 - Corporate Social Responsibility: being responsible for society
2. The Board of Directors, Executives and employees will practice corporate governance in business administration at all levels to become a good corporate culture.
3. The Board of Directors, Executives and employees will adhere to fairness, equally treat stakeholders and work with full capacity for the benefits of the Company, honesty and transparency, which can be verified.
4. The Board of Directors, Executives and employees may advise to improve the corporate governance policy to be applicable and suitable to the standards of business practices; as well as changing needs of society and international standards.
5. Conforming to corporate governance policy is considered a key indicator to evaluate business management by the Board of Directors and the Executives as well as evaluation of employees' performance.
6. The Board of Directors will review vision, mission and strategies annually.
- In the meeting 12/2017 on November 13, 2017, the Board of Directors has reviewed and approved the 5th revised edition "Corporate Governance and Code of Conduct Manual" with the following revised issues:
1. Revise Principle 5: responsibilities of the Directors mentioned in the Corporate Governance and Code of Conduct Manual to be clearer.
 2. Add the clause that the Board can apply the 8 Codes of Conduct and guidelines for good corporate governance for the listed companies in 2017 to be used suitably for the business context of the Company.
 3. Add the guidelines for the stakeholders, which are:
 - 3.1 Environmental responsibility
 - 3.2 Anti-corruption
 4. Revise the significant policies and other regulations concerning the good corporate governance, which are:
 - 4.1 Quality policy
 - 4.2 Procurement policy
 - 4.3 Allocation and management policy of information technology resources
 - 4.4 Environmental Policy
 5. Add new policy pertaining to:
 - 5.1 Tax planning and management
 - 5.2 Security of Information Technology System
 - 5.3 Anti money laundering policy and anti-financial support to terrorism
 6. Classify roles and responsibilities of 2 Sub-committees, which are:
 - 6.1 Nomination and Remuneration Committee
 - 6.2 Finance and Risk Management Committee

2. Sub-committee

The Board of Directors has appointed sub-committees to review and oversee some specific business operations. This is to enhance performance efficiency and effectiveness of the Board. Sub-committees comprise Group Executive Committee, Audit Committee, Nomination and Remuneration Committee, Finance and Risk Management Committee and Core Value & CSR Committee. According to the resolution of the Board of Directors' Meeting on December 19, 2018, the Board of Directors has reviewed and revised authorities of the following sub-committees:

2.1 Group Executive Committee

Group Executive Committee is composed of 3 members of the Board of Directors and 6 members selected from the persons who have business expertise. The Group Executive Committee has 3-year term of office and when the term ends, the one who retires can be reappointed. There are 9 members of the Group Executive Committee as mentioned hereunder.

Name		Position
Mrs. Pranee	Khunprasert	Chairman of Group Executive Committee/Managing Director (Marketing)
Mr. Pramote	Tiasuwan	Managing Director (Production)
Ms. Pittaya	Tiasuwan	Deputy Managing Director (Production)
Prof. Dr. Charnnarong	Pornrungrroj	Deputy Managing Director (Production)
Mr. Decha	Nantanacharoenkul	Deputy Managing Director (Marketing)
Mr. Chanat	Sorakraikittikul	Executive Director

The advisors of Group Executive Committee are listed as follows:

Mrs. Prapee	Sorakraikittikul
Mrs. Panidda	Tiasuwan
Mrs. Sunanta	Tiasuwan

Note: Prof. Dr. Charnnarong Pornrungrroj has taken into the position on January 1, 2018 onwards.

Qualifications:

1. The Directors must be qualified with knowledge, competency, integrity, and ethics, and have enough time to be able to dedicate his/her knowledge and competency to perform duties for the Company.
2. Does not have prohibitive qualifications as stipulated by the Securities and Securities Exchange Act in order to hold management position in the Company.
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.

Authorities of the Group Executive Committee

1. Appoint, remove, relocate, review performance for favor return, set up remuneration and benefits for all employees.
2. Appoint or remove any working groups to manage operations of the companies under the Group of the companies.
3. Advise the specialists or advisors (if any) or hire external advisors or specialists as necessary at the Company's cost.
4. Make an announcement related to work practices and delegate authority to members of the Group Executive Committee and/or the Executives to be the signatory to approve the disbursement of assets of the company.
5. Approve the credit line acceptance or cancellation on the amount not exceeding 50 million Baht/year.
6. Approve the loan given to the related party who is also the shareholder of the Company at the amount not exceeding 50 million Baht/year.
7. Approve the capital increase of the subsidiaries and the associates at the amount not exceeding 50 million Baht/year.
8. Approve entering into the guarantee agreement upon credit facility for the related party who is also the shareholder of the Company or the trading partners or the other related companies at the amount not exceeding 50 million Baht/year.
9. Approve the investment or trade the equity instruments and/or bond at the amount not exceeding 10 million Baht/year.
10. Approve acquiring or investing in fixed asset at the amount not exceeding 20 million Baht/year.
11. Approve adjusting, eliminating, or liquidating a fixed asset and/or an intangible asset which is deemed to be damaged, lost, obsolete, or unusable at the book value not exceeding 5 million Baht/year.
12. Approve general expenses costing more than 500,000 Baht but not exceeding 10 million baht.

13. Approve the purchase of products, raw materials and consumable goods costing more than 5 million baht but not exceeding 10 million Baht.

14. Approve the expense of charitable donations, and the giving of funding at the amount more than 200,000 Baht but not exceeding 500,000 Baht.

15. Approve the gifts and reception costs more than 50,000 Baht but not exceeding 100,000 Baht.

16. Approve adjusting the prices, eliminate the outdated raw materials and/or obsolete inventories of which the book value may reduce as the actual value.

17. Approve the compromise, dispute settlement as proposed by the Arbitrator, grievance, litigation and/or proceeding any trails for matters of a non-commercial nature of a company with a capital not exceeding 2 million Baht and/or matters of a commercial nature of a company with capital not exceeding 20 million Baht/year.

18. Approve sending employees to visit or to study abroad at the amount not exceeding 1 million baht per each time.

19. Approve entering into the transaction which is not normal business practice of the Company at the amount not exceeding 10 million Baht.

20. Empower any Executive Directors, and/or top-level Executives, employees and/or any other person to perform duties on behalf of the Committee under the scope of authority of the Group Executive Committee.

21. Invite the Executives or the relevant employees to give information or opinion, join meeting, or submit document as deemed necessary.

22. Issue any other rules and regulations deemed appropriate.

Roles and Responsibilities of the Group Executive Committee

1. To determine goals and business plans and to supervise business operations to be in line with the vision, mission, strategy, and policy of the Board of Directors, the laws, rules and Articles of Association of the Company.

2. To establish the operational guidelines, business development and expansion to be in line with the vision, mission, strategy, policy, and resolution of the Board of Directors.

3. To appoint the Executives at all levels except the top-level Executives which will be approved by the Board of Directors including empowering any other persons to perform duties on behalf of the Committee under the scope of authority of the Group Executive Committee as deemed appropriate.

4. To determine code of conducts for employees without any conflict or controversy to any Articles of Association and laws related.

5. To approve the organizational and remuneration structures including other benefits for employees and to approve the management structure from the department level down.

6. To review both quarterly and annual performance evaluation as well as budget and asset management before proposing to the Board of Directors for consideration.

7. To approve annual budget plan and monitor business operations to be in compliance with the approved policy, goals and budget plan and to approve bonus, rewards and other benefits for employees to boost employees' morale.

8. To cooperate with the Audit Committee to have the appropriate and efficient internal control system.

9. To empower the Chairman of Group Executive Committee to perform the aforementioned duties and responsibilities in an effective and efficient manner.

10. To ensure that the Company operates its business with transparency, adhering to the principles of good governance, and that does not support any forms of corruption; whether directly or indirectly.

Roles and Responsibilities of the Chairman of Group Executive Committee and/or Managing Director

1. To manage the business of the Company in compliance with the policy, law, objectives, Articles of Association of the Company and resolutions of the Board of Directors and Group Executive Committee's meetings.

2. To order any necessary and appropriate action to complete the implementation of No. 1 and report to the Board of Directors and / or the Executive Committee if necessary.

3. To issue code of conducts for employees without any conflict or controversy to any policies, rules, Articles of Association, regulations, orders and resolutions of the Board of Directors and/or the Group Executive Committee.

4. To delegate authority and/or assign other people to perform specific tasks on behalf of the Chairman or Managing Director as specified in the power of attorney and / or in compliance with the rules, regulations or orders under the power and authority prescribed by the Board of Directors and/or the Company.

5. To be the leader who practices the Code of Ethics to enhance and develop the Company to conduct business ethically in compliance with the law, moral and good culture and good corporate governance.

6. To perform any duties assigned by the Board of Directors and/or Group Executive Committee.

7. To hire, nominate, punish and remove employees including increasing their salaries and wages but not including the ones employed by the Board of Directors to perform their duties.

8. Managing Director authorizes Deputy Managing Director or any persons deemed appropriate to establish working conditions for employees, issue or announce administration and operation methods of the Company without conflict or controversy to regulations and resolutions of the Board of Directors and the Group Executive Committee's Meetings.

9. To perform any duties in accordance with the Company's regulation and or the resolutions of the Board of Directors and the Group Executive Committees' meetings including setting up duties and responsibilities for employees and workers at each level to perform for the interest of the Company.

The Chairman of the Group Executive Committee and/or the Managing Director mentioned above cannot exercise the power if the Managing Director has any interest or conflict of interest in any manner with the Company.

2.2 Audit Committee

As the Board of Directors realizes the importance of good corporate governance, the Audit Committee has been appointed on January 29, 1999 onwards to be used as the important tool to oversee the business operation to reach the precise and transparent standard, good internal control and reporting system beneficial to the stakeholders and all related parties; as well as, in compliance with the regulations and qualifications prescribed by the Stock Exchange of Thailand. The Audit Committee shall have independence to work and report directly to the Board of Directors. The composition and qualifications of the Audit Committee shall be in accordance with the regulations of the Securities and Exchange Commission whilst the scope of authorities and responsibilities shall be in accordance with the standard of the Stock Exchange of Thailand and a clearly defined in the charter that the Internal Auditors shall verify the adequacy of the audit system and the internal control of the Company and report the results directly to the Audit Committee.

At present, the Audit Committee is comprised of the 3 Independent Directors with 3-year term, appointed by the Board of Directors and having the Internal Audit Manager as the secretary.

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

Note: Director No.3 is knowledgeable in accounting and finance.

Qualifications

1. The directors shall be qualified with knowledge, competency, integrity, and ethics, and have enough time to be able to dedicate his/her knowledge and competency to perform duties for the Company. At least 1 member of the Committee shall have adequate knowledge and experience in reviewing credibility of the financial statements.

2. Being the Independent Director as stipulated in the Notification of the Securities and Exchange Commission which details the qualification of Independent Directors, No.4 "Management Structure"

3. Not being the Director nominated by the Board of Directors to make a decision on any business operation of the Company, the subsidiary, the associate, the subsidiary of the same class or the major shareholder.

4. Not being the Director of the parent company, subsidiary or subsidiary of the same class as the listed company.

Authorities of the Audit Committee

1. Invite the Directors, the members of subcommittee, the Executives and the relevant employee to give information or opinion, join meeting, or submit documents as deemed necessary and access to the information at all levels.
2. Advise the specialists or advisors (if any) or hire external specialists or advisors as necessary at the Company's cost.

Roles and Responsibilities of the Audit Committee

1. To ensure the Company has the transparent and credible financial statements and the adequate information disclosure by coordinating with the external auditors and the responsible Executives to issue the financial statements.
2. To ensure the Company has the appropriate and effective the Internal Control and Internal Audit systems and assure the independency of the Internal Audit Office including approving of appointing, relocating and removing the top-level Executives of the Internal Audit Office or other departments responsible for the internal audit.
3. To ascertain the Company complies with the Securities and Exchange Act and other laws relating to the business of the Company.
4. To consider selecting, submitting for an appointment and removing an independent person to act as the Company's an external auditor and to propose the remuneration of such person by considering reliability, availability of resources, experience and work load of the Audit Office including attending to the meeting with the external auditors without attendance of the Executives at least 1 time/year.
5. To consider the related transactions or the transactions that lead to the conflict of interest to comply with the laws or regulations of the Stock Exchange of Thailand and ensure such transactions are reliable to the maximum benefit of the Company.
6. To prepare report of the Audit Committee and disclose it in the Company's Annual Report, which is signed by the Chairman of the Audit Committee and contains at least the information required by the Stock Exchange of Thailand concerning "Qualification and Scope of Work of the Audit Committee." Also, to disclose at least the following information as appointed by the Board of Directors.
 - a. An opinion on the correctness, completeness and reliability of the financial statements of the Company
 - b. An opinion on the adequacy of the Internal Control system of the Company
 - c. An opinion on the compliance with the Securities and Exchange Act and regulations of the Stock Exchange of Thailand or any laws related to the business of the Company
 - d. An opinion on the suitability of the auditor
 - e. An opinion on the transactions that may lead to conflicts of interests
 - f. Number of the Audit Committee's meeting and attendance of each Director
 - g. The opinions or observations reported to the Audit Committee
 - h. The other transactions deemed appropriate to the shareholders or general investors under the duties and responsibilities as assigned by the Board of Directors
7. To review the Charter of the Audit Committee and to assess the adequacy and appropriateness of the Charter and to review the events or situations that may change and to present to the Board for an approval
8. Review audit findings related to fraud and establish internal protection measures
9. Review and give guidances on anti-corruption practices to be in line with the anti-corruption policy of the Company.
10. Receive comments from every Sub-Committee to review the Internal Control system and present to the Board of Directors
11. Perform any duties as assigned by the Board of Directors and agreed by the Audit Committee

2.3 Nomination and Remuneration Committee

The Board of Directors has appointed the Nomination and Remuneration Committee comprising 6 Directors, one of whom shall be an Independent Director and takes a position of the Chairman with the 3-year term. When the term ends, the retired Director of Nomination and Remuneration Committee can be reappointed by the Board. The Nomination and Remuneration Committee are listed as follows:

Name	Position
1. Mr. Verachai Tantikul	Chairman
2. Mrs. Prapee Sorakraikitikul	Director
3. Mrs. Sunanta Tiasuwan	Director
4. Mr. Pramote Tiasuwan	Director
5. Mrs. Pranee Khunprasert	Director
6. Mrs. Panidda Tiasuwan	Director

Advisors of the Nomination and Remuneration Committee are:

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

Qualifications

1. The Directors must be qualified with knowledge, competency, integrity, and ethics, and have enough time to be able to dedicate his/her knowledge and competency to perform duties for the Company.
2. The Directors 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

Authorities of the Nomination and Remuneration Committee

1. Advise the specialists or advisors (if any) or hire external specialists or advisors as necessary at the Company's cost.
2. Invite the Management or related employees of the Company to clarify, give opinions, attend the meeting or Submit the document deemed necessary.
3. Appoint one officer as a secretary.

Roles and responsibilities of the Nomination and Remuneration Committee

• Roles and responsibilities for Normination

1. To consider the structure of the Board of Directors in terms of the appropriate number of committee to size, type and complexity of the business, the qualifications of each director in the area of skills, experience, specific competencies related to the principal business or industry of the Company.
2. To consider the qualification of a person to be an Independent Director who is suit for the characteristics of the Company, at least in compliance with the criteria prescribed by the the Securities and Exchange Commission.
3. To set up criteria and methods of recruiting candidates to serve as Directors in accordance with the specific characteristics of the organization, such as the criteria for the consideration of the existing Directors, the criteria for Director Position, the criteria for the opportunity for shareholders to nominate Directors, the criteria for using external recruiting companies, the criteria for the consideration of the person from the professional director's office or the criteria for each director to nominate the right person.
4. To devise a Director Developing Plan to develop knowledge of the existing and new Directors in order to understand the business, the roles and responsibilities of Directors and other important developments, such as industry, rules and laws related to the business of the Company.

5. To prepare a succession plan and review development plan of the Chairman of Group Executive Committee, and Managing Director including the top-level Executives in order to have successors in case the Managing Director or senior Executives are retired or unable to perform their duties so that the management of the Company can continue with no cease.

6. To propose criteria and guidelines for selecting the Board of Directors, Independent Directors, Sub-committees and Top Executives.

7. To recruit, select and propose the qualified Executives with proper qualifications to the Board of Directors for approval on appointment and remuneration.

8. To propose criteria, methods and procedures of performance evaluation of the Executives to the Board of Directors.

9. To make performance evaluation of the Board of Directors, Sub-committees and Top Executives as assigned by the Board of Directors.

10. To perform any recruiting duties as assigned by the Board of Directors.

• Roles and Responsibilities for Remuneration

1. To propose remuneration criteria and guidelines for the Board of Directors and Executives.

2. To consider and submit fair and reasonable remuneration for the Board of Directors and Executives to the Board of Directors and the shareholder's meeting for approval.

3. To set up remuneration for the qualified person with appropriate qualifications for the Board of Directors and Executives.

4. To review and propose the revised remuneration management policies and regulations to be relevant to the labor market situation.

5. Give clarifications and explanations concerning remuneration of the Board of Directors in the shareholder's meeting.

6. To report remuneration policies, principles and rationales of the Board of Directors and Executives as prescribed by the Stock Exchanges of Thailand and to disclose in the annual registration statement (Form 56-1) and the Company's annual report.

7. Perform any duties relating to remuneration as assigned by the Board of Directors.

2.4 Finance and Risk Management Committee

The Board of Directors has appointed Finance and Risk Management Committee with the 3-year term of office. When the term ends, the retired Director may be reappointed. The Committee comprises 7 Directors as mentioned hereunder.

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

Advisors of Finance and Risk Management Committee are:

1. Mr. Prida Tiasuwan
2. Mrs. Sunanta Tiasuwan
3. Mr. Wiboon Srisurin

Qualifications

1. The Directors must be qualified with knowledge, competency, integrity, and ethics, and have enough time to be able to dedicate his/her knowledge and competency to perform duties for the Company.

2. The Directors 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

Authorities of Finance and Risk Management Committee

1. Advise the specialists or advisors (if any) or hire external specialists or advisors as necessary at the Company's cost.

2. Invite Sub-committee, the Executives or related employees of the related company to clarify, give opinions, attend the meeting or submit the document deemed necessary.

3. Appoint Sub-committee and/or substitute personnel of the Risk Management Sub-committee and/or agencies and/or working groups of Risk Management as appropriate. Also, the Finance and Risk Management Committee defines roles and responsibilities for the purpose of implementing the objectives.

• Roles and Financial Responsibilities

1. To seek funds to be used in the business according to the resolution of the Board of Directors' meeting.

2. To conduct the Project Feasibility Study including risks and expected Return on Capital Employed (Expected ROCE) of the Group and present to the Board of Directors for an approval.

3. To monitor, oversee and analyze the operating results of all companies in the Pranda Group that affect the consolidated financial statements on the quarterly basis and propose to the Board of Directors.

4. To assess the survival of all companies in the Pranda Group that affects the consolidated financial statements (Viability Review) including both risks and Expected Return in capital employed (ROCE) to be proposed to the Board of Directors for approval.

5. To supervise the annual budget of all companies in the Pranda Group that affect the consolidated financial statements (Fiscal Budget) prior to submission to the Board of Directors for approval.

6. To supervise the financial indicators of all companies in the Pranda Group that affect the consolidated financial statements.

7. To submit financial reports to the Board of Directors on the quarterly basis.

8. To perform any tasks concerning financial management as assigned by the Board of Directors.

• Roles and Responsibilities for Risk Management

1. To screen and give comments on Risk Management policies and frameworks prior to presentation to the Board of Directors for an approval.

2. To consider and comment on the Risk Appetite prior to submission to the Board of Directors for acknowledgement.

3. To oversee the development and implementation of the risk management policy and framework so that the Group has an efficient risk management system throughout the organization and ongoing compliance and practice.

4. To review the risk management report in order to monitor the significant risk and take action to ensure that the organization has adequate and appropriate risk management.

5. To coordinate with the Audit Committee on major risks and to have the internal audit to ensure that the Company has proper internal control over the risk management. Also, to ascertain that the implementation of the risk management system has been properly implemented throughout the organization.

6. To report major risks and risk management to the Board of Directors on the regular basis.

7. To advise the Finance and Risk Management Subcommittees (working groups), Risk Management Subcommittees and / or agencies and / or working groups related to risk management. Also, to consider appropriate guidelines for correcting data in regard to the development of risk management system.

8. To assess the possible risk of corruption in each process, such as sales and marketing, procurement, contracting, Human Resource Management, Finance and accounting, as well as finding the right solutions.
9. To perform any tasks relating to risk management as assigned by the Board of Directors.

2.5 Core Values & CSR Committee

Core Values & CSR Committee plays a key role in promoting and supporting core values in the Group of companies by creating thorough employee participation, improving systematic engagement activities, having continuous implementations and applying project activities into practice and lifestyle consistently based on the common core values. It has 3-year term of office and if the term ends, the Directors may be reappointed. The Directors of this Committee are as follows:

Name		Position
1. Prof. Dr. Charnnarong	Pornrungrroj	Chairman
2. Mr. Somsak	Sriruengmon	Director
3. Mrs. Chawee	Charukornwasin	Director
4. Miss Sasisopa	Watakeecharoen	Director
5. Miss Suporn	Rungpitayathorn	Director
6. Mr. Pitipong	Tiasuwan	Director

The advisors of the Core Values and CSR Committee are listed hereunder.

1. Mr. Prida	Tiasuwan
2. Mrs. Panidda	Tiasuwan
3. Mr. Pramote	Tiasuwan

Qualifications

1. The Directors must be qualified with knowledge, competency, integrity, and ethics, and have enough time to be able to dedicate his/her knowledge and competency to perform duties for the Company.
2. The Directors 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

Authorities of the Core Values and CSR Committee

1. To operate under the Core Values and CSR policies
2. To work on the projects and activities in order to link the vision of the organization to the concrete and appropriate behavioral implementation and to approve the expense not exceeding 500,000 Baht.
3. To Make a report on the results of the implementation to meet acceptable criteria.

Roles and Responsibilities of Core Values and Corporate Social Responsibility Committee

1. To establish Core Values and Corporate Social Responsibility policy.
2. To link vision of the organization to the concrete and appropriate behavioral implementation of the Core Values and Corporate Social Responsibility.
3. To promote and create Core Values and Corporate Social Responsibility throughout the organization.
4. To support a system management and administration as well as evaluation and development, or projects and activities that respond to Core Values and Corporate Social Responsibility systematically. It also encourage employees to appropriately apply such activities into practice.
5. To promote communication and cooperation between employees to be in the same direction by enhancing corporate insight and encouraging employees to commonly hold the Core Values and strive for the organization's goals.
6. To appoint the working groups including the secretary to properly support operations of the Core Values and CSR Committee.

3. Nomination and Appointment of Director, Highest Top Executive and Top Executive

3.1 Criteria for Nomination and Appointment of Director

In order to have transparent and clear nomination and appointment of Director, Board of Directors has assigned Nomination and Remuneration Committee to set the following criteria for this purpose.

1. Qualifications

1.1 Independent Director

Nomination of Independent Director is carried out in accordance with the Board of Directors composition and qualifications of the Independent Director as detailed on the topic "Management Structure" as announced by the Securities and Exchange Commission and will be presented to the meeting of the Board of Directors and/or the meeting of the shareholders for appointment.

1.2 Director

The Nomination and Remuneration Committee screens a person who has appropriate qualifications to be the Director of the Company and submits the name to the Board or shareholders for appointment (as the case may be). The nomination and appointment must be made with clearness and transparency.

2. Nomination Process

1. To nominate Directors, the Nomination and Remuneration Committee has set up a recruitment framework to ensure that nominee is able to perform their duties as Fiduciary Duty. Two important tasks are Duty of Care and Honesty (Duty of Loyalty). The criteria for nomination of new directors are to consider diversity of the structure of the Board of Directors (Board Diversity) and the skills of Directors needed and still lack in the Board of Directors. The skills matrix is thus designed to determine the qualifications of the Directors, based on the skills needed. The Nomination and Remuneration Committee may consider appointing a person to be the Director from the recommendation of other Directors in the Company, by the shareholders of the Professional Search Firm, from the Director Pool of the various agencies or by other processes the Nomination and Remuneration Committee deems appropriate.

2. Besides the nomination of Directors made by the Nomination and Remuneration Committee, the Board of Directors gives an opportunity to the minor shareholders to propose the candidates for Directors. The Nomination and Remuneration Committee will set the deadline for the nomination and still gives enough time for Due Diligence process before the shareholders' meeting. The Company will inform the SET and the shareholders can submit the names for Directors at the Company's website and send the profiles the profile of the Directors proposed to the email board@pranda.co.th. The nominees must submit a confirmation letter as Director to the Company by December 31 every year. When all required documents are received and submitted to the Nomination and Remuneration Committee, the nomination process of the persons who have appropriate qualifications in accordance with the laws and regulations will be carried out, based on experience, knowledge and competency of the candidates before submitting to the Board of Directors for consideration. After getting an approval in the Board meeting, the Company will present the names of the nominees to be Directors at the Annual General Meeting of Shareholders. The majority vote of the shareholders attending the meeting and having the right to vote will be counted. Subsequent to being nominated by the shareholders or the resolution of the Board of Directors' meeting (in case of the replacement for the retired Director), the orientation program for new Directors will be conducted.

3. The Board of Directors has kept shareholders informed of the policy and process of nomination and appointment of Director and prepared the Director Appointment forms with necessary supporting information.

4. The Board of Directors will screen and check the names of the proposed Directors with the related agencies to assure such persons are either on the black list or are removed from the lists of those agencies. Also, the interviews in person with the nominees proposed by the Nomination and Remuneration Committee will be conducted.

5. The Nomination and Remuneration Committee will propose the names to the Board of Directors for consideration in excess of the number of directors to be appointed so that the Board of Directors has the opportunity to select the most appropriate directors prior to submission to the shareholders' meeting the appointment.

6. The Board of Directors will send the names and profiles of the nominees to the shareholders in advance together with the Notice of AGM letter.

7. In the case that there is a submission of the retired Director to be reappointed, his/her Contribution and information of meeting attendance to the Board of Directors and shareholders' meetings will be presented for consideration.

8. To present the list of directors to the shareholders for consideration, the Board of Directors gives the shareholders the opportunity to cast one vote for one nominee at a time. This is to provide shareholders with the opportunity to consider the Directors individually and disclose the results of voting at the meeting.

9. The orientation program for the new Directors will be officially conducted prior to the first Board meeting.

At the orientation session for new Directors, the briefs of the Company's vision, mission and core values including the director manual will be presented as the processes as listed below.

1. Pre-Orientation information on invitation to be a Director, such as company profile, nature of business, the Group structure, organizational structure, major shareholders and Directors, remuneration and benefits of Directors, the Executives, financial status and business performance for at least 3 years, roles and responsibilities of the Board of Directors under the relevant laws.

2. Orientation information on approval as a Director from the shareholders' meeting, such as issues in compliance with the laws, a Memorandum of Association, the Company's Articles of Association, roles and responsibilities of the Board of Directors and Subcommittee, minutes of the Board of Directors' meetings for 1 year, Director manual, Good Corporate Governance Manual made by the Stock Exchange of Thailand, the Company's Corporate Governance policy and Code of Ethics as well as Laws relating to the business of the Company including important rules and regulations of the Company, training courses for Directors and other information concerning the business of the Company.

3. Meeting with the Chairman of the Board of Directors, and the managing directors prior to the first Board of Directors' meeting to inform the new Directors of the significant company policy, culture and expectation on such director prompting with knowledge, competency and experience will help the Board of Directors to perform duties efficiently and effectively.

3. Criteria for voting/ appointing Director: classified into 2 types as detailed below

1. Appointment of the Board of Directors by the resolution of the shareholders' meeting, such as the appointment of the Board of Directors to replace the retired one when his/her term ends and/or the appointment of additional Director (new Director) in accordance with the rules and procedures under the Company's Articles of Association.

1. One shareholder has one vote (one vote equals to the number of shares held)

2. Each shareholder must use all his votes under (1) to elect a person or persons as Director/s, but cannot divide the votes to either one.

3. The person receiving the highest votes and the persons receiving the votes in descending order shall be appointed as Directors for the same number needed at that time. In the case where a person who has been elected in the next order has the same number of votes in excess of the number of directors to be elected, the Chairman shall have the casting vote.

In compliance with the good corporate governance pertinent to equal treat to the shareholders, the Board of Directors gives an opportunity to either the individual or group of shareholders who has no less than 5% of total shares with voting right to propose a person as the Director prior to the Annual General Meeting of Shareholders.

2. According to the resolution of the Board of Directors' Meeting in regard to the appointment of Directors to replace vacant positions due to reasons other than retirement, the Director shall select any person who is qualified under the public limited company law to be the Director for the next Board meeting. Unless the term of the Director is less than 2 months, the person who replaces such Director shall remain in the position of the director for the remaining term of the replaced Director. The resolution of the Board of Directors' under Paragraph one shall consist of votes of not less than three-fourths of the remaining Directors.

3.2 Criteria for Nomination and Appointment of the Highest Top Executives

The Nomination and Remuneration Committee is responsible for selecting a person to be Chairman of the Group Executive Committee under the following criteria.

1. Qualifications

1. Characteristics
 - (1) Integrity and accountability
 - (2) Informed judgment
 - (3) Maturity and stability, being a good listener and dare to express opinions differently and independently
 - (4) Being disciplined
2. Being knowledgeable and competent in business operations, skillful, experienced professional and specialized in the most essential and beneficial aspects to the company's business
3. Being qualified under the criteria prescribed by the Securities and Exchange Commission and the Stock Exchange of Thailand
4. Being experienced in Gems and Jewelry business and organizational management to enhance the efficiency and competitive advantage to the Company.
5. Having experience as a leader of the organization with high leadership
6. Being recognized by the relevant business organization
7. Being approved by the Board of Directors

2. Nomination

The Nomination and Remuneration Committee is in charge of nominating a person who has aforesaid qualifications and propose to the Board of Directors for an approval.

3.3 Criteria for Nomination and Appointment of the Top Executives

The Nomination and Remuneration Committee and the Chairman of Group Executive Committee determine the criteria for nomination and appointment of the Top Executives proposed by the Chairman of Group Executive Committee.

1. Qualifications

1. Characteristics
 - (1) Integrity and accountability
 - (2) Informed judgment
 - (3) Maturity and stability, being a good listener and dare to express opinions differently and independently
 - (4) Being disciplined
2. Being knowledgeable and competent in business operations, skillful, experienced professional and specialized in the most essential and beneficial aspects to the company's business
3. Being qualified under the criteria prescribed by the Securities and Exchange Commission and the Stock Exchange of Thailand

2. Nomination

The Nomination and Remuneration Committee will consider and approve the proposition of the Chairman of Group Executive Committee before submitting to the Board for an approval.

4. Management of the Subsidiaries and Associates

4.1 Organizational Control and Management of the Subsidiaries and Associates

With reference to the Company's rules and regulations, the appointment of a person to be a Director of subsidiary and associated companies must be proposed by the Group Executive Committee and approved by the Board of Directors. And the person who is appointed as the Director of the Subsidiary or Associate shall perform duties for the best interest of such Subsidiary or Associate. According to the Company's regulations, the appointed Director must

be approved by the Board of Directors prior to making a resolution or casting an important vote at the same level as required by the Board of Directors. Appointment of a Director of the Subsidiary or Associate as the Company's representative must be made in accordance with the shareholding proportion of the Company.

In addition, in case of the Subsidiary, the Company shall stipulate that the person appointed by the Company must supervise the Subsidiary to have the same regulations as the Company's on accuracy of the connected transactions, acquisition or disposition of assets or any other important transactions and the same criteria for information disclosure. Filing of financial documents must be organized, accounting records can be traced and the consolidated financial statements must be prepared in a timely manner.

The Company has had PRANDA Group Financial Policy for management of the Subsidiaries and Associates as stated below.

1. The Subsidiaries and Associates must submit annual business plan.
2. The Subsidiaries and Associates must submit annual manpower plan.
3. The Subsidiaries and Associates must submit annual capital expenditure plan.
4. The Subsidiaries and Associates must submit annual budget plan.

The aforementioned plans must be approved by the Group Executive Committee. The plan submission deadline is within October of each year and the review will be done by April of the following year.

In the case that the business performance is different from the plan, the Subsidiaries and Associates must give clarifications in writing on the entire plan. Moreover, if the subsidiary and associated companies want to get loans from financial institutions or any guarantee, any contract or any act binding the businesses including the appointment of an external auditor, all of these transactions must be approved by the Group Executive Committee.

4.2 Agreement on management of Subsidiaries and Associates between the Company and other shareholders

There is no other agreement on management of subsidiaries and associated companies. The return will be in proportion to the normal shareholding.

5. Use of internal information

The Company has set the written guidelines and responsibilities of the Executives and use of internal information of employees with the following main points of not to seek benefits for themselves or for others from doing your duties, not to disclose the Company's confidential information and not to use it for the benefit of themselves or anyone else without the Company's permission, not to take any actions leading to conflicts of interest without permission from the Company and not to disclose inside information which is not publicly disclosed and not to trade shares of the Company for the benefit of themselves or others. The penalties for any violation of the internal use of information are established and the violators will be disciplined and / or punished by law, as the case may be. The Company has set up the Code of Conduct in relation to maintaining confidentiality, trust and availability of information including stock trading. The guidelines and penalties are as follows:-

Guidelines

1. Directors, Executives, employees of the Company and Subsidiaries and other individuals must keep confidential of inside information and documents that cannot be disclosed to the third party, which leads to seeking benefits for themselves or others in the wrong way and causes damages to the Company.
2. Directors, Executives, employees of the Company and Subsidiaries and other individuals must not disclose the Company's confidential information for the benefits of their own or others whether directly or indirectly and whether they will be rewarded or no longer employed or not.
3. The Company considers information concerning the counterparty and the agreement with the counterparty confidential and cannot be disclosed to any other party unless authorized only by the Company and the counterparty.
4. The Company assigns superiors at each level to be responsible for data leakage control and significant information disclosure that cannot be disclosed prior to an official disclosure by the Company. Any violator must be disciplined in accordance with the regulations of the Company.

5. The internal information must be used and accessed only by the authorized employees who have related duties and responsibilities.

6. In the case that employees are requested to disclose the information that exists out of the scope of their responsibilities, they must refuse with politeness and advise to inquire such information from the authorities responsible for disclosure. This is to provide accurate and consistent information.

7. Investor Relations has a policy of avoiding future expectations or giving any comments on information less than 6 months ahead of schedule in compliance with the SET policy and the international practices. Investors will however be able to meet with Investor Relations officers for long-term business views.

8. The Company will announce a period of 30 days of non-contact with the investor prior to the disclosure of financial statements to the public. During such period, the Company will refrain from answering questions related to business performance and forecast, except where the answer to the question is fact or clarification that has already been revealed or clarification of any news that affects the stock price or a view on the business in the long run only.

9. The Company's personnel should keep information or data both in electronic and documented forms for at least 10 years. Some types of documents may be called and must be kept for certain period as prescribed by laws. Personnel should study on the case by case basis and the documents will have to be destroyed after the specified period.

Securities Trading

Guidelines

1. The Directors, Executives and employees of the Company and its subsidiaries are prohibited to buy or sell stocks of the company for a period of one month prior to the release of the financial statements or dissemination of financial position and status of the company. Also, it is prohibited to disclose financial statements or any other information that may affect the price of the Company's stocks to any third party or non-related parties.

2. The Directors, Executives and employees of the Company and Subsidiaries should avoid trading at least 24 hours, but if the relevant data is very complex, they should wait up to 48 hours after the information has been published.

3. Directors, Executives, including spouses and minor children of Directors, Executives and employees of the Company and its subsidiaries who intend to buy or sell the Company's securities must inform the Corporate Secretary at least 1 day in advance prior to trading.

4. The first four Directors and Executives according to the Notification of the Capital Market Supervisory Board No. Tor Chor. 23/2551 including spouse and minor children of Directors and Executives of the Company are obligatory to report securities holdings to the Office of the Securities and Exchange Commission under Section 59 of the Securities and Exchange Act BE 2535 and to submit the report whenever there is a purchase, sale, transfer or being transferred of securities to the Board of Directors on the same day the report is sent to the Securities and Exchange Commission.

Penalties

The Directors, Executives and employees of the Company and its subsidiaries who does not follow the code of ethics pertaining to maintaining confidentiality, trust and availability of information as well as securities trading as mentioned above shall be encountered to disciplinary actions deemed appropriate, such as verbal admonition, written admonition, probation letter or employment termination including criminal and civil liability under the Securities and Exchange Act BE 2535 (1992), which is imprisonment for not more than 2 years, or a fine not exceeding two times of the benefit, but not less than 500,000 Baht or both.

In case of reporting securities trading of the Directors and the Executives ,the Company has issued a letter to inform Directors and Executives of the responsibility to report on their securities trading to the Securities and Exchange Commission and the Stock Exchange of Thailand under Section 59 of the Securities and Exchange Act BE 2535 and send a report whenever there is a purchase, sale, transfer or being transferred of securities to the Board of Directors. During the year 2018, Directors and Executives of the Company have made a report on securities holding by comparison between the increase (decrease) at closed book date on January 3, 2018 and December 28, 2018 as follows:

No.	Name		Number of shares (share)		No. of increasing share (decreasing) during the year (share)
			December 28, 2018	January 3, 2018	
1.	Mr. Prida	Tiasuwan	21,996,420	21,996,420	-
2.	Miss Pittaya	Tiasuwan	18,451,160	18,170,960	280,200
3.	Mrs. Pranee	Khunprasert	10,328,560	9,910,360	418,200
4.	Mr. Pramote	Tiasuwan	9,280,560	9,280,560	-
5.	Mrs. Prapee	Sorakraikitikul	7,400,060	7,400,060	-
6.	Mrs. Sunanta	Tiasuwan	2,720,500	2,700,500	-
7.	Mr.Chanat	Sorakraikitikul	466,000	440,000	26,000
8.	Mr. Decha	Nantanajaroenkul	-	-	-
9.	Prof.Dr.Charnnarong	Pornrungrroj	-	-	-

6. Remuneration for Auditor

The auditors of Pranda Jewelry Public Company Limited (PCL) are Ms. Siraporn Ouuanunkulanankul, C.P.A. Registration No. 3844 or Mrs. Chonlaros Suntiasvaraporn, C.P.A. Registration No. 4523 or Mr. Chatchai Kasernsrithanawat C.P.A. Registration No. 5813 of EY Office Limited.

Remunerations the Company and Subsidiaries pay to EY Office Limited in the year 2018 are listed hereunder.

Unit: Baht

	Company	Subsidiary
1. Auditing remuneration	2,830,000	1,000,000
2. Fee for the review transactions of convertible Debentures, warrants and warrants to its directors and employees.	50,000	-
3. Fee for the review impact of new Thai Financial Reporting Standards (IFRS 9 and IFRS 15)	150,000	-
Total	3,030,000	1,000,000

7. Understanding and applying Good Corporate Governance Codes

The Board of Directors has the meeting to adopt 8 codes of Good Corporate Governance for listed company in 2018 and realizes a role as governing body of the organization. All Directors have studied or attended to the guideline training of CG Codes so that they understand the benefits and practices of applying them to create values for business sustainability. The evaluation of CG Codes practices has also been made to ensure the appropriate outcome and continual developing plan suitable to the Company.

8. Other Good Corporate Governance Compliances

As the Board of Director realizes importance of good corporate governance, the information disclosure policy, there is a policy to disclose important information concerning the Company's financial information and non-financial information in compliance with the guidelines of Securities and Exchange Commission and the Stock Exchange of Thailand with accuracy, completeness, timeliness and transparency.

In addition, the Good Corporate Governance Codes have been followed in accordance with the Corporate Governance Standards of listed companies, except for some policies that the Company has implemented in other ways than the prescribed guidelines. This will be considered by the Board of Directors based on reasonability and appropriate business environment to strive for the goals and objectives of the Company as well as the best interest of shareholders. In 2018, there are some of the following issues that are not complied with good corporate governance including reasons.

Uncomplied Issue	Reason
The Company does not implement cumulative voting for appointing the Directors	According to the Company's Articles of Association, only one share one vote is required, and the use of cumulative voting may result in the appointed Director having unmatched qualifications to the Board Skill Matrix that is a tool used to appoint Directors to align with the Company's strategy. This may also lead to conflicts with Directors who act for the benefit of only one group of shareholders.
The Company does not have Sustainability Report or Integrated Report.	The Company has already included the Corporate Social Responsibility Report in the Annual Report in accordance with the regulations of the Securities and Exchange Commission.
The Company has Independent Directors who have been in a position of Director for more than 9 years.	As the Board of Directors and the Nomination and Remuneration Committee are aware the Independent Directors have knowledge, competencies and experiences including ability to act as an Independent Director and freedom of expression; therefore, one Independent Directors is allowed to hold the position more than 9 year. However, the Company has 2 Independent Directors holding terms of office less than 9 years. Each Independent Director has proven that he/she has maintained his independence, no conflict of interest and/or any significant interest to the Company.
The Chairman of the Board of Directors is not an Independent Director.	The gems and jewelry business needs personnel who has knowledge, competency and long experience in business in order to achieve the business set. However, the Company and the Board of Directors are operating based on the principles of good corporate governance according to the guidelines of the Stock Exchange of Thailand.
The Nomination and Remuneration Committee is not comprised of the majority or more than half of Independent Directors.	Though the Nomination and Remuneration Committee has 6 members, consisting of 1 Independent Director who is the Chairman of the Committee and the other five members are not Independent Directors, the process of nomination and remuneration for Directors and Executives is carried out not only with clearness and transparency but with no conflict with anti-corruption policy, which is also compatible to other listed companies in the same industry and complied with the long-term benefits of the Company and stakeholders.
The Board of Directors does not appoint CG Committee of which members have to be at the director level.	The Board of Directors is overseeing CG practices of the Company by itself.
The Board of Directors is comprised of less than half of Independent Directors.	In compliance with principles of Securities and Exchange Commission and the Stock Exchange of Thailand at least one thirds of the Directors are Independent Directors. The entire Board of Directors is overseeing the Company with fairness, transparency and appropriateness as well as concern of the best interest of the Company.

The Board of Director will review the uncomplained matters with CG Codes and set up the good corporate governance policy and guidelines as clearly stipulated in the related manual of Corporate Governance and Code of Business Ethics, which can also be downloaded at www.pranda.com. The Company has strictly implemented the principles of good corporate governance as classified into 5 categories as follows.

Category 1: Shareholders' rights

The Company attaches great importance to the exercise of the rights and promotes basic rights of shareholders as securities investors and owners of the Company; for instance accessing to the full and sufficient information of the company, earning profit shares of the Company, attending to the meeting to appoint or remove Directors and appointing external auditors and so on.

The Company has set up the meeting date of shareholders once a year and within 4 months after the end of the financial year to give an opportunity for shareholders and institution investors to know business performance of the Company, to express opinions and take part in making significant decisions of the Company. The Company has prepared the Annual General Meeting of Shareholders as follows.

Prior to the date of Annual General Meeting of Shareholders

The Company pays great importance to the benefits of shareholders, so it promotes and protects the exercise of the rights of shareholders in accordance with the law and the Company's Articles of Association. The Company will provide complete, adequate and timely information to shareholders to be used for making decision to exercise voting rights in important matters and to inform of performance of the business. The executions are as follows:

Date of Execution	Date
October 26 ,2018	The Company has proposed the agenda of the shareholders' meeting and name of proposed Directors as well as submitting questions before the shareholders' meeting through the information disclosure system of the SET while the agenda proposing procedure is unveiled on the Company's website. The Board of Directors agrees to have "Other issues for considerations (if any)" on the agenda in accordance with the provisions of the Public Limited Companies Act BE 2535, Section 105
February 27, 2019	The Board of Directors has resolved to propose to the shareholders' meeting to cease the dividend payment for the year 2018 and to arrange the Annual General Meeting of Shareholders 2018 (AGM) to be held on . April 23, 2019
March 15 , 2019	The date that the names of shareholders entitled to the AGM are specified.
March 22 ,2019	Disclosure of the complete invitation letter to shareholders as well as the agenda of meeting and supporting documents both in Thai and English on the Company's website www.pranda.com for 30 days prior to the meeting date.
April 2 , 2019	Thailand Securities Depository Co., Ltd. disseminates the invitation letter of the AGM by mail for 21 days prior to the meeting date.
April 17-19,2019	Announcement of Invitation to the Annual General Meeting of Shareholders for the year 2018 in the Kaohoon newspaper (Thai version) is made for 3 days before the meeting date.
April 23 ,2019	The Annual General Meeting of Shareholders is held at Pranda Jewelry PCL, No.28, Soi Bangna-Trad 28, Bangna Tai, Bangna, Bangkok, at 15.00 hrs., Auditorium Meeting Room, Building B1, Floor 5 th .

The complete invitation letter for the Annual General Meeting of Shareholders 2018 including the complete agenda and adequate and comprehensive supporting documents are prepared both in Thai and English for the convenience of both Thai and foreign shareholders. Each agenda item proposed in the meeting invitation contains the facts and reasons, the Board of Directors's opinion. For significant agenda item needing shareholders' decision making included for the consideration of shareholders on competencies and appropriateness, such as the agenda regarding the appointment of Directors and external auditors, the names and profiles of the nominated persons including other necessary information as listed hereunder .

- A copy of the previous minutes of AGM to be approved by shareholders
- The Company's Annual Report containing important information about the Company and business performance in the past year
- Details of supporting information for each an agenda, such as agenda item for appointment of Directors to replace those who are due to retire, a brief profiles of Directors which is included age, education, past and present positions, number of the Company's shares held, number of terms of office working for the Company, position in listed company and in other businesses that may cause conflict of interest to the Company and legal disputes.
- The proxy-instruction, registration and presentation of the invitation for the meeting and voting
- The information with detailed profile of Independent Directors that shareholders can consider as proxies
- The meeting procedure
- The Articles of Association relating to the AGM
- A map of the venue
- Three types of the proxy forms as specified by the Department of Business Development, Ministry of Commerce.

The Form A is a simple general proxy form; the Form B is a proxy form that defines the items shareholders authorize proxies to act on their behalves and the Form C is available only for foreign shareholders to appoint a custodian in Thailand to take care of their securities.

- The Business envelope to send the proxy form to the company (in case the Independent Director is authorized to be a proxy)
- The Company has set the guidelines for the shareholders to propose the informal agenda of the AGM, nomination of Directors and questions submitted before the meeting through the SET's news system within 3 months before the end of the accounting period by announcing the rules and clear procedure that are available on the Company's website. www.pranda.co.th or www.pranda.com during October - December of each year, until it is received in writing from the shareholders. The Corporate Secretary will consider and do the initial screening before presenting to the Board of Directors to consider the necessity and appropriateness of the agenda proposed by the shareholders and the resolution of the Board of Directors is considered final. The approved issues by the Board of Directors will be included on the agenda stated in the AGM invitation letter with the remarks of the Board of Directors while the denied issues will be notified in the AGM for acknowledgment with reasons for refusal.

At the Annual General Meeting of Shareholders for the year 2017, held on April 18, 2018, there was no shareholder proposing the agenda, nomination of Directors and submission of questions in advance. In addition, the Board of Directors agreed to have "Other issues for considerations (if any)" on the agenda to give an opportunity to shareholders to take some issues into consideration of the Board of Directors, in accordance with the provisions of the Public Limited Companies Act BE 2535, Section 105 stating that any shareholders who hold not less than one-third of the total number of shares sold may ask the meeting to consider other matters than those specified in the agenda of the meeting. It appeared that there were no other issues for approval; only the suggestions and questions noted in the minutes were made.

The date of the Annual General Meeting of Shareholders

In the year 2018, the Company arranged the shareholder meeting 2 times as following

1. Extraordinary General Meeting of Shareholders No. 1/2018 was held on Monday, January 29th 2018 at 14.00 hrs. at the Auditorium meeting room, Building B1, Floor 5 at the Company situated at No.28, Soi Bangna-Trad 28, Bangna Tai, Bangna, Bangkok with the following facilitations provided to shareholders.

2. Annual General Meeting of Shareholders for the year 2018 was held on Wednesday, April 18th 2018 at 15.00 hrs. at the Auditorium meeting room, Building B1, Floor 5 at the Company situated at No.28, Soi Bangna-Trad 28, Bangna Tai, Bangna, Bangkok with the following facilitations provided to shareholders.

- The shuttle bus service was available. at the meeting point at Phu Anan Sports Stadium, approximately 20 meters far from the BTS station (Bangna).
- The appropriate reception and meeting facilities were prepared for shareholders who attended the meeting.
- Barcode system is used for registration 2 hours prior to the meeting time, and even after the registration time, the shareholders who wished to attend the meeting could register for the meeting without any loss of their rights until the meeting is finished.

The AGM was conducted as detailed below.

1. Before the agenda, the Chairman of the meeting or the assigned person introduced the Board of Directors, the Chairmen of Subcommittees, the Executives and the external auditor and let the Directors explain the meeting procedure and voting method. It also provided an opportunity for the shareholders to inquire about the process and method of voting.
2. Conducting the meeting in the order of the agenda as stated in the invitation letter to the Annual General Meeting of Shareholders. Also, asking the volunteer representative of the minor shareholders and representatives from the Thai Investors Association to participate in counting votes for each agenda at the designated point. Anyway, there was no volunteer from shareholders, the representatives from the Thai Investors Association were asked to be the observers.
3. The Company appropriately allocated the time without adding any agenda that was not notified to shareholders at the meeting. Also, there was no sudden dissemination of additional important documents.
4. For the agenda to be approved, the ballot casting was used for vote counting. For the agenda on the appointment of Directors, individual vote count is used for transparency and authentication in compliance with the Articles of Association, stating the shareholders have the right to appoint one director by One Share: One Vote.
5. The Company allowed the shareholders who attended the meeting after the meeting commenced to exercise the right to vote or vote on the agenda that was on pending or was not resolved.
6. The minutes of the meeting and the voting record of each agenda were written in full.
7. After the meeting, the shareholders were invited to take a site visit of the Company.

The number of 80 shareholders participating in the Annual General Meeting of Shareholders for the year 2017, held on April 18, 2518 was composed of the ones attending the meeting by themselves and the others casting votes by proxy, totaling 213,010,009 shares, or equal to 52.01 percent of the total number of 409,529,000 paid up shares of the Company divided into 123,285,067 shares for presenting shareholders and 89,724,942 shares for proxies.

The Directors of the Company attended the Annual General Meeting of Shareholders for the year 2017 amount of 8 persons and absent 1 person, representing 88.88% of the total number of Directors including Chairman of committees; Managing Director and the external auditors.

After the date of the Annual General Meeting of Shareholders

The Company executed as follows:

1. The Company sent the online resolutions of the Annual General Meeting of Shareholders for the year 2017 indicating the voting results for each issue by each type of vote, "Agree", "Disagree" and "Abstain" with the ratio of each type of votes through electronic system SCP: SET Community Portal to the SET and the disclosure on the website was available in English and Thai on the next business day after the meeting.
2. The Corporate Secretary prepared the minutes of the Annual General Meeting of Shareholders for the year 2017 with the essence of each matter, proposed to the meeting and summarized important queries of the shareholders and the Board of Directors' clarifications, including additional suggestions and comments from the meeting as well as the resolutions of the meeting and each type and the proportion of votes in each matter clearly. The minutes were certified by the Chairman of the meeting and the authorized Managing Director of the Company.

3. The minutes had to be submitted to the SET, the Securities and Exchange Commission and the Department of Business Development within 14 days after the meeting as the references according to the principles of the SET and also published on the website www.pranda.com on April 27, 2018. The Company also disseminated the pictures and sound of the AGM on the Company's website.

As a result, the Company has been evaluated and rated "Excellent" in organizing the Annual General Meeting (AGM) with a score of 97 from 100 points by the Thai Investors Association.

Category 2: Equal treatment of shareholders

The Company adheres to equal treatment of shareholders in accordance with the principles of the Securities and Exchange Commission and the Stock Exchange of Thailand and pays importance to equal treatment of shareholders and protection of their basic rights as follows.

1. To respect to the rights of shareholders, the Company discloses the complete invitation letter to the AGM on the website and sends it in both Thai and English in advance by post according to the set principles. The paper indicates the proxy forms for the shareholders cannot attend the meeting must be submitted no less than 21 days prior to the meeting date pursuant to the principles of the Business Development Department. The detailed guidelines as to how to vote for the others or Independent Directors and the custodian or caretaker for the shareholders with non-Thai nationality are mentioned in such paper as well.

2. The Company provides procedures and channels for minor shareholders to participate in proposing an agenda of the meeting, the names of Directors and sending questions prior to the meeting date during October-December every year by one or multiple shareholders who hold no less than 5% of the total voting shares of the Company. Proposing an agenda or nominating a person to be a Director must be made in accordance with the laws and the Company's Articles of Association of which details are disclosed on the Company's website.

3. In order to ensure the shareholders of transparency and reliability, the Company has none of additional agenda or any change of significant information without informing the shareholders in advance. In addition, the voting cards for each agenda item as well as the agenda for the appointment of each director are included in the AGM.

4. The Company has issued one class of share, which is ordinary share and gives the right to shareholders to cast a vote of one share: one vote.

5. The Company does not have a structured group of companies that have connected transactions that may cause conflicts of interest.

6. The Company has developed the Good Corporate Governance and Code of Ethics Manual (5th Revised edition), which defines guidelines and best practices. The Company also has a policy to prevent the use of internal information for the Directors, Executives and employees to follow as stated below:

6.1 According to the Notification of the Capital Market Supervisory Board No. Tor Chor. 23/2551, the first four Directors and Executives including spouse and minor children of Directors and Executives of the Company are obligatory to report securities holdings to the Securities and Exchange Commission under Section 59 of the Securities and Exchange Act BE 2535 and to submit the report whenever there is a purchase, sale, transfer or being transferred of securities to the Board of Directors on the same day the report is sent to the Securities and Exchange Commission.

6.2 In 2018, there is no Director or Executive trading stocks by using internal information as stipulated in the Corporate Governance Manual pertaining to confidentiality and using of internal information as well as trading securities of the Company. The Directors, Executives, employees of the Company and Subsidiaries and other individuals shall not use inside information in the wrong way for the interest of their own or others that may cause damages to the Company.

7. The Directors, Executives, including spouses and minor children of Directors and Executives and employees of the Company and its subsidiaries wishing to buy or sell the Company's securities will be required to inform the Corporate Secretary at least 1 day in advance of trading.

8. Should there be a connected transaction; an approval from shareholders must be obtained prior to entering into the transaction as prescribed by the Stock Exchange of Thailand . The Company will also have to inform shareholders of details and reasons for such transaction including the Board of Directors' opinion prior to the transaction.

9. The Company has disclosed related transactions at market prices and in the normal course of business according to the SET regulations on the details of "Notes to Financial Statements" and "Related Transactions".

10. The Company has extended no financial assistance to the Company that is not a subsidiary of the Company and no cross-shareholding in the Group of Companies.

11. Employees at all levels are required to report to the Company as to whether they have any potential benefits, which are contrary to the interests of the Company.

Catagory 3: Roles ofstakeholders

The Company respects the rights of all stakeholders and has a policy that each group will be entitled to full rights, whether it is the internal stakeholders, namely employees, the Executives of the Company and its subsidiaries or the external stakeholders, such as shareholders, customers, business partners, creditors, competitors as well as the public and the society, which is defined as a code of ethics. "Stakeholders" and included in the manual of Corporate Governance Principles and Code of Business Conduct. (The 5th revised edition) on November 13, 2017, available at: www.pranda.com. The Company has treated the stakeholders as follows.

1. Care for the rights of stakeholders

1.1 Shareholders

The Company is committed to operating the business with ethics and being a good representative as well as striving for the most benefit with transparency and increasing long-term value to shareholders with a good and sustainable return. As a result, the policy and good practice to shareholders is established for employees to perform their duties with honesty and with no any conflict of interest or violation of the shareholders' rights. This is related to abuse of the shareholders' basic rights or misuse of inside information of employees at all levels. The Company has not only created good relations and communication with the shareholders and investors but disclosed transparent and fair information through activities and various channels, for instance public disclosure of information in various media formats, i.e. online through the Stock Exchange of Thailand and the Securities and Exchange Commission including news coverage throughout the year and no seeking for self-interest and other's from the duties.

1.2 Customers

The Company has established business ethics as well as roles and responsibilities for fair treatment of customers and has been certified by the Responsible Jewellery Concil (RJC), an organization that sets up the standard of jewelry production with the environmental concern and social responsibility. The company is furthermore committed to providing customers with reliable quality products and services under the international standard on quality management system Translation error!ISO 9001: 2015 to control quality of prodcuts and deliver them in timely manner for the best customer satisfaction by using resources, time, personnel, capital, materials, machinery, equipment, information, technologies, and procedures efficiently and effectively with the great and steady concerns on quality of health, safety and environment. With a mechanism and a customer service system to provide customers with quick response, the Company has been certified by the Global group United Kingdom and has been accredited by UKAS Management Systems for 3 years, valid from December 17, 2018 to December 17, 2021.

1.3 Business partners and creditors

The Company has clearly created the Code of Conduct for business partners and creditors and the tangible partner selecting process. The Code of Ethics and anti-corruption guidelines are established and used to treat customers with transparency and fairness. The Company determines the qualification of its partners based on the stability and credibility of the organization; whether it has been accredited with ISO 9001 with at least 3 references and whether it has had a history of timely and efficient product delivery, quality and standardized products with reasonable prices. The details of at least 3 partners will be compared to ensure equality with no request for any benefits leading

to injustice. All contracts and conditions will be strictly followed. The Company not only treats its counter partners and creditors fairly but repays the creditors in timely manner in accordance with the terms and conditions stipulated in the contract and financial obligations. In the event that there is a need to change conditions or when there are significant reasons that may significantly affect the financial status and delinquent debts, the Company will inform the creditors to find out the solution and prevention from damage together including using credit approved by the creditor or financial institution for the purpose of the company as notified to creditors or financial institutions.

1.4 Competitors

The Company operates its business with a fair treatment of its competitors under the fair practices and business ethics in regard to fair trade and competitive advantage. It will neither act or abuse anything that leads to the pursuit of confidential information of competitors by fraudulent methods, nor violate the intellectual property of competitors. In addition, the Company still refrains from allegations of mischief without truth and does not ruin the reputation of the competition and monopolize the allocation of revenue and market share.

1.5 Employees

The Company is aware of the value of human resources and believes it is the most important factor in business. Thus, employees are well taken care and continuously developed under the following policy and guidelines relating to remuneration and benefits for employees.

According to the policy of respecting the rights of employee incorporated in the CG manual, the Company has adhered to equal and fair treat to employess regardless of place of birth, race, gender, marital status, language or position including no child labor, human trafficking and any forms of corruption. Furthermore, the Company provides proper remuneration to employees. For short-term remunerations such as minimum wage according to the law for the unskilled or inexperienced labors but there is an increase in salary based on performance every year. Hence, the average wage in 2018 is 460 Baht/day. Also, there are other fringe benefits provided more than minimum requirement by the law, for instance overtime payment, bonus, diligence allowance, reward with honor rings for 3-year/ 10-year/ 20-year and 30-year work anniversaries, free rice, food coupon, annual health check-up, New Year's party, employee dorm and so on. When including the aforesaid fringe benefits into the wage, the average wage in form of money paid to the daily hired employee would be 560 Baht/day. The rate and benefits given to each person may be different based on performance. Apart from the tangible benefits, the Company at present provides long-term benefits; for example, providence fund, cooperative for employees of the PRANDA Group.

Training and learning development of employees

The company has annual training and personnel development plans of which courses are divided into 4 groups as follows: the courses based on the Company's policy, the courses based on a survey on training needs, the courses based on competency assessments and the courses based on the related laws standard systems.

- **Courses base on the Company's policy** are related to the ones the Executives have provided organization development guidelines; for example, the orientation program for new employees, Basic Knowledge of Gems and Jewelry Business, Development of Positive Thinking and Linking Core Value, Skills for Supervisors, Team building: Grow Together ... Reduce gap and enhance power.

- **Courses based on survey on training needs** are the ones based on the needs of the department, for instance Supervisory Skills for Supervisors, Knowledge of Art Copyright, Development of Presentation Skills

Courses based on competency assessment are the ones based on assesment of employees' competency and the results do not meet expectations, such as Creativity, Strategic Management, and Strategic Management for the Executives

- **Courses based on the related laws and standard system** are the ones the law or government require the Company to provide adequate training to employees or the ones the business partners ask the Company to conduct after they audit the production process, such as Work Safety Standard, First-aids, Basic Fire Extinguishing, Fire Drill and Evacuation, Environmental Consciousness, Chemical Handling Safety and Chemical Spill Training, Noice Safety, Electrical Safety Training, Compliance with ISO 9001:2015 ,Compliance with Responsible Jewellery Council (RJC), Compliance with Thai Labor-Standard (TLS 8001 :2553), and so on.

Manual of Employee Training and Development

The Company has set up a roadmap for personnel development based on competency (Competency-based Training Road Map) to conform to the requirements of the Quality Management System ISO 9001: 2015, regarding support of the business knowledge needed for business operation and to help set the framework for long-term training planning for personnel in the organization to match the position and ability, based on the core competency, managerial competency and job competency, which will be used to make the Individual Development Plan (IDP)

Quality of Life Improvement in the organization

The Company has had the policy to improve the quality of life in the organization, which is included in the CG and Code of Conduct manual (the 5th revised edition). Besides the 13 major projects in charge by the Core Value and CSR Committee, the Company is also having the other activities and projects to support improvement on quality of life of employees as described below.

Knowledge Development Activities for Employees

1. Library

The Company supports and opens our employees at all levels to access to source of knowledges around themselves and keep pace with situations in the Thailand 4.0 era by provided free WIFI to anticipate on change by adding value to innovation from self learning. In additional, the Company provides a number of books for employees at all levels and they can the list of books from the intranet and either send an email to the library's email or make a booking on the library fanpage and QR code. At present, the library is having more than 3,600 books and magazines. To encourage interest in reading, the library is suggesting new interesting books every week through all communication channels and some books can be read by QR Code immediately as well as provided by the Company for employees to borrow up to 3 books a week. At present, the statistics on the average use of library by the walk in and access to intranet due to lifestyle change. This place looks like Library Café which focusing on our employees having the same lifestyle for meeting to promote good relationship. Additionally, the Library Café opens in the evening after the working hours for employees and their children to search for additional knowledge. To promote informal learning, the Company has thus provided more than 10 computers and internet for them to search for information free of charge.

2. Scholarship

The Pranda Group's cooperative has given scholarship to employees' children at primary, secondary, vocational school and Bachelor's degree. The 79 scholarships, valued 101,500 Baht are offered in 2018 and 611 scholarships have been granted to employees' children since 2010 upto present at the amount of 808,000 Baht. The 20 scholarships for the Best Students are rewarded with 20,000 Baht prize to the Dual-Vocational students in 2017 and there have been total 59 rewards amounting 59,000 Baht provided since 2012 - present. The total 670 scholarships totaling 867,000 Baht have been presented.



Financial Supporting Activities for Employees

1. Home Loan Benefit

As the Company is seeing employees' residential issue significant, so the Company works in collaboration with the Government Housing Bank to provide housing loan benefit and guarantee repayment through payroll system, resulting in special low interest rates, which considerably helps them lessen debt burden.

2. Other Financial Supports

The other financial supports are additionally offered as well, for instance providence fund, low priced products, financial aid in case of death of parents or spouse, marriage, birth delivery, ordainment and in-patient medical expense and so on.

Family Institute Supporting Activities

1. Employees' residence

The 3 buildings of dormitories are provided for all men, women and the married, containing 100 rooms for each building and there are 690 residents at the moment.

2. Children's Day Activities

The activities on the Children's Day are held every year for employees and their families who are invited to join and rewarded with many gifts on that day.

Health and Well Being Supporting Activities

1. Exercise Activity such as weekly aerobic

2. Venue and sports activities for example fitness, basketball court and football field

3. Annual health check-up

4. First-aid room with daily working nurses and doctors coming every week

5. In-house fitness

6. Safety week

7. Color sports day

Ethical Promoting Activities

The following religious and cultural activities are held.

1. The activity giving offerings to monks on the last Friday of every month

2. The water pouring ceremony as paying respects to the seniors on Songkran day

3. The honoring ceremony bestowed to HM the King Bhumibol Adulyadej on his auspicious birthday

4. Almsgiving ceremonies on the important religious days

1.6 Society

The Company has conducted the business with concerns for community, society and environment by raising awareness of social and environmental responsibilities in all levels of employees on a regular basis. It is stated in the Business Code of Conduct that the Executive shall give the support to any activities beneficial to community and society including holding the events that help create such consciousness in the organization for employees at all levels, such as the Buddhist Lent Candle Festival, the Ordination Ceremony, and so on.

1.7 Safety, Occupational Health and Working Environment

As the Company has given importance to safety, occupational health and working environment, the policy to enhance life safety of employees and the property security in the area of responsibility of the company is established. The security measures are regularly reviewed to be updated to the current situation. Employees must be aware of safety of their own, their colleagues and the property of the Company and realize the importance of prevention measures of accident arising from work and affecting themselves and others. The Company also provides various manuals concerning safety, occupational health and working environment to control, prevent and correct hazards from work for employees and contractors, electrical safety, chemical safety, x-ray generator safety, emergency response plan for disaster, regulations for occupational safety, health and working environment, etc. In the year 2018, the Company organized activities to develop and educate employees as follows:

1. Fire extinguishing and evacuation program

Employees are prepared to handle emergency in case of fire, to know how to use the distinguisher to prevent spread of fire to other area (in case of small base) and how to evacuate safely from the building including how to move injured person properly.



Fire extinguishing and evacuation project on July 4-5, 2018



Fire extinguishing and evacuation from the employee dorm Project on March 24, 2018

2. Chemical spill and leakage program

Training program on chemical spill and leakage is conducted to educate employees how to work with chemicals properly and safely and to handle an emergency in case of chemical spill and leakage including how to remove chemicals appropriately and safely.



Leakage Chemical Project on February 22, 2018

3. First aid training program

The first aid training is provided for employees to give immediate helps to the injured person in case of an emergency.



First aid training Project as of 25th January 2018

In addition, to make the environment both within and around the company pleasantly with no impacts on environment and community nearby, the Company supports the use of resources in accordance with the safety, occupational health and working environment management system and in compliance with the concerning law to enhance efficiency of workplace and quality of life of all employees.

Statistics of accident, illness and absence in the year 2018

The Company is committed to improving safety, occupational health and the environment continuously and promoting occupational safety activities, including monitoring and evaluating implementation of this project to ensure the best practices. Thus, the report on accident statistics according to the Ministry of Labor and Social Welfare on the safety of employees is made accordingly. There are 9 accidents happening in 2018 and an average rate of absence caused by accident is 13 days or average day 3.56% compared to the target for accident reduction in 2018 or decreased 0.47%.

1.8 Environment

The Company realizes responsibilities for environmental impacts on employees, community including any parties concerned, the following policy concerning control and reduction of impacts on environment, natural resources and energy is thus established for the Executives, employees and the related persons to participate and practice.

1. To promote and support all employees to realize significance of environment and take it as the duty to protect, protect, and reduce the environmental impact of all stakeholders and the community.
2. To promote and support any relevant practices in compliance to the environmental laws, standards and regulations.
3. To manage, execute, control, monitor, improve, review and develop any issues concerning environmental conservation regularly and continuously.
4. To support, promote and maximize use of resources and energy for sustainability of business, society and environment.
5. To support resources that enhance knowledges as well as environmental consciousness and responsibility in the organization and the stakeholders.

The Company has also organized the activities supporting the development on environment and natural resources including the training courses relating to the waste separation system for the establishment, the environmental consciousness, the toxic waste collection, the pollution control and the waste bank. In addition, there are 2 projects as below :-

1. Reducing electrical usage 145,540 kwh or reducing emission of greenhouse gas 73,590 kgCO₂ equivalent to reducing car usage 52 units per year
2. Utilizing tap water from RO system 6,034,000 litres or reducing emission of greenhouse gas 3,930 kgCO₂ equivalent to reducing car usage 3 units per year

In summary, 2 projects reduced emission of greenhouse gas 108,299 kgCO₂, reducing car usage 55 units per year

1.9 Infringement of intellectual property or copyright

The Company has the Code of Conduct on intellectual property and has the policy preventing infringement of intellectual property or copyright and supporting business execution under the related laws, rules and contractual obligations; for instance, the Company's personnel is responsible for maintaining trade secrets and formulas, production process or confidential business practices by keeping such secrets as confidential as possible and preventing them from leaking. Personnel must respect the intellectual property rights of others and must not take the work of others, even partially, to be used for his/her own benefit without permission or must pay the owner of the work prior to the use. It also protects the personnel from using software programs illegally. The Code of Conduct for technology use is strictly adhered to prevent violation of the rights of others. In the past year, the Company trained our employees for license and art trademark by the lectures of intellectual property as of 31st August 2018. There is no complaint on infringement of intellectual property and copyright.

1.10 Labor

To ensure that the products manufactured by the company are produced by legal labor, the company has implemented labor management in line with international labor standards and human rights principles. It also sets up labor policies and respects to the rights of employees as well. The Core Value and Corporate Social Responsibility Committee has been established to supervise and promote the quality of life of employees by providing debt resolution and legal counseling programs in the workplace as well as educating and providing advice to employees who have problems about relevant laws. This will help and ease such troubles for employees. Consequently, the Company is awarded with the Outstanding Labor Relations and Labor Welfare Award in the year 2017 from the Department of Labor Protection and Welfare, Ministry of Labor and gets a certificate in accordance with the international standard for Workplace Conditions Assessment (WCA) Including compliance with Thai-Labor standard (TLS 8001 : 2553)

The Company supports employees and stakeholders to participate in the supervision and the compliance with the laws and rules governing the principles of good corporate governance and business ethics. Employees should report and complain any wrongdoing against laws and ethics or any misbehaviors leading to corruption directly through the provided channel or via a letter to:

The Chairman of the Board of Directors/ the Chairman of the Audit Committee

Pranda Jewelry Public Company Limited

No. 28, Soi Bangna-Trad 28, Bangna Tai, Bangna, Bangkok 10260

Or use the channel provided, such as the Company's website www.pranda.com or email to

Department	email	Telephone no.
The Board of Directors	board@pranda.co.th	0-2769-9405, 0-2769-9923
The Office of Corporate Secretary	cs@pranda.co.th	0-2769-9431, 0-2769-9403
The Internal Audit Office	ia@pranda.co.th	0-2769-9905
The Investor Relations	ir@pranda.co.th	0-2769-9431
The Corporate Communication	pr@pranda.co.th	0-2769-9494
The Personnel and Human Resources	personal@pranda.co.th	0-2769-9961

In the year 2018, there is no violation of laws relating to labor, employment, consumer, competition, and environment as well as no complaint from stakeholders.

Category 4: Transparent information disclosure

The Company pays great importance to the disclosure of important information of the Company which has to be made in an accurate, complete, timely, transparent manner and in compliance with the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand to provide shareholders and stakeholders with thorough information as stated below.

The Company discloses important information on periodic table in both Thai and English, namely the Annual Financial Statements, Annual Registration Statements (Form 56-1), Annual Report (Form 56-2), and Non-Periodic Reports through the electronic system of SCP: SET Community Portal. The Thai and English information of the timely situation of the Company is also revealed on the website on the section "Investor Relations" containing the following subsections:

1. Information of the Company includes organization structures of the Company and the Group, etc.
2. Financial information consists of the current and historical financial statements and etc.
3. Publication comprises Articles of Association, Annual Report and etc.

Other important information, such as the information on Board of Directors and Management and the Company's shareholding structure, including the invitation letter, the minutes of Annual General Meeting of Shareholders and so on, can be accessed on www.pranda.com.

In addition to information disclosure through key agencies and on the company's website, the Company has reported its performance and important activities through other public relations channels as well as continuously and consistently revealing information on activities that are consistent with the Company's strategy and objectives, and the Company's business direction by taking into account the quality of the disclosed information through the following key agencies.

Corporate Communications is responsible for publicizing and disseminating information, news, activities and press releases of the Company.

The Company Secretary Office is responsible for accurately, completely, transparently disseminating information in accordance with the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission subsequent to the screening procedures.

The Investor Relations has the duties to proactively organize investor relations activities, to communicate more information from the questions including information beneficial to investors, institutional investors and general investors and securities analysts in order to ensure equality and fairness to stakeholders and establish good relations between the Company and shareholders. They also have to devise an Annual Investor Relations Plan as well as allowing stakeholders to send questions to them through various channels such as sending e-mails and etc.

The Company has assigned the Managing Director to reveal information to shareholders, investors, security analysts and journalists and to give additional information in response to the queries raised in the AGM meeting and the meetings with stakeholders. The following information disclosure on website throughout the year 2018 is listed below.

Activity	No. of times
Special interview on TV	3
Meeting with the press	4
Corporate news	360
Field trips and site visit	14
Newsletter	6
Stock Market news	84
Analyst Meeting	2
Opportunity Day	4

In the year 2018, the Company has never been penalized by the regulators due to no disclosure of important information within the specified period.

Preparation of financial reports

The Board of Directors is in charge of making financial reports with accuracy, completeness and transparency to keep the property of the company from being lost or used by an unauthorized person and preventing fraud and unusual operations, which has to be carried out in compliance with Thailand's generally accepted accounting standards and the relevant laws and Notifications in order to provide stakeholders with confidence in such financial reports. The Board of Directors has assigned the Audit Committee to review the correctness and adequacy of financial reports and use of appropriate accounting policy pursuant to relevant laws and Notifications. In this regard, the Audit Committee has set the meetings with auditors to ask for any opinions or comments without the Executives' attendance at least 4 times/year. The Company has hired EY Office Limited that possesses all the required qualifications with knowledges, professional skills, and no conflicts of interest leading to a lack of independence and neutrality as the auditor to ensure the Directors and shareholders that the financial report reflects the company's financial condition and operating results with reliability in all respects.

In the year 2018, the Company discloses the annual and quarterly financial statements to shareholders and investors within the specified period and has no history of being instructed to amend the financial statements by the Office of the Securities and Exchange Commission.

Disclosure of Directors and Executives Remuneration

The Company has set Key Performance Indicators (KPIs) for each year in line with the rules and policies set forth by the Board of Directors and used it for consideration on remuneration in the form of salary and other compensation. Remunerations of Directors, Executive Directors and Executives are set with transparency and at the proper rates compared to others in the same industry and reviewed by the Nomination and Remuneration Committee before submitting to the Board of Directors who will propose to the AGM for approval.

The Company also discloses the remuneration of the Company's Directors and Executives in the annual report according to the rules of the Securities and Exchange Commission. The Director remuneration is unveiled individually while ones of the Executive Directors and Executives are included in the "Remuneration of the Executives." The Remunerations of Directors and Executives are shown in "Management Structure."

Disclosure of changes in shareholding of Directors and Top Executives

The Company has set both a code of business ethics in regard to maintaining credibility and information availability including trading of securities of the company and the policy for the Directors to disclose and report holding of the company's securities as follows.





Directors and Executives are required to submit the report on any change in their holding or the Company's holding and trading of securities to the Office of the Corporate Secretary to be presented further to the Securities and Exchange Commission within the period prescribed by law and the related regulations. The Office of Corporate Secretary is also obligated to report any change in stockholding of Directors and Top Executives to the Board of Directors.

Reporting on interest of Directors

The policy concerning reporting on interest of Director is set and requires Directors and Executives to report the interests of their own or the related persons to the Office of Corporate Secretary under Section 89/14 of the Securities and Exchange Act. The Corporate Secretary will then submit a copy of such report to the Chairman of the Board and the Chairman of the Audit Committee within 7 days from the date of receiving the report.

The investors can access to more details of information through the following 4 channels

Investor Relations: **Mr. Dusit Chongsutthanamane**

-  Address: Pranda Jewelry Public Company Limited
No. 28, Soi Bangna-Trad 28, Bangna Tai, Bangna, Bangkok 10260
-  email: ir@pranda.co.th
-  Telephone : 0-2769-9431 or 0-2769-9999, 0-2361-3311 ext. 431
-  Fax: 0-2398-2141

Category 5: Responsibilities of the Board of Directors

The Board of Directors as representatives of shareholders is responsible not only for overseeing business administration of the Company to be in compliance with the laws as well as the Company's objectives and regulations but for informing business progress and performance to the Executives and employees to have common goals and work under the same direction. The key Corporate Governance guidelines for the Board of Directors are mentioned hereunder.

According to the Corporate Governance Principles, Directors shall adhere to 4 fiduciary duties:

1. Duty of care – the Board of Directors shall exercise duties with prudence or care to prevent damages happening to the Company and ensure the business operation does not effect environment, community and society while creating value added to all groups of stakeholders.
2. Duty of loyalty – the Board of Directors shall perform duties with honesty to maintain the interests of the Company, shareholders, stakeholders and society.

3. Duty of obedience – the Board of Directors shall supervise the Company to conduct the business in compliance with the laws, rules, regulations and other conditions.

4. Duty of disclosure – the Board of Directors shall manage the Company to disclose information in accordance with the laws and to provide sufficient information to the investors.

1. Structure of the Board of Directors

The Board of Directors has considered the appropriateness of the Board structure to conform to the Company's rules and Articles of Association of the Board of Directors that has been set up by the Board. The details of the composition, qualifications and authorities of the Board of Directors are shown on the topic "Management Structure."

The Company's Articles of Association stipulates that Board of Directors consists of not less than 5 but not more than 20 members and not less than half of the Board of Directors must reside in Thailand and meet the qualifications required by the Public Limited Company Act and other relevant laws.

As of December 31, 2018, the Board of Directors consists of 9 directors, 6 Non-Executive Directors, which accounts for more than half of the total Directors. The Board structure can be classified as follows.

- Non-Executive Director 6 persons (representing 66.66% of the Board)
- Executive Director 3 persons (representing 33.33% of the Board)
- Independent Director 3 persons (representing 33.33% of the Board)

The Board of Directors defines the board diversity in writing, which comprises Directors who have qualifications in view of industrial, financial & accounting, management and legal skills, experiences, capabilities and other specific qualifications including proper gender and age necessary to achieve the company objectives and goals. There shall be at least one non-executive director who has experience in the core business or industry of the Company.

The Board of Directors is composed of 3 Independent Directors, one of which is a woman. The proportion of Independent Directors must be at least one third of the total Directors. The term of office shall not exceed 9 years. They must also have the complying qualifications with the Notification of the Capital Market Supervisory Board and the principle of Stock Exchange of Thailand.

The appointment and term of office

The Board of Directors has term of office and it is stipulated that at the Annual General Meeting of Shareholders one thirds of Directors shall retire. If the number of Directors cannot be divided into 3 parts, then the number nearest to one-third shall retire. For the directors who will be retired in the first and second years after the registration of the company, the draw will be used to determine who will leave the office. The Director who is in the longest position shall be the person who leaves the position. The retired Director is eligible to be re-appointed.

Position in other companies

Pursuant to the CG principles, the Board of Directors of the Company determines the number of listed companies at which each Director will hold positions shall not be more than 5 companies in order for the Director to devote time and effort in performing duties at their best. It is required the Directors shall inform in the Board of Directors meeting before becoming a Director in other listed companies.

Position in other companies of the Managing Director

The Company's policy in this regard defines that Managing Director shall be the managing director of only one listed company so as to have sufficient time to supervise the business operation of the Company and shall not 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.

Classification of roles and responsibilities of the Chairman of the Board and Managing Director

The Company has a policy to separate roles and responsibilities of the Chairman of the Board of Directors and the Managing Director from each other to ensure there is independence as well as balance of power and no job redundancy, the Chairman and the Managing Director shall not be the same person. Their roles and responsibilities are classified as follows:

The Chairman of the Board of Directors is responsible for acting as the leader of business strategy of the Company, encouraging all Directors to participate in the meeting, supporting the management's mission through the Managing Director, but not interfering routine duties or business tasks performed by the Managing Director.

Managing Director is in charge of management and administration of the business to be in line with the corporate vision, mission, strategies and policies defined by the Board.

2. Responsibilities of Director

1) The Board of Directors has key roles and duties to determine the important matters related to business operation, such as the Company's vision, mission, strategy, policy, business plan, budget, financial report and to supervise and monitor implementation of strategic plan by assigning the management to execute efficiently, correctly and transparently as well as following up on business performance in comparison to business goals. Please find more details on the topic "Management Structure".

2) The Board of Directors is authorized to approve 25 items in accordance with the scope of duties prescribed by law, the Company's Articles of Association and resolutions of the AGM. Please find more details in the category "Authorities of the Board of Directors".

3) The Board of Directors has appointed five Subcommittees; namely, the Group Executive Committee, Audit Committee, Nomination and Remuneration Committee, Financial and Risk Management Committee and Core Value and Social Responsibility Committee, who possess knowledge and expertise to help scrutinize the assigned matters to be clear, correct and complete before proposing to the Board of Directors for approval or endorsement as the case may be and to support the Board of Directors to perform duties with more carefulness and efficiency. The roles and responsibilities of Subcommittees are stipulated on the topic "Subcommittee".

4) The Board of Directors has created the "Corporate Governance Policy" in writing since the year 2000 onwards.

5) The Board of Directors has prepared the written "Code of Ethics" to provide the best practice guidelines for Directors, Executives and employees at all levels and to make them understand the ethical standards that are used in the business, especially the honesty policy. Additionally, the Board of Directors has supported and monitored implementation of Code of Ethics, which are incorporated in the CG and Code of Ethics Handbook (the 5th revised edition) and disclosed on the website to employees at all levels.

6) The Board of Directors has clearly established a policy on conflict of interest in the Code of Conduct and has also set up a procedure to settle transactions that may cause conflict of interest, and regulations concerning connected transaction in accordance with the requirement of the Securities and Exchange Commission. If there is any transaction requiring an approval from the Board of Directors / shareholders, such transaction must be examined by the Audit Committee who will give comments on entering into the transaction. In the case that the Board of Directors has different opinions from the Audit Committee, the difference in such opinions will be unveiled. And in case there is a director who has a conflict of interest in any agenda, he will not be entitled to vote on such agenda.

7) The Company has disclosed related transactions that may cause conflict in the year 2017 and the Board of Directors has also given the opinion that all connected transactions are reasonable and beneficial to the Company's business which is in compliance with the regulations of the Securities and Exchange Commission. For details, please see "Related Transaction".

8) The Company has adequate and appropriate internal control system as well as enough personnel to effectively and efficiently implement the internal control system to generate reliable financial report not only in compliance with generally accepted accounting standards, the CG principles, laws, regulations concerned but in accordance with the internal control framework of COSO (The Committee of Sponsoring Organizations of The Treadway Commission) as stated on the topic "Internal Control and Risk Management".

9) The Board of Directors has set up a risk management policy that focuses on the implementation of the risk management process in the entire organization to support the company to achieve its strategic objectives. The Finance and Risk Management Committee is responsible for monitoring all parties to follow the risk management practices, measure success of the strategic plan on the yearly basis, summarize and review the result and make quarterly submission to the Board as mentioned on the topic "Internal Control and Risk Management".

3. Meeting of the Board of Directors

1) The quorum in the Board of Directors' meeting constitutes at least half of all directors. In case the Chairman is absent from the meeting or cannot perform duties; if there is a Vice Chairman, a Vice Chairman is entitled to be the Chairman. If there is no Vice Chairman or the Vice Chairman cannot do the job, the Directors presenting at the meeting shall elect one Director to preside over the meeting

2) A majority of the votes is considered the decisions of the Board of Directors. One Director has one vote, except for the Directors with vested interests; they will have no right to vote on that matter. If there is a tie vote, the Chairman of the meeting shall have a casting vote.

3) Regular meetings of the Board of Directors shall be held at least every 3 months. If the meetings to review performance of the Subcommittees during the year are included, the total number of meetings shall not be held less than 6 times a year. The meeting and its agenda shall be set in advance and called by the Chairman. If necessary, 4 Directors or more can request the Chairman for the meeting to be held within 14 days after the request receiving date.

4) The Chairman or the authorized Director by the Chairman shall set the meeting time and venue that may be designated as other than the place where the head office of the Company is located or in the nearby provinces. If the venue is not informed by the Chairman or the authorized Director, the meeting shall be held at the head office of the Company.

5) To call for the Board of Directors' meeting, the Chairman or the authorized person shall send the invitation letter stating time, venue and agenda directly to the Directors or the representatives of the Directors by registered mail no less than 7 days prior to the meeting date, except for the urgent case; the invitation will be delivered by other ways to maintain the right and benefit of the Company or the meeting will be called earlier.

6) For the quorum, at least two-thirds of the total number of directors must be present at the meeting.

7) The Chairman of the Board of Directors shall approve the matters to be included in the meeting agenda. Each Director and the management can also propose matters beneficial to the Company to the agenda.

8) The Chairman of the Board of Directors shall provide sufficient time for presentation of documents and information proposed by the Executives and for the discussion on the inquiries or important issues raised by the Directors.

9) The Board of Directors appoints the Non-executive Directors to have the meeting for discussion on the issues in the interest without participation of the Executive Directors and notify the result of the meeting to the Managing Director.

10) The Board of Directors shall devote time and dedication to the Company and be ready to attend the meeting regularly. In the case they cannot show up, they shall notify the Chairman.

11) The Board of Directors can request for additional information from the Chairman of the Executive Committee and / or Managing Director or other designated Executives within the scope of the set policy. In case of necessity, the Board of Directors may ask for an independent opinion from the external consultant or professional for each meeting.

12) The Chairman of the Board of Directors empowers the Managing Director to invite the Top Executives to give additional information directly concerned at the Board Meeting.

13) Minutes of the meeting must include precise resolutions and opinions of the Board to be used as references.

During the year 2018, there have been 18 meetings of the Board of Directors' and 4 meetings of Non-executive Directors to give opportunity for discussion on the matters that are in their interests and report the results of the meetings to the Managing Director to be in line with the policy allowing the Non-Executives to have meetings among themselves without presence of the Executive Directors or the management.

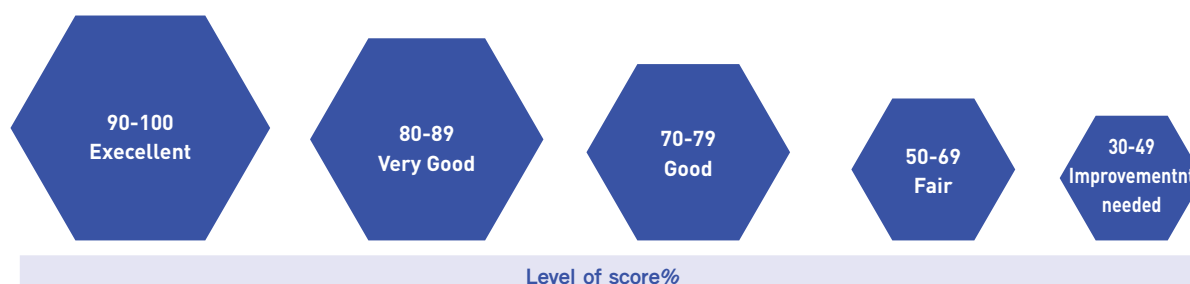
4. Self assessment of the Board of Directors, Subcommittees and Chairman of Group Executive Committee

The Board of Directors manages to have 2 types of assessment of the Board of Directors and Subcommittees at least once a year, which are:

1) Individual assessment – self assessment

2) Group assessment for both the entire Board and Subcommittees by the Appointment and Remuneration Committee

Scoring criteria for self assessment of the entire Board and Individual members of the Board are shown hereunder.



Processes of self assessment of the individual member of Director and the entire Board assessment are described below.

Self Assessment process of the Board and Subcommittees

1. The Company has both individual and group performance evaluations of the Board of Directors and Subcommittees in every year. The Corporate Secretary will prepare the Board Self-Assessment Form that complies with the guidelines of the SET and is appropriate to the nature of the business.

2. The Corporate Secretary disseminates the Form to each Director who will fill in and return the completed Form to the Appointment and Remuneration Committee to summarize the results of evaluation.

3. The performance of Subcommittees and the entire Board of Directors will be evaluated and summarized by the Appointment and Remuneration Committee.

4. The Appointment and Remuneration Committee presents the assessment results to the meeting for the Board of Directors to review their performances and problems arising during the year and to assess efficiency in management of the Board. Moreover, the assessment results can be used to support and improve performance of the management.

Summary of self assessment in the year 2018

1. Performance assessment of the Board of Directors

1.1 The assessment of Individual member of the Board of Directors are made under 3 major criteria, of which the result turns out to have “Execllent” score or 97% as detailed as follows.

Criteria	Score (%)
1. The structure and qualification of the Director	100
2. The meetings of the Director	96
3. Roles, duties and responsibilities of the Director	94

1.2 The assessment of the Board of Directors is made under the 6 major criteria and has the average score of “Excellent” or 93% as mentioned hereunder.

Criteria	Score (%)
1.The structure and qualification of the Board	90
2. Roles, duties and responsibilities of the Board	91
3. The meetings of the Board	94
4. The action of the Board	96
5. Relationship with the Management	95
6. Self development of the Board and ability to develop the Executives	92

2. The assessment of the Group Executive Committee

The assessment of the Group Executive Committee is made under the 3 major criteria, of which the average score is “Excellent” or 96% as detailed as follows.

Criteria	Score (%)
1. The structure and qualifications of the Committee suitable to each issue and enhancing work efficiency	89
2. The meetings are properly arranged to have the Committee work efficiently.	100
3. Roles, duties and responsibilities of the Committee giving importance and time to consider, review and operate each issue appropriately	99

The Company has a policy having the Appointment and Remuneration Committee to measure performance of the Chairman of Group Executive Committee against the achievement of goals and other factors including qualitative measures, namely leadership, implementation of strategies, planning and performance. The performance assessment will be conducted every year under the following process.

Performance assessment processs of the Chairman of the Group Executive Committee

1. The Board of Director designates the Nominationand Remuneration Committee and Non-executive Directors to make the following determinations.

1) To approve criteria for performance assessement of the Chairman of Group Executive Committee and Managing Director and inform them of such criteria in advance. The criteria should encourage the Chairman of Group Executive Committee and Managing Director to manage the business in accordance with its goals, objectives, strategies, and in line with the benefits of the business in the long run.

2) To assess performance of the Chairman of Group Executive Committee and Managing Director annually and have the Chairman of the Board of Directors to inform the results of evaluation and issues needing improvement to the Chairman of Group Executive Committee and Managing Director.

2. That assessment will be considered for setting remuneration of the Group of Executive Committee and managing directors by the Nomination and Remuneration Committee and then propose that assessment to the Board of Directors’ Meeting for the following approval.

The Company has a policy stipulates that the Nomination and Remuneration Committee is an evaluator for the Group of Executive Committee’s performance which is assessed by comparing with achieving goals and using some quantitative measures for consideration, such as leadership, conforming to strategies, planning, performance. This assessment will be conducted annually , the procedures of assessment are shown as follows:

The assessment of Board Chairman in 2018 is made under the 3 major criteria, of which the average score is “Excellent” or 91% as detailed as follows.

Criteria	Score (%)
1. Assessment from KPI	96
2. Leadership	88
3. Budget Management and Project Management	96

5. Development of Directors and Executives

1. The Board of Directors is responsible for overseeing each of directors and sub-committees to have a clear understanding of their roles, duties, nature of the business and the related laws.

2. The Board of Directors regularly encourages all directors to have the skills and knowledge to perform their duties by providing training and development as well as necessary knowledge to the persons who are involved in the management system in order to improve the performance continuously.

3. The Board of Directors assigns the Corporate Secretary to produce the document introducing the Company and necessary information for the orientation program for the newly appointed Directors not only to know the information useful for performing their duties, but to properly understand objectives, key goals, vision, mission, core values, nature of the business, business directions the relevant laws, rules, standards, risks and environment related to business operations, regulations and business information of the Company prior to performing their duties. The training and learning development are continually provided to the Directors to enhance them with performance efficiency.

Although the Directors do not take part in any seminars or trainings concerning roles and duties of Director in the past year, the Board of Directors has consistently encouraged the Directors to participate in the courses concerning their duties, such as the course organized by Thai Institute of Directors (IOD) as listed below.

Participation in training by the Board of Directors

Director	Class / Year of attendance to	Institute Of Directors course (IOD) ^{/1}	Other course
1. Mr. Prida Tiasuwan	37/2548	DAP	-
2. Mrs. Prapee Sorakraikitikul	17/2545	DCP	-
3. Mrs. Sunanta Tiasuwan	22/2545	DCP	Top Executives Course, Capital Market Academy Class 11 (CMA. 11)
4. Mrs. Pranee Khunprasert	26/2547	DAP	-
5. Mr. Pramote Tiasuwan	46/2547	DCP	-
	16/2547	DAP	-
	12/2547	FN	-

Director	Class / Year of attendance to	Institute Of Directors course (IOD) ^{/1}	Other course
6. Miss Pittaya Tiasuwan	26/2547	DAP	-
7. Mr.Verachai Tantikul	37/2546	DCP	-
8. Mrs. Rawittha Pongnuchit	59/2548	DCP	1. Advanced Diploma of Civil Justice Administration (Class 3) 2. Top Executive Program in Commerce and Trade (TEPCOT), Class 1 3.Top Executive Program, Course Capital Market Academy Class 3 4. Public Administration and Public Law, King Prajadhipok's Institute (Class 3) 5. National Joint Private School, National Defence College (Class 4515)
9. Mr. Chamnong Watanagase	5/2544	DCP	1.Certificate of Top Executive Program, Course Capital Market Academy Class 6 2.Tactical Training in Hostage Rescues, US Marshal Service, Department of Justice, Baton Rouge, Louisiana, USA, 1990 3.Marketing Coaching, Tack Training International, London, UK, 1991 (5-weeks)
	1/2545	ACP	
	2/2549	DCP Re	
	1/2550	CDC	

Notes ^{/1}

DCP	: Director Certification Program
DAP	: Director Accreditation Program
FN	: Finance for Non-Finance Program
ACP	: Audit Committee Program
DCP Re	: DCP Refresher' Course
CDC	: Chartered Director Class



6. Orientation Program for newly appointed Directors

Newly appointed directors will be trained on matters related to the Company's business and the duties and responsibilities of the Board of Directors. The information of orientation program for the Directors who are appointed in the AGM by shareholders includes legal practice, Memorandum of Association, the Company's Articles of Association, scope of duties and responsibilities of the Board of Directors and Subcommittees, minutes of the Board of Directors Meeting for 1 year, Good Corporate Governance Principles of the SET, Corporate Governance Policy and Code of Conduct, the laws relating to the business of the Company, training courses for Directors and other information related to the business of the Company. The aforesaid information is provided to the newly appointed Directors by the Corporate Secretary in the orientation course. The Board of Directors has the policy to encourage Directors to develop their knowledge and participate in training programs or seminars.

7. Succession plan for Top Executives

The Board of Directors has assigned the Nomination and Remuneration Committee to create succession plan and review development plans for Chairman of Group Executive Committee and Managing Director including the Top Executives so as to have well-prepared succession plan in case the Managing Director or top Executive is retired or unable to perform duties and to continue operating the business without cease. The Chairman of Group Executive Committee, Managing Director and Top Executives must have their own succession plan to ensure stakeholders; whether they are investors, customers or employees, the continuity of business in accordance with sustainability policy under the business Code of Conducts. The Chairman of Group Executive Committee will report the result of implementation according to the succession plan to the Nomination and Remuneration Committee who will keep the Board of Directors informed at least once a year.

8. Being part of UN Global Compact Local Networks

Pranda Group of Companies has been considered the first Thai company signing with the United Nations or Global Compact since 2002 and being one of the founding members of the UN Global Compact Local Networks to work together with the business organization according to the UNGC principles to create transparency and responsibility for themselves, society and the nation, which will lead to sustainable development.

The Company has played a role in the aforementioned network by having Mrs. Sunanta Tiasuwan as the Company's representative to take the position of Vice President and Executive Director of UN Global Network Thailand that periodically and regularly organizes seminars and meetings to create understanding of sustainability, corporate responsibilities and responsibilities for the country.

Therefore, the Company has cultivated good awareness and attitude to employees at all levels to act in good manners according to the rules and social norms that create responsibilities for themselves, for society and for environment including responsibility for the nation development by having misbehavior resulting in negative effects on themselves, the others, country, natural resources and environment as well as living with morals for the sake of social sustainable development in compliance with the 10 international principles comprising human rights, labor, environmental and the anti-corruption.

1. Human Rights

Principle 1	Support and respect the protection of internationally proclaimed human rights; and
Principle 2	Ensure that business does not involve in human rights abuses

The company recognizes all human rights principles without discrimination resulting from difference in sex, age, social status, etc. Hence, not only the policy pertaining to abuse of human rights, but the Code of Ethics in regard to respecting human rights principles, such as treating employees on the basis of dignity as human being, respecting personal rights, encouraging employees to exercise their constitutional rights and using their rights in the complaint when not being fair, are established for employees to adhere to. The Company has announced its commitment to participate in upholding human rights principles as follows:

- The Company supports and participates in the activities of independent agencies and international organizations, such as the UN Global Compact (UNGC), which systematically operates to promote human rights.
- The Company takes part in the brainstorming and networking with other private companies to set up the UN Global Compact Local Networks in Thailand to create a network to exchange knowledge and to promote respect for the dignity of being human

2. Labor

Principle 3	Uphold the freedom of labor association and the effective recognition of the right to collective bargaining seriously
Principle 4	Eliminate all forms of forced and compulsory labour
Principle 5	Abolish child labour workforce effectively
Principle 6	eliminate discrimination in respect to employment and occupation

The Company has set fair rules and procedures to recruit, evaluate, promote for career development and train employees to create quality of life for themselves, their families and communities nearby. The Company also establishes measures and encourages partners to treat their employees or laborers legally and fairly. Furthermore, the Company has no forced labor, child labor, discrimination and segregation against gender, age, education and race as well as respecting to personal rights. The Company has prepared the Corporate Governance and Code of Ethics Manual with the details of the workforce in Section 3 Role of stakeholders.

3. Environment

Principle 7	Support a precautionary approach to environmental challenges
Principle 8	Undertake initiatives to promote greater environmental responsibility
Principle 9	Encourage the development and diffusion of environmentally friendly technologies

The Company gives importance to business development and sustainability. Besides, business management with prudence to enhance business growth for sustainability, the Company realizes environmental sustainability is the foundation of business success. Therefore, the Company takes part as a good citizen in social responsibility such as technology selection and organizational environment to control impacts on environment resulting from emission and waste control. The implementation in compliance with legal, environmental, and regulatory standards is strictly followed as well. Fair treatment and participation in development of surrounding community are also practiced. The Company reports the result of environmental responsibility practice of which details are shown in "Social Responsibility Report."

4. Anti-corruption

Principle 10 Work against corruption in all its forms, including extortion and bribery

The Company attaches great importance to anti-corruption and adheres to transparency, Code of Ethics and responsibility for all stakeholders to refrain from any behaviors driving motives for corruption such as requesting, pledging, providing and receiving property or other benefits to government officials or any other person doing business with the Company whether directly or indirectly to allow such person to perform duties in order to obtain or maintain any other improper business interests; unless otherwise allowed by the laws, rules, regulations, local customs or trade customs.

The Company has established the anti-corruption policy and practices in the Code of ethics and Anti-Corruption Guidelines and the Code of Ethics concerning responsibilities of the Executives and employees as follows:

Guideline

1. This anti-corruption policy covers the human resources management processes from recruiting and selecting staff, promoting, training, appraising performance and rewarding employees. The superiors at all levels must communicate with employees to implement this policy in business activities they are in charge effectively.

2. The guidelines set out in the Corporate Governance and Code of Conducts Manual, anti-Corruption Manual including regulations and the related company's manual must be used when taking any actions according to the anti-corruption policy.

3. To ensure clear implementation involved with high risk of corruption, the Company requires the Directors, Executives and employees to perform the following duties with caution.

3.1 Neutrality and political assistance

The Company has a policy of political neutrality that it will not support or side any political parties; whether directly or indirectly. This includes the use of Company resources in activities that will cause the Company to lose political neutrality and/or get damaged resulting from being involved in such activities.

3.2 Charitable donations and financial grants

Charitable donations are part of corporate culture to help the underprivileged, to alleviate the suffering of natural disaster victims or to promote the quality of life at present and in the future. The donations must be in accordance with the set regulations and made with transparency by identifying the name of recipient including the registered organization with its clear purpose. In general the donations are contributed to promote the corporate image or reputation through the social activities. The approval on the donations must be granted with transparency under the correct contract or with proof of payment by the authorized persons according to the process set by the Company. No funding is provided to cover corruption and bribery.

3.3 Giving or receiving gifts or property or any other benefits/ reception fee and other expenses

Giving or receiving gifts or property or any other benefits or reception fee and other expenses will lead to corruption, so Directors and employees must not accept or give a gift or property or any other benefits including reception fee and other expenses that is generally recognized such acts may cause bondage or create a feeling of returning reward, which leads to corruption. Receiving or accepting gifts or property or any other benefits to or from the outsiders is also subject to this regulation. However, receiving or giving a gift or property or any other benefits including reception fee and other expenses can be done, if it does not entail a commitment or burden to the feeling that there must be a corrupt reward and conforms to the tradition of normal practice, the Code of Conduct and the Company's regulations.

3.4 Extortion, fraud, deception, conspiracy, misuse of authority, misappropriation and money laundering

Misuse of authority to commit acts such as extortion, fraud, deception, conspiracy and money laundering is considered corruption that is prohibited by law and is clearly prohibited under the Anti-Corruption Manual. It is considered a violation of duty as a Director or employee of the Company; whether there are motives for doing so or not.

As the implementation of high-risk corruption does not cover all cases of corruption, Directors and employees must therefore exercise their discretion to consider and refrain from any transactions leading to corruption.

4. Directors, Executives and employees must not claim, receive money or benefits or improper items from a person involved in the business of the company.

5. Directors, Executives and employees must not claim, receive money, benefits, things or other paybacks from the person or entity involved in the business; whether it is a claim or receiving for themselves or others, which is considered as motives to commit or not to commit their duties, leading to malfeasances.

6. Do not offer to give or receive donations or support money, things or other benefits to outsiders, such as government officials, agents, partners, customers, or decision makers, which are intended to induce the person to commit or refrain from any illegal acts or wrongdoing against the position of that person, or to gain advantage or to exchange privileges that should not be deserved. Giving or receiving donations or supporting money must be transparent and legal to assure that donations or grants are not used as a pretext for bribery.

7. In the case a juristic person or a third party related to the business provides items or benefits to the Executives or employees as a gift, the Executives or employees must use discretion to consider the suitability, and / or correctness with regard to government regulations. It is acceptable only if the Executives or employees do not accept, it is considered unkind and has negative effect on business relationship, but the value of such items must be no more than the amount prohibited for government officials by law.

8. According to code of conduct, gift, or property or benefit should be received from the related or relevant person. Acceptance of such items should be made in a general manner and at appropriate value. It is illegal to receive illegal gift or property.

9. Personnel of the Company and of its Subsidiaries including their families must not claim or receive gifts or properties or other benefits from contractors, subcontractors, customers, partners, or anyone involved in the business of the Company, in any event that may affect discomfort or bias on the duty performance or conflict of interest.

10. Personnel of the Company and of its Subsidiaries must not bribe or offer any similarity benefits to the personnel of the company itself or to outsiders, especially government officials. Giving gifts, properties or other benefits to government officials, both domestically and abroad must be made with certainty that such grant does not create conflict with laws and local norms.

11. Do not give and receive gifts, which are of more value than usual that should be provided between the superior and the subordinate in any event.

12. Directors, Executives and employees of the Company and of the Subsidiaries must avoid giving or accepting things or other benefits from business partners or persons involved in the business of the Company, except for normal business purposes or in festivals or traditions.

13. It must be transparent, fair and legal when doing business with a variety of agencies such as government agencies, state enterprises, private enterprises in the country and abroad to comply with Thai and the foreign laws of the countries where the enterprises the Company makes a contact with are situated. The anti-corruption laws in the country where the businesses of the Company have been operated must also be followed.

14. Directors, Executive and employees of the Company and of the Subsidiaries must provide knowledge and understanding to customers, partners, contractors, individuals or legal entities involved in the business that the Company does not support and will not be involved in any corruption acts; whether it is getting and receiving bribes. Should such action be found, the Company shall be immediately notified.

15. This policy applies to its Subsidiaries, Associates or other companies the Company has controlling power, including persons involved in the business.

16. According to the company's rules and Articles of Association, Directors, Executives, and employees who do not comply with this policy are considered disciplinary violators. And if the violation or failure to comply with this policy is taken as illegal offence, the Company will notify the law enforcement officer to prosecute such offenders.

17. The Company and persons involved in the business

17.1 Subsidiaries and Affiliates that the Company has controlled power must comply with this anti-corruption policy.

17.2 Agents and middlemen (if any) - Directors, Executives and all employees must not hire any agent or middleman to commit or accept bribes or corruption.

Measures

1. Directors, Executives and employees must comply with the anti-corruption policy, measures and Corporate Governance and Code of Conducts. They must not be directly or indirectly involved in corruption.

2. When seeing or having any suspicions of the act of corruption, employees should not ignore but notify the superior or the person in charge or inform through the provided channel and cooperate in investigating the facts as specified in the company's regulations

3. The Company will provide fairness, protection and no punishment or any effects to the Directors, Executives, and employees who refuse or report corruption related to the Company's activities, though such refusal or reporting will cause loss of business opportunity to the Company. The Company will also take measures to protect the complainant or a collaborator in reporting corruptions, as set forth in the policies and regulations regarding treatment of personnel and / or the measure for the corruption complaint and lead.

4. Any personnel who commits corruption is considered a violator of the Code of Conducts and will be disciplined according to the Company's regulation and may be punished if such action is illegal.

5. The company communicates policies and measures against corruption, including channels for complaints, leads or advices to Directors, Executives, employees, Subsidiaries and all groups of persons involved, through various means of communications such as orientation for Director and employees, the information media within the organization and the Group of companies to build awareness and understanding of this policy.

6. The Company communicates policies and measures against corruption, including channels for corruption complaints, leads or advices to public and stakeholders,;namely,on the Company's website, Annual Report, etc.

7. The Company has risk management for corruption that includes risk assessment, priorities setting and appropriate measures. It also tracks the progress of the measures taken by having the Financial and Risk Management Committee to coordinate with the Audit Committee to find out major risks and the risk of corruption, which will be reviewed by the Internal Audit Office.

8. The Company has a human resources management process that reflects its commitment to anti-corruption policies and measures starting from personnel selection to training, to performance appraisal, to promotion and to proper separation of duties and responsibilities to ensure the resources and personnel are sufficiently skilled and appropriate to implement this policy.

9. The Company has clear, efficient, transparent and verifiable corporate authorization procedure for business transaction.

10. The Company has set up an internal control system covering finance, accounting, record keeping and other internal processes related to anti-corruption measures. The results of internal control are communicated to the responsible personnel.

11. The Company has set up an internal control system covering important activities, namely commercial operation and procurement, etc. to ensure the internal control system will achieve the defined goal and the operations will be practiced as stipulated in the operating guidelines and regulations. The recommendations on the development of operating processes will be provided as well.

12. The Company has a policy relating to clues providing and mechanism to protect a person who reports such clues including means to communicate corruption measures, such as through a new employee orientation, e-newsletters, internal and external communication journals and letter to the business partners and customers as well as on the Company's website.

Follow-up and Monitoring

It is the duty and responsibility of all Directors, Executives and employees to acknowledge and comply with the policies and regulations incorporated in the Corporate Governance Principles and Code of Ethics Manual(the 5th revised edition). It is also important that the Executives at all levels must support their subordinates to have knowledge and understanding as well as practicing as prescribed in Corporate Governance Principles and Code of Ethics Handbook (the 5th revised edition).

The Company will not do anything illegal or contrary to the principles of corporate governance. If the Directors, Executives or employees commit wrongdoing, they will be strictly disciplined. If there is any act that is believed to breach the laws, the Company's rules and regulations, or government regulations, the Company will report such matter to the government officials for further action.

If employees at all levels encounter difficulty in making decision or implementing Code of Ethics that is not stipulated in the Code of Ethics of the Company, they can raise the following questions to themselves.

- 1) Whether the act is legal;
- 2) Whether such act contrasts to policy and code of ethics or damages the image of the Company;
- 3) Whether such act has seriously negative impacts on stakeholders

Employees at every level can report complaint, opinions and recommendations including clues, acts leading to corruption of any person in the organization and stakeholders of the Company including misbehavior against the Corporate Governance Principles through the provided channel by the Company.

Measure of clue notification and protection mechanism for the notifier

The Company has monitored employees at every level to strictly follow the Corporate Governance and Code of Conducts Manual and established the measure for clue notification of misbehaviors through the channels provided for both internal and external complainants on illegal acts, abuses, misconducts, misbehaviors leading to corruption and misbehaviors of people in the organization, starting from the Executive level, employees of the Company and the Subsidiaries as well as stakeholders. The Company has the clear, neutral and transparent verifying and rectifying procedures and protection measures for the informer or witness in accordance with the Company's regulations relating to complaint procedure and notification.

Mailing to the Company's address: Pranda Jewelry Public Company Limited, No. 28, Soi Bangna-Trad 28, Bangna Tai, Bangna, Bangkok, 10260 and to the attention of Chairman of the Board of Directors or Chairman of Audit Committee or via the Company's website at www.pranda.com or email as mentioned under the Category 3 "Roles of stakeholders."

Complaint handling process

1. The complaint in regard to a violation or failure to comply with policy and the rules of personal conduct will have to be sent to Human Resources Manager
2. The complaint regarding a violation or noncompliance with laws or state regulations, the policies, Code of Conducts and regulations of the company will have to be sent to the Corporate Secretary.
3. The complaint on the act that may cause fraud, which means any act to seek unlawful benefits for themselves or others, such as misappropriation, corruption, fraud, etc. will have to be submitted the Audit Committee or the Internal Audit Office Manager.
4. In case the complaint on 1, 2 and 3 is complicated and related to several departments, such complaint will have to be presented to Chairman of Group Executive Committee and Managing Director to appoint the Committee to verify and conduct the investigation.
5. After that a person who receives a complaint will inform further to the Corporate Secretary to register a complaint, record the information for tracking the progress of the complaint prior to proposing to the Board of Directors for acknowledgement as well as assigning the Audit Committee and the Office of Internal Audit to handle further and inform the complainant or notifier of the progress within 15 days. However, if the complaint is sent directly to the Audit Committee, the Company will verify, record the information in written report and keep it confidential. In the case of violation or noncompliance with the law or the Company's regulation and fraud, the violator will be disciplined according to the regulation set forth and/ or will be punished by law if such act is illegal.

Protection measures for the complainant or notifier

To protect the right of the complainant/ informer of the clue or the collaborator in investigation, the Company will not disclose the name of such notifier and keep the clue information confidential to prevent impacts that may arise to the complainant. There will be specific protection measure set for the informer who feels unsafe or may get a trouble or damage. The Company will proceed with a fair and reasonable process as well as mitigating the damage when there is someone suffering from damage.

Furthermore, the Company has been working on anti-corruption as follows:

- On November 9, 2010, the Company announced the intention to join the Collective Action Coalition against Corruption with the Thai Institute of Directors, Thai Chamber of Commerce, International Chamber of Commerce, Thai Listed Company Association, Thai Bankers' Association. The project is a national project backed 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, Executives 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 code of Ethics Manual (4th Revised edition). 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.

- In the year 2016, the Company filed a self-assessment application on anti-corruption measures to be a member of the Private Sector Collective Action Coalition Against Corruption (CAC) to Thai Institute of Directors (IOD). The progress is in pending of consideration by the Sub-Committee.

- On March 9, 2017 the Company is certified as a member of the Private Sector Collective Action Coalition Against Corruption (CAC) from Thai Institute of Directors (IOD).

The Company provides training courses on anti-corruption and anti-suppression measures including knowledge about anti-corruption policies and practices of the Company as well as Code of Ethics to ensure that the Executives and employees of the Group conform to such measures and policies. The training is organized on a regular basis and all employees must sign as a commitment to comply with the Anti-Corruption Manual.

In the past year 2018, the Company has not received any complaint or clues about misconduct or misbehavior that does not comply with the Corporate Governance and there is none of any corruption.

Corporate Social Responsibilities : CSR

“ The company strives to operate under good governance and good corporate governance, commits the organization to social responsibility and environment”

Pranda Jewelry Public Company Limited operates under morals and good corporate governance, commits the organization to social responsibility and environment both business operation and other activities to participate in building good living of society and community and caring for the environment. Also enhancing employees to take part in social responsibility through voluntary program which continually creates the conscious mind towards social responsibility for employees in all levels in order to reach sustainable growth of the organization and overall societies.

Guidelines for Social Responsibility

1. Conduct business in accordance with good corporate governance and social responsibility.
2. Respect the rights and giving justice to all stakeholders.
3. Support activities for public benefits, society and the environment as well as promoting public or private organizations with missions that are beneficial to society and the environment.
4. Encourage personnel at all levels to give importance and participation and carry out various activities of the company with social responsibility including promoting and encouraging employees to participate in volunteer work and public benefit activities with the community.
5. Does not support businesses that are contrary to moral principles or cause negative effects on the confidence and trust of stakeholders, such as shareholders, employees, communities in which the company operates business, customers, partners and government agencies throughout society and nation.

Strategy and framework of social responsibility

Pranda Jewelry Public Company Limited has a policy to emphasize the importance of social and environmental responsibility (CSR) along with the main mission of striving for the jewelry business. Producing a large number of quality products with expertise and delicacy, delivering valuable jewelry to create happiness and pride among customers around the world including the creation of sustainability for the jewelry industry to lead to a strong society and sustainable growth. Therefore, adhering to the principles, frameworks, operations and strategies for social and environmental responsibility in a comprehensive manner throughout the organization. The company therefore has set up a joint value promotion and social responsibility committee to drive work in a cross-functional manner. With a framework for operations in the year 2018 as follows:



Important stakeholders of Pranda Group

Pranda Group places importance on taking care and taking into account all stakeholders, whether they are internal stakeholders such as: shareholders, employees, customers, partners and external stakeholders such as: creditors, debtors, communities, environment and government agency. By recognizing that responding to the needs or expectations of stakeholders will benefit the operations and business development as well as taking into account the rights of all stakeholders in accordance with relevant laws and regulations

Interrelationship with the stakeholder

Under the context of Social Responsibility and Sustainability

Stakeholder	Demand Expectation	Communication Channel	Responsive Strategy
Shareholder and Investor	<ul style="list-style-type: none"> - Suitable ROI - Good governance administration - Disclose correct, true data of the company, complete and up to date. - Effective risk management 	<ul style="list-style-type: none"> - Annual shareholder meeting - Annual report - Administrative meeting - Business visitation - Take suggestion and complaint via web site and corporate secretary office 	<ul style="list-style-type: none"> - Treat shareholder and investor as good governance - Impose to reveal explicit and reliable information. - Supervise shareholder's right according to good corporate governance
Client	<ul style="list-style-type: none"> - Deliver quality and standardized products and services. - Pass on knowledges and technologies through all corporate's products. - Variety of products - Maintain confidential of customer data. 	<ul style="list-style-type: none"> - Subgroup conversation - Field trip opportunity - Educated by specialized team and expert of the company - Arrange publish information journal - Customer visiting to gather opinions and suggestions or complaint. - Client's satisfaction survey 	<ul style="list-style-type: none"> - Contribute client to realize and share responsibility of Safety, Quality of products and services. - Assess client's satisfaction completely in all aspects to consider improvement of work and for better services to customers. - Serving customer under ethics and responsibility of operation. - Good care of customer's profile
Partners and creditors	<ul style="list-style-type: none"> - Suitable price with appraisal investigation - Punctual debt payment - Justice and fair of employment and work auction - Exchanges knowledge and experiences. 	<ul style="list-style-type: none"> - Subgroup discuss - Joint meeting - Visiting supplier to gather for recommendation. - Take opinion and suggestions or requirements. 	<ul style="list-style-type: none"> - Treat all suppliers and creditors impartially and faithfully as the agreement in contract and business ethics. - Have supplier acknowledge and understand the purchasing/hiring regulation and process of selection and evaluation by investigating and report to related person.

Competitors	<ul style="list-style-type: none"> - Conduct explicit and ethical business - Compete fairly and legally 	<ul style="list-style-type: none"> - Receive news information from media and public stage 	<ul style="list-style-type: none"> - Provide monitoring to prohibit any implementations of Getting or using secret trade data of competitor illegally. - Treat competitor with comprehension and mutual cooperation
Employee	<ul style="list-style-type: none"> - Fair return of investment and farewell besides stated by law - Steadiness and advance in occupation. - Developing knowledges and potential in work continually. - Safety and Healthy in work. - Participate in developing working method, products and services. - Participation in public beneficial program 	<ul style="list-style-type: none"> - Establish group learning (Pranda Academy) - Open for any opinions and suggestion. <ul style="list-style-type: none"> - Survey employees' opinions. - Employees' training and development - Performance assessment - Activities joined by employees as well as activity for society. 	<ul style="list-style-type: none"> - Determine the instruction about ethical and moral in business operation for employees to commit. - Provide suitable and justice earning and farewell. - Implementing system and safety control equipment and suitable working area to enhance effective and efficiency of work in consideration of safety and health. - Respect employee's right as stated by law. - Training for development
Social and Environment	<ul style="list-style-type: none"> - Build and support good living to the society. - Implementing good environment, developing community, society, nature and environment conservative. - Consider the effect towards community and environment. - Be the corporate responsible for local country and global society, support and conserve the local culture. - Reveal the operating information on fact basis. 	<ul style="list-style-type: none"> - Research/Assess the demand and satisfaction - Regional routine visitation - Arrange meeting for opinion and suggestion. - Coordinating with community to arrange quality of life support program and activity - Arrange field trip and enhance the participation of social and business development as well as environment conservative. - Take opinion, complaint and suggestions - Report information, news, activity. - Follow news information and report from public media 	<ul style="list-style-type: none"> - Arrange dual vocational education by give opportunity to youth in lack of education area and work to join the dual vocational program of jeweler. - Proceed as safety policy of occupational health and environment strictly. - Contributing the mission for the benefit of public, community and overall societies. - Participating in social and public beneficial program - Consideration of suitable environment standard for the company's operation

Policy Overview

The company has certain policy to conduct business and affiliates by emphasizing on the social responsibility and environment both (CSR-in-Process) and (CSR-after-Process) which allow the integration for social responsibility and environment. That company realizes and supports employees to always commit to have sustainable development.

Social Responsibility policy

Pranda Jewelry Public Company Limited has policy to commit as organizational culture which aims to conduct business along with environment conservative and living with the community sustainably. Encourage executives, employees, including companies in the group, conduct business with social and environmental responsibility. To gain some guidelines for social responsibility as part of the work and business progress administration (CSR-in-Process). The Company has determined the policy for social responsibility and designated the committee for social responsibility as followed:

- **Good corporate governance and anti-corruption**

Following good governance concept, conducting explicit business and accountability as well as proceeding anti-corruption. Realizing on the importance of business ethical operation and complete corruption free. The committee has imposed the policy and guideline for anti-corruption covering sorts of issues which is gift offering and reception expenses, political supporting program, business relationship and purchasing/hiring with government. Notification of misconduct or complaint including managing process of complaint and protecting the complainant and related person. In order to have director, administrator and all employees exercised the guideline for anti-corruption including suitable plan for internal monitoring method, it is comprised of policy and corporate governance concept, business ethic and ethics of chairman, administrator and employees **as detail revealed in section good corporate governance**

- **Impartial business operation**

Impartial business operation certainly causes the confidence to the stakeholder which is good for business in long term. However, business should follow the course for justice without seeking for benefit derived from misconduct and to be practical within the same course. The company has determined the following course.

Practical guide for business ethical operation

1. Company policy towards suppliers is based on equality and fair and on the basis of fair return of investment for mutual parties, no request or receive or pay any other dishonest benefits with suppliers.
2. Company policy towards competitors is under certain rules. Good competition requires no violation of trade secret or confidential information of competitors by fraudulent methods, no illegal pursuit of confidential information of business competitors and destroying reputation or framing competitors.
3. In case there are information regarding the request, receive or payment for any dishonest benefit. All details must be exposed to suppliers and coordinate to solve the problem fairly and fast.
4. Customers, suppliers shall be treated fairly. There must be no request or pay for any inappropriate benefit from supplier and if any of these trading conditions are failed to be done, suppliers will be notified in advance to coordinate for solution and there is no seeking to benefit unfairly over the competitor, only aim to work free and fair trade for the sake of overall societies.
5. We reveal new information of every product of the company in complete details.
6. Company policy is to supervise strictly customer's information that has been derived from the business operation, the data must be normal information which is reserved confidential except the disclosure is acted according to laws.
7. All levels of administrator and employee must cooperate and implement the good corporate governance concept with every level of management routinely and cover all aspects till it becomes good organizational culture to establish core value as followed

Thorough and fair competition: We commit to the ethic, lawsuit in business operation honestly under free trade framework by enhancing all employees to recognize the significance of practical honest business competition policy, avoiding monopoly and wrongful superior market position.

Respect right of other intellectual property: We commit to practical approach against any activities that is violation of any assets as well as any intellectual property.

Support responsibility for supply chain: Creating good relationship with suppliers are within supply chain with ethical approach to each other, suitable condition for business, contribute the participation and uplift the priority for social responsibility of supplier.

- **Respect human rights and Employee Treatment**

The Company gives priority to basic human rights to support the right respect and freedom. Upon Pranda's Culture tends to live in family style, no social class, no feudalism, everyone is member in the family, responsible for their duty to the same mission.

Besides, the company gives priority to the human rights, personal right and freedom by treating everyone impartially. Treating employee under labor law covers strictly of human rights, no discrimination in employment, barring of nationality, racist, religion, gender or disability, injustice lay off, on the other hand, allows employees to offer guideline, opinion or complaint to the company as arranged and protect employees who report honestly about wrongful conduction Especially we will not encourage or support any raw material supplier to perform any human right violation upon raw material derived process of the company.

As the company has the ideological to implement business ethically, commits to social responsibility and all groups of stakeholder according to corporate governance and ethics regarding human right protection. We have pursued the law and international regulations strictly, specially encourage and follow the pact of United Nations Global Compact: UNGC and The International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work to ensure that our business implementation is human right violation free.

- **Fairly labor treatment**

We are well aware of the valuable resources of every employee which is the important mechanism to the competition and encourage the successful business so we strives to develop and increase potential of employee to be consistent with the organizational strategy to maintain the continuity of the existing business and approaching for opportunity under the mission to create success and advancement together sustainably between employee and the enterprise.

Allowing opportunity for employees to have self-potential development is the key factor which enables the company to work with high potential, professional human resource and truly understand customer's needs. We give the priority to the personnel recruitment process, potential development of employee and leadership development, including suitable turnover and the competitiveness to be consistent with the corporate value. Which is what every administrator and employee believes and commits to work together. Our human resource unit has imposed the policy and procedure for human resource administration as followed.

- Compensation and benefits that is fair and equivalent to same industry group.
- Sharing and creating a learning culture within the organization.
- Encourage and contribute employee value, developing leadership and plan for employee training (Annual personnel development training program)
- Treating employee impartially and entitle them to express opinion through employee representative.
- Establishing commitment with the organization (Ceremony to bestow honorable ring)

Performance of human resource development

- In 2018 there were total employees trained for 1,296 people.
- Budget were spent for training employee at the amount of Baht 230,648.15
- Employees were trained on the average 8.37 hours / person / year
- Besides, employee resignation rate in 2019 is 22.47% per year

The Company commits to treat employee impartially and fairly and according to the legal protection. We have proceeded to conform to laws and ethics concept and respects in personal rights to build the peaceful stability. Encouraging the job advancement, providing potential development of employee together with supervising standard living of employee such as sorts of welfare for employee stated by law. Providing security and healthy in work, accidental prevention method, and build conscious mind of the safety to employees, arrange training, appointment and transfer, reward and punishment for employee on legal and rightful basis. Besides, we have established employee relation department, human resource management as the channel to offer suggestion, including problem consultation, complaints to employees and employees are allowed to express their opinion, complaint about the working procedure.

- **Responsibility towards consumers**

The Company significantly treats every customer to get quality and reliable products and services by complying Thai Labor Standard management system (TLS. 8001 - 2553) complete level to promote the organizational image in term of product and service certified to standard measurement as well as standard system of Responsible Jewellery Council (RJC) Code of Practice within the scope of Design& Manufacturer of Jewellery & Accessories to help building confidence to consumers in regard to social responsibility that conforms to the jewelry business. It can reduce gap and risk for both internal and external to develop stability and sustainability of business. Also conforming international standard for quality management system ISO 9001:2015 to strive for international quality standard of gem and jewelry production by skillful team through every step of quality, on time delivery to impress customer to the highest satisfaction.

With carefulness to continual improvement, creating product most satisfied and demanded by customer by using the most effective and efficiency of resources, time, personnel, capital, material, machinery, information, technologies and procedure. Always maintaining the quality of occupational health, safety and environment rigorously and comply to agreement among supplier and creditor fair and equitable. Against dishonest benefit request with supplier, conforms strictly to the agreement and condition as agreed, and follows the obligation towards every creditor upon the condition in loan agreement and do not conceal company's true financial status. Policy is determined for purchasing/hiring in order to deal with supplier suitably, fairly, effectively and conducting business within rules of fair competition. Do not seek dishonestly, illegally for trading secret of competitor for instance, bribe competitor's employee and do not ruin competitor's reputation by accusing or acting without the truth and justice.

- **Environmental conservation**

The company gives importance and takes into account the impact on nature and the environment in various activities of the organization. Create a corporate culture by creating awareness of employees at all levels in the conservation of environmental and energy resources. Supporting environmental development and preservation activities in order to maintain the environment of the communities in which the company operates such as wastewater treatment prior draining to the river. In addition, there is also control of environmental impacts according to the standards of the Department of Industry and international standards. Including complying with all relevant laws and regulations

Environmental Policy

1. Encourage, support every person in the organization to recognize the importance of environment and is obligated to save, protect, prevent and reduce any environmental impacts towards all related persons and communities.
2. Encourage, support strictly the operation and implementation in consistent with law and any related standard regulations about environment.
3. Proceed, operate, supervise, monitor, improve, review and develop any related issue for the environmental conservation constantly and regularly.
4. Encourage and campaign for the highest utility of resources and energy in the organization for the sustainability of business, society and environment.

- **Join the community or social development**

The Company gives priority to strengthen community and society and it must be conducted along with the business sustainability. We support any activities and programs that contribute the community and knowledge enhancement to build fundamental knowledge for youth of the nation in the future ever in the society.

1. Dual vocational training program

Since 2000, we have continued to cooperate with the Kanchanapisek College Royal Goldsmith and Bangkok Arts and Crafts College and Suranaree Technical College, Department of Vocational Education Ministry of Education to enroll student who finish junior high school to study in vocational certificate of gems and jewelry. Student selection will be considered from Sueksa Songkhro School, Rajaprajanugroh School and other opportunity expansion Schools throughout country by providing chances towards lack of opportunity student in the community which is the study in the academy along with practical work in the corporation. The vocational student will be enhanced to the training, practical in corporation for those graduated to truly become the skillful person in certain field and possess the quality needed by the enterprise. The Company has always implemented till now.

In 2018, there were new student 87 persons or 91 % from the demand of 96 persons by the work unit and are graduating in March 2019 for 51 persons



2. Gemstone Jewelry Personnel Development Project

Currently this program has supported 4th generation in cooperation between Pranda Jewelry Public Company Limited and the Kanchanapisek College Royal Goldsmith to open learning opportunity to the disadvantage student, scholar and staff's children. The Company has granted scholarship to study in Bachelor degree with the Kanchanapisek College Royal Goldsmith, affiliated institute King Mongkut's University of Technology North Bangkok for 4 generation and in 2018 there were scholarship student graduated in Bachelor of Arts, Faculty of Royal Goldsmith, Faculty of gems and jewelry design for 14 persons.



3. Supporting program for audiovisual education student

Besides, the company has participated in the community by giving chance to 2 audiovisual education schools which is hearing impaired student group to join the company which is Nakornpathom audiovisual education school and Karnjanaburi audiovisual education school. The Company currently has disabled students to work continually.

4. Contribution and participation of activity in community

Scholarship and contribution are given to the school and disadvantaged children in the community as well as wilderness area in up-country.

5. Contribute and responsible for internal staff

There are the scholarships to the staff's children who have outstanding academic records and the welfares including nursing room, annual health check, and other benefits as imposed by laws.

• Development and innovative diffusion of corporate social responsibility

We encourage the innovative both in organization level and inter-organization level which means new procedure, new method and probably refer to changing attitude, production to increase the target value of the innovation which is positive alternation to enable better changes, increase productivity for the maximum benefit of society.

Committee of Corporate Social Responsibility

In previous year 2018 the Board of Directors has appointed committee of core value and CSR support. The committee consists of 1 president, 8 committee, total 9 persons and meanwhile committee of core value and CSR support has appointed subcommittee to implement various procedures according to company policy.

Authority of responsibility as followed:

1. To proceed under core value and social responsibility support policy.
2. To implement /project / activity in association with company vision towards appropriate and practical procedure.
3. To contribute the encouragement and support core value and social responsibility establishment throughout the organization.
4. To encourage, support the administration, management, assessment and working development or methodical responsive core value program besides the appropriate contribution and adjustment.
5. Supporting communication, coordination to create cooperation between employees in the same direction by enhancing understanding of corporate policy and motivation to have a shared vision in heading to the destination of the organization.
6. Comply acceptable performance report.

Operation

In 2018, the subcommittee of core value and social responsibility support had held 4 meetings to define the framework for social responsibility and determine report format of the important issue in 3 aspects which are Quality of Life Social & Economy and Ennonmental Friendly Also tracking performance of social responsibility program as well as exchanging knowledge and create perception to related person. In addition, there were plan for social responsibility by emphasizing and prioritizing the knowledge and education encouragement for various social responsibility programs in the future. These must be presented to committee of social responsibility to continually consider and observe.

Social Responsibility Report 2018

Pranda Group has made and published CSR operation in annual report and website www.pranda.com every year for the benefit of internal and external stakeholders to perceive the determination, operation guideline and performance according to social responsibility. In 2018 the implementation of CSR consists of CSR-In-Process and CSR-After-Process.

(CSR-In-Process)

In previous year 2018 the Board of Directors has appointed the committee of core value and CSR support. The committee consists of 1 president, 8 committee, total 9 persons and also committee of core value and CSR support has appointed subcommittee to implement various procedures according to 13 company policies as followed.

1. Pranda Group Academy

It was found to create a culture and awareness of learning and improving the skills, knowledge and ability to exchange or share knowledge for employees in order to work effectively with good vision, creativity and new knowledge to develop their work and lead to organizational development.

In 2018, the Company conducts a wide variety of trainings for employees at all levels, namely Basic Knowledge of Gems & Jewelry Business, Positive Thinking Development, Core Value for Team Development, Team Building, Supervisory Skills, Train the Trainer and Behavioral Interview Techniques as well as other courses conducted in and outside the organization in order to have widespread training. The Company also provides library where employees and their children can borrow books and search for information via intranet. Also, there are books and magazines provided to the target group to access information and knowledge easily.

Summary of training and human development 2018

No.	List	Internal Training	External Training	Train OJT	Total	Average
1	Amount of course training for employee	40 courses	47 courses	-	87 courses	-
2	Training hours for employee	14,641 hrs.	641 hrs.	-	15,282 hrs.	8.37 hrs./person/yr.
3	Training expenditure	175,818.15 Baht	54,830.00 Baht	-	230,648.15 Baht	126.38 Baht /person/yr.
4	Number of employee trained (repeated head count)	2,937 persons	102 persons	272 persons	3,311 persons	
5	Satisfaction level in average training	83.83%	-	-	83.83%	-
6	Application for course of skill development act (no repeat head count only in BKK)	1,296 persons	-	-	1,296 persons from total 1,825 persons	71.01%

2. Quality of Life Development

Quality of life Development in all aspects is provided to employees through a variety of activities and programs to enhance immunity for life and better quality of life. In 2018, there were activities as followed:

1. Aerobic for health
2. Yoga for health
3. Zumba dance for health
4. Travelling safety
5. Flea market
6. Message from kids

Activity	Times	Participants	Average stats
Aerobic for health	43	874	20 (person/time)
Yoga for health	50	381	8 (person/time)
Zumba dance for health	45	726	16 (person/time)
Travelling safety	-	3,947	-
Flea market	101	19	-
Message from kids	1	300	-

3. Pre-school Child Development Center

The Pre-school Child Development Center has continually been operated for 29 years to help taking care of employees' children during working hours and to enhance physical, intellectual and behavior development of children. The Company has provided babysitters who are permanently hired and directly trained with child caring courses. This makes children ready for studying in the higher levels. Children are under care with the following services provides as follows.

1. Health Services such as health check, examination of health development and physical development and consultation of child caring
2. Nutrition Services for instance, providing proper nutrition foods to children and training good habits and manners on the table.
3. Other Development Services such as, muscle development, language and communication development, creativity development and mental, emotional and social development to get along well with others and act in good manner.

Number of children in development center in 2018

No.	details	No. / Person	Remark
1	Total kid in 2018	14	(08.30 am – 17.30 pm)
2	Total kid after school in 2018	22	(15.00 – 17.30 pm)
3	Total kid during vacation / holiday in 2018	108	Present only Sat. / holidays / vacation
Total		234	

Remarks: In case children come on holiday, not all presents.

4. Food Quality Inspection Project

This project is concerned about employees' health at all levels with the policy encouraging food shops to develop taste of food along with careful selection of quality, hygiene and safe raw materials with no chemical contamination. Food cooking should be made pursuant to nutrition so that cooked foods still have valuable nutrients that give energy and good health to employees.

Activities in 2018

1. Campaigning food consumption for low sweet, low salt, trans fat.
2. Campaigning finish all food to reduce waste.
3. Supervise and control distribution shop conforming to principle, regulation, law and 7 Sor of the company.
4. Investigating shop, hygiene, taste, price, and quantity and quality raw material.

Performance evaluation 2018

Activity	No. of shop	No. of shop pass criteria	No. of shop do not pass criteria
Checkup cart shop both Internal and external	7	6 (Average 85.71 %)	1 (Average 14.29 %)
Checkup taste of Shop in the company	8	8 (Average 100 %)	-

Enhancing the management and employee to finish all food to reduce waste campaign approximately decreased by 80.00 % Moreover, the committee has held the meeting with the shop to request for collaboration about hygiene in culinary and proceed as the regulation of the company.

5. Innovation Projects

The Company has supported and stimulated employees at all levels to have creativity when working. They may modify tools, equipment and some operational processes to be more efficient and effective, which will not only help reduce cost but also create new production know-how for the organization. The company has considered all innovations invented by any groups of employees to further develop and apply within company's subsidiaries both domestic and international at the fullest utilization. In 2018, innovation project has set 20 KPI, there were submissions and 18 KPI passed the criteria which is 90 %.

6. Debt Reduction and Legal Consultation

This project has been continued up until now to help employees solve debt issue and give legal advices to tackle debt issue properly in cooperation with financial institutes. On top of that, there is legal information concerning debt issues to be posted on the central board as one of the channels for employees. On top of that, we have increased channel of useful legal information concerning debt issues to be posted on the central board for employees to read and open legal training for loan, guarantee, inheritance law and land for employee to perceive of the source of debt and realize before proceeding any financial procedure and laws.

Activity	No. of Times	No. of participants
Open clinic for consultation (both debts and other problems)	120	98
Arrange legal training	1	93

The MOU project with the Islamic Bank of Thailand, employees had consulted about debts burden and loan request for 67 persons, 59 were approved of financial credit for the total amount of Baht 10,014,000.

7. Saving and Credit Cooperatives

Established to motivate saving habit and share knowledge of personal financial management to employees. Also, the alternative financial source with lower rate of interest comparing to other financial institutes serving employees who are in need for money. There are 2,358 employees who are members of the Cooperative at present and more than 176,000,000 Baht of operating capital. Currently employees are now having 1,294 saving accounts amounting total 20,845,786.64 Baht. Since 2008 up to present, 2,385 employees have been investing in stock saving in the amount of over 142,000,000 Baht while there are 2,842 loan supports in 2018 totaling 109,061,600 Baht. There have been total amount of 29,081 transactions of loan provided to the employees since start till now, valued 626,080,682 Baht in total



The Cooperative in Pranda Jewelry group has recently involved in giving financial supports to the employees's children in the form of Educational Scholarship in Primary, Secondary, Vocational school, and Bachelor's degree. In 2018, the Cooperative presents 81 educational scholarships, valued 101,500 Baht to children of the employees. The total of 611 scholarships amounting 808,000 Baht have been offered since 2010 up to present 2018. 20 rewards for good scores given to dual vocational students in 2018 with the amount of 20,000 Baht. From year 2012 till 2018, the total 59 scholarships for education, in value of 59,000 Baht have been presented to the children of employees, including 670 scholarships with the total of 867,000 Baht.

Besides, 4 Aid Funds valued at Baht 19,000, have been offered to employees who encounter natural disaster in 2010-2018 and 85 funds to sick employees with severe diseases amounting 323,000 Baht. There have been total 759 grants in the amount of 1,209,000 Baht.

8. Dual Vocational Education

Since year 2000 up to the present, the Company has been closely working in collaboration with the Kanchanapisek College Royal Goldsmith, the Bangkok Arts and Crafts College and Suranari Technical College under Department of Vocational Education, Ministry of Education by giving chances to students who finish Grade 9 from the Public Secondary Schools, Ratprachanukhro Schools and other schools in rural areas all over the country to further Vocational Education in Gems and Jewelry Business by providing chances towards lack of opportunity student in the community.

In 2018, there were new student 87 persons or 91 % from the demand of 96 persons by the work unit and are graduating in March 2019 for 51 persons.

9. Occupational Support for the disables

PRANDA Group always has the policies to support the disables in various ways, starting from accepting the disables to work in the organization, developing the disables to have the same competency as general employees and giving an opportunity for career advancement. Therefore, there is a training conducted for regular employees to have body language skills, so that there is no communication barrier between the normal employees and the disables and can finally work along well together in management, contribution, production level to receive their remuneration and welfare as same as normal people. Since the disables are mostly hearing impaired



Activity Procedures

- Joined education guideline program and dream career of audiovisual education school in Nakornpathom on Thursday 11 January 2018.
- Join children's day program at audiovisual education school, Karnjanaburi on Thursday 11 January 2018
- Welcome teachers, students and parents from audiovisual education school, Karnjanaburi for their field trip at Pranda PCL on Monday 29 January 2018
- Arrange meeting of hearing impaired employees on 7 Feb 2018
- Training of provident fund and savings cooperative for disabled employee on 5 Mar 2018
- Training Thai sign language for basic communication to employee who involves with disabled employee on 24 March 2018
- Recruit 6 students from audiovisual education school of Nakornpathom and Karnjanaburi to work at Pranda Jewelry on 27 April 2018
- Join donation program to orphans and disadvantage children at Bot Woradit temple, Ang Thong province on 25 May 2018
- Training disabled employee to prepare for TLS AUDIT (Thai-Labor standard TLS8001-2553) on 3 November 2018

Data of Key Performance Indicator

In 2018, It is targeted to recruit the disabled for organization increased by 20% of total disabled(6 persons), enhance the potentiality in disabled employee group to promote job security to limit resignation rate not more than 3% of total disabled employee (1 person)

In 2018, this project has recruited 6 disabled to work which accomplishes the target. The resignation rate is 2 persons, 1 from Bangkok Plant/1 from Korat which does not comply with the target.

10. Activity "7 Sor"

Since year 1999, Pranda Jewelry PCL has been aware of the quality and has development policy by using "5 Sor" activity as a part of quality development in the operation ever since. Until in 2012 Pranda Jewelry PCL has increased another "2 Sor" which are Beautiful and Environment. It becomes "7 Sor" to comply to the company policy in environmental development, this "7 Sor" has been implemented for 20 years.

Activity "7 Sor" is the improvement process for better efficiency by maintains cleanliness, tidiness in workplace which is fundamental factor of improvement to continuously increase efficiency and quality.

Tidy workplace reflects the participation of the administration and employee in "7 Sor" procedure. Safety in workplace and environment justify the consequence.

Concept is

- **Clear Convenience Clean** Improve of workplace and environment
- **Hygiene Habit** improves people to have more disciplines.
- **Beauty Environment** to build tidiness, livable, workable

Policy of Activity "7 Sor"

The Company has attached importance to the quality and has polity to improve the quality in all aspects by practicing "7 Sor" as the basis of quality development in the organization. It strives to improve tidy environment in workplace for the cleanliness, convenience, hygiene, beauty, good surroundings and quality work. To retain and self-develop of quality and standard. The Company announces their policy as followed:

1. Executives at all levels supervise and control the activity "7 Sor" and give advice in "7 Sor" procedure as well as closely solve the problem.
2. Every personnel have conscious mind and exercise "7 Sor" as part of the working operation. Adapted to use practically as routine work and always exercise it for better development ever.

3. Contribute all personnel to learn, comprehend in “7 Sor” as the basis of self-development.
4. Perform “7 Sor” to the best for good example in social development.

Performance and Quality Assessment of Activity group “7 Sor” every unit has the ratio of 85%



11. Environment Conservation and Energy Saving

The Company recognizes that resources and the environment are important factors in human life that will have a significant impact on business operations. Hence, environmental care has been carried out both inside and outside the organization to promote efficient use of resources and develop all employees and stakeholders to have energy and environmental consciousness and protection along with business development for sustainability.

The Company has also encouraged the employees to protect environment and save energy. They throw in an attempt to maintain the environment to be in the same original conditions as before for benefits of living. Cooperation with other corporates is made to create knowledge, understanding and awareness of conservation, protection and restoration of natural resources for maximum benefits to the employees. Though the business operation of the Company has no impacts on the environment, the Company has still considered this issue socially sensitive and constantly given much importance to environment protection and energy saving.

Water Conservation Project

Objectives

1. To create awareness of efficient water consumption
2. Decrease cost of water consumption

Procedures

Re-utilizing the Concentrate water derived from RO system.

Productivity target

1. Decrease cost of water and utilize good water from the production in other activities.
2. Conserve water resources, reduce drainage of waste water to outside.

	cubic meter	Baht	kg.CO2
Performance of water consumption	6,034	47,158	4,171.88

* Emission factor water production 0.0264 kg.CO2/m³ water treatment 0.625 kg.CO2/m³

Energy Saving Project

Objectives

1. To create awareness of efficient electric consumption.
2. Decrease cost of electric consumption.

Procedures

Change from fluorescent tube to LED type

Productivity target

1. Able to decrease the cost of electric consumption.
2. Reduce greenhouse effect.

Plan

Plan of change from fluorescent tube to LED type

Procedures

1. Determine the number of LED to be changed and gather for cost and break-even analysis.
2. Present the administrator for approval to proceed.
3. Proceed to change LED lamp.
4. Monitor and compare result of electric consumption MEA.

Reduction Electric Expenses	kWh	Baht	kgCO2
Year 2017	308,038	802,263	172,809
Jan-Dec 2018	205,908	518,933	104,128
Total	513,946	1,321,196	276,937

* Emission factor Electric 0.5057 CO2 kg/kw

*** Decrease volume of Carbondioxide gas 276,937 kg CO2/YEAR equal to car use reduction 195

12. Waste Bank

The Bank of recycled wastes has been established to manage wastes in the workplace and educate employees to give full participation in this project. Reduction of unnecessary wastes, material reuse and recycling are promoted apart from sales of recycled materials for 50,000 kilograms on average a year.

13. Sharing and Giving to Society

The Company is paying great attention to business development along with continuous community and social contribution and believing good society one of the factors contributing economic sustainable growth with the belief that good community is started from "GIVE". The Company has strived to enhance employees to always realize, care and help those disadvantaged in social and also are willing to support employees to do good activities, benefit towards community related to business or surrounded of the company, eventually it is society in country where the Company are operating, in addition to main business or routine work.

For continuous and effective activity for social, therefore Sharing and Giving to Society program has been found for employee to join good activity after hours. The way employee sacrifice their time and energy, volunteer for community development, allow them to deeply comprehend the sacrifice, collaboration, coordination, harmony for the same purpose which is community development. Good relationship is found between employee to employee or employee to chief and administrator, besides, good relationship between organizations to community. People who have regularly participated in activities for the community, volunteers for public benefit will be able to develop themselves to be a person with good heart and human relations which will be an important resource of the company.

Implementation in 2018

1. Participation in the National Children's Day event

With government, school as well as community surrounded factory both in Bangkok and up-country to create good relationship between school and nearby communities and also grow them to become quality children.



2. Join Educational Guidance Program

"Educational guidance and career build dream" at audiovisual education school, Nakornpathom for the purpose of encouraging knowledge and career guidance for employment and opportunity for professional technician of jewelry in future to hearing impaired children so they can be proud of themselves without being obligation to society and family.

3. Supporting traditional religious

Taking part with the surrounding communities in leaving a robe to Buddhist monks and cleaning temple areas, donating candles and offerings dedicated to monks on the religious days or festivals.



Corporate social responsibility after Process (CSR-after-Process)

Pranda Jewelry Public Company Limited attaches the importance to social responsibility operation or Corporate Social Responsibility (CSR) which is operated out of conventional business for public and nearby community benefit routinely in form of assets and participation of the staff both in Bangkok and up-country in different ways as followed:

(Corporate Social Responsibility: CSR)

No.	Date	Place	Project	Amount
1.	10/01/2018	Thai Gems and Jewelry Traders Association	Calendar contribution	21,400 Baht
2.	11/01/2018	Community in Nakorn Ratchasima Province	Children's day contribution	9,000 Baht
3.	11/01/2018	Karnjanaburi audiovisual education school	Children's day contribution	5,000 Baht
4.	12/01/2018	Nakornpathom audiovisual education school	Children's day joint contribution	5,000 Baht
5.	13/01/2018	Pongploysanusorn School	Children's day joint contribution	5,000 Baht
6.	13/01/2018	Sirirattanathorn School	Children's day joint contribution	3,000 Baht
7.	13/01/2018	Navy Museum	Children's day joint contribution	3,000 Baht
8.	13/01/2018	Bangna Housing Community	Children's day joint contribution	3,000 Baht
9.	13/01/2018	Likhit 2 community	Children's day joint contribution	3,000 Baht
10.	13/01/2018	Thim Rueangwet community	Children's day joint contribution	3,000 Baht
11.	26/01/2018	School in Nakorn Ratchasima Province	Children's day joint contribution	20,265 Baht
12.	25/03/2018	Nong-Sai temple Nakorn Ratchasima Province	Donate for cubicle	5,000 Baht
13.	11/04/2018	Nakorn Ratchasima Province	Offering royal kathin	5,000 Baht
14.	30/04/2018	Nakorn Ratchasima Province	Labor day	2,000 Baht
15.	25/05/2018	Bot Woradit temple, Ang Thong province	Lunch and accessory contribution	20,000 Baht
16.	26/07/2018	Pongpoy Viriyarama temple=	Donation on Rains-Entry Day	10,000 Baht
17.	25/12/2018	Association with disabilities Nakorn Ratchasima Province	Offer 5 kgs. Rice for 20 bags	3,000 Baht

The Company also joins contribution to other social program as followed:

Anti-Corruption

Pranda Jewelry Public Company Limited is running business in line with basic principles of good corporate governance and business ethics, fair policy and treats for every party of the stakeholders. The Company has built ethical consciousness of work with fairness concerns for the shareholders and stakeholders. In the year 2010, the Company joined the "Collective Action Coalition Program" to tackle any forms of corruption and make sure that the Company is having defined responsibility, guidelines and regulations to prevent any forms of corruptions. This is to help decision making and business transactions that may be at risk of corruption practices to be considered with care. Pranda Jewelry Public Company Limited is therefore having the Anti-Corruption policy in writing as well as Anti-corruption manual to be strictly followed and developed for business sustainability.

Furthermore, the Company has always joined the activities and officially announced its intention towards the anti-corruption activities and has committed to suppress corruption and gather all forces to retain public interest. In 2017, the Board of Directors has considered and reviewed the anti-corruption policy, guidelines and principles and held the seminar for the Executives and agreement is signed to counter corruption according to anti-corruption manual. The management is responsible for communicating and stimulating the employees to adhere to this policy. Moreover, the Company has been certified as the member of the "Private Sector Collective Action Coalition against Corruption" or "CAC) on March 9, 2017.

A Participant in establishment of UN Global Compact Local Network

In 2015, it was only preparation for establishment of the UN Global Compact in Thailand which includes more than 15 units, and it was supported by the National Human Rights Commission, the Subcommittee of execution of strategic in economic, social and cultural rights. The National Human Rights Commission has participated in an establishment of UN Global Compact Local Network in order to set up the structure of management and role of the related parties as well as the operations concerned to drive for success of the business under the 10 principles of the United Nations covering 4 key issues, including Human Rights, Labor Standard, Environment Protection, and Anti-Corruption for sustainability development.

Environmental Conservation and Rehabilitation

The important duty in the Company's implementation is responsibilities and care for environment and resources of the community. The Company thus gives importance not only to the efficient management of the environmental system in the production line to reduce the effect towards environment. However, the Company does not take into account of only environment within the organization, but also the responsibility for the social environment and natural resources by participation in the related activities held by Bang na District Office, governmental and private agencies, teachers, students and people in the community, namely Power of Community for Bang na canal.

Blood Donation for saving people's life

The company strongly encourages the staff to participate in any projects related to life- saving, by joining the Thai Red Cross for donating blood every 3 months. Blood donation is used to save people's life and reserved for emergency cases. Nowadays, only a small number of Thai people are donating their blood and inadequate for the demand. It becomes a national issue while there is higher demand of blood in saving sick people which causes blood shortage.

Opportunity for study visit

The Company offers the opportunity to institutional academy and other to study and visit the Company to create knowledge to societies and stakeholders ever since the business operation.

Supporting the business network for social and environment

PRANDA Group, as the founder and a corporate member of the business network for social and environment which combines of business professionals to exchange experiences and a coordination of business people with a similar paradigm regarding an operation of the business with responsibility on society and environment. Mission is to promote awareness and provide support for the business which concerns with society and environment, the rights of community and society, as well as operates fair business with all parties.

Worshipping the Royal Institution and the King

In remembrance of the royal institution and the King who have assisted Thais people. The administrator and staff of Pranda Jewelry Public Company Limited always arranged activity to express loyalty and retain the royal institution to last forever on important days every year. For instance, Her Majesty the Queen's Birthday, His Majesty the King's Birthday by decorating the national flag with His Majesty flag, doing good and indoctrinate the sufficiency economy to be used in their lives as well as stand up when hearing national anthem, etc.

These social responsibility activities of the Company, all levels of employees from administrator and executive are the important part that drives any activities to accomplish successful purposes.

Commitment to social responsibility activity in 2018

Judging from the business operations of the Pranda Group, it guarantees that employees and overall society are well taken care. As the business cannot be separated from the society, the business can no longer be operated and aimed only for profits by neglecting society. When the society encounters any problems, it results in business regression as well. However, the Company aims to develop CSR and business sustainability by integrating CSR activities to corporate operational activities and presenting through more products and services as well as focusing on reporting the results of the operation in compliance with the standard guidelines of information disclosure of the Stock Exchange of Thailand and the international standards for further sustainable development.

In addition, Pranda Jewelry has been conducting business under 17 goals of sustainable development which is approved and certified by 193 member state of United Nations. Sustainable Development Goals has been the agenda of global development for the next 15 years (2016-2030) in United Nations General Assembly – UNGA. 17 Sustainable Development Goals are as stated:

17 Sustainable Development Goals



Goal1: No poverty

- Solution for Debt Problem project
- The Cooperative

Goal 2: Zero hunger

- Quality Food Project

Goal3: Good health and well-being

- Quality of Life Development Project

Goal4: Education Equality

- Pranda Group Academy
- Career Support for the disables
- Dual vocational education

Goal 5: Gender equality

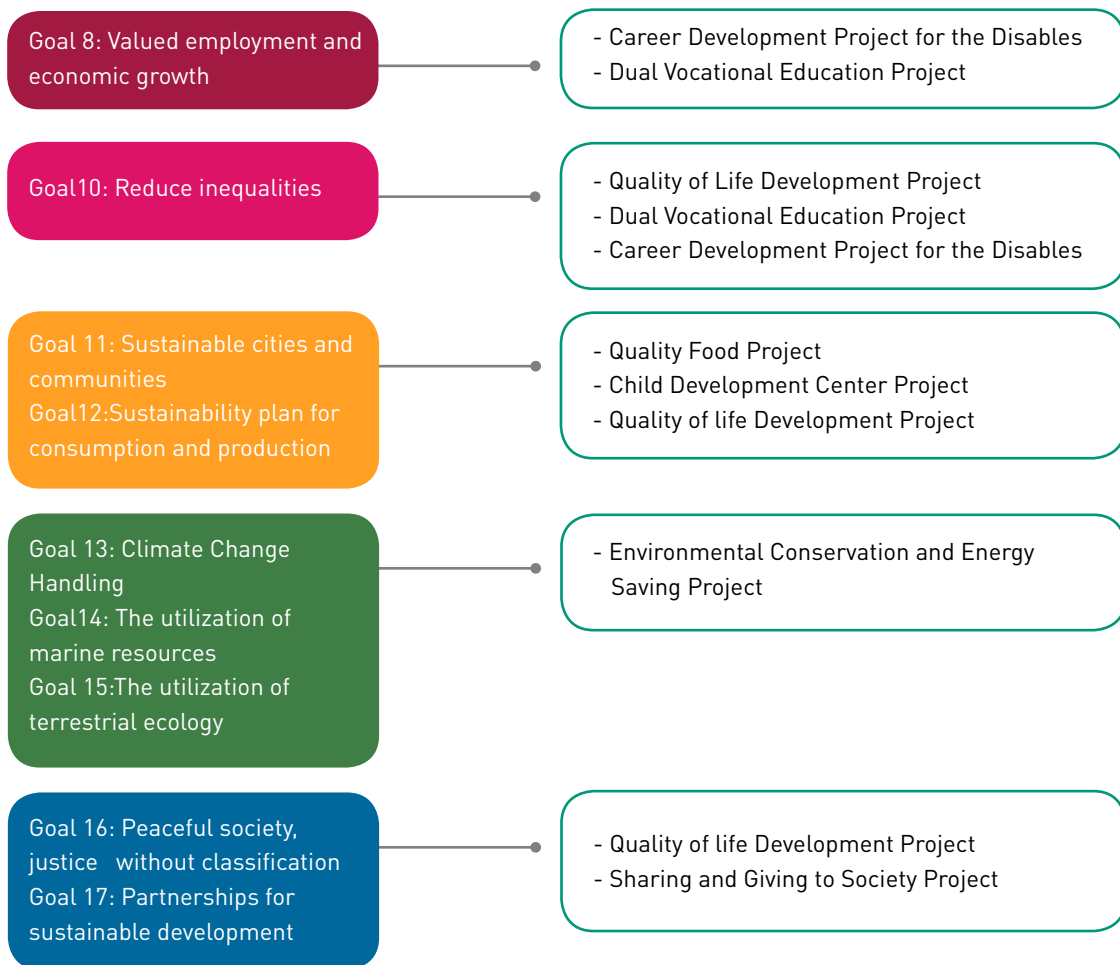
- Sharing and Advantages to Society Project

Goal 6: Clean water and sanitation

- Waste Bank Project
- 7 "Sor" activity

Goal7: Accessible clean energy for everyone
Goal9: Industry, innovation, infrastructure

- Innovation Project
- Environmental Conservation and Energy Saving Project



Report from the Audit Committee

Dear Shareholders of Pranda Jewelry Public Limited Company

The Audit Committee of Pranda Jewelry Public Company Limited (PCL) comprises 3 auditors named Mr. Verachai Tantikul as a Chairman of the Audit Committee and Mrs. Rawittha Pongnuchit as well as Mr. Chamnong Watanagaes as the Audit Committee who conduct audits in accordance with an authorized approval by the company's Board of Directors and under regulations of the Office of Securities and Exchange Commission. The objectives of this auditing service are set for the company to have good corporate governance, efficient internal audit and effective risk management system, and to enhance efficiency in operations and to create values to the company which will cause an effectiveness to the company's objectives and business goals.

In 2018, the Audit Committee conducted four meetings with independent external auditors and internal auditors of the company to review information of financial statements and others related transaction of the Company and subsidiaries and to hear any clarifications and advices that may be beneficial for accuracy, completeness and reliability to the financial reports as well as helping improve effectiveness of internal control. Subsequent to each meeting, the summary of key issues would be submitted to the Board of Directors for consideration and further improvement in those concerned issues. Scopes of work and responsibilities of the Audit Committee are as follows:

1. To review accuracy, completeness and reliability of the financial reports

The Audit Committee has reviewed both of the quarterly financial reports and annual financial report of year 2018 with independent external auditors in order to be certain the financial reports of the Company and the subsidiaries are properly created according to generally accepted accounting standards and sufficiently disclosed to public with correctness, completeness and reliability. Moreover, the Audit Committee gives beneficially noticeable advices and solutions beneficial to the Company and also encourages the company to bring International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) into practice as advised by the Federation of Accounting Professions.

2. To review sufficiency of internal control and internal audit systems

The Audit Committee reviews and inspects as to whether the company Internal Audit has executed and conformed to the international practice standards of internal audit. The Audit Committee not only applies both the risk assessment methods based on the Risk-Based Management and the International Internal Control System of COSO, but reviews annual audit plan, audit reports of the Office of Internal Audit as well as following up whether there are consistent solutions to the problems that may occur. Furthermore, the Committee gives useful advices to the Office of Internal Audit and Management for better improvement of operation, and supports sufficiency and continuous development of internal audit manpower. The Committee makes a conclusion that the Company has sufficient internal control and internal audit systems and accepts the annual audit plan and the audit reports from the Office of Internal Audit as well as other process monitoring reports to be presented to the management for better improvement as detected and suggested by the Internal Auditors.

3. To review the risk management system

The Audit committee plays more importance to the risk issues which the Company may have has in the recent years. The Committee thus considers and reviews any possible risk factors that may have impacts on the business operations and goals.

4. To review operational compliance with applicable laws and regulations

The Audit Committee makes a review as to whether the Company has regular operational practices in compliance with the laws of Securities and Exchange Commission, the regulations of Stock Exchange of Thailand and other concerned business laws. The Committee finally comes up with a conclusion such compliances are practiced properly with no flaws.

5. To review any related party transactions between companies or transactions that may cause conflict of interest

The Audit Committee reviews the related party transactions between the Company and subsidiaries and the transactions that may have conflict of interest including whether disclosure of such information as shown in the notes of the financial statements is true and correct. This is to make sure the Company is having the business practice pursuant to conditions and regulations of the Securities and Exchange Commission.

6. To screen and appoint independent external auditors including proposing the proper remuneration rate of the independent external auditors in the year 2018. After making consideration on the list of the independent external auditors in view of performance, independence and appropriate remuneration, the Committee will make a submission to the Board of Directors who will seek a further approval from the shareholders in the Annual General Meeting.

7. To review compliance with the measures of fraud and corruption prevention

After the Company has filed the Self – Assessment Evaluation Form against corruption to the Committee of the Private Sector Collective Action Coalition “CAC”, the Thai Institute of Directors as the secretary of the CAC Committee certifies the Company as the member of CAC against corruption on March 9, 2017 with the 3-year valid certificate starting from the approval date. Though the Company is having this kind of measure, it does not guarantee the Company is by all means free from corruptions. However, the Audit Committee is still certain that the Company has sufficiently effective anti-corruption measures.

The Audit Committee at last considers the Company prepares and discloses the accurate, appropriate and reliable financial statements. Furthermore, the internal control, internal audit and risk management are systematically put in place and strictly followed in compliance with the related laws, regulations and commitments. The related financial transactions between the Company and subsidiaries are carefully made and conformed to good corporate governance with transparency and reliability. Lastly, there is also constant development of financial operating procedures for better improvement and quality suitable to business environment.



(Mr. Verachai Tantikul)
Chairman of the Audit Committee

Internal Control and Risk Management

According to the Board of Directors meeting 1/2019 on February 27, 2019, the Board of Directors has assessed the Company internal control system as stated in the audit report from the Audit Committee and comes up with a conclusion that the internal control systems of the Company comprising internal control, risk management, operational control, information technology and data communication and monitoring system are considered adequate and appropriate.

The Audit Committee has completed their duties and responsibilities as set out in Charter of the Audit Committee that is approved by the Board of Directors in the meeting 12/2017 as of November 13, 2017. The Auditing is executed with competence, due care and independence in order to yield benefits to all stakeholders equally. The Audit Committee believes the Company has not only adequate and appropriate but effective and efficient internal control systems suitable for generating accurate and reliable financial reports and statements to meet the generally accepted accounting standards. Financial operation is also conducted right according to good corporate governance, the related laws, regulations, commitments concerning business operation of the Company and the International Standard of COSO (The Committee of Sponsoring Organizations of the Treadway Commission).

The Board of Directors and the Audit Committee have the same conclusions regarding the Company' internal control systems as mentioned below.

Internal Control

1. Corporate Internal Control

The Company supports good working environment, proper organization structure, precise line of command, and good relationship between the internal departments, accurate job descriptions of all positions, appropriate authority delegation and clear business goals. The Key Performance Indicators: KPI are set to assess effectiveness of operation to be in line with the business goals and objectives and good corporate governance policy. The Code of Conducts as well as related policy and plan are established with fairness to employees, customers, partners and shareholders. The Company also plays an importance on maintaining the interests of all investors and stakeholders equally. Moreover, disclosing of information has to be made with accuracy, transparency and timeliness.

On top of that, the Company puts much importance to the personnel issues by appointing Core Values & CSR Committee and having employees to generally participate in related activities that can be applied to daily operation. Furthermore, there are some seminars, trainings, and skills provided for employees to have better skills and competences suitable for the assigned jobs, to promote and develop human resources to strive for excellence, and standards consistently.

After the Company has filed the Self – Assessment Evaluation Form against corruption to the Committee of the Private Sector Collective Action Coalition “CAC”, the Thai Institute of Directors as the secretary of the CAC Committee currently certifies the Company as the member of CAC against corruption on March 9, 2017 with the 3-year valid certificate starting from the approval date. Though the Company is having this kind of measure, it does not guarantee the Company is by all means free from corruptions. However, the Audit Committee is still certain that the Company has sufficiently effective anti-corruption measures.

2. Risk Assessment and Risk Management

The Company already set up the clear and measurable business objectives and goals and exploited risk assessment system to establish measures of risk management including risk control system and to assess adequacy of the internal control system by using the Assessment Form of Sufficiency of Internal Control System designed by the Securities and Exchange Commission. This is for the Company to be confident that their risk management system will function most efficiently and effectively.

As the Company gives importance to the risk management, the risk management policy is established to develop the risk management system pursuant to good corporate governance and to cover any cases of risk that may possibly take place. Following this, the Risk Management Subcommittee is then nominated and selected from the management of each division to be in charge of supervising and monitoring corporate risk management to reach the set targets at the accepted level by the Company.

3. Operational Control

The Company set out table of Authority that is clearly separating significant duties and responsibilities of the management at each level, such as approval authority, data recording, data processing and asset possession, so a review on each item can be made easily. Regarding making business transactions with the other companies or related individuals, the Company will adhere to the rules and regulations of The Stock Exchange of Thailand. This is to prevent the conflict of interest and gain optimal benefits to the Company and shareholders.

4. Information Technology and Data Communication System

The Company plays an importance to the Information Technology and Data Communication system to generate precise, reliable and timely information including the financial data, operational data, policies and regulations. Besides the continuity of the system development is proceeded. This will help decisions to be made accurately, precisely and in timely manner. As a result, the data processing system, information technology and data controlling system in term of data access and use are established systematically. Moreover, there are effective and efficient Data Communication System including internal and external communication and timely communication with the stakeholders. One of the communication channels is on the website www.pranda.com

5. Monitoring system

The Company had the Board of Directors meeting in the year 2018 totaling 18 times to consider and monitor the performance of the management to meet the target and there is a continuously suitable process of monitoring and supervising the operation of each level in order to ensure that measures and internal controls are always effective and respond to change in a timely manner.

Furthermore, the Company is commonly monitoring the internal control system is practiced on a regular basis and the Internal Audit Office independently audits business processes for the year 2018. The Audit Committee holds 4 meetings to review the internal control system, to follow up its processes and eventually to report them to the Board of Directors at the appropriate time.

Information of Head of Internal Audit and Head of Company Compliance

1. Head of Internal Audit Office

Ms.Rachakorn Wunjina has held Head of the Internal Audit office since January 3, 2019. Her qualifications are suitable to make effective and efficient assessment on whether the corporate internal control system and its implementation suffice.

Background of Head of Internal Audit

Education

- Master degree of Business Administration - National Institute of Development Administration (NIDA)
- Bachelor degree of Accounting - Bangkok University

Training Course

- Financial Statement Review for Internal Auditor
- Fraud Audit
- Tools and Techniques for the Audit Manager
- Audit Report Writing
- Risk Base Audit
- Auditor in charge Tools and Techniques
- Internal Audit Procedure
- Auditing in Practice

Work Experience

- AGC Flat Glass (Thailand) Public Company Limited
- Thai Yamaha Motor Co., Ltd.
- Charoen Pokphand Group

2. Head of Company Compliance Department The Company appointed Mr. Dusit Chongsutthanamanee as head of company compliance to oversee whether all operations are in line with regulations of government agencies concerned.

For more information on the background of head of company compliance , please find details on the topic “Director and Management Biography.”



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 and Exchange Commission and The Stock Exchange of Thailand. 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, 2017, the Company had the connected transaction with related persons/juristic persons which were both not /in compliance with the Notification of the Stock Exchange of Thailand Re: Principles, Conditions, and Methods of Connected Transactions Disclosure of the Listed Companies, the details of which are as follow.

1. No disclosure of transaction required to the Stock Exchange of Thailand

Related persons / Juristic persons	Relationship	Transaction	Value	Necessity and Reasonability
Related party transaction regarding receiving financial assistance				
Ms.Pittaya Tiasuwan	Board of Director and major shareholder	The company received financial assistance 10 Million Baht	The company received financial assistance in the total of 20 Million Baht with interest rate of 7.5% and was paid within 120 days. The value of transaction was 493,150.68 Baht.	The Board of Directors approved the Company to enter connected transaction since the transaction was reasonable and enable to make more efficiency for working capital of The Company.
2.Mrs. Panidda Tiasuwan	Advisor to the Board of Director and major shareholder	The company received financial assistance 10 Million Baht		

Remark: In this transaction, the Company repaid the loan with full interest as due date in the contract.

The following transactions required disclosure to the Stock Exchange of Thailand

Related persons / Juristic persons	Relationship	Transaction	Value	Necessity and Reasonability
Related party transaction regarding receiving financial assistance				
1.Mrs. Panidda Tiasuwan	Advisor to the Board of Director and major shareholder	The Company received financial assistance 15 Million Baht	The Company received financial assistance in the total of Million Baht 50 with interest rate of 7.5% and was paid within 180 days. The value of transaction was 1,849,315.07 Baht	The Board of Directors approved The Company to enter the connected transaction since the transaction The extension for receiving funding support from related party in accordance with the condition of a commercial bank which request the Company to repayment personal term loan amount Baht 50 million after the bank receive payment this term loan due date on 15 July 2018. In addition, interest rate that the Company receive for financial support has appropriate and close to financial cost of the Company which is Bill of Exchange (BE) from unrelated party.
2. Ms.Pittaya Tiasuwan	Board of Director and major shareholder	The Company received financial assistance 15 Million Baht		
3. Mr. Pramote Tiasuwan	Board of Director and major shareholder	The Company received financial assistance 20 Million Baht		

Related persons / Juristic persons	Relationship	Transaction	Value	Necessity and Reasonability
Related party transaction regarding receiving financial assistance				
1. A-List Corporate Co., Ltd.	The son and daughter, as well as , their spouses of the directors of The company hold major shareholdings of this company	The subsidiary (Pranda Lodging Co., Ltd.) in which PRANDA Jewelry holds 83% of share provided financial help of 23 Million Baht	The subsidiary provided financial assistance with the total of 26 Million Baht and interest rate of 7%. The loan will be repaid upon request. The value of transaction was 27,820,000 Baht	The Board of Directors approved the subsidiary's entering to connected transaction since the transaction was reasonable with higher interest rate than the bank's deposit which was beneficial to the subsidiary's efficient cash flow management
2. Supree Holding Co., Ltd.	A company which close relatives of directors holds 100% of shares	The subsidiary (Pranda Lodging Co., Ltd.) in which PRANDA Jewelry holds 83% of share provided financial help of 3 Million Baht		

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 transaction (Please refer notes to financial statements No. 6)

Necessity and reasonability of the transaction

The transactions between the Company, its subsidiaries, and its affiliated companies were normal business operation and had been approved by the Board of Directors or the Executive committee 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 the same 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 an 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 an opinion toward the connected transaction of which shall be taken forth to the Board of Directors or the shareholders for consideration, depending on circumstances. Therefore, the company should disclose the connected transaction in notes to financial statements which audited by independent auditor.

Management Discussion and Analysis

1) Overview of business operations and significant changes

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

The Group is currently 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 followings:

• Production Base

Jewelry manufacturing with efficient Economies of Scale, which resulting at suitable production costs for the quality of the product, along with diversification of product risk to cover virtually every price level, where the Group owns factories in three countries – Thailand, Vietnam and Indonesia – which have a total production capacity of about 4 million pieces per year, and having also a design center which offers design and development of products that can meet all the needs of customers.

• Distribution Base

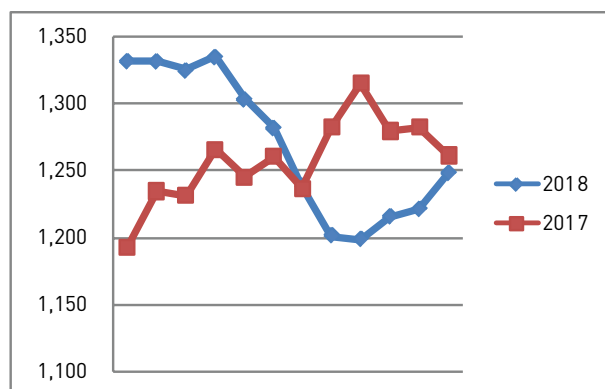
The Group has its own distribution company and dealers in foreign countries in order to focus on serving our customer needs and expand markets at the same time. Currently the Group has major distributors spreading throughout major regions around the world including the United States, England, France, Italy, Spain, Japan and India, and has subsidiaries that provide a basis of distribution, all in all four companies in four countries, including the United States, UK, France and India.

• Retail Base

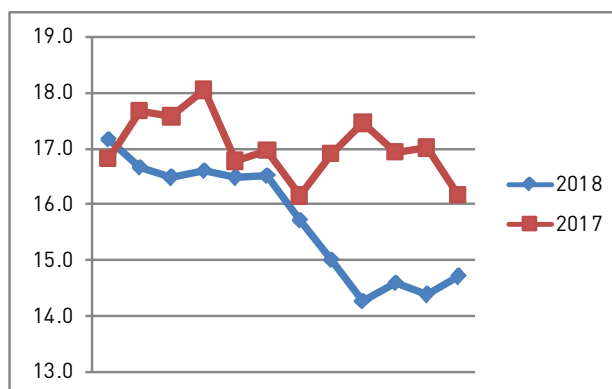
The Group has subsidiaries that specialize in retail management consisting of the Group’s own retail stores and distribution through a franchise system that covers Asia and the Middle East. To reach jewelry consumers directly, the Group has five companies in Thailand, Indonesia, Vietnam and UK.

Regarding on world economic has been slow down since 2016 as well as aftermath of the Brexit affected the economy and politics in the EU which was affecting money market resulted in the pound weakened the most in 31 years. In addition, as USA trade barrier policy in early 2018 and slowing down on encouragement in economic such as ceasing on quantitative easing policy, reducing liquidity from financial market of Federal Reserve Board (FED) together with the Baht depreciation in 2018 resulted in the fluctuation of gold price and silver price decreased by 6% and 14% respectively.

Gold price (USD) / Ounce



Silver price (USD) / Ounce



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

Product groups that manufactured and join the designed with the customer (ODM), representing 69% of the sales proceeds of the year 2018. The Group continues to maintain its relationships with existing customers who have the potential to grow in both markets in the United States and Europe. In 2018, due to the economy slowdown of both the United States and Europe resulted at decreasing orders. However, the Group has consistently 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 and France.

Original brand product groups (OBM) accounted for 31% of revenue from the sales of the year 2017; the company has a strategy to expand the retail chain of OBM brand in order to stabilize 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.

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 is predominantly export referring to the value of exports which is up to Baht 383,713 million and Thailand is the fourth largest export turnovers, which reflects the industry's ability to compete in the world market very well in many consecutive years.

The industry trend is expected to be more competitive both in terms of price and quality because there are many proprietors in this industry. Therefore, manufacturers need to be more productive including finding new markets in order to reduce market risk on the top of that, they need to develop their own brand to diversify market risk.

2) Operating Results and Profitability

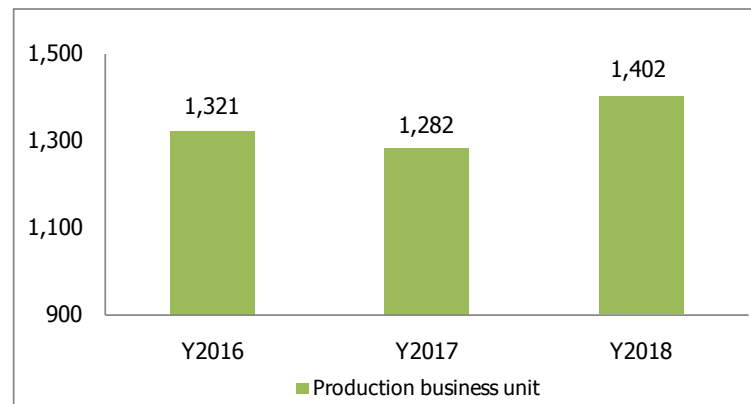
• Total revenues

The Group had total revenues in year 2018 and 2017 amounting to Baht 3,173 million and Baht 2,951 million respectively which increase of Baht 222 million or 7.52% the main reason from revenue in production business unit which increased by Baht 120 million or 9.39% and gain on sales of assets held for sales Baht 335 million, as detailed in the table below:

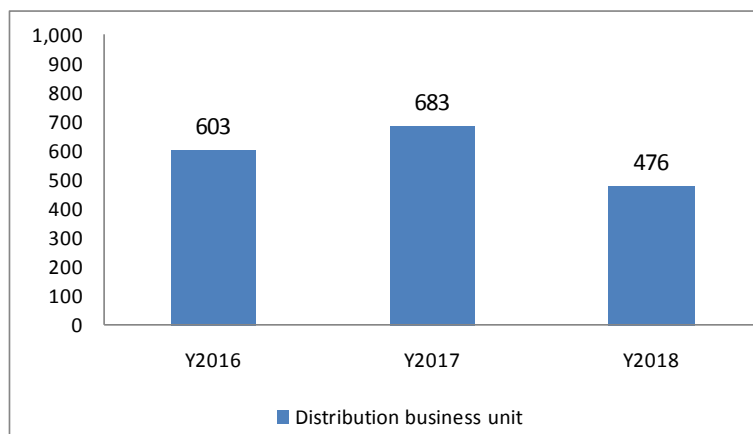
Consolidated	2016		2017		2018		Increase / (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Sales Revenue	2,831	97.15%	2,913	98.71%	2,794	88.06%	(119)	(4.09%)
Production	1,321	45.32%	1,282	43.44%	1,402	44.18%	120	9.36%
Distribution	603	20.69%	683	23.14%	476	15.01%	(207)	(30.31%)
Retail	907	31.11%	948	32.12%	916	28.87%	(32)	(3.38%)
Other Revenues	84	2.88%	38	1.29%	379	11.94%	341	897.37%
Total Revenues	2,915	100.00%	2,951	100.00%	3,173	100.00%	222	7.52%

• Sales revenue

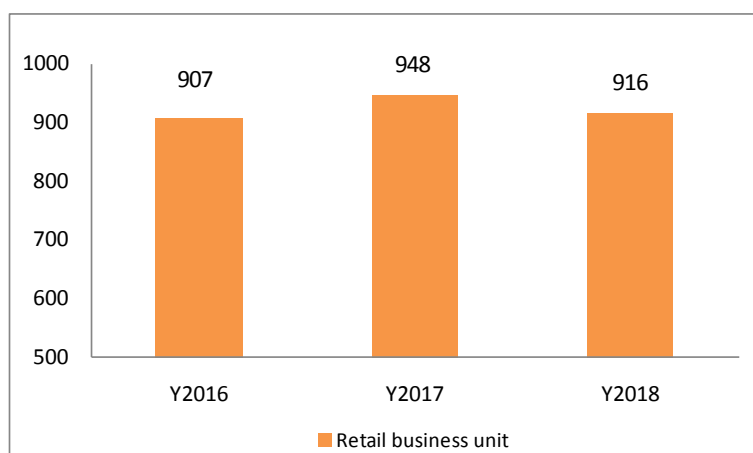
The Group's sales revenue consists of production revenue of Baht 1,402 million, representing 44.18%, distribution revenue of Baht 476 million, representing 15.01% and retail revenue of Baht 916 million and representing 28.87% due to the increase (decrease) of such income as follows:



Production business unit income increased from Baht 1,282 million to Baht 1,402 million, this is due to the fact that there were significant amount of orders from main customers.



Distribution business unit income decreased from Baht 683 million to Baht 476 million, due to change our business model for distribution base's customer to deal order direct with our production base. In order to reduce lead time and overhead for better serving the customer needs.



Retail business unit income decreased from Baht 948 million to Baht 916 million, due to the fact that overall economic situation impact to purchasing power in countries.

• **Other income**

The other income's Group consist of interest income from bank deposits, interest income from loans to subsidiaries and affiliates, amount to Baht 4 million, gain on liquidation of subsidiary company Baht 2 million, gain on sales of assets held for sales Baht 335 million and revenues from other service amount Baht 38 million. Total revenue are Baht 379 million which increased by amount Baht 341 million or 897.37% due to gain on sales of assets held for sales in 2018.

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

Cost of sales	2018		2017		Increase / (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales revenue	2,794	100.00%	2,913	100.00%	(119)	(4.09%)
Cost of sales	1,913	68.46%	2,084	71.54%	(171)	(8.21%)
Total Selling & Admin Expenses	905	32.38%	952	32.68%	(47)	(4.94%)
- Selling Expenses	405	14.49%	431	14.80%	(26)	(6.03%)
- Administrative Expenses	500	17.89%	521	17.89%	(21)	(4.03%)

• **Cost of sales**

The Group had a cost of sales of Baht 1,913 million which decreased by Baht 171 million or 8.21% from previous year and higher proportion compared with sales due to ability to control production costs effectively resulted to improving in gross profit margin compared with previous year.

• **Selling and administrative expenses**

The Group had selling and administrative expenses at Baht 905 million, decrease by Baht 47 million from the previous year or 4.94%. As considering based on the selling expenses decreased by Baht 26 million or 6.03% and administrative expenses decreased by Baht 21 million or 4.03% due to cost controls effectively implemented on both selling and administrative expenses.

• Profits

Consolidated	2018		2017		Increase/ (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales revenue	2,794	100.00%	2,913	100.00%	(119)	(4.09%)
Cost of sales	1,913	68.46%	2,084	71.54%	(171)	(8.21%)
Gross Profit	881	31.54%	829	28.46%	53	6.38%
Selling and Admin expenses	905	32.38%	952	32.66%	(47)	(4.94%)
Operating Profit (Loss)	(23)	(0.83%)	(123)	(4.22%)	99	(81.07%)
Financial costs	71	2.55%	84	2.88%	(13)	(15.29%)
Gain (loss) on exchange rate	(62)	(2.21%)	(15)	(0.51%)	(47)	(308.75%)
Other expenses	397	14.20%	59	2.03%	339	582.09%
Profit (loss) before income tax	241	8.61%	(163)	(5.60%)	404	(247.55%)
Income tax (expenses)	(73)	(2.61%)	2	0.07%	(75)	(3,099.18%)
Profit of Equity holders of the Company	168	6.00%	(161)	(5.53%)	329	(204.11%)

• Gross profit

The Group's gross profit was at Baht 881 million, an increase of Baht 53 million from the previous year or 6.38% due to effectively cost control management.

• Net profit (loss) from operations

The Group's loss from operations for the year 2018 was at Baht 23 million better than previous year at Baht 99 million due to improving on gross profit margin, decreasing in selling and administration expenses and the loss on exchange rate which has increased by Baht 47 million or 308.75% due to appreciation of Baht which mainly come from working capital in of subsidiary in foreign and other income from gain on sales of asset held for sales Baht 335 million.

• Net profit attributable to the shareholders of the Group

The Group's net profit attributable to shareholders of the company amounts to Baht 168 million increased by Baht 329 million compared to the previous year, representing a net profit margin at 6.00% due to the improved gross profit margin, SG&A and gain on sales of asset held for sales as aforementioned above.

• Return on shareholders' equity

The return of equity (ROE) in the year 2018 is at 7.17%, increased from last year's figure which stood at (7.05%), 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 2018, the Board of Directors has resolved to approve and propose no dividend payment to the shareholders meeting for acknowledgement.

3) Asset Management Abilities

- **Asset Components**

The table compares the annual financial statements in 2018 and 2017.

Unit : Million Baht

Statement of Financial Position	Dec 31, 2018	%	Dec 31, 2017	%
Cash and cash equivalents	397	9.79%	218	5.17%
Current investments – deposits with financial institutions	3	0.06%	1	0.02%
Trade account receivables and other receivables	431	10.63%	402	9.53%
Short-term loans to related parties	42	1.03%	26	0.62%
Inventories, net	1,695	41.81%	1,868	44.30%
Other current assets	54	1.33%	41	0.97%
Total current assets	2,621	64.66%	2,556	60.61%
Assets held for sale	-	-	90	2.13%
Total non-current assets	1,433	35.34%	1,571	37.25%
Total assets	4,054	100.00%	4,217	100.00%

- **Asset Quality**

The Group had total assets of Baht 4,054 million decreased compared with the previous year by Baht 163 million, or 3.86% in line with plan to sell asset held for sales and decrease in inventory resulting from more efficiency in improving asset management.

- **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 – Related parties		Increase (Decrease)
	2018	2017	
Not yet due	1	1	0
Overdue			
No more than 3 months	6	3	3
3 – 6 months	1	2	(1)
6 – 12 months	3	1	2
More than 12 months	35	30	5
Total	46	37	8
Less the allowance for doubtful accounts	(33)	(29)	4
Total accounts receivable - net	13	8	5

The Group has net accounts receivable from related parties stands at Baht 13 million which increased by Baht 5 million or 62.50%.

Unit : Million Baht

Aging of outstanding debts counting from the due date for payback	Accounts receivable – Unrelated parties		Increase (Decrease)
	2018	2017	
Not yet due	247	195	52
Overdue			
No more than 3 months	123	142	(19)
3 – 6 months	4	17	(13)
6 – 12 months	23	13	10
More than 12 months	28	46	(18)
Total	425	413	12
Less the allowance for doubtful accounts	(37)	(44)	(7)
Total accounts receivable - net	388	369	19

The Group has net accounts receivable from trade receivables of unrelated parties totaling Baht 388 million increased by Baht 19 million from the previous year, or 5.15%, mostly increasing from accounts not yet due by Baht 52 million because high sales volume in last quarter of year.

• **Inventories**

Unit : Million Baht

Inventories	2018	2017	Increase (Decrease)
Finished products	1,233	1,293	(60)
Work-in-progress	192	281	(89)
Raw materials	450	496	(46)
Plant materials	13	14	(1)
Goods in-transit	18	2	16
Total	1,906	2,086	(180)
Less the listings of cost reduction adjustment for net capital	(211)	(218)	(7)
Remaining inventories – net	1,695	1,868	(173)

As of December 31, 2018 the Group and its subsidiaries had inventories of Baht 1,906 million, which has decreased from the 2017 year-end figure by Baht 180 million due to more efficiency in improving inventory management.

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 operating activities has increased from Baht 12 million to Baht 230 million as a result of lesser operating loss, as well as better management and efficiency in improving asset management.

Cash flow from investing activities increased from Baht 44 million to Baht 325 million due to sold asset held for sales as plan.

Cash flow from financing activities decreased from 310 million to 426 million due to repayments, including bills of exchange, short-term loan and long-term loans per payment schedule. However, The Group has cash received from convertible debenture and cash receipt from sales of treasury shares.

From operating, investing and financing activities, the Group's net cash for the year 2018 has increased by Baht 179 million, and when combined with the Baht 218 million cash at beginning of period, forms a total of Baht 397 million in cash at the end of the period.

The table compares the statement of cash flows for the year 2018 and 2017

Unit: Million Baht

Statement of Cash Flows	Dec 31, 2018	Dec 31, 2017
Cash flows from (used in) operating activities	230	12
Cash flows from (used in) investing activities	325	44
Cash flows from (used in) financing activities	(426)	(310)
Translation adjustment	50	17
Net cash flows	179	(237)
Cash at the beginning of the year	218	455
Cash at the end of the year	397	218

• Liabilities

The Group's liabilities totaled Baht 1,774 million, decreased by Baht 413 million from the previous year, and current liabilities decreased by Baht 431 million mainly due to payment of bill of exchange Baht 97 million and payment on short-term loan and long-term loan per schedule which resulted in a debt-to-equity (D/E) ratio that was 0.78 times almost same level as last year; however, it can be concluded that the Group still continues to have a strong financial structure.

• Shareholder's equity

The Group's shareholders' equity increased from Baht 2,029 million to Baht 2,279 million due to a net profit as aforementioned above.

4.2 Capital expenditure

The Group invested a total of Baht 17 million which is divided into two types of investment, as follows:

1) Approximately Baht 6 million was invested in the production base to improve the plant facilities and replacement of machinery and equipment of Pranda Jewelry PCL.

2) Approximately Baht 11 million was invested for opening new shops for customer service and thorough distribution coverage of Prima Gold International, Co., Ltd and Pranda Vietnam, Co., Ltd.

4.3 The ability to service debt and to comply with the terms of the loan

As of December 31, 2018, 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), as during Year 2018, the Company's sales is still in the recovery phase. Therefore the Group has 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 affect 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.

Financial Ratios		For the year ended period ending December 31				
		Dec 31, 2018	Dec 31, 2017	Dec 31, 2016	Dec 31, 2015	Dec 31, 2014
Liquidity ratio						
Current Ratio ¹	(times)	1.84	1.43	1.36	1.50	1.98
Quick Ratio ²	(times)	0.56	0.32	0.41	0.45	0.61
Cash Flow Ratio ³	(times)	0.14	0.01	{0.06}	-	0.04
Accounts Receivable Turnover Ratio ⁴	(times)	6.07	6.03	5.43	4.09	4.02
Average Collection Period ⁵	(days)	59	60	66	88	90
Inventory Turnover Ratio ⁶	(times)	1.67	1.78	1.71	1.64	1.89
Average Sale Period ⁷	(days)	216	203	210	220	1.91
Creditors Turnover Ratio ⁸	(times)	3.36	3.70	3.85	4.48	4.57
Repayment Period ⁹	(days)	107	97	93	80	79
Cash Cycle ¹⁰	(days)	168	165	183	227	201
Profitability ratio						
Gross Profit Margin ¹¹	(%)	31.54	28.44	27.77	30.01	30.39
Operating Loss Margin ¹²	(%)	{0.83}	{4.21}	{8.21}	{4.22}	{0.22}
Other Profit (Loss) Margin ¹³	(%)	9.61	0.82	{0.16}	3.85	4.79
Cash to Profitability ¹⁴	(%)	{989.03}	{9.41}	48.33	{0.70}	{821.28}
Net Profit (Loss) Margin ¹⁵	(%)	4.33	{6.11}	{10.80}	{3.03}	2.61
Return on Equity ¹⁶	(%)	7.17	{7.05}	{11.23}	{2.02}	5.22
Efficiency ratio						
Return on Assets ¹⁷	(%)	3.32	{4.02}	{6.73}	{1.92}	1.91
Return on Capital Employed ¹⁸	(%)	{2.96}	{3.43}	{5.89}	{3.41}	{0.24}
Return on Non-Current Assets ¹⁹	(%)	16.17	{6.54}	{14.86}	0.37	12.28
Asset Turnover ²⁰	(times)	0.77	0.66	0.62	0.63	0.73
Financial policy ratio						
Liabilities to Shareholders' Equity Ratio ²¹	(times)	0.78	1.08	1.15	0.82	0.69
Interest Coverage Ratio ²²	(times)	5.24	1.11	{0.46}	1.29	1.96
Debt Service Coverage Ratio (cash basis) ²³	(times)	0.29	0.02	{0.13}	-	0.16
Dividend Payout Ratio ²⁴	(%)	-	-	{7.08}	{110.12}	56.28

Notes:

- ¹ Current ratio = Current Assets / Current Liabilities
- ² Quick Ratio = (Cash and Bank Deposits + Marketable Securities + Accounts Receivables and Note 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 + Note 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 Average Repayment Period = 360 / Creditors Turnover Ratio
- ¹⁰ Cash Cycle = Average Debt Collection Period + Average Sales Period - Repayment Period
- ¹¹ Gross Profit Margin = Gross Profit / Net Sales
- ¹² Operating Loss Margin = Profit Loss from Operations / Net Sales
- ¹³ Other Profit (Loss) Margin = Non-Operating Profit / Total Revenue
- ¹⁴ Cash to Profitability = Cash Flow from Operations / Profit(Loss)from Operations
- ¹⁵ Net Profit (Loss) Margin = Net Profit (Loss) / Total Revenues
- ¹⁶ Return on Equity = Net Profit (Loss) of Equity holders of the Company / Equity Shares (Average)
- ¹⁷ Return on Assets = Net Profit (Loss) / Total Assets (Average)
- ¹⁸ Return on Capital Employed = Net Operating Profit (Loss) after tax / (Total Assets-Non interest bearing liabilities)
- ¹⁹ Return on Fixed assets = (Net Profit (Loss) + Depreciation and Amortisation Leasehold rights amortisation) / Net Fixed assets (Average)
- ²⁰ Asset Turnover = Total Income / Total Assets (Average)
- ²¹ Liabilities to Shareholders' Equity Ratio = Total Liabilities / Equity Shares
- ²² Interest Coverage Ratio = Cash Flow from Operations + Interest Expense from Operations + Tax / Interest Expenses from Operations and Investments
- ²³ Debt Service Coverage Ratio (cash basis) = Cash Flow from Operations / (Repayment of Debt + Investment + Purchase of assets + Dividends)
- ²⁴ Dividend Payout Ratio = Dividends / Net Income of Equity holders of the Company



Report on the Board of Directors' Responsibilities for Financial reports

The Board of Directors is responsible for the consolidated financial statements of Pranda Jewelry Public Company Limited and its subsidiaries as well as the separate financial statements of Pranda Jewelry Public Company Limited including the financial information presented in the annual report. The financial statements have been prepared in accordance with the Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and in accordance with the requirements of the Securities and Exchange Commission and The Stock Exchange of Thailand regarding the preparation and presentation of financial statements under the Securities and Exchange Acts B.E. 2535. The appropriate accounting practices and consistently held to them, providing adequate disclosure in the notes to the financial statement in which the auditor reviewed and audited the financial statements as well as commented on the auditor's 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 control which is appropriate and effective, in order to create a reasoned sense of confidence that the accounting information is accurate, complete and sufficient to safeguard the property and prevent fraud or any undue operation. The Board of Directors has authorized the Audit Committee, composed of Independent officials, to review the accounting policies, the quality of financial reporting, and to review the internal controls, auditing for efficiency and effectiveness, and examining the disclosure of related party transactions. Of which the opinions of The Audit Committee have already been presented in this annual report.

The consolidated financial statements of the Company and its subsidiaries and the separate financial statements of the Company have been examined by the Company's auditor which is Ernst & Young (EY) Corporate Services Limited, during which The Board of Directors has provided supporting information and various documents to enable the auditor to audit in accordance with generally accepted auditing standards. The auditor's opinion has 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 control and the internal audit of the company create well-founded sense of confidence in the financial statements of the Company and its subsidiaries as of December 31, 2018, and that it has displayed the financial position, financial performance and cash flows, as it appropriate in term of essential information, and in accordance with the financial reporting standards.



Mr. Prida Tiasuwan
Chairman of the Board of Directors

Independent Auditor's Report

To the Shareholders of Pranda Jewelry Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Pranda Jewelry Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2018, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Pranda Jewelry Public Company Limited for the same period.

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 2018, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

Revenue recognition

Revenue from sales of goods is one of the Group's significant accounts because the amounts of revenue recorded would directly affect the Group's profit or loss for the year. Moreover, the Group is principally engaged in production, distribution and retail of jewelry, the Group has a large number of customers with a variety of different commercial terms. There is therefore a risk with respect to the amount and timing of revenue recognition.

I have examined the Group's revenue recognition by assessing and testing the Company and its subsidiaries' internal controls with respect to revenue cycle. On a sampling basis, I also examined supporting documents for sales transactions occurring during the year and near the end of the accounting period. In addition, I reviewed credit notes issued by the Company and its subsidiaries to their customers after the period-end and performed analytical review procedures on the sales account to detect possible irregularities in sales transactions throughout the period.

Provision for diminution in value of inventory

Estimating the net realisable value of inventory, as discussed in the Note 9 to the financial statements, is an area of significant management judgement, particularly with regard to the estimation of provision for diminution in the value of slow-moving and obsolete inventory. This requires detailed analysis of the product life cycle, the competitive environment, economic circumstances and the situation within the industry. There is therefore a risk with respect to the amount of provision set aside for diminution in the value of inventory.

I assessed and tested the Company and its subsidiaries' internal controls relevant to the determination of provision for diminution in the value of inventory. I assessed the method and the assumption applied by management in determining such provision by gaining an understanding of the basis applied in determining the provision for diminution in value of inventory, and reviewing the consistency of the application of that basis. In addition, I compared the data on inventory turnover and inventory movement to identify product lines with indicators of lower than normal inventory turnover. I also compared details of net amount that an entity expects to realise from the sale of inventory after the date of the financial statements with the cost of inventory for each product line.

Allowance for doubtful accounts for trade and other receivables

In determining an allowance for doubtful accounts for trade and other receivables as discussed in Note 8 and Note 14 to the financial statements, is an area of significant management judgement to make the estimated losses that may be incurred in collection of receivables. There is therefore a risk with respect to the amount of allowance for doubtful accounts for trade and other receivables.

I assessed and tested the Company and its subsidiaries' internal controls relevant to the determination of allowance for doubtful accounts. I assessed the method and the assumption applied by management in determining such allowance by gaining an understanding of the basis applied in determining the allowance and reviewing the analysis of debt aging. I considered the past collection history, credit term, collection of receivables after the date of the financial statements, and receivables subject to dispute or litigation by the Company and its subsidiaries. I also tested the calculation of the allowance.

Compliance with covenants stipulated in loan agreements

As at 31 December 2018, the Group had long-term loans from financial institutions totaling Baht 197 million (11% of total liabilities) (Separate financial statements: Baht 65 million (5% of total liabilities)) as discussed in Note 23 to the financial statements. Under the loan agreements, the Group needs to comply with certain covenants. If the Group is unable to comply with those covenants, it may result in the loans being called by the lenders, and the reclassification of the liabilities from non-current liabilities to current liabilities, impacting on the going concern of the Company and its subsidiaries.

I read the loan agreements and gained an understanding of and assessed the process by which compliance with the covenants specified in the contracts is monitored by management. I also examined documentation related to compliance with covenants, including testing the financial ratio calculations, and whether they complied with the covenants in the loan agreements. In addition, I reviewed the classification of such loans and the disclosures made in the notes to the financial statements.

Impairment loss on investments in subsidiaries

As discussed in Note 12 to the financial statements, the separate financial statements as at 31 December 2018, the Company had net investments in subsidiaries amounting to Baht 668 million (17% of total assets). In determining the impairment loss on investments in subsidiaries, the management had to exercise significant judgement with respect to the projections of future operating performance, and determination of an appropriate discount rate and key assumptions. There is therefore a risk with respect to the amount of allowance for impairment loss on investments in subsidiaries.

I inquired the management about operation plan for the Group, and reviewed the minutes of meeting which are related to the Company's subsidiaries. In addition, I gained an understanding of and testing the key assumptions applied by the management in preparing estimates of the future cash flows expected to be generated from the investments in subsidiaries and the discount rate applied, making enquiry of responsible executives and comparing details with sources of information about the Group and the industry. I also tested the calculation of the recoverable amount of the investments in subsidiaries based on the above information and assumptions.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, (but does not include the financial statements and the auditor's report thereon). The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.



Siraporn Ouaanunkun

Certified Public Accountant (Thailand) No. 3844

EY Office Limited

Bangkok: 27 February 2019



Financial Statements

Pranda Jewelry Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Assets					
Current assets					
Cash and cash equivalents	7	396,848,014	218,027,335	255,160,095	107,985,651
Current investments - deposits with financial institutions		2,513,771	1,415,757	-	-
Trade and other receivables	8	430,960,730	401,629,901	685,071,956	780,704,117
Short-term loans to related parties	6	41,929,100	26,000,000	43,165,939	28,472,049
Inventories	9	1,694,831,897	1,867,791,042	755,565,724	880,790,083
Other current assets		54,102,711	41,022,640	28,026,700	14,316,450
Total current assets		2,621,186,223	2,555,886,675	1,766,990,414	1,812,268,350
Assets held for sale	10	-	90,429,189	-	90,429,189
		2,621,186,223	2,646,315,864	1,766,990,414	1,902,697,539
Non-current assets					
Restricted bank deposits	11	31,572,501	31,018,475	26,203,796	25,650,000
Investments in subsidiaries	12	-	-	667,571,933	651,265,081
Investment in associated company	13	10,147,241	8,978,837	-	-
Other long-term investments	15	13,265,948	50,167,394	12,125,828	49,027,274
Amounts due from related parties	6	4,927,691	8,208,123	4,927,691	8,208,123
Long-term loans to related parties	6	-	-	322,468,471	342,552,680
Investment properties	16	589,186,318	589,573,430	577,551,607	577,551,607
Property, plant and equipment	17	644,571,590	699,767,380	535,396,495	576,398,202
Leasehold rights		31,431,412	36,191,659	-	-
Other intangible assets	18	28,459,776	32,678,229	21,472,671	26,317,811
Deferred tax assets	31	54,620,829	91,466,224	43,457,711	80,732,902
Other non-current assets		24,578,764	22,229,981	383,371	417,122
Total non-current assets		1,432,762,070	1,570,279,732	2,211,559,574	2,338,120,802
Total assets		4,053,948,293	4,216,595,596	3,978,549,988	4,240,818,341

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 2018

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	19	349,799,770	311,167,843	261,306,889	194,960,034
Bills of exchange	20	116,933,626	213,815,975	87,636,132	163,985,149
Trade and other payables	21	714,130,339	593,091,017	504,895,141	401,580,853
Short-term loan from related party	6	50,000,000	50,000,000	50,000,000	50,000,000
Short-term loans from unrelated individuals	22	-	49,309,722	-	49,309,722
Current portion of long-term loans	23	101,085,379	515,263,746	65,248,029	479,407,143
Income tax payable		4,673,786	2,185,851	-	-
Deposit of sale and purchase agreement for land held for development	10	-	67,594,500	-	67,594,500
Other current liabilities		86,201,024	51,039,193	22,081,751	12,026,104
Total current liabilities		1,422,823,924	1,853,467,847	991,167,942	1,418,863,505
Non-current liabilities					
Long-term loans, net of current portion	23	95,483,609	132,699,180	-	-
Convertible debentures	24	52,485,981	-	52,485,981	-
Options	24	6,666,667	-	6,666,667	-
Provision for long-term employee benefits	25	195,494,851	200,185,795	182,151,253	186,583,423
Other non-current liabilities		1,118,519	1,181,047	-	-
Total non-current liabilities		351,249,627	334,066,022	241,303,901	186,583,423
Total liabilities		1,774,073,551	2,187,533,869	1,232,471,843	1,605,446,928

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 2018

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Shareholders' equity					
Share capital	27				
Registered					
634,769,950 ordinary shares of Baht 1 each					
(31 December 2017: 409,529,000 ordinary shares of Baht 1 each)		<u>634,769,950</u>	<u>409,529,000</u>	<u>634,769,950</u>	<u>409,529,000</u>
Issued and fully paid up					
424,639,788 ordinary shares of Baht 1 each					
(31 December 2017: 409,529,000 ordinary shares of Baht 1 each)		424,639,788	409,529,000	424,639,788	409,529,000
Share premium		811,965,872	786,855,043	811,965,872	786,855,043
Capital reserve for share-based payment transactions		580,333	-	580,333	-
Deficit from change in shareholding of subsidiary		(58,427,507)	(58,427,507)	-	-
Retained earnings					
Appropriated - statutory reserve	28	52,000,000	52,000,000	41,000,000	41,000,000
Appropriated - treasury shares reserve	29	-	49,414,854	-	49,414,854
Unappropriated		1,220,573,479	1,007,571,303	1,553,745,424	1,460,288,778
Treasury shares	29	-	(49,414,854)	-	(49,414,854)
Other components of shareholders' equity		<u>21,301,310</u>	<u>7,708,745</u>	<u>(85,853,272)</u>	<u>(62,301,408)</u>
Equity attributable to owners of the Company		<u>2,472,633,275</u>	<u>2,205,236,584</u>	<u>2,746,078,145</u>	<u>2,635,371,413</u>
Non-controlling interests of the subsidiaries		<u>(192,758,533)</u>	<u>(176,174,857)</u>	<u>-</u>	<u>-</u>
Total shareholders' equity		<u>2,279,874,742</u>	<u>2,029,061,727</u>	<u>2,746,078,145</u>	<u>2,635,371,413</u>
Total liabilities and shareholders' equity		<u>4,053,948,293</u>	<u>4,216,595,596</u>	<u>3,978,549,988</u>	<u>4,240,818,341</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 2018

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Revenues					
Sales		2,793,847,974	2,912,858,473	2,043,272,918	2,209,747,673
Other income					
Interest income		4,148,201	3,785,749	3,977,226	4,912,857
Gain on liquidation of subsidiary company	12	1,831,629	-	-	-
Gain on sales of assets held for sales	10	334,574,441	-	334,574,441	-
Others		38,245,995	34,051,663	58,441,585	69,854,667
Total revenues		3,172,648,240	2,950,695,885	2,440,266,170	2,284,515,197
Expenses					
Cost of sales		1,912,536,480	2,084,361,072	1,678,509,482	1,861,172,850
Selling and distribution expenses		404,753,804	430,861,124	76,347,044	80,588,593
Administrative expenses		499,784,878	520,224,030	323,592,031	283,716,151
Other expenses					
Loss on exchange		61,686,106	15,090,268	32,366,520	34,657,881
Impairment loss on investments in subsidiaries	12	-	-	152,877,148	3,180,407
Impairment loss on other long-term investments	15	13,349,582	-	13,349,582	-
Impairment loss on assets of subsidiary	12	-	-	-	385,911,077
Total expenses		2,892,110,850	3,050,536,494	2,277,041,807	2,649,226,959
Profit (loss) before share of profit from investment in associated company, finance cost and income tax expenses					
		280,537,390	(99,840,609)	163,224,363	(364,711,762)
Share of profit from investment in associated company	13.2	1,168,404	1,475,294	-	-
Profit (loss) before finance cost and income tax expenses		281,705,794	(98,365,315)	163,224,363	(364,711,762)
Finance cost		(71,377,977)	(84,260,423)	(49,552,309)	(61,395,721)
Profit (loss) before income tax expenses		210,327,817	(182,625,738)	113,672,054	(426,107,483)
Tax income (expenses)	31	(72,888,604)	2,430,372	(65,317,294)	6,859,251
Profit (loss) for the year		137,439,213	(180,195,366)	48,354,760	(419,248,232)
Profit (loss) attributable to:					
Equity holders of the Company (loss)		167,682,354	(161,322,055)	48,354,760	(419,248,232)
Non-controlling interests of the subsidiaries (loss)		(30,243,141)	(18,873,311)		
		<u>137,439,213</u>	<u>(180,195,366)</u>		
Earnings per share					
Basic earnings per share	33				
Profit (loss) attributable to equity holders of the Company		0.4013	(0.4044)	0.1157	(1.0509)
Diluted earning per share					
Profit (loss) attributable to equity holders of the Company		0.3166	(0.4044)	0.0905	(1.0509)

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 2018

(Unit: Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Profit (loss) for the year		<u>137,439,213</u>	<u>(180,195,366)</u>	<u>48,354,760</u>	<u>(419,248,232)</u>
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		44,580,906	14,347,602	-	-
Loss on change in value of available-for-sale investments	15	<u>(23,551,864)</u>	<u>(16,485,879)</u>	<u>(23,551,864)</u>	<u>(16,485,879)</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods		<u>21,029,042</u>	<u>(2,138,277)</u>	<u>(23,551,864)</u>	<u>(16,485,879)</u>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial gains (loss)	25	2,290,129	(43,126)	2,024,418	-
Less: Income tax effect	31	<u>(457,640)</u>	<u>10,782</u>	<u>(404,884)</u>	<u>-</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		<u>1,832,489</u>	<u>(32,344)</u>	<u>1,619,534</u>	<u>-</u>
Other comprehensive income for the year		<u>22,861,531</u>	<u>(2,170,621)</u>	<u>(21,932,330)</u>	<u>(16,485,879)</u>
Total comprehensive income for the year		<u>160,300,744</u>	<u>(182,365,987)</u>	<u>26,422,430</u>	<u>(435,734,111)</u>
Total comprehensive income attributable to:					
Equity holders of the Company (loss)		183,112,389	(164,997,086)	26,422,430	(435,734,111)
Non-controlling interests of the subsidiaries (loss)		<u>(22,811,645)</u>	<u>(17,368,901)</u>	<u>-</u>	<u>-</u>
		<u>160,300,744</u>	<u>(182,365,987)</u>	<u>26,422,430</u>	<u>(435,734,111)</u>

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

Pranda Jewelry Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the year ended 31 December 2018

	Consolidated financial statements											(Unit: Baht)			
	Equity attributable to owners of the Company														
	Issued and paid-up share capital	Share premium	Capital reserve for share - based payment transactions	Deficit from change in shareholding of subsidiary	Retained earnings			Other components of shareholders' equity							
					Statutory reserve	Appropriated reserve	Treasury shares	Unappropriated reserve	Exchange differences on translation of financial statements in foreign currency	Deficit on change in value of available-for-sale investments	Total other components of shareholders' equity		Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
Balance as at 1 January 2017	409,529,000	786,855,043	-	(58,427,507)	52,000,000	49,414,854	1,168,911,148	(49,414,854)	57,181,515	(45,815,529)	11,365,986	2,370,233,670	(165,848,904)	2,204,384,766	
Losses for the year	-	-	-	-	-	-	(161,322,055)	-	-	-	-	(161,322,055)	(18,873,311)	(180,195,366)	
Other comprehensive income for the year	-	-	-	-	-	-	(17,790)	-	12,828,638	(16,485,879)	(3,657,241)	(3,675,031)	1,504,410	(2,170,621)	
Total comprehensive income for the year	-	-	-	-	-	-	(161,339,845)	-	12,828,638	(16,485,879)	(3,657,241)	(164,997,066)	(17,368,901)	(182,365,967)	
Increase in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	7,042,948	7,042,948	
Balance as at 31 December 2017	409,529,000	786,855,043	-	(58,427,507)	52,000,000	49,414,854	1,007,571,303	(49,414,854)	70,010,153	(62,301,408)	7,708,745	2,205,236,584	(176,174,857)	2,029,061,727	
Balance as at 1 January 2018	409,529,000	786,855,043	-	(58,427,507)	52,000,000	49,414,854	1,007,571,303	(49,414,854)	70,010,153	(62,301,408)	7,708,745	2,205,236,584	(176,174,857)	2,029,061,727	
Profit (Loss) for the year	-	-	-	-	-	-	167,682,354	-	-	-	-	167,682,354	(30,243,141)	137,439,213	
Other comprehensive income for the year	-	-	-	-	-	-	1,837,470	-	37,144,429	(23,551,864)	13,592,565	15,430,035	7,431,496	22,861,531	
Total comprehensive income for the year	-	-	-	-	-	-	169,519,824	-	37,144,429	(23,551,864)	13,592,565	183,112,389	(22,811,645)	160,300,744	
Share - based payment transactions	-	-	580,333	-	-	-	-	-	-	-	-	580,333	-	580,333	
Transferred convertible debentures to ordinary shares and share premium (Note 27)	15,110,788	25,110,829	-	-	-	-	-	-	-	-	-	40,221,617	-	40,221,617	
Sold treasury share (Note 29)	-	-	-	-	-	-	(5,932,502)	49,414,854	-	-	-	43,482,352	-	43,482,352	
Transferred treasury shares reserve to unappropriated retained earnings (Note 29)	-	-	-	-	-	(49,414,854)	49,414,854	-	-	-	-	-	-	-	
Increase in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	6,227,969	6,227,969	
Balance as at 31 December 2018	424,639,788	811,965,872	580,333	(58,427,507)	52,000,000	-	1,220,573,479	-	107,154,582	(85,853,272)	21,301,310	2,472,633,275	(192,758,533)	2,279,874,742	

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 2018

	Separate financial statements										(Unit: Baht)
	Issued and paid-up share capital	Share premium	Capital reserve for share - based payment transactions	Retained earnings			Treasury shares	Unappropriated	Treasury shares	Total shareholders' equity	
				Appropriated		Treasury shares reserve					
				Statutory reserve	Unappropriated						
				Deficit on change in value of available-for-sale investments							
Balance as at 1 January 2017	409,529,000	786,855,043	-	41,000,000	49,414,854	1,879,537,010	(49,414,854)	(45,815,529)		3,071,105,524	
Loss for the year	-	-	-	-	-	(419,248,232)	-	-		(419,248,232)	
Other comprehensive income for the year	-	-	-	-	-	-	-	(16,485,879)		(16,485,879)	
Total comprehensive income for the year	-	-	-	-	-	(419,248,232)	-	(16,485,879)		(435,734,111)	
Balance as at 31 December 2017	409,529,000	786,855,043	-	41,000,000	49,414,854	1,460,288,778	(49,414,854)	(62,301,408)		2,635,371,413	
Balance as at 1 January 2018	409,529,000	786,855,043	-	41,000,000	49,414,854	1,460,288,778	(49,414,854)	(62,301,408)		2,635,371,413	
Profit for the year	-	-	-	-	-	48,354,760	-	-		48,354,760	
Other comprehensive income for the year	-	-	-	-	-	1,619,534	-	(23,551,864)		(21,932,330)	
Total comprehensive income for the year	-	-	-	-	-	49,974,294	-	(23,551,864)		26,422,430	
Share - based payment transactions	-	-	580,333	-	-	-	-	-		580,333	
Transferred convertible debenture to ordinary shares and share premium (Note 27)	15,110,788	25,110,829	-	-	-	-	-	-		40,221,617	
Sold treasury shares (Note 29)	-	-	-	-	-	(5,932,502)	49,414,854	-		43,482,352	
Transferred treasury shares reserve to unappropriated retained earnings (Note 29)	-	-	-	-	(49,414,854)	49,414,854	-	-		-	
Balance as at 31 December 2018	424,639,788	811,965,872	580,333	41,000,000	-	1,553,745,424	-	(85,853,272)		2,746,078,145	

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 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from operating activities				
Profit (loss) before tax	210,327,817	(182,625,738)	113,672,054	(426,107,483)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	72,989,838	84,288,399	49,077,446	54,138,297
Amortisation of leasehold rights	3,915,817	2,484,400	-	-
Write-off machinery and equipment	192,262	2,273,533	177,680	2,196,439
Impairment loss on intangible assets	3,302,132	-	3,302,132	-
Amortisation of discounted value of government bond	-	(36,934)	-	(36,934)
Doubtful accounts (reversal)	(3,156,620)	21,359,238	(110,699,550)	212,887,898
Write-off bad debts	319,859	2,913,853	156,723,025	2,727,034
Write-off other assets	1,583,947	3,524,847	1,546,618	3,457,047
Reduce cost to net realisable value of inventories (reversal)	(7,591,218)	16,166,232	(64,318)	(154,900)
Gain on sales of asset held for sale	(334,574,441)	-	(334,574,441)	-
Gain on sales of machinery and equipment	(2,298,659)	(513,928)	(116,750)	(5,896)
Loss on sales of intangible assets	148	-	-	-
Share of profit from investment in associated company	(1,168,404)	(1,475,294)	-	-
Gain on liquidation of subsidiary company	(1,831,629)	-	-	-
Impairment loss on investments in subsidiaries	-	-	152,877,148	190,818,304
Impairment loss on other long-term investments	13,349,582	-	13,349,582	-
Long-term employee benefits expenses	3,728,015	16,335,344	2,201,922	14,839,372
Unrealised loss (gain) on exchange	3,461,931	(3,250,046)	57,665,341	51,540,399
Amortisation of financial service fee of long-term loans	422,209	435,246	114,286	114,286
Amortisation of transaction costs of convertible debentures	2,782,459	-	2,782,459	-
Share-based payment transactions	580,333	-	580,333	-
Interest income	(4,148,201)	(3,785,749)	(3,977,226)	(4,912,857)
Interest expenses	58,183,519	76,347,941	43,052,867	59,289,580
Profit from operating activities before changes in operating assets and liabilities	20,370,696	34,441,344	147,690,608	160,790,586
Operating assets (increase) decrease				
Trade and other receivables	(25,117,595)	56,117,005	(147,189,392)	(43,829,130)
Inventories	180,550,363	90,854,738	125,288,677	79,451,111
Other current assets	(13,368,188)	7,195,811	(13,900,265)	1,526,535
Other non-current assets	(2,348,783)	2,155,322	33,751	1,510,000
Operating liabilities increase (decrease)				
Trade and other payables	123,178,660	(96,740,379)	102,246,087	(87,678,607)
Other current liabilities	35,161,831	(7,313,020)	10,055,647	(8,752,952)
Provision for long-term employee benefits	(6,128,830)	(7,040,505)	(4,609,674)	(5,742,130)
Other non-current liabilities	(62,528)	(120,899)	-	-
Cash flows from operating activities	312,235,626	79,549,417	219,615,439	97,275,413
Cash paid for interest expenses	(47,202,285)	(60,911,214)	(34,033,731)	(46,696,181)
Cash paid for corporate income tax	(35,308,744)	(7,213,280)	(29,803,590)	(1,109,892)
Cash refund from corporate income tax	-	113,981	-	-
Net cash flows from operating activities	229,724,597	11,538,904	155,778,118	49,469,340

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 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash flows from investing activities				
Decrease (increase) in current investments - deposits at financial institutions	(1,098,014)	130,099	-	-
Decrease (increase) in restricted bank deposits	(554,026)	2,704,624	(553,796)	(650,000)
Increase in short-term loans to related parties	(15,131,600)	-	(15,745,000)	-
Proceeds from sales of asset held for sale	357,409,130	-	357,409,130	-
Cash receipt from withdrawal of government bond with maturity	-	10,000,000	-	10,000,000
Acquisition of property, plant and equipment	(17,414,682)	(37,951,696)	(5,350,922)	(19,333,759)
Acquisition of other intangible assets	(4,472,149)	(3,621,062)	(1,499,814)	(2,440,529)
Deposit of sale and purchase agreement for land held for development	-	67,594,500	-	67,594,500
Proceeds from sales of machinery and equipment	2,718,766	1,322,210	257,075	5,907
Proceeds from sales of intangible assests	29,656	-	-	-
Cash receipt from interest income	<u>3,075,537</u>	<u>3,389,630</u>	<u>1,062,862</u>	<u>922,739</u>
Net cash flows from investing activities	<u>324,562,618</u>	<u>43,568,305</u>	<u>335,579,535</u>	<u>56,098,858</u>
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	38,631,927	(128,148,706)	66,346,855	(145,039,966)
Cash receipt from bills of exchange	173,058,059	297,889,398	95,491,059	249,411,961
Repayment of bills of exchange	(280,000,000)	(455,000,000)	(180,000,000)	(405,000,000)
Increase in short-term loans from related parties	-	49,360,167	-	50,000,000
Cash receipt for short-term loans from unrelated individuals	-	48,250,000	-	48,250,000
Cash receipt for long-term loans	-	7,500,000	-	-
Repayment of long-term loans	(451,816,147)	(136,506,710)	(414,273,400)	(101,400,000)
Repayment of short-term loans from unrelated individuals	(50,000,000)	-	(50,000,000)	-
Cash receipt from issuance of convertible debenture	100,000,000	-	100,000,000	-
Cash paid for transaction costs of convertible debentures	(5,230,075)	-	(5,230,075)	-
Cash receipt from sales of treasury shares	43,482,352	-	43,482,352	-
Cash paid for financial service fee of long-term loans	-	(75,000)	-	-
Proceeds from increase in investments in subsidiary by non-controlling interests of the subsidiary	6,406,089	7,153,844	-	-
Cash paid to non-controlling interests of the subsidiary	<u>(178,120)</u>	<u>(110,896)</u>	<u>-</u>	<u>-</u>
Net cash flows used in financing activities	<u>(425,645,915)</u>	<u>(309,687,903)</u>	<u>(344,183,209)</u>	<u>(303,778,005)</u>
Increase in translation adjustment	<u>50,179,379</u>	<u>17,242,644</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>178,820,679</u>	<u>(237,338,050)</u>	<u>147,174,444</u>	<u>(198,209,807)</u>
Cash and cash equivalents at beginning of year	<u>218,027,335</u>	<u>455,365,385</u>	<u>107,985,651</u>	<u>306,195,458</u>
Cash and cash equivalents at end of year	<u>396,848,014</u>	<u>218,027,335</u>	<u>255,160,095</u>	<u>107,985,651</u>

Supplemental cash flow information

Non-cash transactions

Transferred convertible debentures to ordinary shares and share premium	40,221,617	-	40,221,617	-
Conversion of related party trade and other receivable to investment in subsidiary	-	-	169,184,000	-

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 2018

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 Tai 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 11 October 2016, 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>2018</u>	<u>2017</u>
			Percent	Percent
<u>Held by the Company</u>				
Primagold International Co., Ltd.	Distribution of jewelry	Thailand	100	100
Crystalline Co., Ltd.	Manufacture and distribution of jewelry	Thailand	96	96
Pranda Lodging Co., Ltd.	Dormitory rental	Thailand	83	83
Pranda North America, Inc.	Distribution of jewelry	U.S.A.	100	100
H.GRINGOIRE s.a.r.l.	Distribution of jewelry	France	100	100

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2018</u>	<u>2017</u>
			Percent	Percent
Pranda UK Ltd.	Distribution of jewelry	United Kingdom	100	100
Pranda Vietnam Co., Ltd.	Manufacture and distribution of jewelry	Vietnam	100	100
Pranda & Kroll GmbH & Co. KG	Ceased its operation in 2018 and in the process dissolution	Germany	75	75
Pranda Jewelry Private Limited	Distribution of jewelry	India	51	51
Pranda Trading (Shenzhen) Limited	Ceased its operation in 2015 and in the process dissolution	China	100	100
Guangzhou Pangda Zhubao Shoushi Youxian Gongsi	Ceased its operation in 2013 and dissolution completed in 2018	China	-	100
<u>Held by the subsidiaries</u>				
KSV Brand GmbH (Held by Pranda & Kroll GmbH & Co. KG)	Ceased its operation in 2013 and in the process dissolution	Germany	75	75
PDU (UK) Limited (Held by Pranda UK Limited)	Ceased its operation in 2016	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., its subsidiary, entered into an agreement with the shareholders of PT Pranda Marketing Indonesia, assigning control over the financial and operating policies of PT Pranda Marketing Indonesia to Primagold International Co., Ltd., 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. 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 present investments in subsidiaries and associated company under the cost method.

3. New financial reporting standards

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

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries’ financial statements.

(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2019

The Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company and its subsidiaries believe that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard involves changes to key principles, as summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related Interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Company and its subsidiaries are currently evaluating the impact of this standard to the financial statements in the year when it is adopted.

(c) Financial reporting standards related to financial instruments that will become effective for fiscal years beginning on or after 1 January 2020

During the current year, the Federation of Accounting Professions issued a set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Accounting standard:

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries are currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

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.

Dividends

Dividends are recognised when the right to receive the dividends is established.

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 or 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 is accounted for in the consolidated financial statements using the equity method.
- d) Investments in subsidiaries and associated company 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 Assets held for sale

Non-current asset is classified as asset held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use, the asset is available for immediate distribution in its present condition and a sale is considered highly probable. Asset held for sale is not depreciated while it is classified as held for sale and is measured at the lower of the carrying amount and fair value less cost to sell.

4.9 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. Amortisation is included in determining income.

4.10 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.

4.11 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.

4.12 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.

4.13 Related party transactions

Related parties comprise individuals or that enterprises 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 or enterprises 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.

4.14 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.

4.15 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.

4.16 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.

4.17 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.

Past service costs are recognised in profit or loss on the earlier of the data of the plan amendment or curtailment and the data that the Company recognises restructuring-related costs.

4.18 Convertible debentures

Disclosure and Presentation of Financial Instruments requires the entity to make the decision at the time the instrument is initially recognised according to the substance of the contract and the definitions of financial liability and equity instrument.

The convertible debentures are presented at amortised cost until the conversion or maturity of the debentures. The options are presented at fair value until exercise of conversion right to ordinary shares.

Expenses for issuance debentures were deducted from convertible debentures and amortised over the life of the debentures.

4.19 Treasury shares

Treasury shares are stated at cost and presented as a deduction from shareholders' equity. If the selling price of treasury shares is greater than the purchase price of treasury shares, the Company recognises the difference under the caption of "Premium on treasury shares". If the selling price of treasury shares is less than the purchase price of treasury shares, the difference is initially deducted from premium on treasury shares, with the remainder deducted against retained earnings.

4.20 Share-based payment

Issues and offerings of equity instruments of the Company to various parties (including employees) are recognised as share-based payment transactions, unless the issuance is clearly for a purpose other than payment for goods or services supplied to the Company.

The Company records the excess of the fair value of the shares at the transfer date over the transfer price as an expense in profit or loss, and as surplus on for share-based payment transactions in shareholder's equity.

4.21 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.

4.22 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) are 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.

4.23 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.

Allowance for diminution in value of inventory

The determination of allowances for diminution in the value of inventory, requires management to make judgements and estimates. The allowance for decline in net realisable value is estimated based on the selling price expected in the ordinary course of business less the estimated costs to complete the sales; and provision for obsolete, slow-moving and deteriorated inventories that is estimated based on the approximate aging of each type of inventory.

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 assessments by the Revenue Department and litigation

The subsidiary has contingent liabilities as a result of tax assessments by the Revenue Department and contingent liabilities as a result of litigation. The management has used judgement to assess of the results of the litigation and believes that no loss will result. Therefore no contingent liabilities are recorded as at the end of reporting period.

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		Separate		
	financial statements		financial statements		Transfer pricing policy
	2018	2017	2018	2017	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	690	985	Normal business price close to those charged to other customers
Purchases of goods and raw materials	-	-	230	280	With reference to market price
Loan interest income	-	-	3	4	Per loan agreement
Guarantee fee income	-	-	4	4	At 1 percent per annum
Service income	-	-	9	17	Agreed between the parties
Management fee income	-	-	22	27	Agreed between the parties
Service expenses	-	-	2	3	Agreed between the parties
Commission payments	-	-	2	3	Agreed between the parties
Purchases of machinery and equipment	-	-	-	2	Agreed between the parties
<u>Transactions with associated company</u>					
Purchases of raw materials	98	171	98	171	With reference to market price
Service income	1	1	1	1	Agreed between the parties
<u>Transactions with the Company's directors/ related companies</u>					
Sales of goods	24	13	13	8	Normal business price close to those charged to other customers
Purchase of goods	57	58	3	1	With reference to market price
Loan interest income	3	2	-	-	Per loan agreement
Service income	1	1	1	1	Agreed between the parties
Service expenses	-	1	-	-	Agreed between the parties
Loan interest expenses	4	-	4	-	Per loan agreement
Purchases of machinery and equipment	1	1	-	-	Agreed between the parties

As at 31 December 2018 and 2017, 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>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<u>Trade accounts receivable - related parties (Note 8)</u>				
Subsidiaries	-	-	681	785
Related companies (related by common directors)	45	37	44	36
Total	45	37	725	821
Less: Allowance for doubtful accounts	(33)	(29)	(274)	(212)
Total trade accounts receivable - related parties, net	<u>12</u>	<u>8</u>	<u>451</u>	<u>609</u>
<u>Other receivables - related parties (Note 8)</u>				
Subsidiaries	-	-	54	223
Related companies (related by common directors)	2	2	2	1
Subsidiary and related company's directors	13	11	8	5
Total	15	13	64	229
Less: Allowance for doubtful accounts	(2)	(1)	(26)	(180)
Total other receivables - related parties, net	<u>13</u>	<u>12</u>	<u>38</u>	<u>49</u>
<u>Accrued interest income - related parties (Note 8)</u>				
Subsidiaries	-	-	30	28
Related company (related by common directors)	1	-	-	-
Total	1	-	30	28
Less: Allowance for doubtful accounts	-	-	(27)	(25)
Total accrued interest income - related parties, net	<u>1</u>	<u>-</u>	<u>3</u>	<u>3</u>
<u>Amounts due from related parties</u>				
Subsidiary and related company's directors	5	8	5	8
Total amounts due from related parties, net	<u>5</u>	<u>8</u>	<u>5</u>	<u>8</u>
<u>Trade and other payables - related parties (Note 21)</u>				
Subsidiaries	-	-	32	35
Related companies (related by common directors)	23	26	-	-
Total trade and other payables - related parties	<u>23</u>	<u>26</u>	<u>32</u>	<u>35</u>

During the year 2018, the Company has recorded reversal of allowance for doubtful accounts for its trade and other receivables - related parties in the income statement of the separate financial statements for the year 2018, a total of Baht 90 million (2017: recorded allowance for doubtful accounts Baht 143 million).

Loans to related parties

As at 31 December 2018 and 2017, the balances of loans between the Company and those related parties and the movement are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<u>Short-term loans to related parties</u>				
Subsidiaries	-	-	62	48
Related companies (related by common directors)	42	26	-	-
Total	42	26	62	48
Less: Allowance for doubtful accounts	-	-	(19)	(20)
Total short-term loans to related parties, net	42	26	43	28
<u>Long-term loans to related parties</u>				
<u>Subsidiaries</u>				
Long-term loans	-	-	527	561
Less: Allowance for doubtful accounts	-	-	(205)	(218)
Long-term loans, net of current portion	-	-	322	343

During the year 2018, movements of loans to related parties were as follow:

(Unit: Million Baht)

		Consolidated financial statements				
Short-term loans	Related by	Balance as at 31 December 2017	Increase during the year	Decrease during the year	Unrealised gain on Exchange rate	Balance as at 31 December 2018
A-List Corporate Co., Ltd.	The Director related to the Company's director	23	-	-	-	23
Supree Holding Co., Ltd.	Shareholders related to the Company's director	3	-	-	-	3
PT Sumberkreasi Ciptalogam	The Director is the subsidiary's director	-	15	-	1	16
Total short-term loans		26	15	-	1	42

(Unit: Million Baht)

		Separate financial statements				
Short-term loans	Related by	Balance as at 31 December 2017	Increase during the year	Decrease during the year	Unrealised loss on Exchange rate	Balance as at 31 December 2018
Pranda & Kroll GmbH & Co. KG	Subsidiary	20	-	-	(1)	19
H. GRINGOIRE s.a.r.l.	Subsidiary	28	-	-	(1)	27
PT Pranda Marketing Indonesia	Subsidiary	-	16	-	-	16
Total short-term loans		48	16	-	(2)	62

(Unit: Million Baht)

		Separate financial statements				
Long-term loans	Related by	Balance as at 31 December 2017	Increase during the year	Decrease during the year	Unrealised loss on Exchange rate	Balance as at 31 December 2018
Pranda & Kroll GmbH & Co. KG	Subsidiary	27	-	-	(1)	26
Pranda UK Ltd.	Subsidiary	338	-	-	(23)	315
H. GRINGOIRE s.a.r.l.	Subsidiary	196	-	-	(10)	186
Total long-term loans		561	-	-	(34)	527

Short-term loans to related parties

Consolidated financial statements

As at 31 December 2018, a local subsidiary (Pranda Lodging Co., Ltd.) granted short-term loans of Baht 23 million (2017: Baht 23 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 a short-term loan of Baht 3 million (2017: 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.

During the current year, the Company granted a short-term loan to a subsidiary, PT Pranda Marketing Indonesia amounting to USD 0.5 million or approximately Baht 16 million and the subsidiary granted a short-term loan to a related company, PT Sumberkreasi Ciptalogam amounting to USD 0.5 million or approximately Baht 15 million. The loan granted to the related company is unsecured and subject to interest at rate of 7.5 percent per annum. This loan is repayable within December 2019.

Separate financial statements

Short-term loans to subsidiaries

As at 31 December 2018, the Company granted a short-term loan to a subsidiary, Pranda & Kroll GmbH & Co. KG, of EUR 0.5 million or approximately Baht 19 million (2017: EUR 0.5 million or approximately Baht 20 million). This loan is subject to interest at the rate of 7.5 percent per annum. This loan is unsecured and principal and interest are payable within March 2019. However, the Company has considered to fully record allowance for doubtful accounts for its short-term loans and accrued interest income.

As at 31 December 2018, the Company granted a short-term loan of EUR 0.7 million or approximately Baht 27 million (2017: EUR 0.7 million or approximately Baht 28 million), to its subsidiary, H.GRINGOIRE s.a.r.l.. This loan carries interest at 7.5 percent per annum and unsecured. Principal and interest are repayable within 2019.

Long-term loans to related parties

Consolidated financial statements

As at 31 December 2018, a local subsidiary granted a long-term loan of USD 2 million, or approximately Baht 65 million (2017: USD 2 million or approximately Baht 65 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 10 years (maturity in 2021 and 2025), 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.

In 2017, the subsidiary has ceased to calculate the said interest income of long-term loans because of the uncertainty in receiving repayments. The subsidiary has considered recording the allowance to be at the anticipated repayment amount of long-term loans and accrued interest income. (A total of Baht 10 million of interest income under the long-term loan agreements were not recognised as income. Interest income for the year 2018 and 2017 amounting to Baht 5 million and Baht 5 million, respectively).

During the year 2018, the subsidiary has considered recording an allowance for doubtful debts at the recoverable amount. The local subsidiary recorded the allowance for doubtful debts of Baht 17 million in the income statement of the subsidiary's separate financial statements for the year 2018.

Separate financial statements

The Company granted a long-term loan of EUR 4.9 million and USD 0.2 million (2017: EUR 4.9 million and USD 0.2 million), to its subsidiary, H.GRINGOIRE s.a.r.l.. This loan carry interest at 7.5 percent per annum, have terms of 10 years and are unsecured.

The Company granted a long-term loan of GBP 3.9 million (2017: GBP 3.9 million), to a subsidiary, Pranda UK Ltd. This loan carry interest at 7.5 percent per annum, have terms of 10 years and are unsecured. In addition, the Company granted the long-term loan of GBP 3.8 million (2017: GBP 3.8 million), is repayable the principle and interest payment within December 2020.

The long-term loan of EUR 0.7 million (2017: EUR 0.7 million), granted to a subsidiary, Pranda & Kroll GmbH & Co. KG, is unsecured and repayable quarterly within 3 years, from March 2015 to April 2018. Interest was payable quarterly at a rate of 7.5 percent per annum. However, the Company has considered to fully record allowance for doubtful accounts for its long-term loans and accrued interest income, as described in Note 12.1 to the financial statements.

During the current year, the Company and its subsidiary, Pranda & Kroll GmbH & Co. KG, made an agreement to cease interest calculation of all loans which the Company granted to the subsidiary. This agreement became effective since 1 April 2018 onwards.



Long-term loans to its three subsidiaries were subject to interest rate of 7.5 percent per annum. During the year 2016, the Company ceased to calculate the said interest income of long-term loans because of the uncertainty in receiving repayments. The Company considered recording the allowance to be at the anticipated repayment amount of long-term loans and accrued interest income. (A total of Baht 107 million of interest income under the long-term loan agreements were not recognised as income. Interest income for the year 2018 and 2017 amounting to Baht 39 million and Baht 42 million, respectively).

Short-term loans from related parties

As at 31 December 2018, the Company had short-term loans from the Company's directors amounting to Baht 50 million. These loans are unsecured, and subject to interest at rate of 7.5 percent per annum. These loans are repayable within June 2019.

Directors and management's benefits

During the years ended 31 December 2018 and 2017, 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>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Short-term employee benefits	71	62	31	27
Post-employment benefits	2	1	1	1
Other long-term benefits	2	1	-	-
Total	<u>75</u>	<u>64</u>	<u>32</u>	<u>28</u>

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 36.3.1 to the financial statements.

7. Cash and cash equivalents

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash	17,961	15,325	616	1,618
Bank deposits	<u>378,887</u>	<u>202,702</u>	<u>254,544</u>	<u>106,368</u>
Total	<u>396,848</u>	<u>218,027</u>	<u>255,160</u>	<u>107,986</u>

As at 31 December 2018, bank deposits carried interests between 0.10 to 0.85 percent per annum (2017: between 0.10 to 0.85 percent per annum).

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	902	717	37,903	119,816
Past due				
Up to 3 months	6,201	2,864	81,386	83,791
3 - 6 months	778	2,100	84,447	128,599
6 - 12 months	2,899	1,433	188,640	90,133
Over 12 months	34,618	29,833	332,656	398,775
Total	45,398	36,947	725,032	821,114
Less: Allowance for doubtful debts	(32,811)	(28,671)	(273,641)	(212,391)
Total trade accounts receivable - related parties, net (Note 6)	12,587	8,276	451,391	608,723
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	246,553	195,416	104,644	88,243
Past due				
Up to 3 months	122,630	142,318	87,977	24,610
3 - 6 months	4,381	16,851	64	6,436
6 - 12 months	23,070	12,424	-	233
Over 12 months	28,252	46,357	22,793	28,373
Total	424,886	413,366	215,478	147,895
Less: Allowance for doubtful debts	(36,564)	(44,176)	(23,873)	(28,373)
Total trade accounts receivable - unrelated parties, net	388,322	369,190	191,605	119,522
Total trade accounts receivable, net	400,909	377,466	642,996	728,245

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<u>Other receivables</u>				
Other receivables - related parties (Note 6)	15,317	12,532	64,101	229,101
Other receivables - unrelated parties	16,889	14,166	572	692
Accrued interest income - related parties (Note 6)	1,011	-	29,868	27,983
Accrued interest income	2,321	2,260	2,177	2,120
Total	35,538	28,958	96,718	259,896
Less: Allowance for doubtful debts	(5,486)	(4,794)	(54,642)	(207,437)
Total other receivables, net	30,052	24,164	42,076	52,459
Total trade and other receivables, net	430,961	401,630	685,072	780,704

9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Finished goods	1,233,185	1,292,907	(108,247)	(122,383)	1,124,938	1,170,524
Work in process	192,003	280,571	-	-	192,003	280,571
Raw materials	449,641	496,330	(91,798)	(95,902)	357,843	400,428
Factory supplies	12,914	14,089	(9)	-	12,905	14,089
Goods in transit	17,783	2,179	(10,640)	-	7,143	2,179
Total	1,905,526	2,086,076	(210,694)	(218,285)	1,694,832	1,867,791

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Finished goods	293,538	283,815	(72,378)	(68,097)	221,160	215,718
Work in process	183,439	271,766	-	-	183,439	271,766
Raw materials	432,018	478,010	(89,645)	(93,990)	342,373	384,020
Factory supplies	8,594	9,225	-	-	8,594	9,225
Goods in transit	-	61	-	-	-	61
Total	917,589	1,042,877	(162,023)	(162,087)	755,566	880,790

During the current year, the Company and its subsidiaries reduced cost of inventories by Baht 12 million (2017: Baht 26 million) (The Company only: Baht 4 million 2017: Baht 6 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 20 million (2017: Baht 10 million) (The Company only: Baht 4 million and 2017: Baht 6 million), and reduced the amount of inventories recognised as expenses during the year.

As at 31 December 2018, the Company has pledged most of the Company's inventories to secure credit facilities from commercial banks amounting to Baht 500 million. In addition, an overseas subsidiary company has pledged inventories of IDR 3,000 million or approximately Baht 7 million to secure credit facilities from an overseas commercial bank as described in Note 19 and Note 23 to the financial statements.

10. Assets held for sale

On 7 November 2017, the Company's Board of Directors passed a resolution for the Company to enter into a sale and purchase agreement for certain land held for development with an unrelated party. The Company received deposits on the same date. The management expects to transfer the ownership of the land held for development within 6 months from the agreement date.

Subsequently on 8 May 2018, the Company sold, transferred ownership of totaling of Baht 443 million and redeemed the land held for development pledged to secure credit facility from a commercial bank.

11. Restricted bank deposits

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

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	
	2018	2017		2018	2017	2018	2017
				(Percent)	(Percent)		
Pranda North America, Inc.	2	2	Thousand USD	100	100	120,283	120,283
H.GRINGOIRE s.a.r.l.	5	5	Million EUR	100	100	344,423	344,423
Pranda UK Ltd.	0.5	0.5	Million GBP	100	100	28,973	28,973
Pranda Vietnam Co., Ltd.	1.5	1.5	Million USD	100	100	48,180	48,180
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	Million USD	-	100	-	112,523
Pranda & Kroll GmbH & Co. KG	14.96	14.96	Million EUR	75	75	573,303	573,303
Pranda Jewelry Private Limited	150	150	Million Indian Rupee	51	51	213,439	44,255
Pranda Trading (Shenzhen) Limited	0.55	0.55	Million USD	100	100	17,437	17,437
Total						1,683,163	1,626,502
Less: Allowance for impairment of investments						(1,015,591)	(975,237)
Investments in subsidiaries, net						667,572	651,265

During 2018, no dividend income was received from its investments in subsidiaries.

During the current year, the Company record the impairment loss on investment in subsidiaries of Baht 153 million in the income statement (2017: Baht 3 million).

Subsidiary - Pranda & Kroll GmbH & Co. KG

On 13 February 2018, a meeting of the Company's Board of Directors passed a resolution to dissolve a subsidiary, Pranda & Kroll GmbH & Co. KG, since 13 February 2018 onwards. At present, the subsidiary is in the process of liquidation. 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 2017, the Company has made allowance for impairment loss on assets of this subsidiary totaling of Baht 386 million.

Subsidiary - Guangzhou Pangda Zhubao Shoushi Youxian Gongsi

On 27 September 2013, a meeting of the Company's Board of Directors passed a resolution to dissolve a subsidiary, Guangzhou Pangda Zhubao Shoushi Youxian Gongsi, on 27 September 2013. This subsidiary is not a significant segment of the Group, therefore, there is no significant impact on the consolidated financial statements. In addition, the Company has made full allowance for impairment loss on investment in this subsidiary.

Subsequently on 27 June 2018, the subsidiary was liquidated. The Company recorded loss on write-off net investment in this subsidiary in the separate income statement, and recorded gain on liquidation of subsidiary company of Baht 2 million in the consolidated income statement.

Subsidiary - Pranda Jewelry Private Limited

On 27 December 2018, an Indian subsidiary, Pranda Jewelry Private Limited, issued and offered to the Company 34,000,000 units of fully compulsorily convertible debentures, unsubordinated and unsecured, with a par value of Indian Rupee 10 each, or a total of Indian Rupee 340 million. All Debentures are to be converted into fully paid up equity shares of the subsidiary on the expiry of 5 years from the date of issue of debenture. 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 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.

However, the Company has considered to record this transaction for investments in subsidiaries because the debentures held by the investors shall automatically be converted into equity shares on the conversion date.

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		Loss allocated to non-controlling interests during the year	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	(%)	(%)				
Pranda & Kroll GmbH & Co. KG	25	25	(147)	(139)	(8)	(10)

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>2018</u>	<u>2017</u>
Current assets	18	53
Non-current assets	-	1
Current liabilities	234	230
Non-current liabilities	-	24

Summarised information about comprehensive income

(Unit: Million Baht)

	For the year ended 31 December	
	Pranda & Kroll GmbH & Co. KG	
	<u>2018</u>	<u>2017</u>
Revenue	56	61
Loss	(26)	(36)
Other comprehensive income	-	-
Total comprehensive income	(26)	(36)

Summarised information about cash flow

(Unit: Million Baht)

	For the year ended 31 December	
	Pranda & Kroll GmbH & Co. KG	
	<u>2018</u>	<u>2017</u>
Cash flow from (used in) operating activities	(1.9)	0.7
Cash flow from investing activities	2.6	-
Cash flow used in financing activities	(0.2)	(0.1)
Net increase in cash and cash equivalents	0.5	0.6

13. Investments in associated company

13.1 Details of associated company:

(Unit: Thousand Baht)

			Consolidated financial statements			
Company's name	Nature of business	Country of incorporation	Shareholding		Investment value	
			Percentage		- equity method	
			<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
			(Percent)	(Percent)		
KZ-Pranda Co., Ltd.	Import and distribution of raw materials - precious metals	Thailand				
- Cost			40	40	3,600	3,600
- Accumulated share of profit					6,547	5,379
Total carrying amounts based on equity method					10,147	8,979

(Unit: Thousand Baht)

			Separate financial statements							
Company's name	Nature of business	Country of incorporation	Shareholding		Cost		Allowance for impairment of investment		Carrying amounts based on cost method - net	
			percentage							
			<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
			(Percent)	(Percent)						
KZ-Pranda Co., Ltd.	Import and distribution of raw materials - precious metals	Thailand	40	40	<u>3,600</u>	<u>3,600</u>	<u>(3,600)</u>	<u>(3,600)</u>	<u>-</u>	<u>-</u>

13.2 Share of comprehensive income and dividend received

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

(Unit: Thousand Baht)		
Company's name	Consolidated financial statements	
	Share of profit from investment in associated company during the year	
	<u>2018</u>	<u>2017</u>
KZ-Pranda Co., Ltd.	<u>1,168</u>	<u>1,475</u>

13.3 Summarised financial information about material 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	
	2018	2017		2018	2017	2018	2017	2018	2017	2018	2017
KZ-Pranda Co., Ltd.	9	9	Million Baht	166	172	140	149	1,865	2,207	3	4

14. Other receivables

Other receivable is the promissory note totaling USD 1.55 million that were issued by overseas company. This promissory note is repayable in five years (maturity in April 2019), with no interest.

The outstanding balances as at 31 December 2018 and 2017 are presented below.

(Unit: Thousand Baht)		
	Consolidated / Separate financial statements	
	<u>2018</u>	<u>2017</u>
Promissory note	50,191	50,568
Less: Allowance for devaluation	(50,191)	(50,568)
Other receivable, net	<u>-</u>	<u>-</u>

15. Other long-term investments

Other long-term investments as at 31 December 2018 and 2017 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements			
	2018		2017	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Available-for-sale securities				
Overseas marketable equity securities	97,979	12,126	97,979	35,677
Less: Deficit on changes in value of investments in securities available for sales	(85,853)		(62,302)	
	12,126		35,677	
Other investments				
Overseas non-marketable equity securities	14,490		14,490	
Less: Impairment loss on other long-term investments	(13,350)		-	
	1,140		14,490	
Total other long-term investments	13,266		50,167	

(Unit: Thousand Baht)

	Separate financial statements			
	2018		2017	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Available-for-sale securities				
Overseas marketable equity securities	97,979	12,126	97,979	35,677
Less: Deficit on changes in value of investments in securities available for sales	(85,853)		(62,302)	
	12,126		35,677	
Other investments				
Overseas non-marketable equity securities	13,350		13,350	
Less: Impairment loss on other long-term investments	(13,350)		-	
	-		13,350	
Total other long-term investments	12,126		49,027	

16. Investment properties

The net book value of investment properties as at 31 December 2018 and 2017 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 2018:</u>						
Cost	576,952	67,498	644,450	576,952	9,476	586,428
<u>Less:</u> Accumulated depreciation	-	(55,264)	(55,264)	-	(8,876)	(8,876)
Net book value	576,952	12,234	589,186	576,952	600	577,552
<u>31 December 2017:</u>						
Cost	576,952	67,498	644,450	576,952	9,476	586,428
<u>Less:</u> Accumulated depreciation	-	(54,877)	(54,877)	-	(8,876)	(8,876)
Net book value	576,952	12,621	589,573	576,952	600	577,552

A reconciliation of the net book value of investment properties for the years 2018 and 2017 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Net book value at beginning of year	589,573	680,851	577,552	667,981
Transfer to assets held for sale (Note 10)	-	(90,429)	-	(90,429)
Depreciation during the year	(387)	(849)	-	-
Net book value at end of year	589,186	589,573	577,552	577,552

The fair value of the investment properties stated below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Land held for development	609,000	609,000	609,000	609,000
Land and building for rent	98,919	98,919	44,679	44,679

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 has mortgaged investment properties of the Company and a local subsidiary with a total net book value as at 31 December 2018 of approximately Baht 587 million (2017: Baht 588 million) as collateral against credit facilities which the Company received from commercial banks (The Company only: Baht 577 million, 2017: Baht 577 million).



17. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						
	Land	Land improvements	Buildings and building improvements	Leasehold improvements	Machinery and equipment	Furniture, Fixtures and office equipment	Assets under installation and under construction
Cost:							Total
1 January 2017	94,669	16,586	822,556	44,143	245,954	565,290	542
Additions	-	55	41	219	12,229	16,584	7,519
Disposals / write-off	-	-	(2,143)	(5,304)	(3,246)	(30,159)	-
Transfers	-	326	4,618	-	-	1,340	(6,284)
Translation adjustment	-	-	(5,749)	(306)	(1,938)	(3,434)	-
31 December 2017	94,669	16,967	819,323	38,752	252,999	549,621	1,777
Additions	-	-	-	267	933	12,880	3,186
Disposals / write-off	-	-	(180)	-	(31)	(11,479)	-
Transfers	-	-	338	-	-	4,285	(4,623)
Translation adjustment	-	-	(3,677)	(992)	(470)	(3,607)	-
31 December 2018	94,669	16,967	815,804	38,027	253,431	551,700	340
							1,802,616

17. Property, plant and equipment (continued)

Consolidated financial statements										(Unit: Thousand Baht)
	Land	Land improvements	Buildings and building improvements	Leasehold improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total	
Accumulated depreciation:										
1 January 2017	-	8,611	350,605	29,538	221,770	425,134	30,188	-	1,065,846	
Depreciation for the year	-	496	23,943	2,434	12,524	37,441	2,104	-	78,942	
Depreciation on disposals / write-off	-	-	(129)	(5,301)	(3,169)	(29,916)	(2,321)	-	(40,836)	
Translation adjustment	-	-	(3,568)	(274)	(712)	(2,482)	(1,265)	-	(8,301)	
31 December 2017	-	9,107	370,851	26,397	230,413	430,177	28,706	-	1,095,651	
Depreciation for the year	-	495	22,669	3,163	7,952	31,376	1,709	-	67,364	
Depreciation on disposals / write-off	-	-	(90)	-	(30)	(11,086)	(1,318)	-	(12,524)	
Translation adjustment	-	-	(504)	(629)	(452)	(2,553)	(142)	-	(4,280)	
31 December 2018	-	9,602	392,926	28,931	237,883	447,914	28,955	-	1,146,211	
Allowance for impairment loss:										
31 December 2017	-	-	-	-	-	11,833	-	-	11,833	
31 December 2018	-	-	-	-	-	11,833	-	-	11,833	
Net book value:										
31 December 2017	94,669	7,860	448,472	12,355	22,586	107,611	4,437	1,777	699,767	
31 December 2018	94,668	7,365	422,878	9,096	15,548	91,953	2,723	340	644,572	
Depreciation for the year										
2017 (Baht 37 million included in manufacturing cost, and the balance in selling and administrative expenses)									78,942	
2018 (Baht 31 million included in manufacturing cost, and the balance in selling and administrative expenses)									67,364	

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:							Total
1 January 2017	94,669	16,587	692,513	228,874	340,827	23,739	138
Additions	-	55	-	11,042	6,257	-	1,980
Disposals / write-off	-	-	(2,144)	(138)	(14,751)	-	-
Transfers	-	326	236	-	-	-	(562)
31 December 2017	94,669	16,968	690,605	239,778	332,333	23,739	1,556
Additions	-	-	-	765	4,259	3	324
Disposals / write-off	-	-	(180)	(31)	(3,436)	(514)	-
Transfers	-	-	338	-	1,202	-	(1,540)
31 December 2018	94,669	16,968	690,763	240,512	334,358	23,228	340
Accumulated depreciation:							
1 January 2017	-	8,611	295,237	203,477	247,503	18,765	-
Depreciation for the year	-	496	19,225	12,571	18,833	1,535	-
Depreciation on disposals /write-off	-	-	(130)	(138)	(14,568)	-	-
31 December 2017	-	9,107	314,332	215,910	251,768	20,300	-
Depreciation for the year	-	495	18,745	8,019	17,419	1,357	-
Depreciation on disposals /write-off	-	-	(90)	(30)	(3,337)	(386)	-
31 December 2018	-	9,602	332,987	223,899	265,850	21,271	-
							853,609

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 2017	-	-	-	-	11,833	-	11,833
31 December 2018	-	-	-	-	11,833	-	11,833
Net book value:							
31 December 2017	94,669	7,861	376,273	23,868	68,732	3,439	576,398
31 December 2018	94,669	7,366	357,776	16,613	56,675	1,957	535,396
Depreciation for the year							
2017 (Baht 27 million included in manufacturing cost, and the balance in selling and administrative expenses)							52,660
2018 (Baht 22 million included in manufacturing cost, and the balance in selling and administrative expenses)							46,035

As at 31 December 2018, 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 891 million (2017: Baht 857 million) (The Company only: Baht 689 million, 2017: Baht 662 million).

The Company and its subsidiaries have mortgaged their property, plant and equipment with a total net book value as at 31 December 2018 amounting to approximately Baht 431 million (2017: Baht 458 million) as collateral against credit facilities received from commercial banks (The Company only: Baht 374 million, 2017: Baht 393 million).

18. Intangible assets

The net book value of intangible assets as at 31 December 2018 and 2017 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 2017	70,923	3,402	74,325	40,316	3,402	43,718
Additions	3,621	-	3,621	2,441	-	2,441
Translation adjustment	147	-	147	-	-	-
As at 31 December 2017	74,691	3,402	78,093	42,757	3,402	46,159
Additions	4,472	-	4,472	1,500	-	1,500
Disposals	(171)	-	(171)	-	-	-
Translation adjustment	(1,483)	-	(1,483)	-	-	-
As at 31 December 2018	77,509	3,402	80,911	44,257	3,402	47,659
Accumulated amortisation:						
As at 1 January 2017	40,771	-	40,771	18,363	-	18,363
Amortisation during the year	4,497	-	4,497	1,478	-	1,478
Translation adjustment	147	-	147	-	-	-
As at 31 December 2017	45,415	-	45,415	19,841	-	19,841
Amortisation during the year	5,239	-	5,239	3,043	-	3,043
Amortisation on disposals	(142)	-	(142)	-	-	-
Translation adjustment	(1,363)	-	(1,363)	-	-	-
As at 31 December 2018	49,149	-	49,149	22,884	-	22,884
Allowance for impairment loss:						
31 December 2017	-	-	-	-	-	-
31 December 2018	-	3,302	3,302	-	3,302	3,302
Net book value:						
31 December 2017	29,276	3,402	32,678	22,916	3,402	26,318
31 December 2018	28,360	100	28,460	21,373	100	21,473

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

(Unit: Thousand Baht)

	Interest rate (percent per annum)		Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017	2018	2017
Bank overdrafts	3.35	MOR	1,498	15,160	-	15,160
Short-term loans from financial institutions	MLR - 2.75, 2.80 - 3.00, 5.25, 10.25	MLR - 2.50, 2.90, 5.50, 11.25	348,302	296,008	261,307	179,800
Total			349,800	311,168	261,307	194,960

Bank overdrafts and some part of short-term loans from financial institutions of the Company are secured by pledges most of inventories of the Company, mortgage of the Company's land with structures thereon, investment properties, and by the guarantee of the Company's directors.

Bank overdrafts and short-term loans from financial institutions of a local subsidiary company are guaranteed by the Company.

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

Short-term loan from financial institution of an overseas subsidiary is secured by pledges of some inventories of the subsidiary company, some assets of the subsidiary's director and a building of the non-controlling interest of the subsidiary company.

20. Bills of exchange

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2018	213,816	163,985
Add: Issuance of bills of exchange	180,000	100,000
Add: Amortisation of prepaid interest expenses	10,060	8,160
Less: Repayment	(280,000)	(180,000)
Less: Prepaid interest expenses	(6,942)	(4,509)
Balance as at 31 December 2018	116,934	87,636

Bills of exchange of the Company are subject to interest at rate of 7.75 percent to 8.25 percent per annum (2017: 6.75 percent to 8.25 percent per annum) and mature in January to July 2019 mortgage of the Company's land and a local subsidiary's investment properties, and the guarantee of the Company's director.

Bills of exchange of a local subsidiary company are subject to interest rate at 4.30 percent per annum (2017: 4.30 percent per annum) and mature in July 2019. There are no collateral on the bills of exchange.

21. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Trade and other payables - related parties (Note 6)	23,005	26,061	31,847	35,422
Trade payables - unrelated parties	610,847	478,665	442,869	335,677
Other payables - unrelated parties	17,151	27,269	4,305	10,791
Accrued expenses	63,127	61,096	25,874	19,691
Total trade and other payables	714,130	593,091	504,895	401,581

22. Short-term loans from unrelated individuals

Short-term loans from unrelated individuals of the Company as at December 2017 comprise short-term loans from individuals totaling Baht 50 million. These loans are subject to interest at rate of 7 percent per annum. The loans are secured by the guarantee of the Company's director. However, the Company made the repayment of these short-term loans during the first quarter of 2018.

23. Long-term loans

(Unit: Thousand Baht)

Loan	Interest rate (percent per annum)	Repayment schedule	Consolidated		Separate	
			financial statements		financial statements	
			2018	2017	2018	2017
1	MLR - 1.00	Quarterly installment as from April 2017 to July 2019	31,527	365,600	31,527	365,600
2	MLR - 0.50	Quarterly installment as from November 2012 to February 2019	20,000	64,800	20,000	64,800
3	MLR - 0.50	Quarterly installment as from October 2013 to April 2019	14,150	49,550	14,150	49,550
4	MLR - 1.25	Monthly installment as from July 2016 to June 2022	116,600	149,960	-	-
5	14.15 (2017: 13.25)	Monthly installment as from September 2013 to January 2029 (Indian Rupee loan)	11,491	13,094	-	-
6	10.25 (2017: 11.25)	Monthly installment as from June 2017 to May 2020 (Indonesian Rupiah loan)	4,280	6,860	-	-
Total			198,048	649,864	65,677	479,950
Less: Deferred financial service fee			(1,479)	(1,901)	(429)	(543)
Total loans, net			196,569	647,963	65,248	479,407
Less: Current portion of long-term loans			(101,085)	(515,264)	(65,248)	(479,407)
Long-term loans, net of current portion			95,484	132,699	-	-

Movement of the long - term loan account during the year ended 31 December 2018 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2018	647,963	479,407
Less: Repayment	(451,816)	(414,273)
Add: Amortisation of deferred financial service fee	422	114
Balance as at 31 December 2018	196,569	65,248

The long-term loans of the Company are secured by pledges most of inventories of the Company, mortgage of land with structures, and investment properties, and by fixed deposits pledged with the bank and 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.

Since 31 December 2017, 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. Subsequently in April 2018, the Company obtained a letter granting a waiver for some conditions as at 31 December 2017 from the lender.

However, as at 31 December 2018, 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 is currently asking for a letter granting a waiver for some conditions from the lender.

Long-term loan of a local subsidiary company were granted by a local commercial bank. Such loan is secured by the mortgage of its office condominium units, and by the guarantees of the Company. The loan agreement contains covenants as specified in the agreement that, among other things, require the subsidiary to maintain certain debt to equity according to the agreement.

Long-term loan of an 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.

Long-term loan of an overseas subsidiary company, PT Pranda Marketing Indonesia, was granted by an overseas commercial bank for credit facilities. Such loan is secured by pledges of some inventories of the subsidiary company, some assets of the director of the subsidiary company, and a building of non-controlling interest of the subsidiary company.

24. Convertible debentures/Options

On 29 January 2018, the Extraordinary Shareholder's Meeting of the Company passed a resolution to approve on issuance and offering of the convertible debentures on a private placement basis in the amount of not exceeding Baht 500 million to Advance Opportunities Fund I. Details of the Company's convertible debentures are as follows:

Issuer of convertible debentures	Pranda Jewelry Public Company Limited
Total Principal amount of convertible debentures	<p>Not exceeding Baht 500 million divided into 3 tranches as follows:</p> <ol style="list-style-type: none">1) Tranche 1 Convertible debentures in the amount of not exceeding Baht 100 million divided into 20 equal sub-tranches, each of which is Baht 5 million.2) Tranche 2 Convertible debentures in the amount of not exceeding Baht 200 million divided into 40 equal sub-tranches, each of which is Baht 5 million.3) Tranche 3 Convertible debentures in the amount of not exceeding Baht 200 million divided into 20 equal sub-tranches, each of which is Baht 10 million.
Issuance of convertible debentures	<p>The period to issue the convertible debentures pursuant to the relevant rules is one year from the date the shareholders' meeting approves to issue the convertible debentures.</p> <p>The Company will issue the convertible debentures when the Company has sold the redeemed shares not having been sold under the share redemption project disseminated by the Company on 14 October 2015 or upon expiration of the period of sale of the said redeemed shares.</p>
Interest rate	1 percent per annum.
Maturity	Each tranche of the convertible debentures will have the period of 3 years upon the issuing date of the convertible debentures or any other period as determined by the Chairman of the Executive Committee or the person assigned by the Chairman of the Executive Committee depending on the market conditions at the time of issuing and offering of the convertible debentures each time.

Principal Repayment	Repayment in installments or in one installment upon maturity in accordance with the terms and conditions of the convertible debentures.
Conversion Price	90 percent of weighted average price per share of the Company shares for not less than 7 consecutive business days but not exceeding 15 consecutive business days immediately preceding the relevant exercise date.

During the current year, the Company issued and offered the Convertible Debentures to Advance Opportunities Fund I and Advance Credit Fund SPC - Golden Fund SP in the amount of Baht 50 million and Baht 50 million, respectively. These funds exercised the conversion rights under the Convertible in the amount of Baht 40 million. The number of shares to be issued for the exercise of conversion rights is 15,110,788 shares at the par value of Baht 1 each, so the total paid up capital to be increased for exercises of conversion rights is Baht 15,110,788 and the Company has registered the increase of the paid-up capital with the Ministry of Commerce.

The convertible debentures and options are summarised below.

	(Unit: Thousand Baht)
Nominal value of issue of convertible debentures	100,000
Less: Transaction costs	(16,341)
Less: Exercise of conversion rights	(35,778)
Add: Amortised - transaction cost	4,605
Balance as at 31 December 2018	<u>52,486</u>
	(Unit: Thousand Baht)
Nominal value of options	11,111
Less: Exercise of conversion rights	(4,444)
Balance as at 31 December 2018	<u>6,667</u>

Subsequently on 11 and 20 February 2019, Advance Opportunities Fund I exercised the conversion rights under the convertible in amount of Baht 1 million and Baht 1 million. The number of shares to be issued for the exercise of conversation rights is 1,054,239 shares at the par value of Baht 1 each, so the total paid up capital to be increased for exercises of conversion rights is Baht 1,054,239.

25. 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>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Defined benefit obligation at beginning of year	187,385	177,694	12,801	13,154	200,186	190,848
Included in statement of income:						
Current service cost	11,193	10,625	1,272	1,241	12,465	11,866
Past service cost	(12,707)	-	1,282	-	(11,425)	-
Interest cost	4,356	4,180	277	290	4,633	4,470
Actuarial (gain) loss arising from						
Demographic assumptions charges	-	-	303	-	303	-
Financial assumptions changes	-	-	(1,907)	-	(1,907)	-
Experience adjustments	-	-	(341)	-	(341)	-
Included in other comprehensive income:						
Actuarial (gain) loss arising from						
Demographic assumptions charges	(953)	-	-	-	(953)	-
Financial assumptions changes	(5,091)	-	-	-	(5,091)	-
Experience adjustments	3,754	43	-	-	3,754	43
Benefits paid during the year	(4,541)	(5,157)	(1,588)	(1,884)	(6,129)	(7,041)
Provision for long-term employee benefits at end of year	<u>183,396</u>	<u>187,385</u>	<u>12,099</u>	<u>12,801</u>	<u>195,495</u>	<u>200,186</u>

(Unit: Thousand Baht)

	Separate financial statements					
	Post-employment					
	benefits from		Other long-term			
	employee's retirement		employee benefits plan		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Defined benefit obligation at beginning						
of year	174,790	161,013	11,793	12,125	186,583	173,138
Included in statement of income:						
Current service cost	9,885	9,644	1,050	1,024	10,935	10,668
Past service cost	(12,660)	-	1,281	-	(11,379)	-
Interest cost	4,054	3,900	258	271	4,312	4,171
Transferred employee from its subsidiary	-	4,206	-	142	-	4,348
Actuarial (gain) loss arising from						
Demographic assumptions charges	-	-	328	-	328	-
Financial assumptions changes	-	-	(1,811)	-	(1,811)	-
Experience adjustments	-	-	(183)	-	(183)	-
Included in other comprehensive income:						
Actuarial (gain) loss arising from						
Demographic assumptions charges	(2,255)	-	-	-	(2,255)	-
Financial assumptions changes	(4,669)	-	-	-	(4,669)	-
Experience adjustments	4,900	-	-	-	4,900	-
Benefits paid during the year	<u>(3,164)</u>	<u>(3,973)</u>	<u>(1,446)</u>	<u>(1,769)</u>	<u>(4,610)</u>	<u>(5,742)</u>
Provision for long-term employee						
benefits at end of year	170,881	174,790	11,270	11,793	182,151	186,583

The Company and its subsidiaries expect to pay Baht 10 million of long-term employee benefits during the next year (Separate financial statements: Baht 10 million) (2017: Baht 13 million, separate financial statements: Baht 10 million).

As at 31 December 2018, the weighted average duration of the liabilities for long-term employee benefit is 10 - 18 years (Separate financial statements: 10 years) (2017: 10 - 17 years, separate financial statements: 10 years).

Key actuarial assumptions used for the valuation are as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	(Percent per annum)	(Percent per annum)	(Percent per annum)	(Percent per annum)
Discount rate	1.60 - 8.75	1.60 - 7.50	2.75	2.50
Salary increase rate	0.50 - 10.00	0.50 - 10.00	5.00	5.00

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 2018 and 2017 are summarised below:

(Unit: million Baht)

	As at 31 December 2018			
	Consolidated financial statements		Separate financial statements	
	Increase 0.5 - 1%	Decrease 0.5 - 1%	Increase 0.5%	Decrease 0.5%
Discount rate	(9)	10	(9)	9
Salary increase rate	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
	22	(22)	21	(21)

(Unit: million Baht)

	As at 31 December 2017			
	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)	8
Salary increase rate	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
	23	(20)	21	(19)

On 13 December 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation at a rate of not less than 400 day's compensation at the latest wage rate. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional liabilities for long-term employee benefits of Baht 46 million (The Company only: Baht 43 million). The Company and its subsidiaries will reflect the effect of the change by recognising past services costs as expenses in the income statement of the period in which the law is effective.

26. Warrants to purchase new ordinary shares of the Company

26.1 Warrants to purchase new ordinary shares to existing shareholders

On 29 January 2018, the Extraordinary Shareholder's Meeting of the Company passed a resolution to approve the following matters.

- 1) Approval on issuance and offering of the warrants to purchase ordinary shares of the Company No.2 (PDJ-W2) to the existing shareholders at the total number of 25,595,562 units to maintain the shareholding proportion of the existing shareholders at the ratio of 16 existing ordinary shares to 1 unit of warrant at no cost, with the exercise price of Baht 1 per share. Subsequently on 8 February 2018, the Company issued the 25,594,557 units of PDJ-W2 to the existing shareholders of the Company. The warrants have an exercise period of 1 year from the date of issue, and are exercisable for one time on the date of the first anniversary of the issuance of the warrants. The first and the last exercise dates are on 7 February 2019.
- 2) Approval on issuance and offering of the warrants to purchase ordinary shares of the Company No.3 (PDJ-W3) to the existing shareholders at the total number of 25,595,563 units to maintain the shareholding proportion of the existing shareholders at the ratio of 16 existing ordinary shares to 1 unit of warrant at no cost and with the exercise price of Baht 1 per share. Subsequently on 8 February 2018, the Company issued the 25,594,557 units of PDJ-W3 to the existing shareholders of the Company. The warrants have an exercise period of 2 years from the date of issue, and are exercisable for one time on the date of the second anniversary of the issuance of the warrants. The first and the last exercise dates are on 7 February 2020.
- 3) Approval issuance and offering of the warrants to purchase ordinary shares of the Company No.4 (PDJ-W4) to the existing shareholders at the total number of 51,191,125 units to maintain the shareholding proportion of the existing shareholders at the ratio of 8 existing ordinary shares to 1 unit of warrant at no cost and with the exercise price of Baht 1 per share. Subsequently on 8 February 2018, the Company issued the 51,190,390 units of PDJ-W4 to the existing shareholders of the Company. The warrants have an exercise period of 3 years from the date of issue, and are exercisable for one time on the date of the third anniversary of the issuance of the warrants. The first and the last exercise dates are on 7 February 2021.

26.2 Warrants to purchase new ordinary shares of the Company issued to the directors and employees of the Company (ESOP)

On 29 January 2018, the Extraordinary Shareholder's Meeting of the Company passed a resolution to approve issuance and offering of the warrants to purchase ordinary shares of the Company to its directors and employees of the Company No.2 at the total number of 20,476,450 units at no cost and with the exercise price of Baht 4 per share and with the term not exceeding 3 years from issuance date of the warrants.

On 14 August 2018, the Board of Director Meeting of the Company passed a resolution to approve the allocation and determine any other detail regarding the issuance of the warrants to purchase ordinary shares of the Company to its directors and employees of the Company (PDJ ESOP-2). Details of the warrants are summarised below.

Warrants issuing date	14 August 2018
Term of warrants	3 years from the issuance date
Warrants expiring date	14 August 2021
Amount of warrants (Units)	20,476,450
Exercise ratio	One unit of the Warrants for one ordinary share
Exercise price	Baht 4 per share unless the exercise ratio is otherwise adjusted pursuant to the conditions concerning the right adjustment.
Exercise period	Once a year on the date of each anniversary of the issuance of the Warrants.
First Exercise date	14 August 2019
Last Exercise date	14 August 2021
Proportion for Exercise	<p>The First Exercise: To exercise the accrued right not exceeding 25 percent of the Warrants which allocated to each holder by the Company.</p> <p>The Second Exercise: To exercise the accrued right not exceeding 50 percent of the Warrants which allocated to each holder by the Company (inclusive of first and second exercises).</p> <p>The Third Exercise: To exercise the accrued right not exceeding 100 percent of the Warrants which allocated to each holder by the Company. (inclusive of first to third exercises)</p>

The average estimated fair value of each warrant granted is Baht 0.153. This was calculated by applying the Black-Scholes-Merton formula. The model inputs were the share price at price determination date of Baht 2.803, exercise price of Baht 4, expected volatility of 28.065 percent, contractual life of three years, and a risk-free interest rate of 1.578 - 1.961 percent.

As at 31 December 2018, the Company has the unissued warrants of ESOP totaling 627,500 units.

27. Share capital

On 29 January 2018, the Extraordinary Shareholder's Meeting of the Company passed a resolution to approve on the increase of the registered capital from the existing registered capital of Baht 409,529,000 to the new registered capital of Baht 634,769,950 by issuing 225,240,950 newly issued ordinary shares at the par value of Baht 1 per share for offering of the convertible debentures, warrants No.2, No.3, No.4 and warrants for its directors and employees No.2. The Company registered to increase the registered capital with the Ministry of Commerce on 7 February 2018.

Reconciliation of number of ordinary shares

During the current period, the movements of number of ordinary shares, paid-up capital and premium on ordinary shares of the Company are as follows:

	Number of ordinary shares (Thousand shares)	Paid-up capital (Thousand Baht)	Share premium (Thousand Baht)
<u>Issued and paid-up share capital</u>			
As at 1 January 2018	409,529	409,529	786,855
Increase in capital from exercising of the rights of the convertible debenture	15,111	15,111	25,111
As at 31 December 2018	424,640	424,640	811,966

28. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net 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.

29. 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 2017. 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. Until 27 April 2017, the end of the share repurchase period, treasury shares have been purchased back by the Company was 10,581,800 shares (par value of Baht 1 each), or 2.58 percent of total number of shares in issue, a total of Baht 49 million and the Company has already appropriated the required amount of retained earnings to a reserve for the treasury shares amounting to Baht 49 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.

During 24 January 2018 to 1 February 2018, the Company has sold all of the treasury shares, amounting to Baht 43 million and recognised deficit on treasury shares of Baht 6 million.

30. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Salaries and wages and other employee benefits	955,953	1,020,092	681,920	723,446
Depreciation and amortisation	76,906	86,773	49,077	54,138
Raw materials and consumables used and purchase				
of finished goods	1,046,405	1,231,638	1,013,416	1,165,158
Changes in inventories of finished goods and work				
in process	148,290	53,337	78,604	53,556
Decrease of inventory to net realisable value (reversal)	(7,591)	16,166	(64)	(155)
Doubtful accounts (reversal)	(3,157)	21,359	(110,700)	212,888
Commission and sales promotion expenses	67,915	66,072	8,728	10,913
Rental expenses from operating lease agreements	70,201	71,874	409	272

31. Income tax

Tax expenses (income) for the years ended 31 December 2018 and 2017 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current income tax:				
Current income tax charge for the year	25,897	4,545	17,843	-
Adjustment in respect of income tax of previous year	10,604	-	10,604	-
Deferred tax:				
Relating to origination and reversal of temporary differences	36,388	(6,975)	36,870	(6,859)
Tax expense (income) reported in the statements of income	<u>72,889</u>	<u>(2,430)</u>	<u>65,317</u>	<u>(6,859)</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2018 and 2017 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Deferred tax relating to actuarial gains (loss)	<u>458</u>	<u>(11)</u>	<u>405</u>	<u>-</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Accounting gain (loss) before tax	<u>210,328</u>	<u>(182,626)</u>	<u>113,672</u>	<u>(426,107)</u>
Applicable tax rate	15% - 33%	15% - 40%	20%	20%
Accounting gain (loss) before tax multiplied by income tax rate	17,204	(49,355)	22,734	(85,221)
Adjustment in respect of current income tax of previous year	10,604	-	10,604	-
Deferred tax assets which were not recognised during the year	34,393	55,942	18,561	89,041
Deferred tax assets which were not recognised in the previous year	-	(9,672)	-	(9,672)
Effects of changes in the tax rate	-	(113)	-	-
Effect of elimination entries on the consolidated financial statements	(2,225)	2,296	-	-
Effects of:				
Promotional privileges (Note 32)	(21,242)	-	(21,242)	-
Non-deductible expenses	35,604	1,674	35,574	1,607
Additional expense deductions allowed	(1,749)	(3,127)	(1,275)	(2,605)
Others	300	(75)	361	(9)
Total	<u>12,913</u>	<u>(1,528)</u>	<u>13,418</u>	<u>(1,007)</u>
Tax expenses (income) reported in the statements of income	<u>72,889</u>	<u>(2,430)</u>	<u>65,317</u>	<u>(6,859)</u>

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

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	<u>2018</u>	<u>2017</u>
Deferred tax assets		
Allowance for doubtful accounts	1,113	1,119
Reduce cost of inventories to net realisable value	500	500
Provision for long-term employee benefits	38,802	39,758
Difference between tax and accounting of revenue recognition	951	710
Unused tax loss	6,549	19,966
Unrealised profit from inter-sales transactions	7,485	7,279
Allowance for impairment of investments in subsidiaries	-	22,505
Total	55,400	91,837
Deferred tax liabilities		
Deferred financial service fee	779	371
Total deferred tax assets, net	54,621	91,466

	(Unit: Thousand Baht)	
	Separate financial statements	
	<u>2018</u>	<u>2017</u>
Deferred tax assets		
Allowance for doubtful accounts	1,054	1,053
Provision for long-term employee benefits	36,430	37,317
Unused tax loss	6,549	19,966
Allowance for impairment of investments in subsidiaries	-	22,505
Total	44,033	80,841
Deferred tax liabilities		
Deferred financial service fee	575	108
Total deferred tax assets, net	43,458	80,733

As at 31 December 2018, the Company has deductible temporary differences totaling Baht 1,924 million (2017: Baht 1,831 million), on which deferred tax assets have not been recognised as the Company believes future taxable profits may not be sufficient to allow utilisation of the temporary differences.

As at 31 December 2018, the subsidiaries have deductible temporary differences and unused tax losses totaling Baht 1,542 million (2017: Baht 1,579 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 Company and its subsidiaries had the unused tax losses amounting to Baht 167 million (the Company only: nil) which will expire by 2023.

32. Promotional privileges

32.1 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 2018 and 2017, divided between promoted and non-promoted operations, are summarised below.

	Promoted operations		Non-promoted operations		(Unit: Thousand Baht) Total	
	2018	2017	2018	2017	2018	2017
Sales						
Domestic sales	410,492	122,584	578,837	777,065	989,329	899,649
Export sales	45,723	144,544	1,008,221	1,165,555	1,053,944	1,310,099
Total sales	<u>456,215</u>	<u>267,128</u>	<u>1,587,058</u>	<u>1,942,620</u>	<u>2,043,273</u>	<u>2,209,748</u>

32.2 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 20% to 15% on income derived from the promoted operations for a period of 40 years from the date the promoted operations commenced generating revenues.

33. Earnings per share

Basic earnings per share is calculated by dividing profit (loss) for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing profit (loss) for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

The following tables set forth the computation of basic and diluted earnings per share:

	Consolidated financial statements					
	For the periods ended 31 December					
	Profit (loss) for the period		Weighted average number of ordinary shares		Earnings (loss) per share	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share						
Profit (loss) attributable to equity holders of the Company	167,682	(161,322)	417,867	398,947	0.4013	(0.4044)
Effect of potential ordinary shares						
Warrants (PDJ-W2)	-	-	14,648	-		
Warrants (PDJ-W3)	-	-	14,648	-		
Warrants (PDJ-W4)	-	-	29,297	-		
Convertible debentures	(582)	-	51,342	-		
	(582)	-	109,935	-		
Diluted earnings per share						
Profit (loss) of ordinary shareholders assuming the conversion of warrants to ordinary shares and convertible debentures	167,100	(161,322)	527,802	398,947	0.3166	(0.4044)

Separate financial statements					
For the periods ended 31 December					
Profit (loss) for the period		Weighted average number		Earnings (loss) per share	
		of ordinary shares			
<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company					
48,355	(419,248)	417,867	398,947	0.1157	(1.0509)
Effect of potential ordinary shares					
Warrants (PDJ-W2)	-	-	14,648	-	
Warrants (PDJ-W3)	-	-	14,648	-	
Warrants (PDJ-W4)	-	-	29,297	-	
Convertible debentures	(582)	-	51,342	-	
(582)	-	109,935	-		
Diluted earnings per share					
Profit (loss) of ordinary shareholders assuming the conversion of warrants to ordinary shares and convertible debentures					
47,773	(419,248)	527,802	398,947	0.0905	(1.0509)

An exercise price of the warrants to purchase ordinary shares of the Company to its directors and employees of the Company (PDJ ESOP-2) were higher than the average market price of the Company's shares for 2018. Therefore, the Company has not included the conversion of these warrants in the calculation of diluted earnings per share.

34. 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.

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 2018 and 2017.

	(Unit: Million Baht)									
	Production		Distribution		Retail		Others		Total Segments	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
For the years ended 31 December										
Revenues										
Revenues from external customers	1,402	1,282	476	683	916	948	-	-	2,794	2,913
Revenues from intersegment	671	964	5	1	200	243	-	5	876	1,213
Total revenues	2,073	2,246	481	684	1,116	1,191	-	5	3,670	4,126
Results										
Segment profit (loss)	49	33	(81)	(140)	46	28	(8)	(12)	6	(91)
Unallocated revenues and expenses										
Interest income										
Other income										
Gain on sales of assets held for sales										
Gain on liquidation of subsidiary										
Loss on exchange										
Share of profit from investment in associated company										
Depreciation and amortization										
Impairment loss on other long-term investments										
Finance cost										
Profit (loss) before income tax expenses										
Tax income (expenses)										
Profit (loss) for the year										

	Eliminations		Consolidated	
	2018	2017	2018	2017
	48	56	54	(35)
			4	4
			38	34
			334	-
			2	-
			(62)	(15)
			1	1
			(77)	(87)
			(13)	-
			(71)	(84)
			210	(182)
			(73)	2
			137	(180)

Geographic information

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

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2018</u>	<u>2017</u>
Revenue from external customers		
Thailand	1,379,297	1,250,891
United States of America	421,320	610,972
Germany	77,343	175,150
Others	915,888	875,845
Total	<u>2,793,848</u>	<u>2,912,858</u>

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2018</u>	<u>2017</u>
Non-current assets		
(other than financial instruments and deferred tax assets)		
Thailand	1,283,268	1,373,441
Others	94,873	105,372
Total	<u>1,378,141</u>	<u>1,478,813</u>

Major customers

For the year 2018, the Group has revenue from one major customers in totaling amount of Baht 511 million, arising from sales by the production segment (2017: Baht 668 million derived from two major customers, arising from sales by the production and distribution segment).

35. 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 2018, the Company contributed Baht 14 million to the fund (2017: Baht 14 million).

36. Commitments and contingent liabilities

36.1 Capital commitments

As at 31 December 2018, an overseas subsidiary company had capital commitments of Baht 1 million and INR 1 million, totaling of Baht 2 million relating to acquisition of building construction and building improvements (The Company only: Baht 1 million).

36.2 Operating lease commitments

The 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		Separate	
	financial statements		financial statements	
	As at 31 December		As at 31 December	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Payable:				
In up to 1 year	35	36	-	-
In over 1 and up to 5 years	25	21	-	-
In over 5 years	6	8	-	-

36.3 Guarantees

36.3.1 The Company has issued guarantees to secure bank overdrafts and credit facilities of its subsidiaries. As at 31 December 2018, there were outstanding guarantees of Baht 281 million and USD 6 million (2017: Baht 381 million and USD 6 million), totaling of Baht 475 million (2017: Baht 577 million).

36.3.2 As at 31 December 2018, there were outstanding bank guarantees of Baht 7.9 million (2017: Baht 7.9 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 7.7 million (2017: Baht 7.7 million)).

36.3.3 As at 31 December 2018, the Company and its subsidiaries have outstanding standby-letters of credit of USD 17.5 million, or approximately Baht 566 million (2017: USD 14 million, or approximately Baht 441 million)) (The Company only: USD 12.5 million, totaling Baht 405 million (2017: USD 7.5 million or approximately Baht 245 million)).

36.4 Litigations

36.4.1 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 issued by a bank on behalf of the Company to the Revenue Department in relation to the tax assessment.

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. On 7 March 2016, the Revenue Department submitted an appeal to the Supreme Court, Department of Taxation, and on 8 April 2016, the Company submitted a response to the appeal to the Supreme Court.

On 25 June 2018, the Supreme Court of tax department issued a judgement in the Revenue Department's favour, and ordered the Company to pay the tax amounting to Baht 11 million and surcharges amounting to Baht 10 million, totaling of approximately Baht 21 million to the Revenue Department. The Company recorded these expenses for this tax assessment in its account.

Subsequently on 24 August 2018, the Company paid the tax to the Revenue department and redeemed a bank guarantee issued by a bank on behalf of the Company in relation to the tax assessment on 27 September 2018.

36.4.2 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.

In March 2018, the Court in France issued a judgement that the subsidiary was guilty of unfair competition and dismissing the lawsuit relating to infringement of models, ordering the subsidiary to pay Euro 50,000 or approximately Baht 2 million in compensatory damages to the two companies incorporated in Switzerland. The subsidiary recorded provision for these damages in its accounts.

Later, in September 2018, the subsidiary paid the compensatory damages ordered by the France court. Two companies incorporated in Switzerland have submitted an appeal to the France court, to order prohibited the subsidiary to cease commercial activities and destroy all jewelry, production equipment and drawings which relate to disputed models and ordered the insertion of the judgement to come in publication. In December 2018, the subsidiary submitted an appeal with the Court in France.

As at 31 December 2018, this case is under the consideration of the Court in France. The management of the subsidiary believes that no material damages will affect the subsidiary. The subsidiary therefore does not record any provision for damages in its accounts.

36.4.3 Tax assessments of an overseas subsidiary

In 2017, the Indian tax authorities assessed sales tax of approximately INR 31 million or approximately Baht 14 million (including interest), covering the years 2010 - 2011, against the subsidiary company in India. The subsidiary appealed this assessment.

On 30 October 2017, Deputy Commissioner rejected the subsidiary's appeal against the official's assessment, and ordered the subsidiary to pay the tax and interest to the Indian tax authorities. Later, on 7 December 2017, the subsidiary therefore filed an appeal with the Tribunal petitioning to revoke this assessment, on the basis of a legal advisory's opinion to explain the tax assessments. However, the subsidiary placed a bond of 10 percent of the assessed sale tax amounting to INR 1.5 million or approximately Baht 0.8 million. The appeal is currently under the consideration of the Tribunal.

During the current year, Indian tax authorities assessed sales tax of approximately INR 2 million or approximately Baht 0.9 million (including penalty land interest), covering the years 2014 - 2016 against the subsidiary in India. The management of the subsidiary is in the process of filing an appeal with the Tribunal.

The management of the subsidiary believes that no material losses will incur. The subsidiary therefore does not record any provision for the tax assessment.

36.5 Service commitments

In 2017, the Company has entered into service agreement hiring a financing consultant. Under the conditions of the service agreement, the Company is to pay a service fee as stipulated in the agreement within 5 days from the date that the Company enter into the financial support agreement that binds a source of funds introduced by the consultant.

36.6 A commitment under trade credit insurance policy

The Company has entered into a commitment under trade credit insurance policy with an insurance company in which the Company is to pay the minimum insurance premium amounting to approximately Baht 1 million in 2018.

37. Fair value hierarchy

As at 31 December 2018 and 2017, 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			
As at 31 December 2018			
	Level 1	Level 2	Total
Assets measured at fair value			
Held for trade investments			
Equity instruments	12	-	12
Assets for which fair value are disclosed			
Investment property	-	708	708
Liabilities measured at fair value			
Options	7	-	7

(Unit: Million Baht)

Consolidated Financial Statements			
As at 31 December 2017			
	Level 1	Level 2	Total
Assets measured at fair value			
Held for trade investments			
Equity instruments	36	-	36
Assets for which fair value are disclosed			
Investment property	-	708	708



(Unit: Million Baht)

	Separate Financial Statements		
	As at 31 December 2018		
	Level 1	Level 2	Total
Assets measured at fair value			
Held for trade investments			
Equity instruments	12	-	12
Assets for which fair value are disclosed			
Investment property	-	654	654
Liabilities measured at fair value			
Options	7	-	7

(Unit: Million Baht)

	Separate Financial Statements		
	As at 31 December 2017		
	Level 1	Level 2	Total
Assets measured at fair value			
Held for trade investments	36	-	36
Equity instruments			
Assets for which fair value are disclosed			
Investment property	-	654	654

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, short-term loans 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, bills of exchange, 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 2018							
	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	1	-	-	170	226	397	0.10 - 0.85
Current investments - deposits with financial institutions	3	-	-	-	-	3	1.35
Trade and other receivables	6	-	-	-	425	431	8.00
Amount due from related parties	-	-	-	-	5	5	-
Short-term loans to related parties	42	-	-	-	-	42	7.00, 7.50
Restricted bank deposits	32	-	-	-	-	32	0.80 - 1.35
Other long-term investments	-	-	-	-	13	13	-
Total	84	-	-	170	669	923	
Financial liabilities							
Bank overdrafts and short-term loans from financial institutions	228	-	-	122	-	350	(1)
Bills of exchange	117	-	-	-	-	117	4.30 - 8.25
Trade and other payables	534	-	-	-	180	714	2.20
Short-term loan from related party	50	-	-	-	-	50	7.50
Long-term loans	3	5	8	181	-	197	(2)
Convertible debentures	-	52	-	-	-	52	1.00
Total	932	57	8	303	180	1,480	

(1) MLR - 2.75, 2.80 - 3.35, 5.25, 10.25

(2) MLR - 0.50, MLR - 1.00, MLR - 1.25, 10.25, 14.15

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2017

	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	1	-	-	138	79	218	0.10 - 0.85
Current investments - deposits with							
financial institutions	1	-	-	-	-	1	1.80
Trade and other receivables	4	-	-	-	398	402	8.00
Amount due from related parties	-	-	-	-	8	8	-
Short-term loans to related parties	26	-	-	-	-	26	7.00
Restricted bank deposits	31	-	-	-	-	31	0.55 - 1.80
Other long-term investments	-	-	-	-	50	50	-
Total	63	-	-	138	535	736	
Financial liabilities							
Bank overdrafts and short-term loans							
from financial institutions	236	-	-	75	-	311	(1)
Bills of exchange	214	-	-	-	-	214	4.30 - 8.25
Trade and other payables	374	-	-	-	219	593	2.20
Short-term loan from related party	50	-	-	-	-	50	7.50
Short-term loan from unrelated parties	49	-	-	-	-	49	7.00
Long-term loans	3	7	10	628	-	648	(2)
Total	926	7	10	703	219	1,865	

(1) MOR, MLR - 2.50, 2.90, 5.50, 11.25

(2) MLR - 0.50, MLR - 1.00, MLR - 1.25, 11.25, 13.25

(Unit: Million Baht)

Separate financial statements as at 31 December 2018

	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	-	-	-	91	164	255	0.10 - 0.85
Trade and other receivables	-	-	-	-	685	685	-
Amounts due from related parties	-	-	-	-	5	5	-
Short-term loans to related parties	43	-	-	-	-	43	7.50
Long-term loans to related parties	-	-	322	-	-	322	7.50
Restricted bank deposits	26	-	-	-	-	26	1.30
Other long-term investments	-	-	-	-	12	12	-
Total	69	-	322	91	866	1,348	
Financial liabilities							
Bank overdrafts and short-term loans							
from financial institutions	139	-	-	122	-	261	(1)
Bills of exchange	88	-	-	-	-	88	7.75 - 8.25
Trade and other payables	379	-	-	-	126	505	2.20
Short-term loans from related parties	50	-	-	-	-	50	7.50
Long-term loans	-	-	-	65	-	65	(2)
Convertible debentures	-	52	-	-	-	52	1.00
Total	656	52	-	187	126	1,021	

(1) MOR, MLR - 2.5, 5.5

(2) MLR - 0.50, MLR - 1.00

(Unit: Million Baht)

Separate financial statements as at 31 December 2017

	Fixed interest rates					Total	Interest rate (% per annum)
	Within	1-5	Over	Floating	Non-interest		
	1 year	years	5 years	interest rate	bearing		
Financial assets							
Cash and cash equivalents	-	-	-	103	5	108	0.10 - 0.85
Trade and other receivables	-	-	-	-	781	781	-
Amounts due from related parties	-	-	-	-	8	8	-
Short-term loans to related parties	28	-	-	-	-	28	7.50
Long-term loans to related parties	-	-	343	-	-	343	7.50
Restricted bank deposits	26	-	-	-	-	26	1.30
Other long-term investments	-	-	-	-	49	49	
Total	54	-	343	103	843	1,343	
Financial liabilities							
Bank overdrafts and short-term loans							
from financial institutions	120	-	-	75	-	195	(1)
Bills of exchange	164	-	-	-	-	164	7.50 - 8.25
Trade and other payables	249	-	-	-	153	402	2.20
Short-term loans from related parties	50	-	-	-	-	50	7.50
Short-term loans from unrelated parties	49	-	-	-	-	49	7.00
Long-term loans	-	-	-	479	-	479	(2)
Total	632	-	-	554	153	1,339	

(1) MOR, MLR - 2.5, 5.5

(2) MLR - 0.50, MLR - 1.00

Foreign currency risk

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

The balances of financial assets and liabilities denominated in foreign currencies are summarised below.

(Unit: Million)

Foreign currencies	Consolidated financial statements				Separate financial statements				Average exchange rate as at 31 December	
	Financial assets		Financial liabilities		Financial assets		Financial liabilities		2018	2017
	2018	2017	2018	2017	2018	2017	2018	2017		
(Baht per 1 foreign currency unit)										
US dollar	9	6	17	12	28	33	12	8	32.40	32.64
Euro	-	-	-	-	10	10	-	-	37.07	38.98
Pound Sterling	-	-	-	-	10	9	-	-	41.00	43.92

Foreign exchange contracts outstanding are summarised below.

Consolidated financial statements as at 31 December 2017			
Foreign currencies	Amount	Contractual exchange rate	Contractual maturity date
<u>Forward contracts to "Sell"</u>			
US dollar	1,354,119	32.47 - 33.40 Baht per US dollar	April - June 2018
<u>Forward contracts to "Buy"</u>			
US dollar	95,362	0.93 Euro per US dollar	March 2018
Separate financial statements as at 31 December 2017			
Foreign currencies	Amount	Contractual exchange rate	Contractual maturity date
<u>Forward contracts to "Sell"</u>			
US dollar	1,354,119	32.47 - 33.40 Baht per US dollar	April - June 2018

As at 31 December 2018, the Company and its subsidiaries had no outstanding balance of forward contract to hedged foreign exchange risk.

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, except for available-for-sale investments, are short-term in nature or carrying interest at rates close to the market 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 2018, the Group's debt-to-equity ratio was 0.78:1 (2017: 1.08:1) and the Company's debt-to-equity ratio was 0.45:1 (2017: 0.61:1).

40. Subsequent Events

On 7 February 2019, PDJ-W2 warrant holders exercised 24,586,765 warrants to purchase 24,586,765 newly issued ordinary shares with a par value of Baht 1, at an exercise price of Baht 1 per share. The Company received the cash of Baht 24,586,765 from the exercise of the warrants, and the Company registered the corresponding increase in its paid-up capital with the Ministry of Commerce on 15 February 2019.

41. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 27 February 2019.

Director and Management Biography



1. Mr. Prida Tiasuwan (Founding director)

Position	<ul style="list-style-type: none"> • Board Chairman (Appointed 6 June1990)
Age	<ul style="list-style-type: none"> • 70 Years
Education	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Director Accreditation Program (DAP), Class 37/2005 Thai Institute of Directors (IOD)
Work Experience	<ul style="list-style-type: none"> • Vice President of Thai Gem and Jewelry Traders Association for two times • Director of Listed and Authorized Companies Association • Director of Thailand-US Business Council • Director of The Thai Chamber of Commerce for two times • Board Chairman of Social Venture Network Asia (Thailand) • Director and Vice Chairman of International Colored 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 (DPF) • Director of 14 tula Foundation
Directorship	<ul style="list-style-type: none"> • Other listed companies <ul style="list-style-type: none"> - None - • Non-listed businesses <ul style="list-style-type: none"> - Chairman of Board of Pranda Group, 6 companies - Director of Pranda Group, 2 companies - Director & Treasurer May 1992 Memorial Foundation - Director of Global Compact Network Thailand
% of Shareholding as of 28 December 2018	<ul style="list-style-type: none"> • PDJ 21,996,420 shares or 5.18% of paid up shares



2. Mrs. Prapee Sorakraikitikul (Founding director)

Position	<ul style="list-style-type: none"> • Vice Chairman (Appointed 13 November 2014) • Finance & Risk Management Director • Nomination and Remuneration Director
Age	<ul style="list-style-type: none"> • 72 Years
Education	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Director Accreditation Program (DAP), Class 37/2005 Thai Institute of Directors (IOD)
Work Experience	<ul style="list-style-type: none"> • Director of the Thai Gold Card Importer & Exporter Association • Director of the Thai Gem and Jewelry Business Traders Association • Board of executive directors of The Gem and Jewelry Institute of Thailand (Public Organization) • Director of Businesswoman Committee of the Thai Chamber of Commerce • Board of director of trade promotion of the Thai Chamber of Commerce • Chairman, Sub Committee on Gems and Jewelry Business of the Thai Chamber of Commerce
Directorship	<ul style="list-style-type: none"> • Other listed companies <ul style="list-style-type: none"> - None - • Non-listed businesses <ul style="list-style-type: none"> - Chairman of Board of Pranda Group, 2 companies - Director of Pranda Group in 3 companies - Gem and Jewelry Business Development Committee of Thailand (GCT) Ministry of Commerce of Thailand - Board of directors of Gem and Jewelry Promotion Foundation - Operation Director of Thai - Vietnam Business Council
% of Shareholding as of 28 December 2018	<ul style="list-style-type: none"> • PDJ 7,400,060 shares or 1.74% of paid up shares



3. Mrs. Sunanta Tiasuwan (Founding director)

Position	<ul style="list-style-type: none"> • Director (Appointed 6 June1990) • Nomination and Remuneration Director
Age	<ul style="list-style-type: none"> • 69 Years
Education	<ul style="list-style-type: none"> • Ordinary National Diploma in Business Studies from Westminster University, England
Training attended with regard to roles and responsibilities of corporate directors	<ul style="list-style-type: none"> • Director Certificate Program (DCP), Class 22/2002 Thai Institute of Directors (IOD) • Top Executive Program, Capital Market Academy Class 11
Work Experience	<ul style="list-style-type: none"> • Vice President of Thai Gem and Jewelry Traders Association for two times • Director of Listed and Authorized Companies Association
Directorship	<ul style="list-style-type: none"> • Other listed companies <ul style="list-style-type: none"> - Chairman of Nomination and Remuneration Committee and Audit Committee of Eastern Star Real Estate Public Company Limited - Chairman of Audit Committee of Asian Seafoods Coldstorage Public Company Limited • Non-listed businesses <ul style="list-style-type: none"> - Chairman of Board of Pranda Group, 1 companies - Director of Pranda Group, 7 companies - Director of Bridge view Company Limited
% of Shareholding as of 28 December 2018	<ul style="list-style-type: none"> • PDJ 2,720,500 shares or 0.64 % of paid up shares





4. Mr. Pramote Tiasuwan (Founding director)

Position	<ul style="list-style-type: none"> • Director (Appointed 6 June1990) • Executive Director • Managing Director (Manufacturing) • Finance & Risk Management Director • Nomination and Remuneration Director
Age	<ul style="list-style-type: none"> • 68 Years
Education	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Courses by the Thai Institute of Directors (IOD) <ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> • Director of the Gem and Jewelry Industry Club of the Federation of Thai Industries
Directorship	<ul style="list-style-type: none"> • Other listed companies <ul style="list-style-type: none"> - None - • Non-listed businesses <ul style="list-style-type: none"> - Director of Pranda Group, 3 companies
% of Shareholding as of 28 December 2018	<ul style="list-style-type: none"> • PDJ 9,280,560 shares or 2.19 % of paid up shares



5. Mrs. Pranee Khunprasert (Founding director)

Position	<ul style="list-style-type: none"> • Director (Appointed 6 June 1990) • Chairman of Group Executive Committee • Managing Director (Marketing) • Finance & Risk Management Director • Nomination and Remuneration Director
Age	<ul style="list-style-type: none"> • 66 Years
Education	<ul style="list-style-type: none"> • Business Studies Course from Ealing Technical College, London, England
Training attended with regard to roles and responsibilities of corporate directors	<ul style="list-style-type: none"> • Director Accreditation Program (DAP), Class 26/2004 Thai Institute of Directors (IOD)
Directorship	<ul style="list-style-type: none"> • Other listed companies <ul style="list-style-type: none"> - None - • Non-listed businesses <ul style="list-style-type: none"> - Director of Pranda Group, 2 companies
% of Shareholding as of 28 December 2018	<ul style="list-style-type: none"> • PDJ 10,328,560 shares or 2.43% of paid up shares





6. Mrs. Panidda Tiasuwan (Founder)

Position	<ul style="list-style-type: none"> • Advisor to the Company's Board of Directors (Appointed 1 January 2017) • Nomination and Remuneration Director
Age	<ul style="list-style-type: none"> • 75 Years
Education	<ul style="list-style-type: none"> • Amatayanukul school and language study in England
Training attended with regard to roles and responsibilities of corporate directors	<ul style="list-style-type: none"> • Director Accreditation Program (DAP), Class 25/2004 Thai Institute of Directors (IOD)
Directorship	<ul style="list-style-type: none"> • Other listed companies <ul style="list-style-type: none"> - None - • Non-listed businesses <ul style="list-style-type: none"> - Chairman of Board of Pranda Group, 1 company
% of Shareholding as of 28 December 2018	<ul style="list-style-type: none"> • PDJ 20,232,960 shares or 4.76% of paid up shares



7. Ms. Pittaya Tiasuwan (Founding director)

Position	<ul style="list-style-type: none"> • Director (Appointed 6 June 1990) • Executive Director • Deputy Managing Director (Manufacturing) • Finance & Risk Management Director
Age	<ul style="list-style-type: none"> • 64 Years
Education	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Director Accreditation Program (DAP), Class 26/2004 Thai Institute of Directors (IOD)
Directorship	<ul style="list-style-type: none"> • Other listed companies <ul style="list-style-type: none"> - None - • Non-listed businesses <ul style="list-style-type: none"> - Director of Pranda Group, 2 company
% of Shareholding as of 28 December 2018	<ul style="list-style-type: none"> • PDJ 18,451,160 shares or 4.35% of paid up shares





8. Mr. Verachai Tantikul

Position

- Independent Director (Appointed 25 March 2005)
- Chair of Audit Committee
- Chair of Nomination and Remuneration Committee

Age

- 76 Years

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
 - Tax Advisor of the Siam Commercial Bank Public Company Limited
- Non-listed businesses
 - Director of the SCB Life Assurance Public Company Limited
 - Director of the Petroleum Committee under the Petroleum Law

% of Shareholding as of 28 December 2018

- None -



9. Mrs. Rawittha Pongnuchit

Position	<ul style="list-style-type: none"> • Independent Director (Appointed 14 August 2012) • Member of the Audit Committee
Age	<ul style="list-style-type: none"> • 69 Years
Education	<ul style="list-style-type: none"> • LL.B. Ramkhamhaeng University • M. Pol. Sc. Thammasart University
Training attended with regard to roles and responsibilities of corporate directors	<ul style="list-style-type: none"> • Director Certificate Program (DCP) Class 59/ 2005 Thai Institute of Directors (IOD) • The Training Program for High Level Executive 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	<ul style="list-style-type: none"> • Inspector-General, Ministry of Finance • Deputy Director-General, the Revenue Department • Director of Bureau of Tax Appeals, the Revenue Department • Lawyer 9 (Expert in protection and counter destroying of the tax system), Office of Tax Auditing, the Revenue Department • Deputy Finance Ministry Spokesman • The Revenue Department Spokesman • Secretary to the Revenue department • Subcommittee member, The Agreement Audit, Ministry of Transportation and Communication • Clearing Director of Thai Asset Management Corporation • Chairman of the Audit Committee / Director of KTB Law Co., Ltd. • 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
Directorship	<ul style="list-style-type: none"> • Other Listed Companies <ul style="list-style-type: none"> - Independent Director and Chairman of the Audit Committee of Solartron Public Company Limited - Independent Director, Audit Committee and Chairman of the Sub-Committee on Law Committee of Synnex (Thailand) Public Company Limited - Independent Director and Chairman of the Audit Committee of Sakol Energy Public Company Limited • Non-listed businesses <ul style="list-style-type: none"> - President of the Thai Duty Free Shop Trade Association - Board of Chairman of Chankham Residence Co., Ltd. - Board of Chairman of Pootra Corporation Co., Ltd. - Independent Director, Chair of the Audit Committee of NamHeng Concrete (1992) Co., Ltd. - Director of the Fiscal Policy Research Institute Foundation (FPRI) - Advisor of the Institute of Management Consultants Association of Thailand - Advisor of the Economics and Finance Academy - Advisor of the Capital Market Academy Alumni Association - Director of the Capital Market Academy Alumni Association - Chairman of the Class 59 of the Director Certificate Program (DCP59) - Director of Class 1, Top Executive program in Commerce and Trade (TEPCOT)
% of Shareholding as of 28 December 2018	- None -



10. Mr. Chamnong Watanagase

Position	<ul style="list-style-type: none"> • Independent Director (Appointed 25 March 2014) • Member of the Audit Committee
Age	<ul style="list-style-type: none"> • 67 Years
Education	<ul style="list-style-type: none"> • 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 • The School of Law Thmmasat University Graduate Study Program (1978 - 80)
Training attended with regard to roles and responsibilities of corporate directors	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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 • Advisor, 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) • Advisor (Director, 2011-2015) of Thai Investors Association) • Director and past president, Rotary Club of Bangkok (chartered in 1927)

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)

% of Shareholding as of 28 December 2018

- PDJ 92,200 shares or 0.02% of paid up shares





11. Mr. Chanat Sorakraikitikul

Position

- Executive Director
- Chair of Finance & Risk Management Committee

Age

- 40 Years

Education

- Bachelor of Arts in Business Administration, Babson College, USA
- Master of Arts in Accounting, University of Virginia, USA

Training attended with regard to roles and responsibilities of corporate directors

- 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
- Certificate of Director Accreditation Program (DAP), Class 131/2016 Thai Institute of Directors (IOD)

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

% of Shareholding as of 28 December 2018

- PDJ 466,000 shares or 0.11% of paid up shares



12. Mr. Decha Nuntanajaroenkul

Position

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

Age

- 59 Years

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 -

% of Shareholding as of 28 December 2018

- None -





13. Prof. Dr. Channarong Pronrunroj

Position	<ul style="list-style-type: none"> • Chair of Core Values & CSR Committee • Executive Director • Deputy Managing Director (Manufacturing)
Age	<ul style="list-style-type: none"> • 63 Years
Education	<ul style="list-style-type: none"> • Ed.D. (Art) from Illinois State University, Illinois, USA.
Training attended with regard to roles and responsibilities of corporate directors	<ul style="list-style-type: none"> • National Defence College of Thailand • King Prajadhipok's Institute • Bhumi Palang Phandin, Chulalongkorn University • Advanced Security Management Course
Work Experience	<ul style="list-style-type: none"> • Dean of Faculty of Fine and Applied Arts, Chulalongkorn University • Director of the Office for National Education Standards and Quality Assessment (Public Organization) • State Officer, Office of the Prime Minister, Government House • President of ASESN Quality Assurance Network (AQAN)
Directorship	<ul style="list-style-type: none"> • Other listed companies - None - • Non-listed businesses - President of the Art for All Foundation - Committee of Internal Quality Assurance, Office of the Higher Education Commission (OHEC) - Committee of the Knowledge and Innovation Development, Moral Promotion Center (Public Organization)
% of Shareholding as of 28 December 2018	- None -



14. Mr. Dusit Chongsutthanamanee

Position	<ul style="list-style-type: none"> • Finance & Risk Management Director • Corporate Secretary
Age	<ul style="list-style-type: none"> • 47 Years
Education	<ul style="list-style-type: none"> • B.Eng. (Second Class Honor), Mahanakorn University of Technology • MBA in Finance, Kasetsart University
Training attended with regard to roles and responsibilities of corporate directors	<ul style="list-style-type: none"> • Company Secretary Program (CSP) 74/2016, Thailand Institute of Directors (IOD) • Director Accreditation Program (DAP), Class 137/2017, Thai Institute of Directors (IOD)
Work Experience	<ul style="list-style-type: none"> • Financial Advisor, FPM Consultant Company Limited • Lecturer of "Certificate of Business Advisor", Kasetsart University • Lecturer of "Certificate of Intelligent Investor", Kasetsart University • Lecturer of "Concise Business Advisor", FPM Consultant Company Limited • Lecturer of "Concise Intelligent Investor", FPM Consultant Company Limited
Directorship	<ul style="list-style-type: none"> • Other listed companies <ul style="list-style-type: none"> - Independent Director / Chairman of Audit Committee / Chairman of Nomination and Remuneration Committee of DOD Biotech Public Company Limited • Non - listed companies <ul style="list-style-type: none"> - Executive Director, Siri Assets Company Limited - Director, Kin Author Company Limited
% of Shareholding as of 28 December 2018	- None -



Details of Directors and Executives

The name of the Subsidiary Companies	The list of the Board of Directors	PRANDA	Subsidiary Companies										Associated Companies		Related Companies		
			Country			Foreign							Country	P.Holding	Forward Freeland	Country	SCL
			*PMG	CTL	PLG	*PNA	HGG	PUK	PVN	PKL	PDI	PMI					
1. Mr. Prida	Tiasuan	X	X + ⊕	X + ⊕		/ + //	X	/	X	⊕	X + ⊕			X + ⊕	/		X + ⊕
2. Mrs. Prapee	Sorakraikittikul	▷		/ + //	/ + //	X + ⊕		X + //	▷				X + //	/			
3. Mrs. Sunanta	Tiasuan	/	/ + //	/ + //		/ + //	//	/ + //	/	X + //	/	//	/ + //		/	/ + //	
4. Mr. Pramote	Tiasuan	◆ + / + //		/ + //	/ + //				/ + ⊕					/	/		
5. Mrs. Pranee	Khunprasert	● + ○ + /	▷ + // + ●	/ + //						//	//	//		/	/		//
6. Mrs. Panidda	Tiasuan			/ + //	X + ◇									/			
7. Mr. Verachai	Tantikul	* + /															
8. Mrs. Rawitha	Pongnuchit	/															
9. Mr. Chamnong	Watanagase	/															
10. Ms. Pittaya	Tiasuan	/ + //	/ + //		/ + //		//				//			/			
11. Mr. Chanat	Sorakraikittikul	⊙ + //	/ + //			// + ●			//	//	/ + //	/ + //		/			
12. Mr. Decha	Nuntanajaroenkul	//				//	⊕	⊕	//								
13. Prof.Dr. Channarong	Pornrungrroj	// + □															

Note : 1. X = Chairman ▷ = Vice Chairman / = Director // = Executive * = Chairman of Adit 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)
O = Managing Director (Marketing) ◇ = Managing Director ⊙ = Managing Director (Acting)

2. Report only of directors of subsidiaries which contribute over 10% of total revenues including * PMG, PNA

PRANDA = Pranda Jewelry PCL. PKL = Pranda & Kroll GmbH Co. KG
PMG = Primagold International Co., Ltd. PDI = Pranda Jewelry Pvt Ltd.
CTL = Crystalline Co., Ltd. PMI = PT Pranda Marketing Indonesia
PLG = Pranda Lodging Co., Ltd. KZ – PRANDA = KZ-Pranda Co., Ltd.
PNA = Pranda North America, Inc. P.Holding = Pranda Holding Co.,Ltd.
HGG = H.Gringoire s.a.r.l. Forward Freeland = Forward Freeland Co., Ltd.
PUK = Pranda UK Ltd. SCL = P.T. Sumberkreasi Ciptalogam
PVN = Pranda Vietnam Co.,Ltd.



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.

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