

BUILDING RESILIENCE

Pranda Jewelry Public Company Limited
Annual Report 2020



PRANDA
GROUP

The past 47 years
We have operated sustainably
with our shared core values.



Through the years we endeavored to overcome the limitations of craftsmanship by committing our best in crafting creative and high-quality jewelry. Specialized work processes that underscore precision in each step were implemented to cater to the needs of fine jewelry consumers.

The core values of Pranda, namely: teamwork, continuous improvement and stakeholder focus -have procured Pranda to be a sustainable organization and the trusted supplier for successful customers worldwide.



Contents

Vision	3
Building Resilience	4
Group Structure	12
Financial Highlights	14
Message from Chairman	16
Board of Directors and Advisors / Board of Group Executive Committee	18
Managing Directors	20
Group Organization Chart	22
PRANDA's Direction	23
Brief History and Honorary Rewards of PRANDA Group	24
Policy and Business Overview	37
Our Business	41
Risk Factors	48
General Information and Other Important Information	53
Shareholders	58
Dividend Policy	60
Management Structure	62
Corporate Governance	77
Corporate Social Responsibility	124
Report of the Audit Committee	146
Internal Control and Risk Management	148
Related Party Transactions	151
Management discussion and Analysis	153
Report of the Board of Directors' Responsibilities to Financial Report	162
Independent Auditor's Report	163
Financial Statements	169
Director and Management Biography	260
Details of Directors and Executives	274



Vision

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



ANDA
P.P.

BUILDING RESILIENCE

Pranda Group has continuously adjusted the business strategy since 2015, both in terms of business restructuring and financial and risk management to build immunity for the Group. The business restructure has enabled production, distribution and retail base to cope with rapidly changing environment; while the financial and risk management has strengthened the group's financial position and clearly recovered its liquidity, leading the Group to become resilient in responding efficiently to various situations both business opportunities and threats.

Upon the Coronavirus disease 2019 (COVID-19) pandemic in past 2020, the situation reflected the capabilities of the Company in being substitutable and resilient to the economic crisis and being well prepared to immediately resume its operations once the business opportunities emerge. The resilience of each business base is thus described as follows:





Building Production Resilience

During the second half of 2020, the Company was able to get its business recovered after suspension and slowdown of the situations effected from the COVID-19 pandemic happened on the first half of 2020. Accordingly, such recovery was resulted from the adjustment of production capacity to be resilient in response to the strategic customer base focusing on “Affordable Fine Jewelry” customer group which has been growing continuously. Also, the Company’s strengths on high expertise of mass craftsmanship production have been greatly emphasized to serve the increasing needs of potential key customers.

The risk management conducted on marketing, production as well as strict financial controls resulted in sufficient liquidity in running production base operations and achieving employment retention of valued skillful craftsmen. These outcomes significantly reflected strong corporate culture in overcoming the crisis by its own. In addition, the



flexibility in production capacity to meet the needs of new potential customers and fast changing situations has been developed along with the utilization of operations management and technology to improve production process in order to be effective and consistently maintain good standard.

For 2021, the Company is prepared to cope with both positive and negative factors remaining in the world economy by focusing on creating flexibility in production capacity management to be in line with the continuously growing “Affordable Fine Jewelry” strategic customer group. Also, the Company continues to build a diverse customer base both in terms of customer business types and regional diversity in America, Europe and Asia to diversify potential future risks. The strategy on co-working with customers in form of Strategic Partner is continued towards long-term planning with key customers. Aside from enhancing opportunities in creating mutual benefits, such strategy can reduce the risk in raw material cost management and lead to full utilization of production capacity and more.



Building Distribution Resilience

The Company has downsized its unprofitable distribution due to economic problems. At the end of the first quarter of 2018, the subsidiary based in Germany was liquidated. The business downsizing also began in the first quarter of 2018 on the US-based subsidiary as well as the dissolution of distribution subsidiaries based in UK and France in the second quarter of 2019 to restructure the unprofitable operations base.

The business downsizing of mentioned distribution bases led to more effective management on operating expenses, resulting in the capability of reducing investment burden and ongoing operating loss as well as increasing liquidity to the Group. In the meantime, the groups of key customers in these markets are still retained through direct order methods issued to the production base which can minimize the communication process and can respond to the customer needs in much faster and more accurate way.



For 2021, the Company is still managing the business downsizing and restructuring of production base to be in line with changing market conditions. Additionally, the strict control on reduction of operating expenses is applied to liquidate unprofitable business base and to manage operating expenses for continual efficiency.



Building Retail Resilience

In the first half of 2020, the revenue contributed from retail base was inevitably decreased as a result of the government's imposition of lockdown measures. However, in the second half of the year, the sales volume gradually increased from the competitiveness of own brand "PRIMA", designed with concept to meet the lifestyle of new generation of consumers focusing mainly in Asia with potential economic growth.

The COVID-19 epidemic is a key factor in accelerating many companies to focus on selling through digital platform. During the lockdown, the Company rapidly applied the resilience in management by modifying and expanding sales through E-commerce and Social Commerce channels which are both competitive and potential for future growth. As a result, the Company was able to compensate the partial loss of revenue contributed from physical stores.



Concurrently, the tight control on selling and administrative expenses and inventory management has resulted in sufficient liquidity for running the business operations of retail base.

For 2021, the Company is focusing on business expansion through 2 key channels namely retail and e-channel. For retail channel, the Company is geared towards developing business expansion through own retailers and authorized retailers. For e-channel, the business is driven through expansion of distribution base through own e-commerce and online marketplaces, especially in UK and Europe, to respond to the shift of consumer purchasing behavior from traditional stores to online channels. The business goals are thus set towards expanding customer base, building brand trust as well as developing and launching new products that are more diverse to serve the markets.



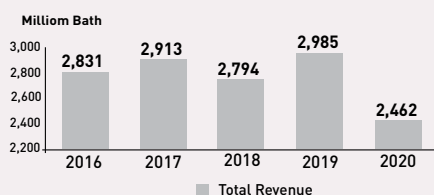
GROUP STRUCTURE

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
61%	15%	5%	11%	34%	40%
To implement economies of scales in jewelry 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 3 million pieces/ per year. The Company also has the design and development center which can broadly meet the customers' needs.		The Company has subsidiaries as distribution base in two countries: the United States and India. Also, the company liquidate subsidiary in Germany and downsize subsidiary in United States together with discontinue distribution section in UK and France in order to decreased distribution base which not generate profits. As a result, distribution base has more efficient on cost management resulted in reducing on investment cost and operating loss together with enhancement liquidity of the Group.		The company has subsidiaries that are experienced in retail management, including its own retail shops and distribution though 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)	

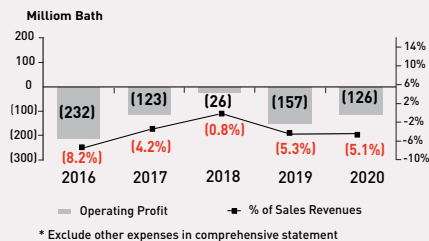
Financial Perspective

Total Revenue



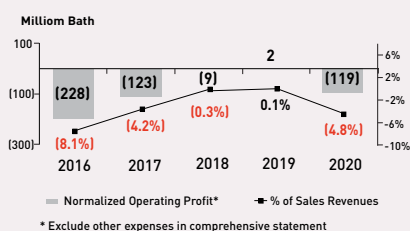
Financial Perspective

Operating Profit

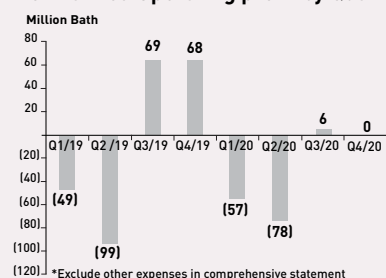


Financial Perspective

Normalized Operating Profit

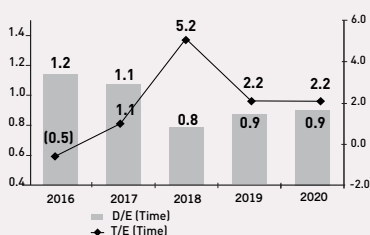


Normalized Operating profit by Quarter*

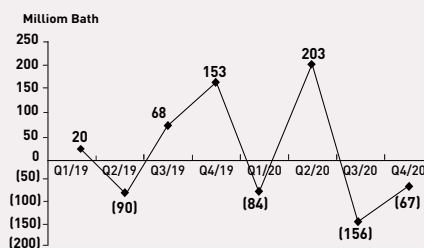


Financial Perspective

Financial Risks



Net Cash Flow





 **PRANDA**
GROUP

Financial Highlights

Consolidated Financial Statements	2020	2019	2018	2017	2016
FINANCIAL PERFORMANCE					
Sales Revenue (Million Baht)	2,462	2,985	2,794	2,913	2,831
Gross Profit (Million Baht)	550	784	881	828	786
Gross Profit Margin	22.32%	26.25%	31.54%	28.44%	27.77%
EBITDA ^{/1} (Million Baht)	(27)	(83)	51	(36)	(142)
EBITDA Margin	(1.10%)	(2.78%)	1.82%	(1.23%)	(5.03%)
Operating Loss ^{/2} (Million Baht)	(126)	(157)	(26)	(123)	(232)
Operating Loss Margin ^{/3}	(5.13%)	(5.26%)	(0.93%)	(4.21%)	(8.21%)
Profit (Loss) to Equity holders of the Company (Million Baht)	(95)	(241)	168	(161)	(283)
Profit (Loss) Margin to Equity holders of the company	(3.86%)	(8.09%)	6.00%	(5.54%)	(10.00%)
FINANCIAL POSITION (Million Baht)					
Current Assets	2,430	2,651	2,621	2,646	2,972
Total Assets	4,041	4,018	4,054	4,217	4,741
Current Liabilities	1,464	1,491	1,423	1,853	2,182
Total Liabilities	1,917	1,874	1,774	2,188	2,536
Total shareholders' equity	2,124	2,144	2,280	2,029	2,204
RATE OF RETURN					
ROA ^{/4}	(1.33%)	(6.28%)	3.32%	(4.02%)	(6.73%)
ROCE ^{/5}	(0.95%)	(5.45%)	(3.05%)	(3.43%)	(5.89%)
ROE ^{/6}	(4.22%)	(10.05%)	7.17%	(7.05%)	(11.23%)
RISKS					
Current Ratio (Times)	1.66	1.78	1.84	1.43	1.36
Quick Ratio ^{/7} (Times)	0.56	0.65	0.56	0.32	0.41
Times Interest Earned ^{/8} (Times)	2.16	2.24	5.24	1.11	(0.46)
Debt to Equity Ratio (Times)	0.90	0.87	0.78	1.08	1.15
DATA PER SHARE					
Book Value Per Share	4.43	5.00	5.74	5.53	5.93
Earnings (Loss) Per Share to Equity holders of the Company	(0.19)	(0.52)	0.39	(0.40)	(0.71)
Dividend Per Share ^{/9}	-	-	-	-	-
Paid-up Shares (Million Shares)	491.16	462.40	424.64	409.53	409.53

Note :

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

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

^{/3} Operating Loss Margin = Operating 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

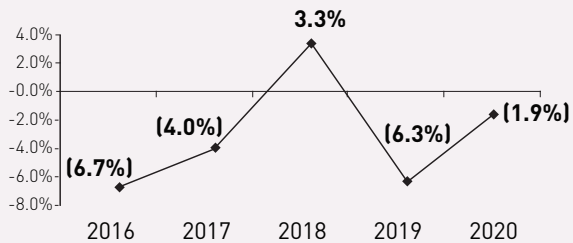
^{/7} Quick Ratio = (Cash and Cash at Bank + Marketable Security + Net Account Receivable and Net Notes Receivable) / Current Liability

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

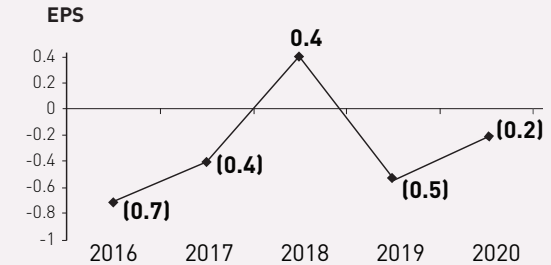
^{/9} For the fiscal year 2020, the Board of Directors approved to propose to the Shareholder's Meeting for consideration of approval the dividend payment from retained earnings of net profit of year 2012

Financial Highlights

Return on Assets

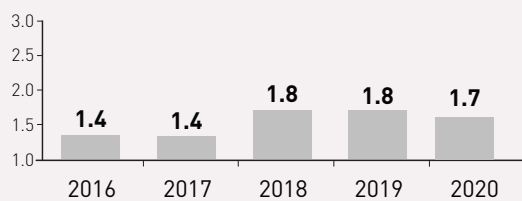


Earnings(Loss) Per Share to Equity holders of the company



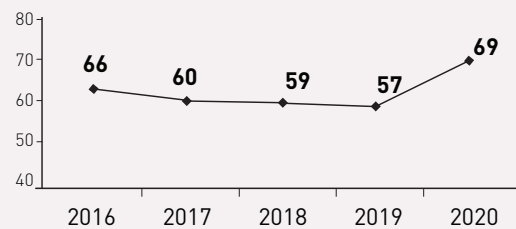
Current Ratio

Times



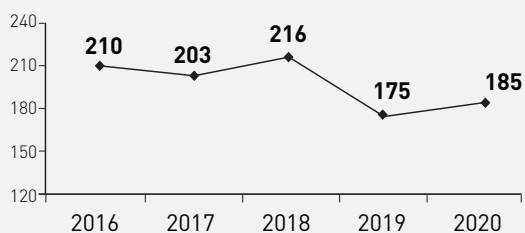
Account Receivable Days

Days



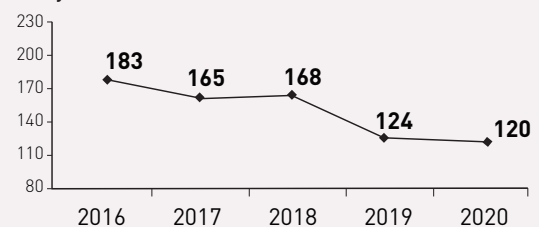
Inventory Turnover Days

Days



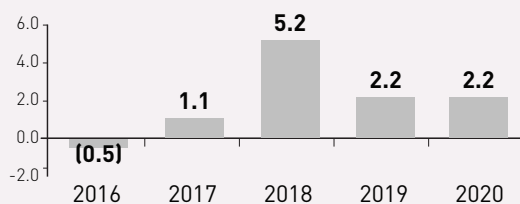
Cash Cycle

Days



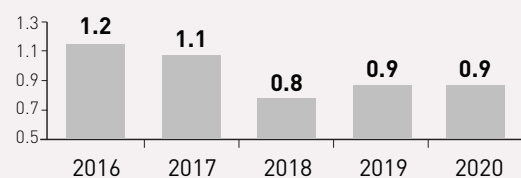
Times Interest Earned

Times

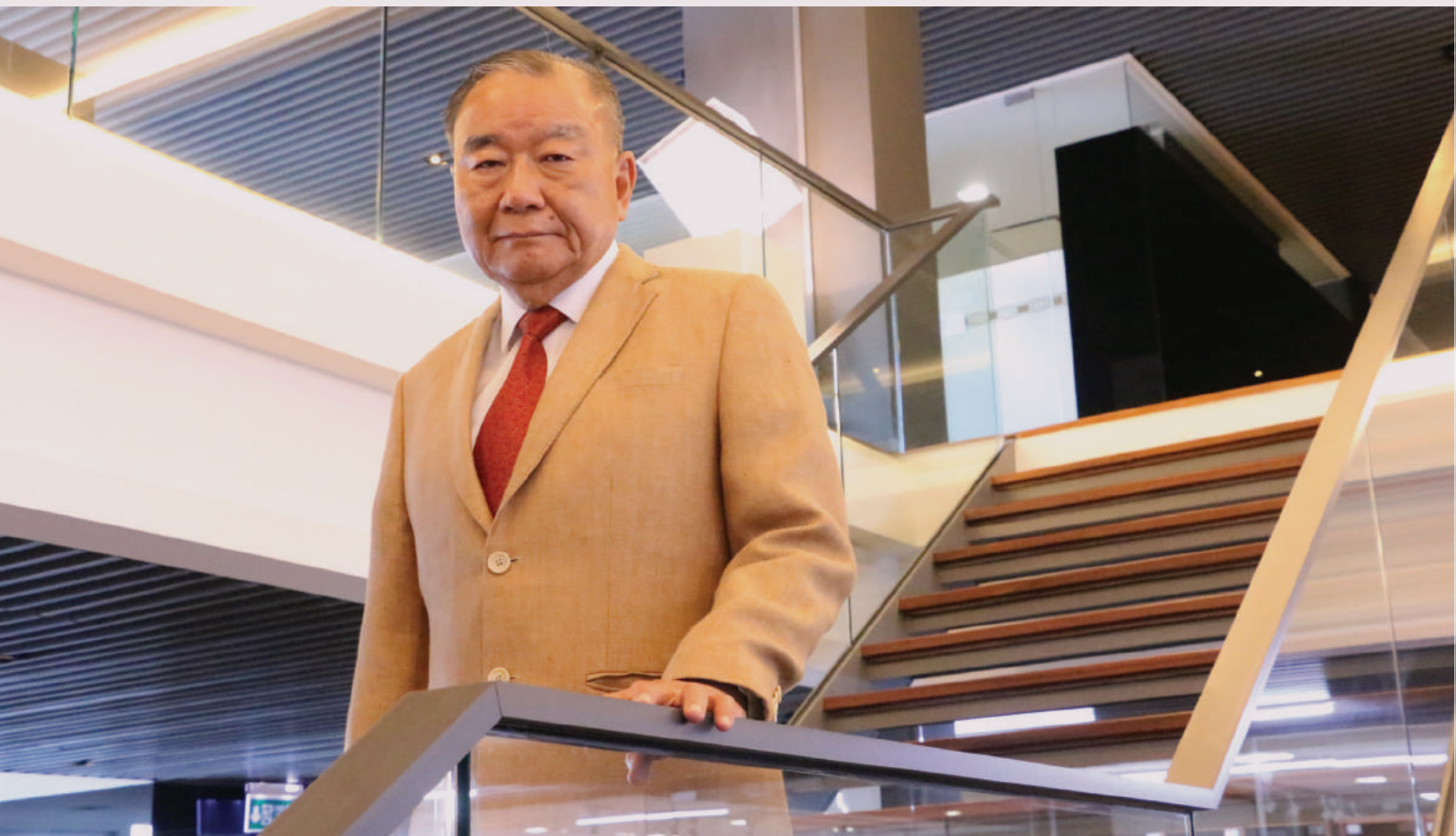


Debt to Equity Ratio

Times



Message from Chairman



To All Shareholders

For the past 2020, we faced the Coronavirus 2019 (COVID-19) pandemic which resulted in the country shutdown to respond to the prevention of the outbreak. The economic activities in each country have been tremendously stopped as to follow the preventive measures declared for public cooperation including avoid crowded places, stay at home and maintain social distancing. Consequently, these happenings have led the world economy gone to economic crisis. Many businesses were closed and unemployment rate rose up unprecedentedly. The government of each country has been obligated to impose monetary and fiscal policy to uphold its national economy.

This pandemic inevitably affected the jewelry industry as consumer purchasing power has suddenly decreased and with the fearful emotion which has eventually led to the stage of stop purchasing. The situation has also been aggravated by the leap in gold prices. As a result, many jewelry factories, more than ever, decided to cease their operations due to the slowdown of purchasing orders and threats from the disease outbreak. Essentially, jewelry manufacturing requires a large number of skilled labors which are at high risk of getting infections if no efficient and strict protections applied.

As Pranda Jewelry Public Company Limited well recognizes the risks of this situation, the COVID-19 Management Committee comprising of the top executives has been established. The roles and responsibilities of the Committee are to manage the process of monitoring, protecting and controlling the pandemic, establish the preventive and control measures of the outbreak and strictly carry out preventive actions following the established measures. The Committee performance has achieved its goals as indicated by zero number of COVID-19 infected persons found in the local production base covering the executives and employees.

The Company has adjusted the liquidity strategy in the Group of Companies with brief details of each business unit as follows:

Production Base - Reduce production costs and selling and administrative expenses, postpone investment plans with temporary suspension of some businesses due to force majeure and prepare for the upcoming orders from key 15 potential customers and other general customers.

Distribution Base - Reduce selling and administrative expenses, adjust working hours and apply 'Work from Home' concept and focus mainly on online selling through www.gemondo.com and via globally recognized online marketplaces.

Retail Base - Reduce selling and administrative expenses and focus on Omnichannel selling through Owned Brands product line with the adjustments of service model to facilitate more convenience to consumers as well as releasing inventory through sales promotion.

The Company has received financial assistance from the bank creditors in accordance with the relief measures announced by the Bank of Thailand in terms of suspending the principal payments, reducing interest rates and extending loan renewal periods to maintain financial liquidity in business operations.

For the performance of year 2020, the Company had its turnover of THB 2,462.30 million, decreased THB 522.46 million compared to the same period of the previous year at THB 2,984.76 million or equivalent to decreasing rate of 17.50 percent due to the pandemic outbreak. Gross margin was at 22.32 percent lower than the previous year due to the significant decline of production capacity. Although operating expenses decreased by 28.13 percent, an operating loss still occurred at THB 126.39 million. Nonetheless, upon the depreciation of Thai Bath currency compared to the same period of the previous year, the Company earned a gain from the exchange rate of THB 59.66 million. As a result, the Company had a loss of shareholders' equity at THB 95.10 million, decreased from THB 146.31 million or 60.61 percent compared to the previous year.

The Company still holds a stable financial position considering from the Debt to Equity at 0.90 times and with the debt payments successively settled which could result in a decrease in financial expenses by THB 1.42 million or 2.63 percent. The Company is also able to maintain financial liquidity considering from the current ratio up to 1.66 times and operating cash flow THB 157.50 million.

The year 2021 is still a challenging year with the continuous economic slowdown and the outbreak of the Coronavirus 2019 (COVID-19). The Company is consciously aware of the consequences and has adjusted the strategies to be more competitive in terms of market expansion through online channel to directly reach end consumers and adjustments of working procedures focusing more on efficiency towards 'New Normal' directions which have shaped new consumer behavior. The Company also aims to improve financial liquidity management to keep the business running by applying the policy of decreasing cash outflow to the lowest and postponing investment plans as well as extending the debt payment period from financial institutions.

Finally, on behalf of the board of directors of Pranda Jewelry Plc., we would like to express our appreciation to the shareholders and all stakeholders who always trust and support the Company. The board of directors, the executives and our employees are still dedicated to performing our own duties in accordance with business ethics, code of conducts and anti-corruption in all forms. We are constantly committed to striving our organization towards sustainability to achieve our long-term growth by significantly taking into consideration the benefits of our key stakeholders.



Prida Tiasuwan
Chairman

Board of Directors and Advisors / Board of Group Executive Committee



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1. **Mr. Prida Tiasuwan** Board Chairman
2. **Mr. Pramote Tiasuwan** Vice Chairman / Executive Director / Finance & Risk Management Director / Nomination and Remuneration Director / Advisor of Core Values & CSR Committee
3. **Mrs. Prapee Sorakraikitikul** Director / Finance & Risk Management Director / Nomination and Remuneration Director
4. **Mrs. Sunanta Tiasuwan** Director / Nomination and Remuneration Director
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. | 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. Decha Nuntanajaroenkul | Director / Executive Director / Finance & Risk Management Director |
| 12. | Mr. Chanat Sorakraikitikul | Executive Director / Chairman of Finance & Risk Management Committee |
| 13. | Prof. Dr. Channarong Pornrungrroj | Executive Director / Chairman of Core Values & CSR Committee |

Managing Directors



Mr. Pramote Tiasuwan
Managing Director (Manufacturing)
Pranda Jewelry Pcl.



Mrs. Pranee Khunprasert
Managing Director (Marketing)
Pranda Jewelry Pcl.



Mr. Santiparp Riyai
Managing Director
Pranda Vietnam Co., Ltd.



Mr. Chanat Sorakraikitikul
Managing Director (Acting)
Pranda North America, Inc.



Mr. Vinod Tejwani
Managing Director
Pranda Jewelry Private Limited



Mr. Kenny Salmon
Managing Director
PT Pranda Marketing Indonesia



Ms. Parichart Chatwatanadirok
Managing Director
Primagold International Co., Ltd.



Mr. Pitipong Tiasuwan
Managing Director (Acting)
Pranda UK Limited

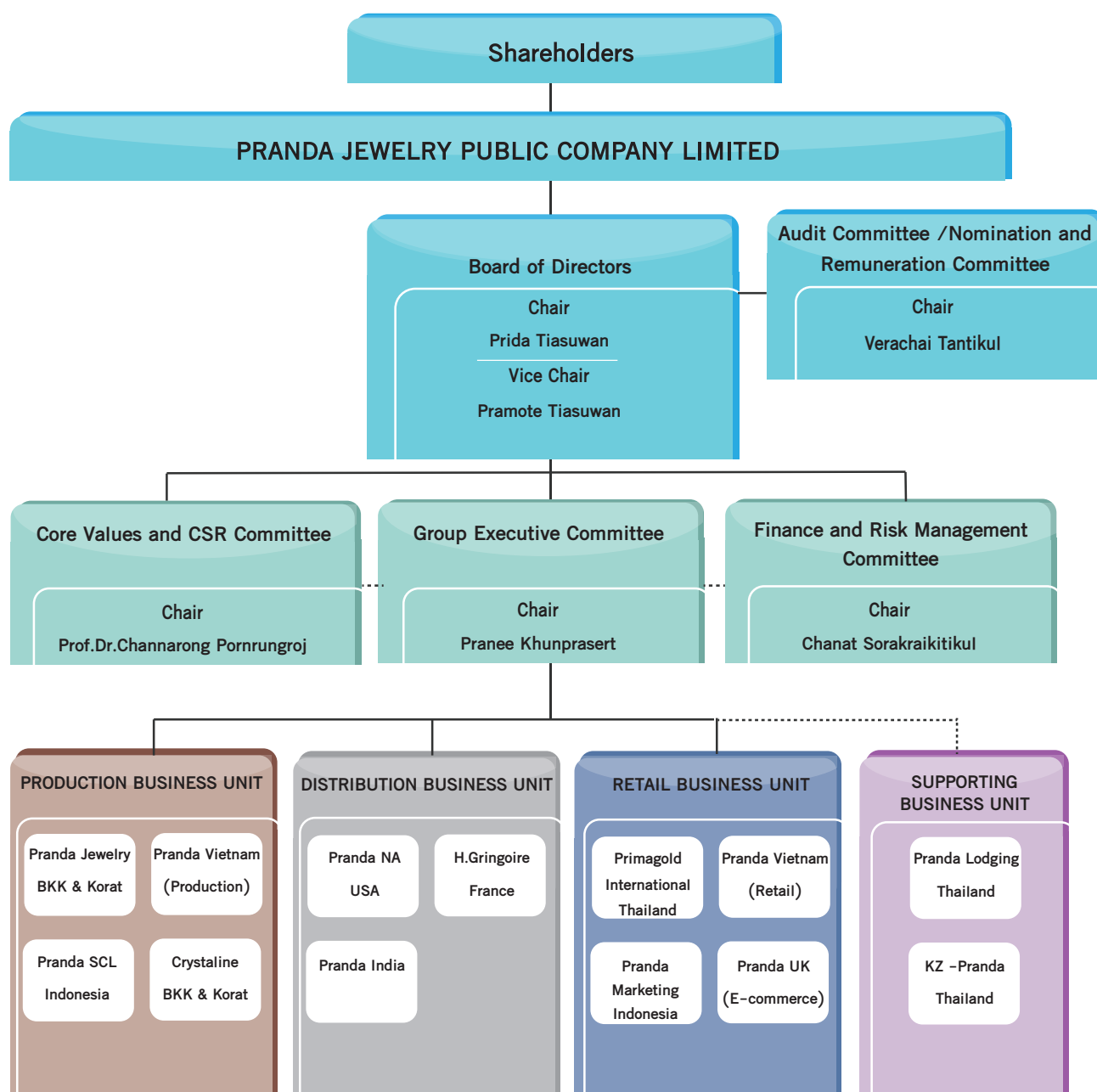


Mrs. Panidda Tiasuwan
Managing Director
Pranda Lodging Co., Ltd.



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

Group Organization Chart



PRANDA's Direction

Pranda Jewelry Public Company Limited, having its business operated in the jewelry industry for over 4 decades, categorizes its business into 2 groups consisting of Original Design Manufacturing (ODM) and Own Brand Manufacturing (OBM). The future directions of the Original Design Manufacturing (ODM) will focus on expanding its business based on experiences and proficiency in the market to create growth opportunities for our partners. For Own Brand Manufacturing (OBM), the direction is expanded towards launching of differentiated products which appropriately serve the target market of our business partners. The Company has set a target balanced income proportion between Original Design Manufacturing (ODM) and Own Brand Manufacturing (OBM) to determine the base of total revenue of the Group to enhance the sustainable growth in long run.

For Original Design Manufacturing (ODM), the business will focus on mass production of international quality products through our best practice of mass craftsmanship to comprehensively meet clients' requirements. The Group has continuously improved the production process to be both efficient and effective by developing staff expertise and controlling the rate of loss in production which can lead to more efficient production costs. In addition, the Group focuses on building strategic customer base namely Designer brands and Affordable Fine Jewelry groups recognized with potential and sustainable growth to ensure regular and continuous purchase volume. The collaboration with our customers in form of strategic partner is also driven by focusing on mutual long-term planning with key customers. Thus, our main goals are to become a manufacturing company efficient in delivering services to create value-added recognition and to efficiently manage operating expenses resulting in financial liquidity of the Company.

For Own Brand Manufacturing (OBM), the business is mainly expanded via 2 main channels namely retail and E-Channel. For retail channel, the Company will focus on developing an expansion of retail business through own retailers and authorized retailers under "PRIMA" brand, designed with concept that meets lifestyle of new generation of consumers focusing on Asia and the Middle East countries with high economic growth rate. For E-Channel, the distribution is expanded through own E-Commerce channel and online marketplaces, especially in UK and Europe, with aims to increase consumer base and create brand trust as well as developing new alternative products to the market.

In conclusion, setting a target well-balanced income proportion base of the Group will accomplishedly result in the sustainable growth of total revenue of the Group.

Brief History and Honorary Rewards of PRANDA Group

2020

Pranda has been awarded the standard on prevention and solution to drug problems in an establishment.

Pranda Jewelry Public Company Limited has been awarded the standard on prevention and solution to drug problems in an establishment. The award was presented by the Bangkok Metropolitan Office of Labour Protection and Welfare Area 3, to certify that Pranda Jewelry Public Company Limited enables to undertake the administration and management to fulfill standard's criteria on prevention and solution to drug problems in an establishment (October 02, 2020).



Pranda has been awarded the excellent establishment on labour relations and welfare for 5 consecutive years.

Pranda Jewelry Public Company Limited has been honourably awarded the excellent establishment on labour relations and welfare for 5 consecutive years (2016 - 2020) at Thailand Labour Management Excellence Award 2020. The award was presented by the Department of Labor Protection and Welfare (September 28, 2020).



Pranda received a plaque of honor as the organization with 100% staff wearing a safety helmet and seat belt.

Pranda Jewelry Public Company Limited, Nakhon Ratchasima received a plaque of honor, as the organization with 100% staff wearing a safety helmet and seat belt, from the Road Safety Operation Center, Pranda has been chosen to be a presenter to share knowledge about measuring organizational performance project for road traffic safety, which we are 1 of 12 role models from all 174 organizations (February 27, 2020).



- 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 2020 at 98 points.
- The Company is rated “**Excellent**” (5 stars) in the Corporate Governance Report of Thai Listed Companies 2020 by the Thai Institute of Directors (IOD)

2019

Pranda received the Authorized Economic Operator (AEO) 2019 certification.

Pranda Jewelry Public Company Limited received **the Authorized Economic Operator (AEO) 2019 certification** from the Customs Department. This certification warrants that our deliveries both domestic and international customs services was authorized with the Authorized Economic Operator (AEO) standard from the Customs Department which will be evaluated every 3 years, according to the rules of the Customs Department announcement no. 120/2018 on May 8, 2018. The company was certified with the Authorized Economic Operator (AEO) standard no. IE27 starting from October 28, 2014.

Pranda Korat was granted an award of honor in Excellent Establishment on Labor Relations and Welfare for the 10th consecutive year.

Pranda Jewelry Public Company Limited Nakhon Ratchasima branch received **an award of honor in Excellent Establishment on Labor Relations and Welfare from “Thailand Labour Management Excellence Award 2019”** event which the company has been receiving this award for the 10th consecutive year. This award was to honor the establishment that has an excellent Labor Relation and Welfare that meets international standards.

Pranda was granted Honorary Award in Excellent Establishment on Labor Relations and Welfare for the 5th consecutive year.

Pranda Jewelry Public Company Limited received **Honorary Award in Excellent Establishment on Labor Relations and Welfare for the 5th consecutive year starting from 2015 to 2019**. This award was given to honor the establishment that has an excellent Labor Relation and Welfare that meets international standards.

- 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 2019 at 97 points.
- The Company is rated “**Excellent**” (5 stars) in the Corporate Governance Report of Thai Listed Companies 2019 by the Thai Institute of Directors (IOD).

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.

- **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.

- **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.

- **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.

- 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 2018 at 97 points.

- The Company is rated “**Excellent**” (5 stars) in the Corporate Governance Report of Thai Listed Companies 2018 by the Thai Institute of Directors (IOD).

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, 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 Gongs, a subsidiary, on 27 September 2013.
- Prima Gold International Co., Ltd. has the power to control the determination of financial and operating policy including the voting right and interest at 55 percent in PT Pranda Marketing Indonesia.
- The Company received a recognition of being **“Excellent”** in 2013 valuation in the Annual General Meeting (AGM) of the shareholders from the Office of the Securities and Exchange Commission (SEC), in cooperation with the Thai Listed Companies Association and the Thai Investors Association.
- The Company received **“Excellent”** recognition (five stars) of Corporate Governance Report of Thai Listed Companies 2013 from the Thai Institute of Directors (IOD).
- Nakorn Ratchasima plant of Pranda Jewelry Plc. received the Certificate of the Standard on Prevention and Solution to Drug Problems in an Establishment for the year 2013 and the White Plant Certificate pursuant to the Action plan to defeat the drug on a sustainable basis for the year 2013.
- The Company received the **Excellent Labor Relation and Welfare Award 2013** from the Department of Labor Protection and Welfare, the Ministry of Labor.
- 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 Yixian Gongsi for USD1.5 million, increasing the China subsidiary registered capital to USD2.35 million, representing 100% ownership.

2007

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

2006

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

2005

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

2004

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

2003

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

2002

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

2001

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

2000

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

1999

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

1998

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

1996

- Prima Gold Co., Ltd., the Company's subsidiary, received Prime Minister's Export Award for the Best Own Design Exporter from the Thai government and won the contest for "Golden Design Award" at Vicenza Oro Fair held by World Gold Council, while "Prima Gold" designs from Indonesia won two awards the Best International Award of Indonesia and "The Best Outstanding International Award" from five countries in the Far East Asia.
- Expanded the international market for "**Prima Gold International Co., Ltd.**" and co-invested in LG Pranda (now operated under the name of KZ Pranda) to import and distribute silver and gold products.

1995

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

1994

- Established a new production base in Nakhon Ratchasima (Korat) and established a new international distribution base in the United Kingdom under "**Pranda UK Limited.**"

1993

- Established product and brand development center under "**PRIMA GOLD**" and launched domestic distribution.

1992

- Expanded business by establishing its own distribution bases in overseas markets under Pranda North America, Inc., 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 February 26, 2021, 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

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

Strategies

Growth Strategy

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

Production Business 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 owned brands trustworthy, by having high quality and unique products
2. Expand the market through network of Omnichannel 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 principles of social responsibility management and strive business towards sustainability encompassing Environmental, Social and Governance (ESG)
4. Strictly follow the principles of good corporate governance, social responsibility and the UN Global Compact and adhere to the principles of Sustainable Development Goals (SDGs)
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

During the year 2020, The Company changed in the shareholding structure, management and business.

Subsidiary - Pranda & Kroll GmbH & Co., KG

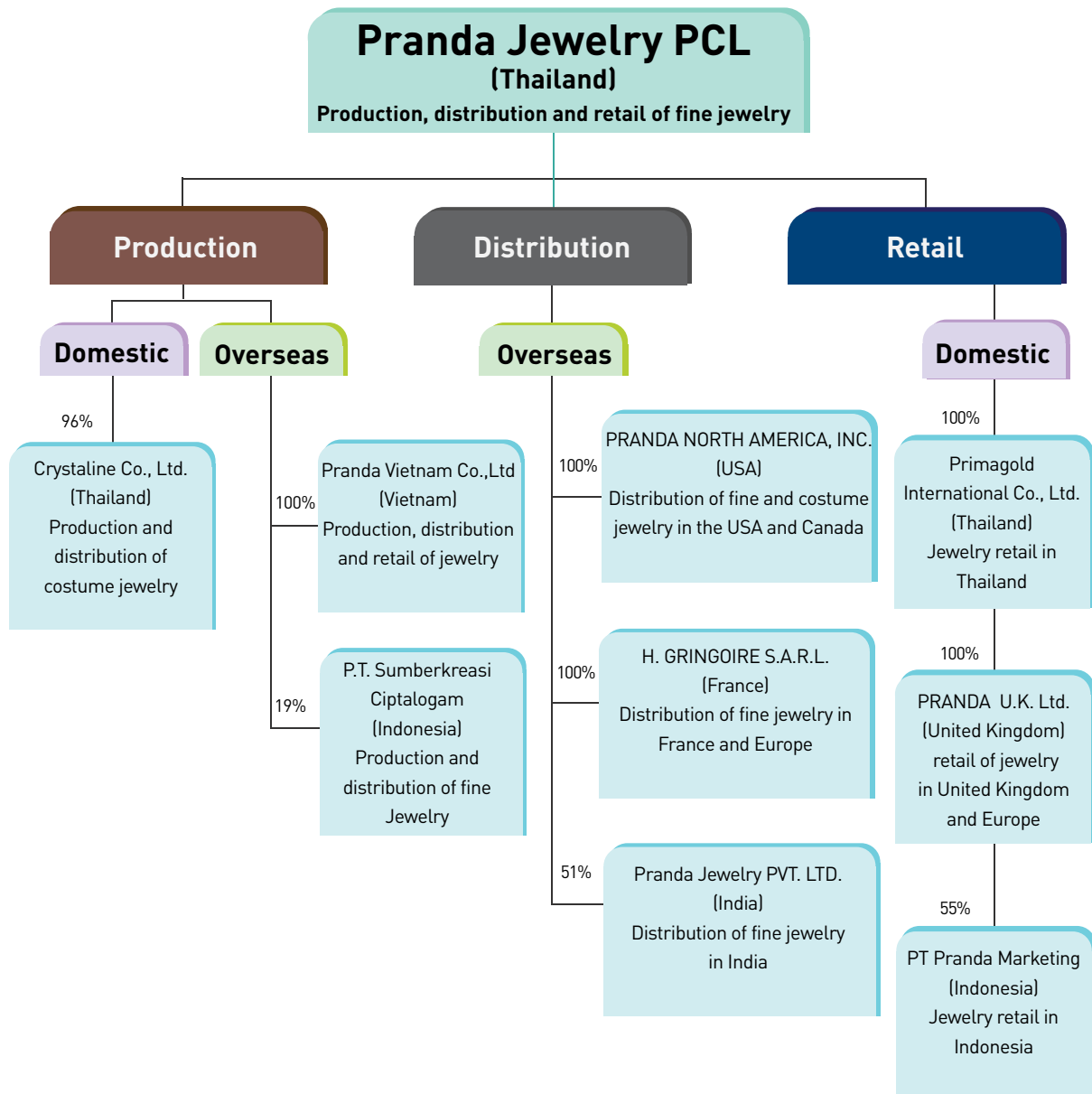
On 13 February 2018, a meeting of the Company's Board of Directors passed a resolution to dissolve a subsidiary, Pranda & Kroll GmbH & Co., KG, since 13 February 2018 onwards. This subsidiary is not a significant segment of the Group, therefore, there is no significant impact on the consolidated financial statement. In addition, the Company made full allowance for impairment loss on investment in this subsidiary.

Subsequently on 17 December 2020, the liquidation process was completed. The Company therefore write-off net investment of this subsidiary and recorded loss on liquidation of subsidiary company of Baht 72 million in the consolidated income statement of 2020



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.

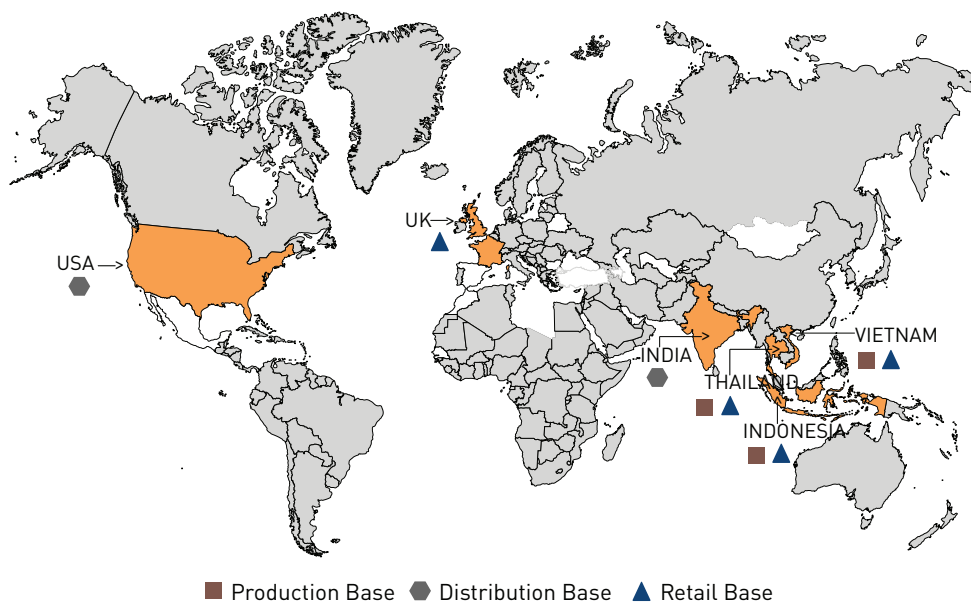


Our Business

Pranda Jewelry Public Company Limited (“PDJ”) was established in 1973 previously known as Pranda Design Co., Ltd. Subsequently, Pranda Jewelry Public Company Limited was officially founded on April 27th, 1984 and listed its common stocks on the Stock Exchange of Thailand on July 6th, 1990. The Company was transformed into a public company on June 3rd, 1994. At present, the Company has total registered capital for 634.77 million baht with issued and paid-up capital of 491.155 million baht. The Company’s headquarter is located at 28 Soi Bangna-Trad 28, Bangna Tai Sub-district, Bangna District, Bangkok 10260.

The Company’s core businesses are production, distribution and retail of fine jewelry. Till present, the Company has become one of a leading Thailand’s jewelry exporter, expanding its customer base to key regions globally i.e. North America, Europe and Asia.

The Company set the balanced management structure as follows



Production Base

The implementation of economies of scale in jewelry production, which results in production cost of goods suitable for its quality. The Company has diversified its production risk to cover almost all product price ranges. The Company group has 3 factories in 3 countries, located in Thailand, Vietnam and Indonesia. At present, Pranda the Company has production capacity of 3 million pieces per year, with its own integrated, with establishing the design and development center to broadly extensively meet the customer’s need.

Distribution Base

The Company has subsidiaries as distribution base in two countries: the United States and India. In first quarter of 2018, the subsidiary in Germany was terminated. Additionally, the Company started a plan to minimize the subsidiary in the United States in the first quarter of 2018 and in the United Kingdom and France in the second quarter of 2019. The reduction of distribution business scale has led to efficiency in operating expense control. As a result, the Company can continually reduce investment burden and operating loss as well as increase liquidity of the Group

Retail Base

The Company has subsidiaries having expertise in retail management, including its own retail shops and distribution through business partners covering Asia and Middle East to directly access to jewelry consumers. At present, there are 4 companies in Thailand, Indonesia, Vietnam and the UK (E-commerce).

The company's key retail brand is "PRIMA", a one-stop destination for fine craftsmanship jewelry with integrated after-sale service. The retail operation was established since 1992, selling Prima Gold, exquisite gold craftsmanship jewelry in 99.9% purity, Prima Diamond, 18K diamond jewelry, and Prima Art, commemorative art and crafts made from gold. The rebranding has started in Thailand and Vietnam since the third quarter of 2019. The shop offers high craftsmanship collections namely Prima Gold, exquisite gold craftsmanship jewelry in 99.9% purity, Prima Diamond, 18K diamond jewelry, and Prima Art, commemorative art and crafts made from gold.

The Company's key e-commerce business is Gemondo, an online retail store offering lifestyle jewelry made from genuine gemstones in both classic and modern styles. Sales channel is via its owned website www.gemondo.com and market places such as Amazon. Key markets are United Kingdom and Europe as well as starting expansion to Thailand.

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

Operated by	% of Company's Shareholding	2020		2019		2018		2017		2016	
		Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Production											
Pranda Jewelry PLC.		1,491	58.34	1,882	62.13	1,353	42.64	1,225	41.51	1,268	43.50
Crystalline Co., Ltd.	96	-	-	-	-	-	-	-	-	3	0.10
Pranda Vietnam Co., Ltd.	100	18	0.70	31	1.02	49	1.55	57	1.93	50	1.72
Total revenue from production		1,509	59.04	1,913	63.15	1,402	44.19	1,282	43.44	1,321	45.32
Distribution											
H.Gringoire s.a.r.l.	100	-	-	(32)	(1.06)	81	2.55	82	2.78	88	3.02
Pranda UK Limited	100	20	0.78	37	1.22	23	0.72	45	1.52	44	1.51
Pranda North America, Inc.	100	82	3.21	101	3.33	231	7.28	444	15.05	345	11.84
Pranda & Kroll GmbH & Co. KG	75	-	-	-	-	51	1.61	60	2.03	60	2.06
Pranda Jewelry Private Ltd.	51	27	1.06	93	3.07	90	2.84	52	1.76	66	2.26
Total revenue from distribution		129	5.05	199	6.57	476	15.00	683	23.14	603	20.69
Retail											
Primagold International Co., Ltd.	100	681	26.64	695	22.94	746	23.51	768	26.03	739	25.35
Pranda North America, Inc.	100	-	-	7	0.23	-	-	-	-	-	-
H . Gringoire s.a.r.l.	100	-	-	-	-	1	0.03	2	0.07	-	-
Pranda UK Limited	100	63	2.46	57	1.88	60	1.89	52	1.76	49	1.68
Pranda Vietnam Co., Ltd.	100	53	2.07	65	2.15	56	1.77	55	1.86	45	1.54
PT Pranda Marketing Indonesia	55	27	1.05	49	1.62	53	1.67	71	2.41	74	2.54
Total revenue from retail		824	32.23	873	28.82	916	28.87	948	32.12	907	31.11
Total revenue from sales		2,462	96.32	2,985	98.55	2,794	88.06	2,831	97.12	2,821	96.48
Pranda Lodging Co., Ltd.	83	6	0.23	7	0.23	8	0.25	8	0.27	7	0.24
Gain on liquidation of subsidiary company		-	-	5	0.17	2	0.06	-	-	-	-
Gain on sales of assets held for sales		-	-	-	-	335	10.56	-	-	-	-
Other revenues		88	3.44	32	1.06	34	1.07	30	1.02	77	2.64
Total other revenues		94	3.68	44	1.45	379	11.94	38	1.29	84	2.88
Grand total revenue		2,556	100	3,029	100	3,173	100	2,951	100	2,915	100

1. Nature of Products

The Company categorized its products into 2 main categories as follows:

1.1 Own Brand Manufacturing: OBM

At present, the Company 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
- **Gemondo:** Genuine gemstones jewelry marketed through E-Commerce and TV Shopping for the mainly European market

Most of OBM brands are distributed by the retail business as the main business of the Company while others are channeled through distributors and retailers in several regions.

1.2 Original Design Manufacturing (ODM)

The Company has expertise and experienced teams in product design and development towards developing products with customers (Original Design Manufacturing: ODM) including gold jewelry, silver jewelry, brass and fashion costume jewelry decorated with precious stones or various materials to meet customers' needs. The key customers are high and medium jewelry brands and jewelry stores located in different countries such as the United States, the United Kingdom, France, Spain, Australia, Russia and Japan. The Company also distributes its products through various channels including department stores, chain stores, websites, TV and catalogs.

2. Market and Competition

2.1 Marketing policy of the major products in the recent years

The Company classifies the products into 2 main categories which are Own Brand Manufacturing (OBM) and the Original Design Manufacturing (ODM), with announcing significant marketing policy in the recent years as follows:

2.1.1 Own Brand Manufacturing: OBM

The strategy in distributing the Own Brand Manufacturing products emphasizes on building sustainability for the company group by having a group of product lines mainly distributed through own retail distribution channel and another group through online channel as well as authorized retailers. The key markets are as follows.

- **Thailand:** Prima Gold International Co., Ltd. conducts retail business under the brands of Prima Gold, Prima Diamond, and Prima Art in Thailand. The Company has adjusted strategy by re-branding the PRIMA brand and has adjusted management and marketing communication strategies to provide new channel suitable to economic situation, the target groups' lifestyle while maintaining the current customers.
- **Vietnam:** Pranda Vietnam Co., Ltd. can expand customer bases of Prima Gold and Prima Art through continuous sales and marketing strategies. At present, the Company has 8 outlets in Ho Chi Minh and Hanoi. Prima Gold products are expanded to reach wider consumer base along with the continuous development of new designs for Prima Art products.
- **Indonesia:** Pranda Marketing Indonesia Co., Ltd. implements the strategy on the products of Julia brand, which is 18 K gold jewelry with diamond to develop premium product for working women with mid to high income. Currently, there are 24 outlets in Jakarta and other cities.

- **India:** Pranda India Co., Ltd., focuses on sales distribution of the craftsmanship product of 99.9% gold plates under brand Prima Art through the retail jewelry stores. The essential collection of the Gods of Hinduism designs still gains continuous popularity by having new designs for the increase of sales and the support for Indian market's needs.
- **The United Kingdom:** Pranda UK Limited emphasizes on marketing the major brand Gemondo via website www.gemondo.co.uk and online marketplaces such as Amazon and Ebay. The Company has set up strategy to increase the sales from current customer base via Customer Relationship Management (CRM), while focusing on expanding new customer base by developing products to increasingly meet the Millennials customers' needs.

2.1.2 Original Design Manufacturing (ODM)

In 2020, the Company encountered an economic recession due to the COVID-19 pandemic which was inevitable for all businesses to be suffered from this recession period. In the first half of 2020, most of the businesses were disrupted due to the lockdown of the country. However, the Company was able to recover the business in the second half of 2020 as the Company has adjusted its consumer base by focusing on an expansion of strategic customer base to "Affordable Fine Jewelry" group, by way of responding to the changing consumer behavior towards more worthwhile products. The Company also emphasized on continuously building strategic customer base in order to obtain consistent purchase orders. Most of these clients are brand designers recognized with world-class competitiveness looking for a trustworthy jewelry manufacturer capable of producing high quality products in exquisite and unique designs with a professional understanding towards co-development of product designs, an insight of marketing perspectives as well as being a certified manufacturer for social responsibility, environmental consciousness and high awareness of global warming. These attributes are impeccably aligned with the potential of the Company and are key aspects that the Company has constantly dedicated, attended and practiced.

Moreover, the competition in changing consumers' behaviors and technology is resulting in the increase of economic growth of selling jewelry via e-commerce in key markets. The Company then conducted study on consumers' behaviors and has always developed new products to meet the changing needs, including adjusting internal management to build new potential customer base together with maintaining existing customers.

The Company has anticipated the importance of building various customer bases in terms of business type of customers and varieties in regions in USA, Europe and Asia to diversify future risks. Also, the Company is working with the customers as the strategic partners, by together setting plan in the long run with key customers in order to increase the opportunity in mutual benefits together and to diversify the risk incurred from the cost of raw material and so forth.

Proportion of domestic and foreign revenues

	2020		2019		2018		2017		2016	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Foreign revenue	1,141	46.34	1,399	46.87	1,415	50.64	1,662	57.05	1,772	62.59
Domestic revenue	1,321	53.66	1,586	53.13	1,379	49.36	1,251	42.95	1,059	37.41
Total	2,462	100	2,985	100	2,794	100	2,913	100	2,831	100

2.2 Industry trends and competition in the future

In 2020, as the COVID-19 outbreak crisis severely affecting the world economy, the consumption of gems and jewelry in the key partner nations as well as the domestic trade had decreased significantly due to the lockdown and travel restrictions which disrupted the global trading system in both manufacturing and trading countries. Consequently, the economy has gone depression worldwide even though the government of each nation has announced various measures to support its economy by assisting entrepreneurs towards employment retention and increasing consumer purchasing power through many financial and fiscal measures. As a result of this COVID-19 outbreak, a large number of medium and small manufacturers were affected due to the suspension of both domestic and international trade fairs which are considered important marketing channels. However, the Thai gems and jewelry industry unexpectedly gained advantages from the trade war between the United States and China. As the United States declared a high rate of import tariff on jewelry produced in China, many Chinese manufacturers suddenly faced obstacles in merchandise delivery. Therefore, those manufacturers initially started to order products from Thailand and later expanded some production bases into Thailand. In addition, severe political situations in Hong Kong causing its status of being a key gems and jewelry trading port stuck. The incident got worse as Chinese government taking control of the chaotic situation in Hong Kong, leading the United States and the European Union to suspend Hong Kong's preferential tariff rates. Meanwhile, the long-term lockdown of Indian government in order to control the COVID-19 outbreak has significantly disrupted supply chain, forcing diamond jewelry distributors based in UK and US to partially shift purchase orders to Thailand.

All of the above factors have strengthened the capacity for the Company in the competition, with having business structure to support the future competition in production operation, distribution operation, and retail operation. For the production operation, the Company has capacity in manufacturing high end gold jewelry and silver jewelry and is flexible to support purchase order from various customers. The Company also has Design & Product Development Center to serve the need of customers with high craftsmanship through unique Pranda process. In terms of retail operation, the Company focuses on developing its own brand under "PRIMA" brand to diversify the market risk and increase business opportunities by seeking for new markets with potential growth.

The business trend in 2021 remains towards the movement of vaccine efficacy which hopefully can resolve the epidemic situation and gradually recover the economy of the key trading partners of Thailand. However, such recovery tends to be based on the fluctuation and vulnerability of various factors such as a tension of the trade war and a new balance of power formed by the US in a global community, a fluctuating price of raw materials namely gold and silver, a high appreciation of Thai Baht, a development of digital communication systems that change the consumption vision of the new generation of consumers which can affect the distribution channels of business partners, etc. The Company is aware of these challenges and has well prepared the business operations by adjusting work procedures to facilitate potential customers and expanding strategic customer base to a growing group of "Affordable Fine Jewelry" consumers. The Company is fully resilient towards improving work procedures, adjusting production capacity to meet the needs of new potential customers and responding quickly to changing circumstances.

3. Product Procurement

3.1 The process of product procurement

The Company used the method of mass production in silver jewelry while using skilled artisans with high technology machinery in high & medium gold handicrafts. The Company has developed its own manufacturing Moreover, to produce exquisite and durable jewelry with low rate of flaws.

Production and sales are seasonal, depending on customers' demands which are highest during Christmas and New Year. This seasonal demand does not have an impact on the Company's operations as its production is well planned. During 2016 – 2020, the Company and subsidiaries divided the sales into 4 quarters as follows:

Quarter	2020		2019		2018		2017		2016	
			Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
1	599	24	569	19	707	25	945	32	604	21
2	486	20	506	17	616	22	627	22	710	25
3	620	25	819	27	716	26	627	22	639	23
4	757	31	1,091	37	755	27	714	24	878	31
Total 4 Quarters	2,462	100	2,985	100	2,794	100	2,913	100	2,831	100

However, due to the COVID-19 pandemic in 2020, the Company has adjusted strategic customer base by focusing on “Affordable Fine Jewelry” group which has been growing continuously and categorized in a higher price range. In addition, the Company reduced the production volume of “Lifestyle Jewelry” group which has a lower price range. Thus, the production capacity in 2020 decreased to 3 million pieces in line with the changing customer base.

The Production Capacity of the Company in the past 5 years:

Production Base	Production Capacity (million pieces)				
	2020	2019	2018	2017	2016
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 material	2020	2019	2018	2017	2016
Foreign :-					
Gold	566	386	336	299	331
Silver	-	-	-	-	-
Accessories	28	25	19	29	38
Gemstones	296	230	47	53	83
Others	24	80	67	60	55
Total	914	721	469	441	507
Domestic :-					
Gold	292	359	165	211	156
Silver	131	145	98	172	157
Alloy	1	4	3	6	2
Accessories	5	6	7	2	3
Gemstones	123	160	200	282	309
Others	51	51	55	58	54
Total	604	724	528	731	881
Grand total	1,518	1,445	997	1,172	1,388

Usage ratio of raw materials

	2020	2019	2018	2017	2016
Foreign materials (%)	60	50	47	38	37
Domestic materials (%)	40	50	53	62	63
Total	100	100	100	100	100

The Company diversifies sourcing of raw materials from many suppliers and maintain purchasing ratio not exceeding 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 Production process or waste disposal on environmental impact

The Company has had no record of environmental degradation and the jewelry industry will not affect the 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 good hygiene, safety, and pollution free workplace with gold level certificate by the Department of Health, Bangkok to be a nice and inviting workplace on Monday, June 17, 2002 at the Conference Room, 2nd floor, Thailand-Japan Bangkok Youth Center, 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 2020, the Company has inventories valued 1,532 million Baht or 63 percentage of current assets and 38 percentage of total assets and the turnover rate of inventories is 1.94 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 Risks

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 December 17, 2018 – December 17, 2021.

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 184,420,926 shares or 37.55% of the total shares sold as of December 31, 2020. 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	491,155,940 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 Sriuengmon	
Email	Somsak_sl@pranda.co.th	

2. The Company's Shareholding Exceeded 10% of Paid Capital. (December 31, 2020)

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 2.0 Million	USD 1.5 Million

Company Name / Address	Business	% of Holding	% of Co - shareholder	Registered Capital	Paid-up Capital
Primagold International Co., Ltd No. 1093/64 12 th 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: Ms. Parichart Chatwatanadirok Email: parichart@primagold.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 53 rue Boissiere, 75116, 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 : Mr. Gregor Kroll Email: Gregor.Kroll@pranda.de	Distribution of fine jewelry in France and Europe.	100		EUR 5 Million	EUR 5 Million

Company Name / Address	Business	% of Holding	% of Co - shareholder	Registered Capital	Paid-up Capital
Pranda UK Limited PO BOX 59 West Molesey Surrey KT8 8AY, United Kingdom Telephone +44 1 0208 783 2023 Fax +44 1 0208 783 2010 Home Page: www.prandaonline.co.uk Responsible Person: Ana Marie Ciobanu Roger Browne Email: ana@gemondo.com, Email: Roger.browne@pranda.co.uk	Distribution and Retail jewelry in UK and Europe.	100		GBP 0.5 Million	GBP 0.5 Million
Pranda Jewelry Private Limited O2, Commercial Bldg. A-1005,1006, 1007 Plot no. 23-24, Near Minerva Industrial Estate, Mulund (W), Mumbai-400080. (India) Telephone +91 22 2565 2121, +91 22 2568 2121, +91 22 2569 2121 Responsible Person : Mr. Vinod Tejawani Email : vinod@pranda.co.in Co-shareholder : Gunjan Jewelry Private Limited	Distribution of fine jewelry in India.	51	49	INR 150 Million	INR 87.2114 Million
P.T.Sumberkreasi Ciptalogam (Formerly known as P.T. Pranda SCL Indonesia) JL.I Gusti Ngurah Rai No.1, Jakarta 13420,Indonesia Telephone +62 21 819 9280-2 Fax +62 21 819 9223 Responsible Person: Mr. Johnny Salmon Email: Johnny@prandascl.com Co-shareholder : 1) Mr. Johnny Salmon 2) Mr. Kenny Salmon 3) Ms. Virsosa Salmon 4) Mrs. Yuen Wan Ha	Production and distribution of fine jewelry.	19	25 20 20 16	IDR 4,000 Million	IDR 4,000 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) 33 rd Floor, Lake Rajada Office Complex 193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110 Telephone +66 2264 0777 Fax +66 2264 0789-90 www.ey.com
Legal Advisor	RL Counsel Co., Ltd. 62/15 Thaniya Soi Suriyawongse Road, Suriyawongse, Bangrank Bangkok 10500 Telephone +66 2235 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 30 December 2020 are as follows:

List of Major Shareholders		No. of Shares	Shareholding Percentage
1.	Founding family	184,420,926	37.55%
	Mr. Prida Tiasuwan	26,997,222	5.50%
	Mrs. Panidda Tiasuwan	25,000,054	5.09%
	Ms. Pittaya Tiasuwan	21,676,230	4.41%
	Mrs. Pranee Khunprasert	12,417,352	2.53%
	Mrs. Ratchara Pornrungrroj	10,947,804	2.23%
	Mr. Pramote Tiasuwan	10,440,630	2.13%
	Mrs. Prapee Sorakraikitikul	8,336,316	1.70%
	Mrs. Sunanta Tiasuwan	3,060,562	0.62%
	Relatives of founders	44,824,470	9.13%
	Pranda Holding Co., Ltd. ^{/1}	20,720,286	4.22%
2.	Mr. Prateep Tangmatitham	52,557,212	10.70%
3.	Mr. Somchai Padpai	31,688,550	6.45%
4.	Mr. Parivat Padpai	13,900,000	2.83%
5.	BANK OF SINGAPORE LIMITED	13,113,386	2.67%
6.	Thai NVDR Company Limited	10,448,236	2.13%
7.	Mr. Sukrit Surabotsopon	10,000,000	2.04%
8.	Ms. Thitikul Saegiang	5,254,025	1.07%
9.	Ms. Siripat Amornrattanachaikul	4,703,000	0.96%
10.	Mr. Suwinai Suwanhirunkul	4,697,362	0.96%
Total		330,782,697	67.35%

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 2020.

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

List of Shareholders			No. of Shares	Shareholding Percentage
1.	Ms. Juranee	Tiasuwan	220,000	22.00%
2.	Mr. Pramote	Tiasuwan	220,000	22.00%
3.	Mr. Pitipong	Tiasuwan	170,000	17.00%
4.	Mrs. Pranee	Khunprasert	120,000	12.00%
5.	Mrs. Panidda	Tiasuwan	100,000	10.00%
6.	Ms. Pittaya	Tiasuwan	100,000	10.00%
7.	Mr. Chaisak	Saktanaset	50,000	5.00%
8.	Mr. Manat	Barameechai	20,000	2.00%
Total			1,000,000	100.00%

- (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 2020 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	378.95	17.49	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	356.59	31.36	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	300.07	39.82	119.48	398.25	0.30
Extra dividend from retained earnings, a net profit of year 2007	396.50	30.32	120.20	400.67	0.30
2010	343.79	58.33	200.54	401.09	0.50
Interim dividend from the profit for period at the nine-month period ended 30 September 2011	408.03	9.88	40.33	403.33	0.10
2011	441.14	45.76	201.86	403.71	0.50

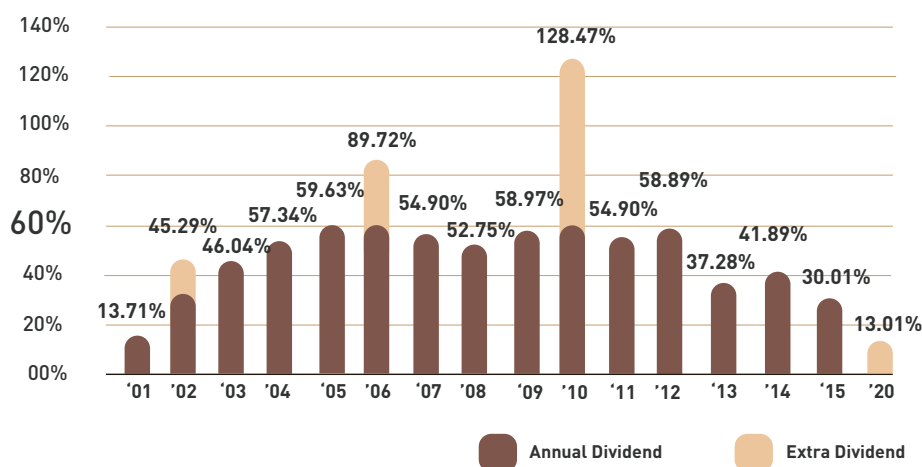
Year	Net profit (million baht)	% of dividend payment	Dividend pay-out (million baht)	Number (million shares)	Dividend per share (baht)
Interim dividend from the profit for period at the nine-month period ended 30 September 2012	337.40	12.04	40.63	406.28	0.10
2012	414.27	49.08	203.33	406.66	0.50
2013	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	20.06	402.39	0.05
2016	(1.32)	-	-	-	-
2017	(419.25)	-	-	-	-
2018	48.35	-	-	-	-
2019	(508.11)	-	-	-	-
2020	(273.91)	-	-	-	-
Extra dividend from retained earnings, a net profit of year 2012 ^{1/3}	414.27	13.01	53.90	539.03	0.10

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

^{2/2} 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.

^{3/3} The Board of Director has resolved to propose AGM for approving dividend payment from retained earnings, a net profit year 2012.

The dividend payment in comparison to net profit over the last 16 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, 2020 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 10 existing members of the Board of Directors of the Company as follow:

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

	Name		Position	Date of Holding Directorship ^{/1}
1.	Mr. Prida	Tiasuwan	Chairman of the Board	23 April, 2019
2.	Mr. Pramote	Tiasuwan	Vice Chairman	18 April, 2018
3.	Mrs. Prapee	Sorakraikitikul	Director	23 April, 2019
4.	Mrs. Sunanta	Tiasuwan	Director	16 July 2020 ^{/2}
5.	Mrs. Pranee	Khunprasert	Director / Chairman of Group Executive Committee	16 July 2020 ^{/2}
6.	Mrs. Pittaya	Tiasuwan	Director	23 April, 2019
7.	Mr. Verachai	Tantikul	Independent Director/ Chairman of Audit Committee/ Chairman of Nomination and Remuneration Committee	18 April, 2018
8.	Mrs. Rawittha	Pongnuchit	Independent Director/ Member of Audit Committee	18 April, 2018
9.	Mr. Chamnong	Watanagase	Independent Director/ Member of Audit Committee	16 July 2020 ^{/2}
10.	Mr. Decha	Nuntanajaroenkul	Director /Executive Director/ Finance & Risk Management Director	23 April, 2019

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

^{/2} The 2019 Annual Shareholders' Meeting, held on July 16, 2020 has resolved to re-appoint the following Directors for another term; namely Mrs.Sunanta Tiasuwan, Mrs. Pranee Khunprasert and Mr. Chamnong Watanagase.

The advisors to the Board of Directors of the Company are Mrs. Panidda 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 hold its share 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

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- 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
		Total: 9 meetings	Total: 12 meetings	Total: 4 meetings	Total: 4 meetings	Total: 4 meetings
1. Mr. Prida	Tiasuwan	9/9				
2. Mr. Pramote	Tiasuwan	9/9	11/12		4/4	4/4
3. Mrs. Prapee	Sorakraikitikul	9/9			4/4	4/4
4. Mrs. Sunanta	Tiasuwan	9/9			4/4	
5. Mrs. Pranee	Khunprasert	8/9	12/12		4/4	4/4
6. Mr. Verachai	Tantikul	9/9		4/4	4/4	
7. Mrs. Rawittha	Pongnuchit	9/9		4/4		
8. Mr. Chamnong	Watanagase	8/9		3/4		
9. Ms. Pittaya	Tiasuwan	9/9	12/12			4/4
10. Mr. Decha	Nuntanajaroenkul	9/9	12/12			4/4
11. Mrs. Panidda	Tiasuwan				4/4	

No.	Name	Meeting attendance/ Total meetings [times]				
		The Board of Directors	Group Executive Committee	Audit Committee	Nomination and Remuneration Committee	Finance & Risk Management Committee
		Total: 9 meetings	Total: 12 meetings	Total: 4 meetings	Total: 4 meetings	Total: 4 meetings
12.	Mr. Chanat Sorakraikitikul		12/12		4/4	
13.	Mr. Dusit Chongsutthanamanee				4/4	
14.	Prof. Dr. Channarong Pornrungraj		10/12			3/3
15.	Mr. Somsak Siruengmon					2/3
16.	Mrs. Chawee Jarukornvasin					3/3
17.	Ms. Sasisopa Wattakeecharoe					3/3
18.	Ms. Suporn Rungpitayatorn					1/3
19.	Mr. Pitipong Tiasuwan					3/3

- Remark:**
- No. 1-10 are 10 Members of the Board of Directors
 - No. 4-5, 9, 10-12 and No. 14 are six Members of the Group Executive Committee.
 - No. 6-8 are three Members of the Audit Committee
 - No. 2-6, and No. 11 are six Members of the Nomination and Remuneration Committee
 - No. 2, 4-5 and 9 and No. 10,12,13 are seven Members of the Finance & Risk Management Committee.
 - No. 4 and 14-19 are six Members of the Core Values and CSR Committee.
 - Figures in the table mean the number of meeting participation / number of total meetings during the period the Directors are holding the position

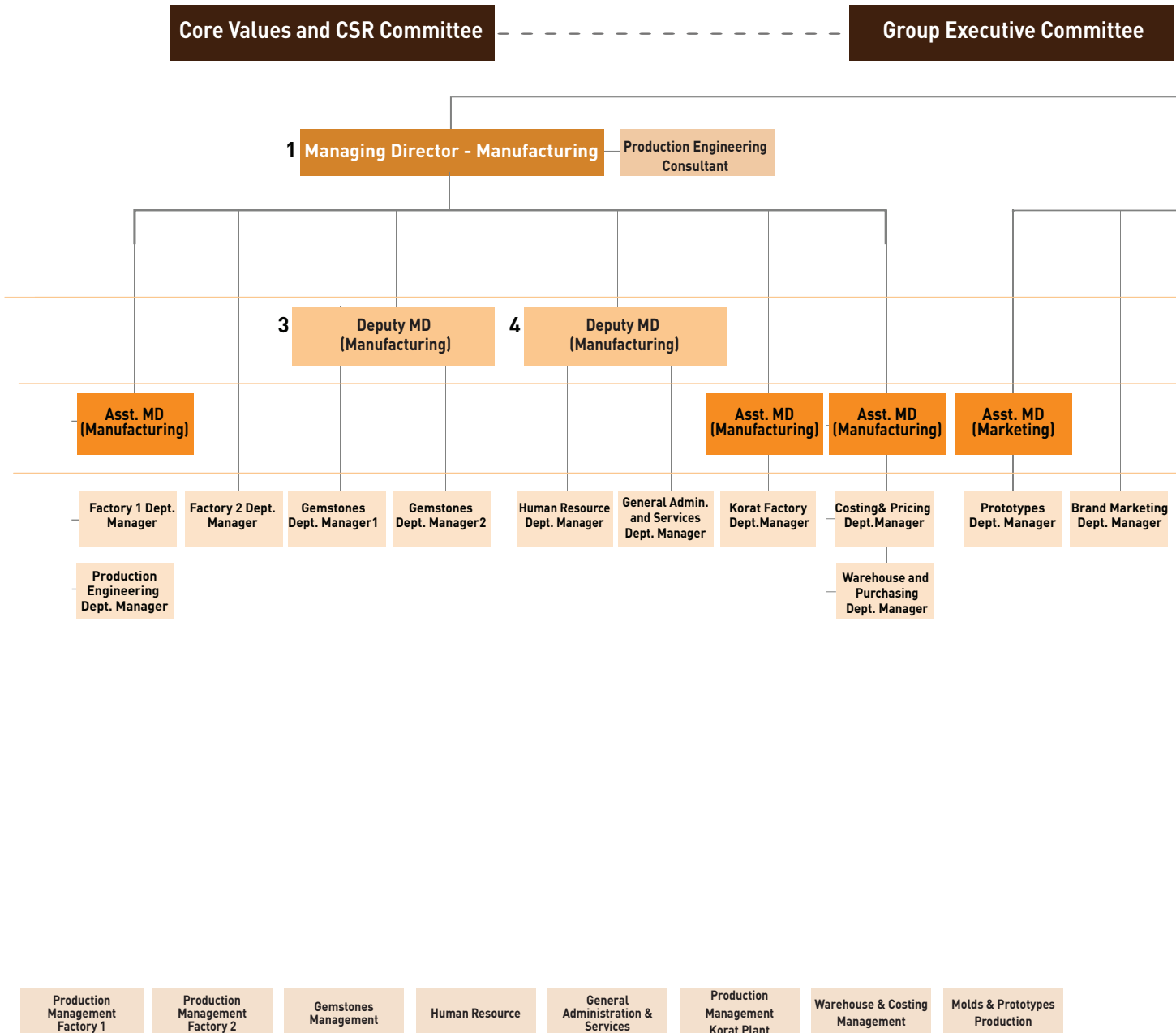
2. Executives of the Company

The Executives of the Company^{/1} as of December 31, 2020 according to definition of the Securities and Exchange Commission are as follows:

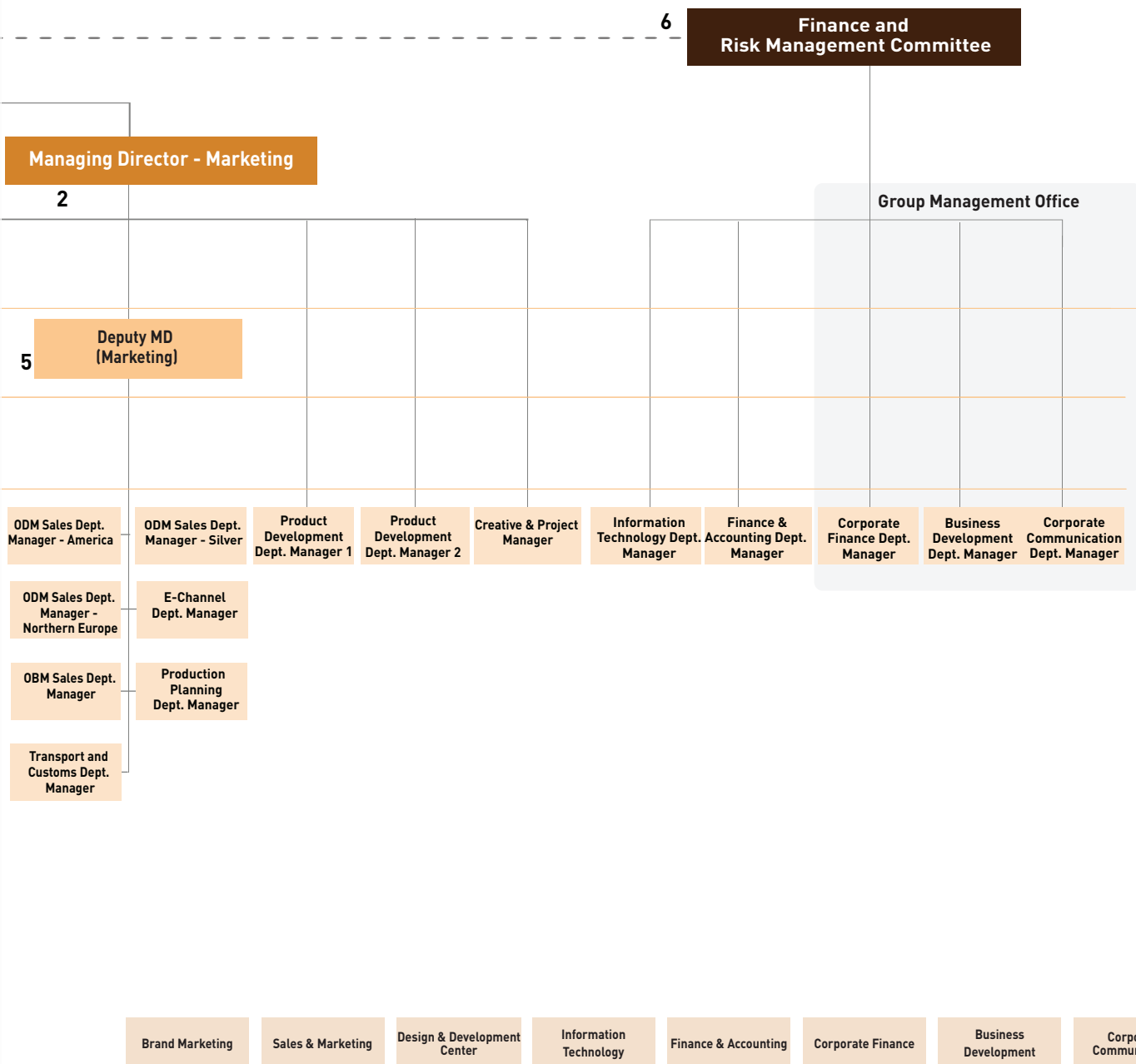
No.	Name	Position
1.	Mr. Pramote Tiasuwan	Managing Director (Manufacturing)
2.	Mrs. Pranee Khunprasert	Managing Director (Marketing)
3.	Ms. Pittaya Tiasuwan	Deputy Managing Director (Manufacturing)
4.	Prof. Dr. Channarong Pornrungraj	Deputy Managing Director (Manufacturing)
5.	Mr. Decha Nuntanajaroenkul	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 Chongsutthanamanee

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

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 transactions 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 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 transaction of related transaction of the Directors, and to submit the 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 Company 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 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 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, 2020 to December 31, 2020.

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

Unit: Million Baht

Remuneration to the Directors					
Name		Position	The Board of Directors (Salary and Bonus)	The Audit Committee (Allowance and Bonus)	Total
1. Mr. Prida	Tiasuwan	Chairman of the Board	2.548		2.548
2. Mr. Verachai	Tantikul	Independent Director/ Chairman of Audit Committee/ Chairman of Nomination and remuneration Committee		0.756	0.756
3. Mrs. Rawittha	Pongnuchit	Independent Director/ Member of Audit Committee		0.504	0.504
4. Mr. Chamnong	Watanagase	Independent Director/ Member of Audit Committee		0.504	0.504
5. Mrs. Prapee	Sorakraikitikul	Director/ Member of Finance & Risk Management Committee/ Member of Nomination and remuneration Committee	1.324		1.324
6. Mrs. Sunanta	Tiasuwan	Director/ Member of Nomination and remuneration Committee	1.257		1.257
Total Remuneration			5.129	1.764	6.893

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	18.837

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

2. Other remunerations

2.1 Provident Fund

The Company has contributed the additional provident fund for the Directors and the Executives in 2020 as per following details:

[A] Directors

	Name	Amount (million Baht)
1. Mr. Prida	Tiasuwan	0.1203
2. Mrs. Sunanta	Tiasuwan	0.0594
Total		0.1797

[B] The Executives

	No. (person)	Amount (million Baht)
The Executives	6	0.7607

2.2 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 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)

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.

5. Human Resources

Number of employees of the Company and the subsidiaries as of December 31, 2020 is as follow:

Number of employees	Production	Distribution	Retail	Others	Total
Employees in Operation/ Service Unit (persons)	1,627	-	191	3	1,821
Employees in office (persons)	545	90	91	3	729
Total (persons)	2,172	90	282	6	2,550

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 2020 the total remuneration amounting 598 million Baht is paid by the Company and the subsidiaries in form of monthly salary, wage, bonus and delligent allowance including other benefits,

1. Group Heath Insurance
 - 1.1 Life and health group insurance for the Executives
 - 1.2 Accident insurance and international travel and health insurances for the Executives
 - 1.3 Group accident insurance senior supervisors, workers at risk of having accident and Dual Vocational
 - 1.4 Travel insurance (per time)
 - 1.5 Group accident insurance for Bilateral students
2. Financial Aids

The Company provides the financial aids in the case of ordination, marriage, childbearing, death of the Managemet and employees, death of parents, spouse and child of the Management and employees in accordance with the Company's related regulations.
3. Annual Health Check-up

The Health Check-up is provided to the Executives, workers
4. Nursing Services

The Company provides the healthcare services by arranging the doctors and nurses for regular basis at nursing room
5. Social Seurity Fund and Compensation Fund

The Company has registered compensation fund and social security fund for employees according to Social Security Act

6. Provident Fund

The Company announced that establishment of provident Fund has the purpose for saving assurance to the employees who are retired and resign from the Company

7. Other welfares are comprised the financial welfare project for accommodation, saving cooperative, sicking visit welfare, and maternity (executive), uniforms, lockers, rich free of charge, clubhouse, playing field, fitness, library, and nursery for employee children.

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 2019, the Company provided the budget of training around 1.2 Mil. Baht for our employees totaling 1,656 persons, which having in-house and outside all together 79 courses or average 6 hours person/annum. In addition, we closely managed the quality and standard of the learning by evaluating satisfaction of average training having high score at 84.02%, 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.



In year 2020 the Company is scored in the **Corporate Governance Report of Thai Listed Companies 2020** with 5 stars as “**Excellent**” corporate governance. The Company is not only one of the 240 listed companies rated “**Excellent**” out of the grand total of 692 companies but also one of the 44 companies of the Top Quartile group listed with less than 1,000 million Baht of market values, of which there are 182 companies in total according to the survey of corporate governance of listed companies in the year 2020, 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 has reviewed and updated the Corporate Governance Manual for the 7th edition on November 13, 2020 by including the sustainability management policy to be in accordance with the Company’s sustainability strategy 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.

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 November 11, 2020, 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
1.	Mrs. Pranee	Khunprasert	Chairman of Group Executive Committee / Managing Director (Marketing)
2.	Mr. Pramote	Tiasuwan	Managing Director (Production)
3.	Ms. Pittaya	Tiasuwan	Deputy Managing Director (Production)
4.	Prof. Dr. Charnnarong	Pornrungrroj	Deputy Managing Director (Production)
5.	Mr. Decha	Nantanacharoenkul	Deputy Managing Director (Marketing)
6.	Mr. Chanat	Sorakraikitikul	Executive Director

The advisors of Group Executive Committee are listed as follows:

1.	Mrs. Prapee	Sorakraikitikul
2.	Mrs. Panidda	Tiasuwan
3.	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 annoucemnt 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 maters 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. Approvesending employees to visit or to study abroad at the amount not exceeding 1 million baht per each time.
19. Approveentering 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 the details of 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 Nomination

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	

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 Director.
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 which impact to 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 Sriuengmon	Director
3.	Mrs. Chawee Charukornwasin	Director
4.	Miss Sasisopa Watakecharoen	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 propose the names through a form available on the Company's website and submit the profiles of the Directors proposed by mail to the Company secretary, Corporate Secretary Office, No. 28 Bangna-Trad 28 Bangna Tai Bangna Bangkok 10260. 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 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 announced policy of inside information and securities trading of directors, executives, and persons who know or possess inside information as well as close persons who have the abnormal behavior of securities trading on the company intranet. The details of criteria and best practice indicate that the persons who know or possess the inside information comply with Securities and Exchange Act regarding the unfair action of security trading must comply with Section 240, Section 241, and Section 242 of Securities and Exchange Act extend to backout period and report of securities holding and change of securities holding. 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 or the persons who know or possess inside information 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 or the persons who know or possess inside information 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.

The report of securities trading

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 2020, Directors and Executives of the Company have made a report on securities holding by comparison between the increase (decrease) at closed book date on December 30, 2019 and December 30, 2020 as follows:

No.	Name		Number of shares (share)		No. of increasing share (decreasing) during the year (share)
			December 30, 2020	December 30, 2019	
1.	Mr. Prida	Tiasuwan	26,997,222	23,371,196	3,626,026
2.	Miss Pittaya	Tiasuwan	21,676,230	20,460,945	1,215,285
3.	Mrs. Pranee	Khunprasert	12,417,352	11,497,956	919,396
4.	Mr. Pramote	Tiasuwan	10,440,630	9,860,595	580,035
5.	Mrs. Prapee	Sorakraikitikul	8,336,316	7,868,188	468,128
6.	Mrs. Sunanta	Tiasuwan	3,060,562	2,890,531	170,031
7.	Mr. Chanat	Sorakraikitikul	630,000	530,000	100,000
8.	Mr. Decha	Nantanajaroenkul	-	-	-
9.	Prof.Dr. Charnnarong	Pornrungrroj	-	-	-

The penalty of policy violation

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),

- (1) Section 296 of Securities and Exchange indicate that if any person violate Section 240, Section 241, and Section 242 must be imprisonment for not more than 2 years or a fine 50,000 – 200,000 Baht or both and probably must pay equivalent to the benefit from wrong doing.

In case of the violators Section 240 or Section 241 are directors, executives, or the persons who are responsible for the company operation must be imprisonment not more than 5 years or a fine 1 million Baht onwards or both and probably must pay equivalent to the benefit from wrong doing

- (2) Section 275 of Securities and Exchange indicate that the persons who are the duty for doing and disclose the report as Section 59, the violators or not comply with Section 59 or violate and not comply with the criteria or procedure as Section 59 must be a fine not exceeding 500,000 Baht and a fine not exceeding 10,000 Baht per day throughout the time of not compliance.

6. Remuneration for Auditor

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

Remunerations the Company and Subsidiaries pay to EY Office Limited in the year 2020 are listed hereunder.

Unit: Baht

	Company	Subsidiary
1. Auditing remuneration	3,130,000	1,070,000
Total	3,130,000	1,070,000

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 2020, 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 uncomplied 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 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 complete invitation letter for the Annual General Meeting of Shareholders 2019 in form of QR Code by downloading the file contained all agenda of the meeting 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 here under.

- 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 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 2018, held on April 23, 2019, 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 2020, the Company arranged the shareholder meeting 1 times consisted of Annual General Meeting of Shareholders for the year 2019 was held on Thursday, July 16th 2020 at 15.00 hrs. at Club Building 1st Floor, Pranda Jewelry Public Company Limited at No.28, Soi Bangna-Trad 28, Bangna Tai, Bangna, Bangkok with the following facilitations provided to shareholders.

- 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 hard copy of invitation letter and supporting documents

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 Chairmans 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 Inverstors 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 Directos, 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 36 shareholders participating in the Annual General Meeting of Shareholders for the year 2019, held on July 16, 2020 was composed of the ones attending the meeting by themselves and the others casting votes by proxy, totaling 253,418,380 shares, or equal to 52.07 percent of the total number of 486,709,618 paid up shares of the Company divided into 158,108,190 shares for presenting shareholders and 95,310,190 shares for proxies.

The Directors of the Company attended the Annual General Meeting of Shareholders for the year 2019 amount of 10 persons, representing 100% 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 2019 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 SETLink 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 2019 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 July 29, 2020. 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 98 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 (6th 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 2020, there is no Directors or Executives who trading stocks by using inside information according to the announcement of the company regarding inside information policy and securities trading of Directors, Executives, and persons who know or possess inside information or capable to access inside information including close persons have the abnormal behavior of securities trading on the company intranet.
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.

Category 3: Roles of stakeholders

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 7th revised edition) on November 11, 2020, available at: www.pranda.com. The Company has treated the stakeholders as follows.

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.

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 Council (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 products 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.

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.

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.

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 placeof 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 remunerationsuch 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 2019 is 470 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 570 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. In addition, the Company provided the training and supporting the projects as well as the valuable activities to employee as the followings:

1. 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 to the Company policy are provided for organization development consisted of employee orientation, basic knowledge of jewelry business, positive thinking and linked to Core Value, commnder skill, gems and jewelry industry overview, the jewelry production knowledge, and Work Shop : Change Together II.
- Courses from survey of training demand are provided for the each unit consisted of commander skill for chief / supervisor, design and product development technique, effective communication technique, instrument calibration and weighing usage, effective engraving, and CorelDraw 2019.
- Course for competency consisted of Continous improvement by Kaizen, and strategy for company success.
- 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 2019 (RJC), building electrician course, and Occupational Safety and Health Committee course.

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).

2. Quality of Life Improvement in the organization

The Company set out the policy of life quality improvement in the working place contained in Corporate Governance Manual and Code of Conduct (the 7th revised edition) and the Board assigned the core value & CSR committee to promote the project and activities for supporting well being of employee, having the detail as below:

2.1 Activities of employee knowledge development

2.1.1 The Library - Self learning center

The Company has provided the places for employees and their children where for discussion and exchange the knowledge as Library Café having Free WiFi including well organizing the valuable books and also as a place for online education for the bilateral students of the Company. The all employees are able to search by oneself from intranet, QR. Code, and library pages including send the email for borrow the books. Presently, it has the books and information more than 3,000 items. Some magazines are able to read by QR. Code to promote more reading and give the right to borrow a number of 3 books/person/week. The employees access to the library in form of walk in and intranet, while the library opens in the lunch break every working day at club building for the free of charge.

2.1.2 Scholarships

The saving cooperative of Pranda Jewelry granted the scholarships to children of the employee in primary education, secondary education, vocation education, and bachelor degree. The year 2020 granted a number of 80 funds, totaling 101,500 Baht. The scholarships from year 2010 to nowadays totaling 773 funds



or 1,011,000 Baht and good study awards for bilateral student for year 2020 a number of 20 awards, totaling 20,000 Baht. From year 2012 to present, a total of 99 funds worth 99,000 Baht were granted, totaling 872 funds with total value of 1,110,000 Baht.



2.2 Financial Supporting Activities for Employees

2.2.1 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.

2.2.2 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.

3. Family Institute Supporting Activities

3.1 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 660 residents at the moment.

3.2 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.

4. Health and Well Being Supporting Activities

4.1 Exercise Activity such as weekly aerobic

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

4.3 Annual health check-up

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

4.5 In-house fitness

4.6 Safety week

4.7 Color sports day

5. 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. Almsgiving ceremonies on the important religious days

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.

7. Safety, Occupational Health and Working Environment

The Company has strongly promoted a campaign to instill the safety culture at all levels of the organization and has thus set up the policy for all employees to follow in order to promote the safety of employees' lives and assets inside the areas of responsibility of the Company. Also, the policy is set towards reviewing the safety preventive measure to be up-to-date and on the current situation both continuously and regularly by adhering to the safety procedures of employees' own selves, colleagues and the Company's assets and to realize the importance of the measures of accident prevention arising from work, disease from work which can affect the employees or thers.

7.1 The Occupational Safety, Health and Work Environment Committee

Another committee which is important in driving the procedures of the occupational safety, health and work environment to prevent hazards, accidents and disease from work, resulting in a decrease of dangers and the collaboration of all sectors



in the organization to drive safety tasks in working for efficiency and effectiveness both practically and sustainably.

7.2 Safety Promotion in Workplace

The Company has cultivated a sense of safety in workplace for employees from the beginning of working with the Company in terms of setting up training course to enhance knowledge in the area of occupational safety, organizing "Safety Talk" activity to review and update new situations as well as providing various emergency response plans such as basic fire fighting and fire drill, chemical spill drill and radiation emergency drill to employees on regular basis.

Occupational Safety Training

Provide knowlege to employees on how to work safely. Train employees to be aware of hazards which may occur during operations as well as raising consciousness of not acting upon risks which may cause dangers to employees themselves. Also, provide training sessions to enhance knowledge which can be applied during work operations and daily lives.



“Safety Talk” Activity

“Safety Talk” is another practice which helps remind employees for the importance of safety in the workplace as well as sharing beneficial up-to-date situations among employees.



Emergency Response Drills

The Company annually arranges emergency response drills for employees in order to get prepared for various emergency cases and to examine the readiness of action plans in response to each situation as well as building teamwork among concerned parties which could result in smooth and efficient collaboration.



7.3 Control and Preventive Measures of Coronavirus 2019 (COVID-19)

To control and prevent the outbreak of Coronavirus 2019 (COVID-19) which is currently spreading worldwide, the Company has set up various measures to create safety and confidence of all lives within the Company.



In addition, to create the livable environment both within and around the Company and not to impact the environment of surrounding communities, the Company constantly promotes the usage of various resources according to the occupational safety, health and working environment system and is continuously compliant with laws and regulations to stimulate work efficiency and the employees' quality of life.

Accident Statistics for the Year 2020

The Company is committed to continuously improving the operations of the occupational safety, health and working environment and has promoted occupational safety activities as well as monitoring and evaluating the performance in accordance with the policy to achieve the most effective outcomes. In terms of accident statistics for the year 2020, there only occurred 1 report of accident with an absence from work up to 3 days and more. The Company also continuously provides action plans to cover and reduce the accidents from work.

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 together with operating the internal and external projects with Metropolitan Electricity Authority and Chulalongkorn University having the results as below:

1. Reducing electrical usage 501,000 kwh or reducing emission of greenhouse gas 250,499 kgCO₂ equivalent to reducing car usage 175 units per year.
2. Utilizing tap water from RO system 5,394 litres or reducing emission of greenhouse gas 4,288 kgCO₂ equivalent to reducing car usage 3 units per year.

In summary, 2 projects reduced emission of greenhouse gas 254,787 kgCO₂, reducing car usage 178 units per year

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.

The Company had not received any complaints of copyright or Intellectual Property infringement.

10. Labor

To ensure the products manufactured by the Company are in compliance with legal labor and human rights law, the Company has acted upon labor administration in accordance with international labor standards and human rights principles and imposed the policy of labor practices and respects of employees' rights. The Company has established the Core Value and Social Responsibility Committee in order to supervise and promote the employees' quality of life by organizing a debt relief program and providing legal advice in the workplace, educating employees on related laws with advices for those who encounter various problems which could assist and ease employees' concerns. Therefore, the Company was awarded the Thailand Labor Management Excellence Award 2020 from the Department of Labor Protection and Welfare, Ministry of Labor and earned an international standard certificate of WCA (Workplace Conditions Assessment).

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 2020, 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 SETLink. 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 2020 is listed below.

Activity	No. of times
Special interview on TV	3
Corporate news	127
Field trips and site visit	4
Newsletter	6
Stock Market news	42
Opportunity Day	4

In the year 2020, 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 2020, 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 Chongsutthanamanee

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, 2020, the Board of Directors consists of 10 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 (include independent director)	6 persons (representing 60.00% of the Board)
● Executive Director	4 persons (representing 40.00% of the Board)
● Independent Director	3 persons (representing 30.00% 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 Director 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 7th 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 2020 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 Director 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.

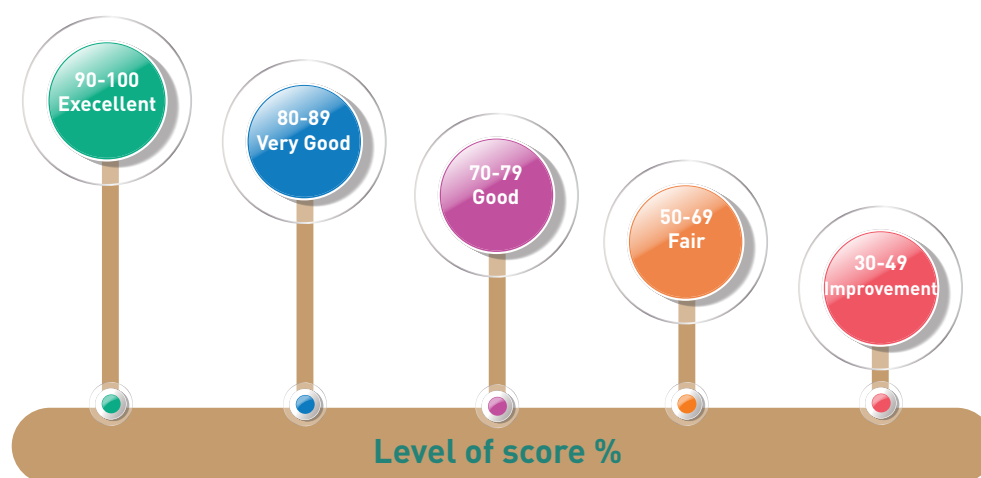
During the year 2020, there have been 9 meetings of the Board of Directors' and 4 meetings of Non-executive Directors to give opportunity for discussion on the matters that are in their interests and report the results of the meetings to the Managing Director to be in line with the policy allowing the 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 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 2020

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 “Excellent” 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 process of the Chairman of the Group Executive Committee

1. The Board of Director designates the Nomination and Remuneration Committee and Non-executive Directors to make the following determinations.
 - 1) To approve criteria for performance assessment 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 assessment of Board Chairman in 2020 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	-
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	
10.	Mr.Decha	Nuntanajaroenkul	-	-	-

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
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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:

Guidelines

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).
- As of 4 December 2019, The Company has filed self evaluation regarding Anti-Corruption measures in order to renew the certification from Thailand's Private Sector Collective Action Coalition Against Corruption to Thai Institute of Directors.
- On February 7, 2020, the Company has been extended its certified membership of the Thailand's Private Sector Collective Action Coalition Against Corruption.

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 2020, 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 Responsibility

“For more than 47 years of operations, the Company has significantly adhered to the business framework under good corporate governance and realized the importance of social and environmental responsibility for a stable and sustainable growth.”

Pranda Jewelry Public Company Limited operates under business ethics and good corporate governance, adheres to become an organization with social and environmental responsibility, considering the impacts that may affect all stakeholders and promoting the business under corporate social responsibility to enhance benefits to the public along with the growth of the Company.

For 2020, it was a challenging year due to the economic recession and various unexpected situations including the Coronavirus 2019 (COVID-19) pandemic. Accordingly, the Company is aware of the impacts and has adjusted the strategy to be more competitive in order to deal with various conditions. The practices, in response to the crisis, comprise of the establishment of the committee on March 2020 with objectives to respond to the COVID-19 outbreak, arrange meetings, report updated movements and set up various measures. The most significant aspect considered is the safety of both employees and the Company. Pranda has accordingly issued COVID-19 preventive measures such as social distancing by arranging the space between the seats to avoid congestion. Moreover, a project called “Pranda Pantry of Sharing” was initiated to share food and daily necessities to employees.

The Company, therefore, has established a framework of Corporate Social Responsibility (CSR) towards sustainability with reference to international practices covering quality of life, society, economy and environmental-friendly concept under the principles of good corporate governance. In order to achieve harmonization of the Group operations as well as creating positive attitudes and corporate culture for employees to realize the responsibility for the community, the Company has set up the guidelines as follows

Guidelines for Corporate Social Responsibility (CSR)

The guidelines for CSR activities of the Company are consistent with the operations of the Company towards becoming a socially responsible organization to fulfill the objectives of sustainable development. The Company monitors overall performance for the benefits of the entire society and further develops many activities to broadly contribute to the society with an aim for Thai society to accomplish sustainable development in all dimensions.

Throughout years of operations, the Company is always aware of the importance of running business under social responsibility. Therefore, the policy of social responsibility has been established as the guidelines for business development along with the sustainability of social development as follows:

1. Run business in accordance with corporate governance and social responsibility.
2. Respect stakeholders' rights and provide fair treatment to all concerned.
3. Support activities for public benefit, society and environment as well as promoting public or private sectors whose missions are towards social and environmental benefits.
4. Encourage personnel at all level to pay attention, participate and engage in the Company's activities towards CSR as well as encouraging and supporting employees to participate in voluntary and social activities with the community.
5. Not support any activities conflicting to morals or causing negative impacts on the confidence and reliability of stakeholders including shareholders, employees, surrounding community, customers, business partners and government sectors as well as society and nation.

Strategy and Operational Framework of Corporate Social Responsibility (CSR)

Pranda Jewelry Public Company Limited imposes the policy emphasizing the importance of corporate social and environmental responsibility along with commitments on jewelry business in terms of running a mass production of quality products with expertise and exquisiteness, delivering valuable jewelry products to create happiness and pride to customers all over the world as well as continuously creating sustainability for the jewelry industry. To result in a strong society and sustainable growth, the Company adheres to the concepts, operational framework and strategy of corporate social and environmental responsibility comprehensively throughout the organization. Therefore, the Company declared the Committee of Core Value and CSR Support to drive cross-functional work under the operational framework implemented in 2020 as follows:



Important Stakeholders of Pranda Group

Pranda Group places importance on caring and taking into account all stakeholders, whether they are internal stakeholders: shareholders, employees, customers, partners, or external stakeholders: creditors, debtors, communities, environment, and government agencies. The Company has operated business with the recognition of serving the needs or expectations of stakeholders for the interests of the operation and development of business, while respecting rights of the stakeholders in compliance with the relevant laws and regulations.

Interrelationship with the Stakeholders under the Context of Social Responsibility and Sustainability

Stakeholder	Demand Expectation	Communication Channel	Responsive Strategy
Shareholder and Investor	<ul style="list-style-type: none"> - Reasonable Yields - 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 - Executives meeting - Business visits - Receiving suggestions and complaints via website and corporate secretary office 	<ul style="list-style-type: none"> - Treating shareholder and investor under good governance - Disclosing reliable and transparent information - Respecting shareholders' rights under good corporate governance
Customers	<ul style="list-style-type: none"> - Delivering quality and standard products - Instructing knowledge and technology via the products of the Company - Variety of products - Keeping confidential information of customers 	<ul style="list-style-type: none"> - Discussion session - Business trips - Educated by specialized team and expert of the Company - Publishing informative journals - Visiting customers and receiving suggestions, recommendations, and complaints - Customers' satisfaction survey 	<ul style="list-style-type: none"> - Raising awareness to customers and mutual responsibility in the safety quality of product and service - Evaluating satisfactory of customers covering many areas to consider the improvement of service and business operation - Providing service to customers with responsibility due to business ethics and morals - Keeping confidential information of customers
Partner and Creditor	<ul style="list-style-type: none"> - Reasonable price by cost appraisal examination - Punctual debt payment - Fair and equal in employment and auction - Exchange knowledge and experience 	<ul style="list-style-type: none"> - Discussion session - Joint meeting - Visiting partners and taking recommendations - Receiving recommendations and suggestions or requests 	<ul style="list-style-type: none"> - Treating partners and all creditors with fair and equal under the contract agreement and business ethics - Communicating with partners to understand the regulation on procurement, selection and evaluation process by following and reporting to related persons
Commercial Competitor	<ul style="list-style-type: none"> - Operating business with transparency, trustworthiness, and morality - Fair competition in compliance with the law 	<ul style="list-style-type: none"> - Receiving news information from media and public stage 	<ul style="list-style-type: none"> - Arranging regulatory system to prevent the acquiring or using confidential information of competitors in illegal manner - Treating competitor with comprehension and mutual cooperation

Stakeholder	Demand Expectation	Communication Channel	Responsive Strategy
Employee	<ul style="list-style-type: none"> - Fair remuneration and welfare in addition to the law - Security and career progress - Continually developing knowledge and efficiency in working - Safety and Healthy in working - Participating in developing product and service system - Participating in public activities 	<ul style="list-style-type: none"> - Establishing group learning (Pranda Academy) - Opening for any opinions and suggestion. - Making survey for employees' opinions - Training and enhancing employees - Evaluating working performance - Proving public activities for the employees' participation 	<ul style="list-style-type: none"> - Determining the practice guideline on ethics and morals in business operation for employees - Providing fair and reasonable remuneration and welfare - Providing safety system and equipment under the standard and proper workplace for efficient and effective working in the recognition of safety and health - Respecting rights of employees under the law - Training on working progress
Social and Environment	<ul style="list-style-type: none"> - Build and support careers and well-being to the society - Managing environment and promote development of community and society as well as conserving the natural resources and environment - Recognizing the impact on environment and community - Being the organization with responsibility for the local, nation, and world community, and promoting and conserving local culture - Disclosing working operation data based on facts 	<ul style="list-style-type: none"> - Making a survey/evaluation the demand and satisfaction - Regularly visiting communities - Arranging meeting for public consultation and suggestions - Coordinating with community to arrange quality of life program and activity - Arranging field trip and enhancing the participation in social and economic development as well as environmental conservation - Hearing opinions, suggestions and complaints - Reporting information, news, activities - Following news information and report from public media 	<ul style="list-style-type: none"> - Providing opportunity in bilateral vocational education for youth in the area with lacking education to have jobs and to join the bilateral vocational program of jeweler craftsmen - Implementing the policy on safety, occupational health and environment strictly - Contributing the mission for public interests, community and overall societies - Participating in public and social activities - Recognizing environmental standard suitable for the business operation

Overview of Corporate Social Responsibility Policy

The Company set up a policy in business operations of the Company and the subsidiaries by placing importance on social and environmental responsibility in both the CSR-in-Process and CSR-after-Process, leading to integration of responsibility for society and environment. The Company has also recognized and encouraged employees to continuously practice the policy for sustainable development.

Policy on Social Responsibility

In order to balance between profits and contributions to society, the Company has the policy in business operations adhered to conserving environment for sustainable living with community. The Company fosters the executives, employees, including subsidiaries to operate business with social and environmental responsibility and to implement the policy on social responsibility as an integral part of operation, management and CSR-in-Process. The Company then issued a policy on social responsibility and appointed the committee on social responsibility, as follows:

1. Good Corporate Governance and Anti-Corruption

The practice under the principles of good corporate governance helps the operation of business with transparency and accountability, including anti-corruption proceeding. The Company recognizes the importance of carrying out business with integrity and anti-corruption in all aspects. The committee set up the policy and practice guideline on anti-corruption, covering various matters such as gift offering; reception expenses; supporting political activity; business relationship; public procurement involvement; reporting suspicion of crime or complaint; management process of complaint; and the protection of petitioner and all relevant persons. The directors, executives and employees of the Company can implement these practice guidelines for anti-corruption, as well as planning proper internal audit system, composing of corporate regulatory policy; business ethics; and ethics of directors, executives and employees of the Company, under the disclosed information in the section of "Good Corporate Governance."

2. The Operation of Business with Integrity

The operation of business with integrity builds confidence to the stakeholders for the advantage of the business in the long run. The Company thus issued practice guidelines in carrying out business with integrity, by not taking advantage from incorrect proceeding. To affirm the integrity in the operation of business, the Company regulated practice guidelines as follows:

Practice Guidelines for the Operation of Business with Integrity

1. The Company has policy to treat all partners with fairness and justice on the basis of fair reciprocity for both parties without demanding, accepting, or paying any dishonest interest in the commercial with the partners.
2. The Company has policy to treat the commercial competitors under the rules. The good competition will not violate or disclose any confidential information of competitors by the fraudulent or improper ways and will not ruin reputation of commercial competitors by false accusation.
3. In the case where there is the offer, acceptance, or payment any dishonest interests, there shall be the disclosure of information to the partners to jointly solve the problem in the just and expedient manner.
4. The Company has policy to treat all partners with fairness, by not demanding or accepting any dishonest interest from the partners. If the Company cannot perform any commercial condition, the Company will notify the partner in advance in order to jointly solve the problem without taking advantage over business competitor. The Company focuses on open and fair competition for overall society.
5. The Company will disclose information of all products of the Company with accurate and complete details.
6. The Company has the strict policy on keeping the customer's confidential information acquired by the operation of business. Such information is not regularly disclosed, unless the disclosure thereof under the law.
7. The executives and employees at all levels shall provide cooperation and regularly implement good corporate governance in the management of organization in all aspects to become organization's culture in establishing core values as follows:
 - 7.1 Fair and Broad Competition: The Company operates integrity of business in compliance with laws and ethics under the open competition by fostering the employees at all levels to recognize the importance of the policy on the fair competition to avoid trading monopoly and wrongful superior market position.
 - 7.2 Respect the Intellectual Property Rights of Others: The Company commits not to involve in any activities that infringe properties and intellectual property rights.
 - 7.3 Support Responsibility for Supply Chain: The Company builds good relationships with the partners in the supply chain with fair treatment on appropriate conditions for business, by supporting the participation and elevation towards the importance of social responsibility for the partners.

3. Respect Human Rights and Employee Treatment

The Company places priority to basic human rights to encourage the respect on rights and freedom. Pranda's culture is family-like without social class and status and everyone is treated as family members with responsibility of own duties towards shared goal.

Moreover, the Company gives priority to the human rights and personal rights and freedom. The equal treatment for employees is subject to the labor laws which cover the strict protection of human rights; non-discrimination in the employment; non-prejudice on the basis of race, nationality, color, religion, gender, or disabled; and unfair lay-off. The Company opens channel for the employees to suggest their opinions or file a complaint to the Company. The Company also protects the employees who make a report on the incorrect action with good faith. Specifically, the Company will not support or promote any suppliers who tend to violate human rights in the supply process.

Furthermore, the Company has attitude towards carrying out business with integrity, social and stakeholder responsibility, under the principles of good corporate governance and business ethics. In terms of human rights protection, the Company has strictly practiced in compliance with the laws and international rules, especially the principle of United Nations Global Compact (UNGC) and Declaration on Fundamental Principles and Rights at Work of the International Labor Organization (ILO). These practices have affirmed that the Company has carried out business without the violation of human rights.

4. Fair Treatment of Workers

The Company recognizes that all employees are valuable resources and significant mechanism in the success of business competition. Therefore, the Company strives for the development and increasing capacity of employees in accordance with the business continuity strategy, while seeking for opportunity aiming at mutual sustainable success and progress for the employees and the organization.

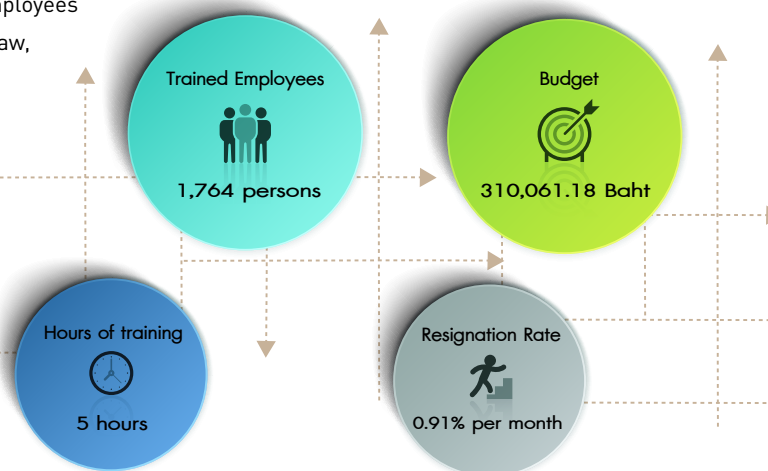
Providing opportunity for employees to develop capacity is a significant factor as the personnel resources with high efficiency, expertise, and truly fulfilling customer's needs. The Company then places importance on the recruitment of employment process, potential development of employees and leadership development, including reasonable remuneration and the competitiveness to be consistent with the core values as recognized by the executives and all employees to be adhered together. The Human Resources Department has regulated policy and guidelines on human resource management as follows:

1. Fair remuneration and interest equivalent to the same industry group
2. Share and build learning culture within the organization: Learning Organization
3. Promote and support the value of employees, leadership development, and training plan (annual personnel development training program)
4. Treat employees equally and provide freedom of expression through representatives
5. Create engagement to the organization (Ceremony on Honour Ring)

Performance of Human Resource Development in 2020

The Company adheres to treat all employees fairly and equally in compliance with the law, business ethics, and respects of human rights for the peaceful security. The Company promotes career progress and creates capacity development for the employees as well as supporting standard of living for the employees such as welfares for employees as prescribed by law; security and hygiene in the workplace; the measures on accidental prevention; the awareness of safety for the employees; along with training, appointment and transfer, reward and punishment for employees on legal and just

basis. In addition, the Company established employee relations department under human resource department as the channel for suggestions, consultation, and inquiries from employees and to open up opportunity for employees to express opinions or inquire concerning work procedures.



5. Responsibility for Consumers

The Company emphasizes delivering standard and reliable products and services to consumers by implementing Thai Labor Standard management system (TLS. 8001 - 2553) at complete level to promote organization image through the products and services certified by various standards such as standard system of Responsible Jewelry Council (RJC) Code of Practice within the scope of Design & Manufacturer of Jewelry & Accessories. These standards could gain confidence from consumers in terms of social responsibility for jewelry business to reduce gaps of internal and external risks, with an ultimate goal of sustainable development of business. The Company furthermore applies standard system for quality management ISO 9001:2015, focusing on manufacturing accessories and jewelry with international standard, by experienced teamwork to control quality at every step for delivering products on time for ultimate satisfaction of customers.

With purpose to continuously develop and manufacture products to serve the customers' needs, the Company uses resources, time, personnel, investment, material, machinery, information, technology, and most effective and efficient method in order to strictly maintain occupational health, safety, and environment. The Company also commits to performing any agreement with the partners and creditors with fairness and equality, by not taking dishonest advantage from the partners. The Company strictly performs in accordance with contracts and conditions and performs under any obligations for all creditors according to loan agreement and discloses genuine financial status of the Company. The Company has set up procurement policy for fair, just, and efficient business with the partners, while operating business under the rule of fair competition. The Company does not seek for confidential information of competitors in the illegal manners such as offering rewards to the competitor's employees and does not ruin the competitor's reputation by false accusation or any act without truth and fairness.

6. Environmental Conservation

The Company recognizes and concerns on the impacts on natural environment caused by any activities of the organization. The Company therefore creates organizational culture by growing volunteer mindset for employees at all levels to be aware of the conservation of natural resources, environment, and energy. The Company then arranges environmental conservation activities in order to conserve and maintain environment of community located close to the Company such as providing waste water treatment before draining into rivers. Besides, the Company controls the environmental impact in accordance with the standard of Department of Industry and international standards, including all relevant laws and regulations.

Environmental Policy

1. Encourage and support every personnel in the organization to be aware of the importance of environment, and it is deemed as the obligations to protect, prevent, and reduce environmental impacts on all relevant persons and community.
2. Encourage and support to strictly act in compliance with laws, standards, or regulation relating to environment.
3. Manage, operate, supervise, follow, improve, review, and develop the relevant parts for environmental conservation for continuity and sustainability.
4. Encourage and promote the use of natural resources and energy of the organization for the best interest, aiming at the sustainability of business, society, and environment.

7. Participation in the Development of Community or Society

The Company places importance on strengthening community and society, together with sustainable business. The Company also supports activities and projects for education in the community in order to provide basic education to all youths for their future in the community, as follows:

1. Dual Vocational Education

Since 2000, the Company has carried out business in cooperation with the Kanchanapisek College Royal Goldsmith, the Bangkok Arts and Crafts College, and Suranari Technical College under Department of Vocational Education Ministry of Education to enroll students who finish junior high school to study in Vocational Education in Gems and Jewelry Business. Student selection will be considered from the Public Secondary Schools and other opportunity expansion schools throughout country, by considering students in underprivileged areas first. The Company has proceeded this project until present. For academic year 2020, there were 26 new students enrolled and number of students graduating in March 2021 are 50 students. In 2021, the enrolled students are targeted for 160 students.

2. Audiovisual Education Student Program

Moreover, the Company has participated with the community by providing opportunities for students with hearing impaired in 2 audiovisual schools to work with the Company including Nakhon Pratom audiovisual education school and Kanchanaburi audiovisual education school. Currently, there are many disabled students working with the Company continuously.

3. Contribution and Participation in Community Activity

Contribution on funds are given to the schools and underprivileged children in the community, including isolated areas in upcountry.

4. Encouragement and Responsibility for Employees

Welfares such as scholarship for the employees' children having outstanding academic scores, nurse room, annual medical checkup, and other welfares as prescribed by law, are completely given to the Company's employees.

8. Development and Dissemination of Innovation in Social Responsibility

The Company encourages the innovation in working process in both internal process and the cooperation with other organizations, including the creation by new methods as well as the change of ideas or work procedures to increase value. The purposes of innovation are to have positive change for better solutions and to increase outcomes with the best interest of society.

Corporate Social Responsibility Committee

The committee of core value and CSR support has appointed the subcommittee to operate many projects under the Company's policy.

In 2020, the subcommittee of core value and CSR support had organized 4 meetings to determine framework for social responsibility and the report format of 3 significant aspects namely economy, society, and environment. The committee also follows the working performance in social responsibility, including an exchange of knowledge and enhancement of comprehension to related persons. In addition, the action plans on social responsibility are emphasized and focused on the support of knowledge and education. For future projects concerning social responsibility, the plans shall be proposed to the committee of core value and CSR support for consideration and continuous follow up.

Social Responsibility Report 2020

Pranda Group has annually arranged and published the report on social responsibility in the annual report and via website www.pranda.com as benefits for both internal and external stakeholders towards understanding of efforts, guidelines and project performance in accordance with social responsibility. In 2020, the Company organized social responsibility projects consisting of CSR-In-Process and CSR-After-Process.

CSR-In-Process

In 2020, the Board of Directors has appointed the committee of core value and CSR support consisting of 1 president and 8 committee, total 9 persons. Meanwhile, the committee has appointed subcommittee to implement various projects under the Company's policy total of 13 projects as follows:

1. Pranda Group Academy

The Company has a policy of cultivating a culture of curiosity to employees to create awareness on learning and enhancing skills, knowledge and ability of exchanging or sharing knowledge in order to be efficient in work, visionary and creative and to form up new knowledge for developing individual jobs which can significantly lead to the organizational development.

In 2020, the Company arranged various training courses to serve all job levels. For instance, Basic Knowledge of Gems and Jewelry Business, Positive Thinking Development, Core Value for Team Development, Team Building, Supervisory Skills, Train the Trainer and Behavioral Interview Techniques and other courses both in-house and outside to provide extensive training to employees. The Company also provides library service available for both employees and their children for borrowing books. Moreover, users are able to search for information of books they are interested via the Company's intranet with variety of new books and journals updated, allowing for more convenient access to knowledge of the target group.

Summary of Training and Human Development 2020

No.	Details	In-house Training	Outside Training	On the Job Training	Total	Average
1	Number of Training Courses	49 Courses	30 Courses	20 Courses	99 Courses	-
2	Number of Training Hours	8,070 Hours	270 Hours	798 Hours	9,139 Hours	5.18 Hours/person/year
3	Total Training Expenses	198,115.00 THB	111,946.18 THB		310,061.18 THB	175.77 THB/person/year
4	Number of employees trained	1,580 (repeat count)	51 persons	133 persons	1,764 persons	
5	Average level of training satisfaction	84.28%	85.40%	-	84.84%	-
6	Application for training certification under the Act of Skill Development (non-repeat count; Bangkok only)	923 persons	-	-	923 persons from total 1,764 persons	52.32%

2. Quality of Life Development Project



The Company gives importance to the development of employees' quality of life in all aspects by organizing various projects and activities to increase security in way of life and to uplift employees' quality of life. The activities organized in 2020 were as follows:

Activities	No. of Activities	No. of Participants	Average
Body combat	42	798	20 (persons/time)
ZUMBA Dance for Health	41	714	16 (persons/time)
Pranda Market	24	13	-
Fabric Mask for Mom	1	386	-

3. Child Development Center

The project has been continuously operated for 30 years to ease employees' parenting during working hours and also to raise the development of children in terms of physical, cognitive and behavioral. Trained and directly experienced full-time babysitters are appointed to look after children to ensure readiness for school enrollment. The children under this project are treated with services as below.

1. Health care services such as medical checkup, physical development check, child health supervision.
2. Nutrition services such as providing the children with nutritious food, practicing healthy habits and table manners.
3. Development promotion services such as physical development, language, communication, creativity, emotion, social coexistence including creating healthy habits and good basic discipline.

Number of Children in Child Development Center in 2020

No.	Details	No. of Children / Month	Remarks
1	Total Boarders in 2020	15	(08.30 – 17.30 hrs.)
2	Total After School Children in 2020	16	(15.00 – 17.30 hrs.)
3	Total Children during Public and School Holidays	25 - 30	Only Saturdays / Public Holidays / School Holidays
	Total	56 - 61	

Remarks: Children during Public and School Holidays may not attend as shown in total

4. Food Quality Inspection Project

The project concerns with hygiene of all employees by setting the policy for the canteen food vendors not only to develop the food flavors but also careful selection of quality ingredients which are clean, safe and non-contaminated along with cooking preparation to meet nutrition and nutritional values. The objectives are for employees to be energetic and healthy from consumption of quality and nutritional food provided.



Activities in 2020

1. Food Consumption of less sweet, less salty and less trans-fat food campaign
2. Finish all food to reduce waste campaign
3. Supervise and monitor canteen food providers to be standardized according to requirements, regulations, laws and the Company's 7 Sor activities
4. Inspect food stores for cleanliness, taste, price, quantity and quality of raw materials both inside and outside the Company
5. Reduce the use of plastic bags campaign
6. Collect and recycle used plastic straws to make pillow stuffing for bedridden patients

Performance Evaluation in 2020

Activity	No. of Food Shops	No. of Qualified Shops	No. of Disqualified Shops
Inspection of food stalls both inside and outside the Company	16	16	-
Inspection of stores inside the Company	9	9	-
Inspection of stores located in the Company's dormitory	4	4	-

The campaign of encouraging the executives and employees to eat up the food could reduce the leftover food by 80.00%. Additionally, the committee held meetings with all vendors to ask for cooperation in food sanitization and to strictly follow the regulations of the Company.

5. Innovation Project

The Company always supports and encourages all employees to have creativity in work and to be able to modify equipment, tools and working procedures for more efficiency, effectiveness and cost reduction and thus to initiate new knowledge internally used for production process. Accordingly, the Company has applied these project outcomes to be further developed for subsidiaries both domestic and abroad which are also beneficial in other aspects of product development. In 2020, there were 4 projects nominated and successfully qualified.

6. Debt Reduction and Legal Consultation

The project has been arranged continuously to assist employees for debt solving issues as well as delivering legal advice on proper debt handling with credit support from various financial institutions. In addition, the Company has provided channel for employees to access useful information concerning laws and obligations, especially debts, by posting information on the bulletin board. Training courses in terms of law of loans and borrowings, guarantees, succession and land were organized to provide employees with information regarding the source of debt and create awareness before undertaking any financial transactions and other laws.

In 2020, 44 cases were inquired for advices concerning debt problems and personal legal problems.

7. Saving and Credit Cooperatives



The project was established to cultivate saving habits and provide knowledge on personal financial management to employees as well as serving as a source of funds with lower interest rate than commercial banks in order to subsidize employees who have financial problem. At present, the cooperative has 2,242 members and has an operating capital of more than THB 233,000,000. Total deposits are 1,328 accounts worth THB 46,800,000. From 2008 until now, total shares are accounted for 2,242 shares worth more than THB 169,700,000. The loan subsidized in 2020 was 1,791 cases with total amount of THB 101,175,900. From the first day of operation until now, there were 33,996 welfare loan transactions total THB 872,318,628.

Additionally, the cooperative has provided Educational Scholarship in Primary, Secondary, Vocational school and Bachelor's degree to employees' children. In 2020, 80 scholarships were granted in total of THB 101,500. Total scholarships awarded from 2010 to present are 773 scholarships worth THB 1,011,000. In 2020, the academic excellence awards were rewarded to 20 bilateral vocational students at the value of THB 20,000 each. Total rewards from 2012 to present are 99 awards worth THB 99,000 with total of 872 scholarships totaling THB 1,110,000.

8. Dual Vocational Education

The Company has continuously operated this project since 2000 in cooperation with the Kanchanapisek College Royal Goldsmith, the Bangkok Arts and Crafts College and Suranari Technical College affiliated with the Department of the Vocational Education, Ministry of Education. Students who completed Grade 9 are eligible to enroll for the Vocational Education in Gems and Jewelry Business. These students are mainly selected from the Public Secondary Schools, Ratprachanukhro Schools and other Opportunity Expansion Schools across the country. The key objective is to open opportunities for students living in underprivileged communities in which the Company has been committed to operating this educational project until present.

The academic year of 2020, there were 26 new students enrolled with 50 students who will be graduated in March 2021. The target in 2021 is to proceed the admission of 160 students.



9. Occupational Support for the Disabled

Pranda Group has a policy to support and promote disabled persons through various approaches, starting from employing disabled persons to work as company employees, giving opportunities for career growth as well as developing skills and abilities in work in the same way as regular staff.

Details of Disabled Persons (January – December 2020)

Detail	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec
Total No. of Employees (BKK+Korat)	2,264	2,238	2,223	2,201	2,232	1,648	1,624	2,125	2,149	2,157	2,158	2,174
Employment of Disabled Persons Ratio (1:100)	23	23	23	23	23	17	17	22	23	23	22	22
No. of Disabled Persons (BKK)	29	29	29	29	29	29	29	28	28	27	27	27
No. of Disabled Persons (Korat)	2	2	2	2	2	2	2	2	2	2	2	2
Total No. of Disabled Persons (BKK+Korat)	31	31	31	31	31	31	31	30	30	29	29	29
According to law	Over	Over	Over	Over	Over	Over	Over	Over	Over	Over	Over	Over
- No. of Excess / Shortage (persons) -	8 persons	8 persons	8 persons	8 persons	8 persons	14 persons	14 persons	8 persons	7 persons	6 persons	7 persons	7 persons

Category and Characteristics of Disability

Business Unit	By Gender		Total	Characteristics of Disability		Total
	Male	Female		Hearing	Physical	
Factory 1	5	4	9	8	1	9
Factory 2	9	3	12	11	1	12
Prototype	2	2	4	1	3	4
Support	1	1	2	1	1	2
Korat Branch	1	1	2	0	2	2
Total	18	11	29	21	8	29

Key Performance Indicators

From the target of 2019, the Company recruited 3 more disabled persons or 10% of total disabled employees with consideration in response to the production capacity requirements of the organization.

In 2020, there were 3 more disabled persons recruited and selected which accomplished the project goals. The turnover from Jan - Dec was 7 persons totally from Bangkok factory. The current numbers of disabled employees are 29 persons, excess by 10 persons as required by law at proportion of employment of disabled persons at 1: 100.

10. Activity “7 Sor”



Since 1999, the Company has placed an importance on quality and declared a policy of quality development through “5 Sor” activity, as part of the quality development in work operations. In 2012, the Company has added more of “2 Sor” activity namely, Beautiful and Environment, to be “7 Sor” activity to comply with the Company policy that emphasizes environmental development. Total period of “7 Sor” activity implemented is 22 years.

Principles of Operation are

- Clear Convenience Clean to develop workspace and environment
- Hygiene & Habit to develop people to be more disciplined
- Beauty & Environment to promote tidiness and livable, welcoming workplace

Policy on Activity “7 Sor”

The Company placed an importance on quality and declared a policy on quality development in every aspect by using the activity “7 Sor” as a basis for quality development within the organization, emphasizing on improving the tidiness of work space environment for cleanliness, convenience, hygiene, beauty, good environment and achieve quality job. In order to maintain and develop oneself towards quality and standard, the Company therefore announces the following policies:

1. The executives at all levels must supervise the execution of activity “7 Sor”, including giving advices in carrying out activity “7 Sor” as well as working closely for problems solving.
2. All employees must be conscious and must conduct “7 Sor” as part of their duties and to apply principles in operation as routine tasks and must be acted continuously for better future development.
3. Encourage employees to have knowledge and understanding on “7 Sor” as foundation of self-development.
4. Perform the “7 Sor” at the best to be a role model in social development.

Key Performance Indicators

1. All executives and employees provide continuous cooperation for the implementation of activity “7 Sor”.
2. 60 working units in the Company have passed the “7 Sor” evaluation at a score of $\geq 85\%$ at least 50 areas.

11. Environmental Conservation and Energy Saving

The Company always realizes that resources and environment are important factors in human life that will have a continuous impact on the business operation. Therefore, the awareness of environmental conservation has been carried out both internal and external to promote the efficient usage of resources as well as launching campaigns for all employees and stakeholders to have an awareness of energy conservation, natural resources and environmental protection along with business development towards sustainability.

In the meantime, the Company also encourages employees to participate in environmental conservation and energy saving to maintain the working conditions without deterioration for the sake of life. Coordination to build cognition and awareness between the organization and employees to play a role in protection and restoration towards the most worthy and beneficial usage of resources. Even though the Company is running business in the industry which has no impact on the environment, the Company does not neglect such matters which are considered socially sensitive issues. Therefore, the Company always emphasizes on the importance of operations towards environmental protection and energy conservation.

12. Waste Bank

The Company has established a recycle bank with the objectives of waste management within the organization and publicized to employees for participation. The core principles are Reduce - to decrease unnecessary waste, Reuse - to reuse materials instead of being disposed and Recycle - to select materials that can be recycled. In addition, in terms of waste management, there is a deposit – selling activity of recycled materials in average quantity of 50,000 kilograms per year.



13. Sharing and Giving to Society

The Company places an importance on developing a stable and progress business along with the commitment to continuously pay back to society and the community with the confidence that a peaceful society is one of the key factors contributing to sustainable economic growth, realizing that the beginning of good society starts with “GIVE”. The Company determines employees to think of, take care and help underprivileged people in society. Also, the Company is pleased to support employees to participate in activities beneficial to the community related to the Company’s business or the surrounding area of which, finally, is the society of the country in which the Company operates

Apart from the main business of the Company or the employees’ regular works and in order to make social activities proceed continuously and get more results, therefore, Sharing and Giving to Society program was established to give an opportunity for employees to participate in activities after working hours. The contributions from time and efforts of employees on community development will provide an insight of sacrifice, collaboration and teamwork towards a shared goal – development of community. This has resulted in a good relationship among employees to employees or employees to supervisors and executives. Moreover, a positive relationship between the organization and the community is well realized. Employees who regularly contribute themselves for the community activities, with volunteer spirit for public benefits, will be able to develop themselves to be good-hearted persons with good human relations which can be significantly considered as human capital of the Company.

Supporting Religions, Traditions and Worshipping the Royal Institution and the King



The Company, in cooperation with communities, temples, schools and government agency, organized activities to inherit Thai traditions by participating in offering robes, kathina robes, candles as well as monk offerings at Wat Phongploy Viriyaram on the important religious days.

In addition, the executives and employees shared loyalty on the occasion of the royal coronation ceremony of H.M. King Maha Vajiralongkorn Phra Vajiraklaochaoyuhua ascend to the throne as the King of Thailand with the decoration of Thai national flag in conjunction with the Royal Supreme Name Flag and the Royal Coronation Flag and set up royal worship together with the royal image. Moreover, employees were invited to wear yellow shirts in order to honor and show loyalty to H.M the king throughout July 2020.

Educational Support



In 2020, the Company collaborated with government agency, schools and surrounding communities both in Bangkok and other provinces to organize various activities. For example, participation in the National Children's Day event to build a good relationship with schools and the neighboring communities, along with encouraging children to grow up as quality children because children are considered an important force for the nation who will lead to sustainable development, Donate necessities collected from donations such as rice, dried food, snacks, clothes and stationery to create smiles and share happiness with orphaned and underprivileged children at Watbotworadid Temple in Ang Thong province, continuously join Educational Guidance Program at audiovisual education school, Nakorn Pathom to educate and provide career guidance for job opportunities in professional technician of jewelry for hearing impaired children to encourage the pride living in the society and not to become burden for society and family.

Covid-19: Prevention and Control Measures

Pranda's Measures for Managing the Coronavirus Crisis



Pranda Jewelry Public Company Limited, with principle on caring of employees – upholding COVID-19 preventive measures, has established the committee to monitor the situations and hold regular meetings to set up additional measures for a whole cooperation such as measure and screen temperatures of employees and visitors before entering the Company, regular wash hands with alcohol-based gel, always wear face masks and increase frequency of cleaning and disinfecting most touchpoint areas. In terms of nutrition, the campaign was launched to encourage employees to consume newly-cooked food, hot food, use personal utensil and keep social distancing by arranging space between seats in the canteen. Additionally, communication through various media was designed to give knowledge and inform guidelines to protect yourself from COVID-19 to employees thoroughly and continuously.

Provided Cloth Face Masks and Organized an Activity “How to Make Your Own Face Mask”



With love and care in health along with concerns on safety of employees, the executives of Pranda Jewelry Public Company Limited provided cloth face masks to give to all employees due to the lack of medical masks in the market which are difficult to find and expensive. The Company thus organized activity of “How to Make Your Own Face Mask” to employees.

Pranda Pantry of Sharing



Pranda Jewelry Public Company Limited arranged the project called ‘Pranda Pantry of Sharing’ with objectives towards encouraging employees to share and help each other through donation of food, clothes and necessities to those affected by the COVID-19 outbreak. Employees are able to donate stuff in ‘Pranda Pantry of Sharing’ and those who in need are also able to directly pick up from the cabinet in order to ease daily expenses of all employees.

Selling Cheap Products to Alleviate the Suffering from the COVID-19 Crisis



The executives of Pranda Jewelry Public Company Limited arranged dried food and raw materials in cooking necessary for daily living to be sold at cheap price for all employees such as instant noodles, canned fish, rice, eggs and vegetable cooking oil with aim to ease household expenses and alleviate the suffering during the COVID-19 pandemic.

Pranda Sharing Day



Pranda Jewelry Public Company Limited organized “Pranda Sharing Day” activity to help employees and to create awareness of the importance of cooperation and sharing during the difficult situations affected from the COVID-19 pandemic. The activities organized included reduce waste, reduce global warming campaign by returning empty plastic bottles in exchange with eggs and selling of food, snacks and beverages (starting from 1 Baht) in order to bring money from the selling to buy necessities to add up for ‘Pranda Pantry of Sharing’.



The directors and executives altogether shared foods and beverages to employees on “Pranda Sharing Day” to assist employees in being able to work and share together during difficult situations affected from the COVID-19 outbreak. Another objective is to reduce daily expenses and costs of living of employees. The activity created happiness to all employees who enjoyed variety of tasty food such as papaya salad with sticky rice, fried chicken, rice noodles with green curry chicken, fried noodles, fried quail eggs, grilled meatballs, roasted pork together with variety of sweets including desserts, shave ice, longan juice, chrysanthemum juice and ice-cream. In addition, commodities and necessities were shared to all employees in ‘Pranda Pantry of Sharing’.

(CSR-after-Process)

Pranda Jewelry Public Company Limited always gives importance to Corporate Social Responsibility (CSR) aside from normal business operations of the organization as considered the benefits to the public and neighboring communities by supporting through monetary contributions and employee involvement activities organized in both Bangkok and other provinces as follows:

(Corporate Social Responsibility: CSR)			
			Amount (THB)
1	Sodsuksa School, Kanchanaburi Province	Children's Day Contribution	5,000
2	Sodsuksa School, Nakhon Pathom Province	Children's Day Contribution	5,000
3	Pongpoyanusorn School	Children's Day Contribution	5,000
4	Sirirattanathorn School	Children's Day Contribution	5,000
5	Child Development Center at Wat Phong Ploy	Children's Day Contribution	3,000
6	Child Development Center at Likhit 2	Children's Day Contribution	3,000
7	History Division, Naval Education Department	Children's Day Contribution	3,000
8	Lighthouse for the Blind	Calendar Contribution	-
9	The Foundation for the Blind in Thailand	Book Donation	-
10.	Bangna Juvenile Center	Contribution on Loy Kratong Day	5,000
11.	Pranda x Prima: turning plastic bottles into monk's robe sets	Plastic Bottles Donation	5,985 bottles for 100 sets
12.	Enhancing and Developing the Quality of Life for the Disabled and the Elderly	Donation	1,000
13.	Social Security Office, Nakhon Ratchasima Province	Royal Kathina Ceremony	2,000
14.	Department of Labor Protection and Welfare, Nakhon Ratchasima Province	Royal Kathina Ceremony	2,000
15.	Industry Office, Nakhon Ratchasima Province	Royal Kathina Ceremony	3,000
16.	Maharat Nakhon Ratchasima Hospital	Donation	6,840

Further Contributions to Other Social Programs:

1. Promotion of Society in Global Stage: Pranda Group is the first Thai organization countersigning the practices of the United Nations Global Compact on October 14th, 2002 upon undertaking and complying with international practices of 4 key aspects including human rights, labour, environment and anti-corruption. The Group is continuously committed to these 4 principles of Global Compact in business operations until present.

2. Promotion of Society in National Stage: The Company is participated as one of the organizations in building network of the UN Global Compact Local Network in Thailand. In 2015, the establishment of the associate members for UN Global Compact in Thailand was founded with more than 15 organizations participated. The project was supported by the National Human Rights Commission and the Strategic Action Sub-commission on the Rights for Economy, Society and Cultures to assist in the establishment of the UN Global Compact Local Network. The roles are driven towards mutual consideration for setting the management structure and roles of stakeholders and operational goals within timeframe for the first quarter of 2016 to drive success for the implementation of the 10 principles of United Nations covering 4 key important aspects namely human rights, labour, environment and anti-corruption to achieve the whole sustainable development.

3. Anti-corruption in Thai Society: Pranda Group participated in campaigns organized by various sectors especially by the Board of Trade of Thailand. In 2012, the Company countersigned anti-corruption agreement and acted as representative of private sectors as well as being instructors to help promote campaign for the business not to support the corruption both directly and indirectly. Additionally, such practice has been set as part of Corporate Governance Policy in accordance with accepted standards towards anti-corruption in all forms. The guidelines indicate that the ban of requesting or offering the items or other unfair benefits to all concerned to bring about inappropriate advantages shall be strictly followed by the executives and employees and such information is communicated to all concerned for thorough understanding. Accordingly, the Company has set up the roles of duties, guidelines to respond to anti-corruption and channels to report the evidence or inquiries in order to ensure that the executives and employees in all levels shall be acting upon correctly and appropriately.

4. Supporting the Business Network for Social and Environment: Pranda Group is the organization established network and business network membership for social and environment. The network is assembled by business people who share experiences with business matching for common visions concerning business operations towards social and environmental responsibility. The mission is set to promote and support the awareness of business that leads to the respects of society and environment, the rights of community and society and the business ethics to all stakeholders.

5. Blood Donation for Saving People's Life: The Company encourages employees to be a part of helping fellowmen through cooperation with Thai Red Cross Society to arrange blood donation every 3 months. The objectives are to bring blood to help fellowmen and to keep in blood inventory for emergency cases. As present, the level of blood donated from Thai citizens is very low and insufficient as the needs of blood for patients are increasing, leading to the shortage of blood.

6. Opportunity for Study Visit: The Company opens opportunities for institutions and other sectors to visit and study the business of the Company in order to enhance knowledge to the society and stakeholders throughout years of operations. Accordingly, the activities concerning corporate social responsibility of the Company are involved with employees from the top level through first line level who are considered significant as part of driving activities to accomplish objectives.

Commitment in Organizing Social Responsibility Activities in 2020

The continuous business operations of Pranda Group are considered as the endorsement of care and responsibility from the Company to the employees along with society. Significantly, the business operations cannot be separate from the society. The business is not anymore to be based on profit-driven without considering the society because when society is suffering, the business is negatively affected as well.

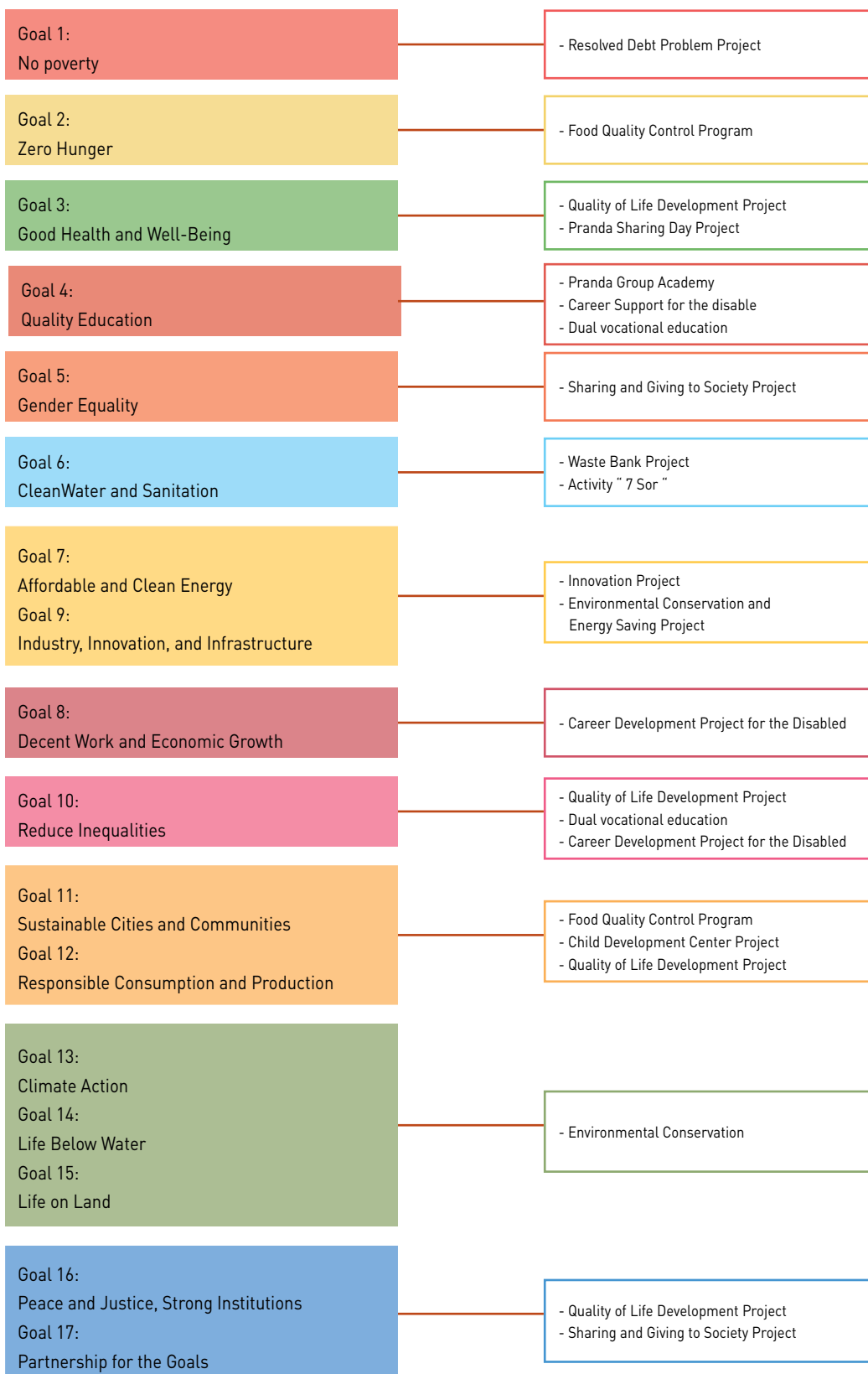
However, the Company is committed to operating social responsibility and development for sustainability by determining the importance of corporate social responsibility in line with business activity through introduction of new products and services. Additionally, the practice is focused on reporting the performance in accordance with disclosure of information following the criteria of the Stock Exchange of Thailand and internal standards towards the sustainable development.

Commitment to the Sustainable Development

Furthermore, Pranda has been carried out business under 17 goals of sustainable development, approved and certified by 193 UN member nations. Sustainable Development Goals has been the agenda of global development for the next 15 years (2016-2030) in United Nations General Assembly – UNGA.

The 17 Sustainable Development Goals are below:







Report of 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 2020, 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 2020 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.

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 2020.

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

The Company has been extended its certified membership of Thailand's Private Sector Collective Action Coalition Against Corruption : CAC on February 7, 2020 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 1/2020 on February 28, 2020 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.

Furthermore, The Company was qualified for renewal the member of Thailand's Private Sector Collective Action Coalition Against Corruption : CAC on February 7, 2020 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 2020 totaling 9 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 2020. The Audit Committee holds 4 meetings to review the internal control system, to follows 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, 2020, 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.

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. Alist Corporate PCL.	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 30 Million Baht	The subsidiary provided financial assistance with the total of 30 Million Baht and interest rate of 7.5 %. The loan will be repaid upon request. The value of transaction was 32,260,040.98 Baht	During 2020, Alist Corporate Public Co., Ltd. has repaid the loan principal and interest to the subsidiary (Pranda Lodging Co., Ltd.)

Related persons / Juristic persons	Relationship	Transaction	Value	Necessity and Reasonability
Related party transaction regarding providing financial assistance				
1. Alist Corporate PCL.	The son and daughter, as well as, their spouses of the directors of The company hold major shareholdings of this company	The Company enters a purchase transaction to purchase the trademark "DISAYA" in which Alist Corporate Public Co., Ltd. is the owner of the trademark	The purchase value is 40.00 million Baht	The Board of Directors without the stakeholder Directors considered the connected transaction and resolved that the transaction is reasonable. Although the Company purchase the trademark higher than its intrinsic value, the expected benefits of the Company should receive as following 1) Owning the nationally famous brands. 2) Expand the market into lifestyle groups of fashion. 3) Create value added and sustainable growth for The Company.

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.7

Necessity and reasonability of the transaction

The transactions between the Company, its subsidiaries, and its affiliated companies were normal business operation and had been approved by the Board of Directors or the Executive 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 3 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 re-strategic plan to align with consumer behaviors. In addition, as world economic slowdown resulted in decreasing on sales proportion from distribution base. However, The Group still maintain key customer in this market as the Group currently have 3 subsidiaries in distribution base in 3 countries including the United States, UK 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 four companies in Thailand, Indonesia, Vietnam and UK.

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 79% of the sales proceeds of the year 2020. 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 2020, due to the economy slowdown and impact from the epidemic situation of the Corona virus 2019 (COVID-19) that has been spread throughout the world resulted in 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 and UK.

Original brand product groups (OBM) accounted for 21% of revenue from the sales of the year 2020; 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 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

The gems and jewelry industry of Thailand is predominantly export referring to the value of exports which is up to Baht 566,997 million and Thailand is the third 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 also need to develop their own brand to diversify market risk.

2) Operating Results and Profitability

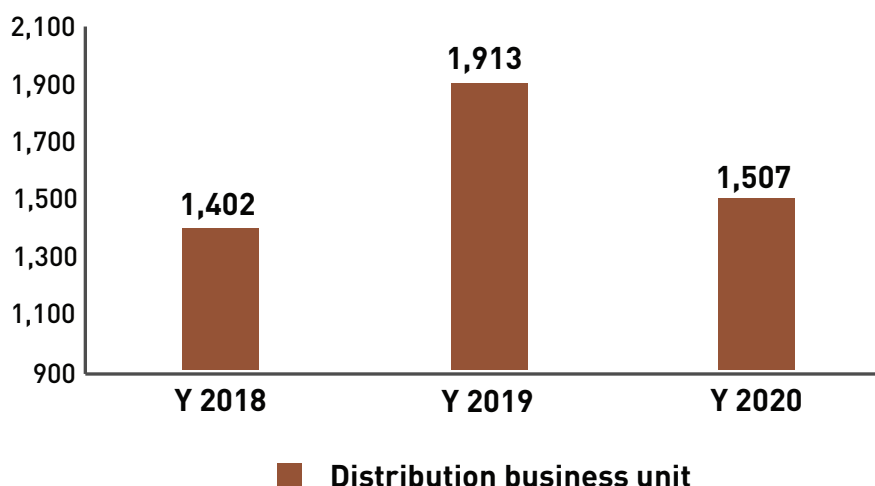
● Total revenues

The Group had total revenues in year 2020 and 2019 amounting to Baht 2,556 million and Baht 3,029 million respectively which decrease of Baht 473 million or 15.62% due to sales revenue decreased.

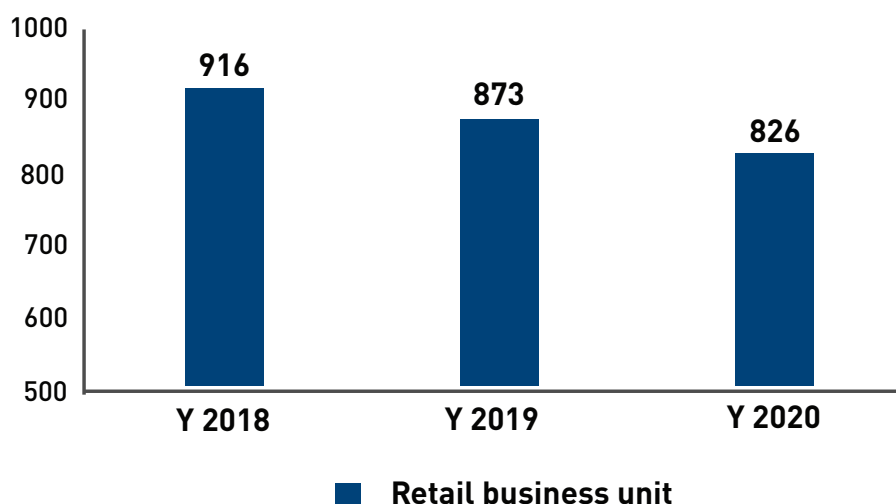
Consolidated	2018		2019		2020		Increase / (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Sales Revenue	2,794	88.06%	2,985	98.55%	2,462	96.32%	(523)	(17.52%)
- Production	1,402	44.19%	1,913	63.16%	1,507	58.96%	(406)	(21.22%)
- Distribution	476	15.00%	199	6.57%	129	5.05%	(70)	(35.18%)
- Retail	916	28.87%	873	28.82%	826	32.32%	(47)	(5.38%)
Other Revenues	379	11.94%	44	1.45%	94	3.68%	50	113.64%
Total Revenues	3,173	100.00	3,029	100.00%	2,556	100.00%	(473)	(15.62%)

● Sales revenue

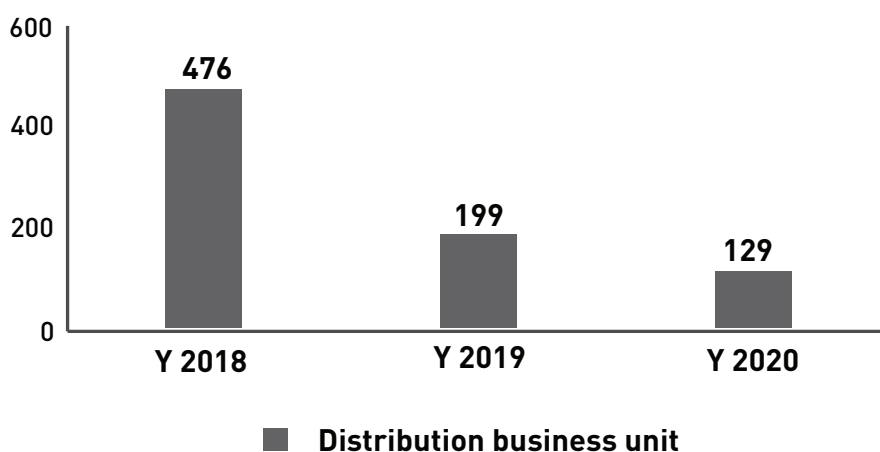
The Group's sales revenue consists of production revenue of Baht 1,507 million, representing 61.21%, retail revenue of Baht 826 million and representing 33.55% and distribution revenue of Baht 129 million, representing 5.24% due to the increase (decrease) of such income as follows:



Production business unit income decreased from Baht 1,913 million to Baht 1,507 million, this is due to large impacted of epidemic of COVID-19 throughout the world which directly impacted to our key customer of production base that cause of sale decreased.



Retail business unit income decreased from Baht 873 million to Baht 826 million which impacted from the epidemic situation of the Corona virus 2019 (COVID-19) that has spread throughout the world. Since in first quarter 2020, many countries throughout the world have announcement from government agencies to the company that operate in department store to temporarily close. In Thailand, it has effective since March 22, 2020 and in Vietnam effective since March 27, 2020. After the first unlock period in Vietnam and Thailand, the retail business are able to operate normally on April 23, 2020 and May 17, 2020 respectively. In addition, retail business has impacted from the epidemic situation of the Corona virus 2019 (COVID-19) second round in Thailand in December 2020 which resulted in decreasing on retail business revenue.



Distribution business unit income decreased from Baht 199 million to Baht 129 million due to restructuring plan as restructuring of operations which do not generate profitability.

Other income

The other income's Group consist of gain on exchange rate Baht 60 million and revenues from other service Baht 34 million

Cost of Sales and Selling and Administrative Expenses

Cost of sales	2020		2019		Increase / (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales revenue	2,462	100.00%	2,985	100.00%	(523)	(17.52%)
Cost of sales	1,912	77.66%	2,201	73.74%	(289)	(13.13%)
Total Selling & Admin Expenses	676	27.46%	941	31.52%	(265)	(28.16%)
- Selling Expenses	288	11.70%	382	12.80%	(94)	(24.61%)
- Administrative Expenses*	388	15.76%	559	18.73%	(171)	(30.59%)

*Exclude other expenses in comprehensive statement

● Cost of sales

The Group had a cost of sales of Baht 1,912 million which decreased by Baht 289 million or 13.13% from previous year. As a result of overall in 2020 has gross profit margin Baht 550 million or 22.34%.

● Selling and administrative expenses

The Group had selling and administrative expenses at Baht 676 million decreased by Baht 265 million from the previous year or 28.16% due to postpone expense policy and temporarily closed operation in certain section as effected from COVID-19 which resulted in decreased on related expenses. In addition, the Group had one-time expense in previous year at Baht 110 million which consists of long-term employee benefit which not related to production line Baht 29 million and related to restructuring of operations which do not generate profitability in France which consist of loss on sales of leasehold right Baht 11 million and restructuring expense in distribution business Baht 70 million.

● Profits

Consolidated	2020		2019		Increase/ (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales revenue	2,462	100.00%	2,985	100.00%	(523)	(17.52%)
Cost of sales	1,912	77.66%	2,201	73.74%	(289)	(13.13%)
Gross Profit	550	22.34%	784	26.26%	(234)	(29.85%)
Selling and Admin expenses*	676	27.46%	941	31.52%	(265)	(28.16%)
Operating Profit (Loss)	(126)	(5.12%)	(157)	(5.26%)	(31)	(19.75%)
Financial costs	53	2.15%	54	1.81%	(1)	(1.85%)
Gain (loss) on exchange rate	60	2.44%	(73)	(2.45%)	133	182.19%
Other expenses	(30)	(1.22%)	47	1.59%	(77)	(163.34%)
Profit (loss) before income tax	(149)	(6.05%)	(237)	(7.93%)	(88)	(37.04%)
Income tax (expenses)	96	3.90%	(16)	(0.54%)	112	690.77%
Non-controlling interests of the subsidiaries (Profit)	(42)	(1.71%)	12	0.40%	(54)	(450.00%)
Profit of Equity holders of the Company	(95)	(3.86%)	(241)	(8.07%)	(146)	(60.56%)

* Exclude other expenses in comprehensive statement

- **Gross profit**

The Group's gross profit was at Baht 550 million decreased by Baht 234 million from the previous year or 29.85% due to temporarily closed certain section and reduced working hours. While, the Group still has to pay certain fixed cost with minimal orders. Including, raw material sold in production base for cash flow management together with increasing on promotional advertising campaign to generate revenue in retail business which resulted in low gross margin.

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

The Group's loss from operations for the year 2020 was at Baht 126 million lower than previous year by Baht 31 million due to The Group has one-time expense in previous year both production line and selling and admin expense at Baht 159 million.

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

The Group's net loss attributable to shareholders of the company amounts to Baht 95 million decreased by Baht 146 million compared to the previous year, representing a net loss margin at 3.86% due to decreasing on gross profit margin, SG&A as aforementioned above.

- **Return on shareholders' equity**

The return of equity (ROE) in the year 2020 is at (4.22%), increased from last year's figure which stood at (10.05%), due to net loss attributable to the shareholders of the Group as aforementioned above.

For the fiscal year 2020, the Board of Directors approved to propose to the Shareholders' Meeting for consideration of approval the dividend payment from retained earnings, a net profit of year 2012 at the rate of Baht 0.10 per share in amount of Baht 53.90 Million, derived from profit under BOI privilege with exemption of corporate income tax to shareholder as of April 29, 2021 that hereby fixed as the record date, the dividend will be paid on May 19, 2021. However, there is uncertainty for the dividend payment which are subjected to the approval of AGM.

3) Asset Management Abilities

- **Asset Components**

The table compares the annual financial statements in 2020 and 2019.

Statement of Financial Position	Dec 31, 2020	%	Dec 31, 2019	%	Increase/(Decrease)	
					Million Baht	%
Cash and cash equivalents	443	10.96%	548	13.63%	(105)	(19.12%)
Current investments – deposits with financial institutions	-	0.00%	1	0.01%	(1)	(100.00%)
Trade account receivables and other receivables	391	9.68%	441	10.97%	(50)	(11.30%)
Short-term loans to related parties	15	0.37%	45	1.11%	(30)	(66.36%)
Inventories, net	1,532	37.91%	1,577	39.26%	(45)	(2.88%)
Other current assets	49	1.21%	40	1.00%	9	22.56%
Total current assets	2,430	60.13%	2,651	65.99%	(221)	(8.34%)
Total non-current assets	1,611	39.87%	1,367	34.02%	244	17.85%
Total assets	4,041	100.00%	4,018	100.00%	23	0.57%

- **Asset Quality**

The Group had total assets of Baht 4,041 million increased compared with the previous year by Baht 23 million, or 0.57%. The increasing of total assets mainly come from initial adoption of new financial reporting standards related to financial instruments (TFRS9) and lease (TFRS16) which the cumulative effect is recognized as an adjustment to the retained earnings as at 1 January 2020 resulted in decreasing in financial instruments assets transaction Baht 12 million and recognized assets related to lease which increased by Baht 202 million.

In addition, decreasing in inventory come from efficiency on inventory management as well as decreasing in account receivable as received payment from customer.

- **Impairment of assets**

The adequacy of the provision or allowance for impairment of assets.

- **Accounts Receivable and allowance for expected credit losses**

Unit : Million Baht

Aging of outstanding debts counting from the due date for payback	Accounts receivable – Related parties		Increase (Decrease)
	2020	2019	
Not yet due	3	1	2
Overdue			
No more than 3 months	-	3	(3)
3 – 6 months	-	4	(4)
6 – 12 months	2	-	2
More than 12 months	45	38	7
Total	50	46	4
Less the allowance for expected credit losses	(50)	(37)	13
Total accounts receivable - net	-	9	(9)

The Group hasn't net accounts receivable from related parties.

Unit : Million Baht

Aging of outstanding debts counting from the due date for payback	Accounts receivable – Unrelated parties		Increase (Decrease)
	2020	2019	
Not yet due	238	351	(113)
Overdue			
No more than 3 months	138	49	89
3 – 6 months	5	3	2
6 – 12 months	10	8	2
More than 12 months	23	25	(2)
Total	414	436	(22)
Less the allowance for expected credit losses	(41)	(30)	11
Total accounts receivable – net	373	406	(33)

The Group has net accounts receivable from trade receivables of unrelated parties totaling Baht 373 million decreased by Baht 33 million or 8.13% from the previous year due to received payment from account receivable.

Inventories

Unit : Million Baht

Inventories	2020	2019	Increase (Decrease)
Finished products	1,085	1,139	(54)
Work-in-progress	227	165	62
Raw materials	423	477	(54)
Plant materials	12	13	(1)
Goods in-transit	3	0	3
Total	1,750	1,794	(44)
Less the listings of cost reduction adjustment for net capital	(218)	(217)	1
Remaining inventories – net	1,532	1,577	(45)

As of December 31, 2020 the Group and its subsidiaries had inventories of Baht 1,750 million, which has decreased from the 2019 year-ended figure by Baht 44 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 Cash Inflow from Operating Activities for the year ended December 31, 2020 is at Baht 157 million, as a result of Pranda Group has loss from operation after adjustment to reconcile of non-cash transaction Baht 100 million mainly due to Pranda Group received payment from account receivable and other receivable Baht 26 million, inventory decreased by Baht 45 million and account payable and other payable increased by Baht 74 million as well as cash paid for long-term employee benefits Baht 15 million.

Cash Outflow used in Investing Activities for the year ended December 31, 2020 is at Baht 62 million generally due to purchasing fixed assets and intangible assets for operating working capital in Pranda Group.

Cash Outflow from Financing Activities for the year ended December 31, 2020 is at Baht 153 million mainly due to the Group repayment short-term loans from financial institutions amount Baht 151 million and partial repayment loan and promissory note on schedule as well as proceeds ordinary shares issuance from exercised warrants at the amount of Baht 24 million.

From operating, investing and financing activities, the Group's net cash for the fiscal year 2020 has decreased by Baht 105 million, and when combined with cash at beginning of period amount Baht 548 million, forms a total of Baht 443 million in cash at the end of the period.

The table compares the statement of cash flows for the year 2020 and 2019

Statement of Cash Flows	Dec 31, 2020	Dec 31, 2019
Cash flows from (used in) operating activities	157	51
Cash flows from (used in) investing activities	(62)	(20)
Cash flows from (used in) financing activities	(153)	26
Translation adjustment	(47)	94
Net cash flows	(105)	151
Cash at the beginning of the year	548	397
Cash at the end of the year	443	548

- **Liabilities and Shareholder's equity**

The group's total liabilities and shareholders' equity Baht 4,041 million, increased by Baht 23 million from the previous year which mainly come from initial adoption of new financial reporting standards related to financial instruments (TFRS9) and lease (TFRS16) which the cumulative effect is recognized as an adjustment to the retained earnings as at 1 January 2020 resulted in recognized liabilities related to lease which increased by Baht 202 million and decreased on shareholder's equity Baht 12 million.

In addition, increasing in trade payables and other payables due to increasing on raw material account payable. However, long-term loan decreased due partial repayment plan.

4.2 Capital expenditure

The Group invested a total of Baht 19 million which is divided into two types of investment, as follows:

- 1) Approximately Baht 5 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 14 million was invested for opening new shops for customer service and thorough distribution coverage of Prima Gold International, Co., Ltd, Pranda Vietnam, Co., Ltd. and subsidiaries in distribution base.

4.3 The ability to service debt and to comply with the terms of the loan

As of December 31, 2020, the Group was unable to maintain a debt service coverage ratio (DSCR) in accordance with the agreements (no less than 1.10 times). However, the Group already obtained a letter granting a waiver for some conditions from the lender in January 2021.

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				
		2020	2019	2018	2017	2016
Liquidity ratio						
Current Ratio ¹	(times)	1.66	1.78	1.84	1.43	1.36
Quick Ratio ²	(times)	0.56	0.65	0.56	0.32	0.41
Cash Flow Ratio ³	(times)	0.11	0.03	0.14	0.01	(0.06)
Accounts Receivable Turnover Ratio ⁴	(times)	5.20	6.27	6.07	6.03	5.43
Average Collection Period ⁵	(days)	69	57	59	60	66
Inventory Turnover Ratio ⁶	(times)	1.94	2.06	1.67	1.78	1.71
Average Sale Period ⁷	(days)	185	175	216	203	210
Creditors Turnover Ratio ⁸	(times)	2.67	3.33	3.36	3.70	3.85
Repayment Period ⁹	(days)	135	108	107	97	93
Cash Cycle ¹⁰	(days)	120	124	168	165	183

Financial Ratios		For the year ended period ending December 31				
		2020	2019	2018	2017	2016
Profitability ratio						
Gross Profit Margin ¹¹	(%)	22.32	26.25	31.54	28.44	27.77
Operating Loss Margin ¹²	(%)	(5.13)	(5.26)	(0.93)	(4.21)	(8.21)
Other Profit (Loss) Margin ¹³	(%)	0.92	(0.86)	9.70	0.82	(0.16)
Cash to Profitability ¹⁴	(%)	(124.61)	(32.30)	(881.39)	(9.41)	48.33
Net Profit (Loss) Margin ¹⁵	(%)	(2.09)	(8.37)	4.33	(6.11)	(10.80)
Return on Equity ¹⁶	(%)	(4.22)	(10.05)	7.17	(7.05)	(11.23)
Efficiency ratio						
Return on Assets ¹⁷	(%)	(1.33)	(6.28)	3.32	(4.02)	(6.73)
Return on Capital Employed ¹⁸	(%)	(0.95)	(5.45)	(3.05)	(3.43)	(5.89)
Return on Non-Current Assets ¹⁹	(%)	3.53	(14.26)	16.17	(6.54)	(14.86)
Asset Turnover ²⁰	(times)	0.63	0.75	0.77	0.66	0.62
Financial policy ratio						
Liabilities to Shareholders' Equity Ratio ²¹	(times)	0.90	0.87	0.78	1.08	1.15
Interest Coverage Ratio ²²	(times)	2.16	2.24	5.24	1.11	(0.46)
Debt Service Coverage Ratio (cash basis) ²³	(times)	1.21	0.16	0.29	0.02	(0.13)
Dividend Payout Ratio ²⁴	(%)	-	-	-	-	(7.08)

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 = Loss from Operations / Net Sales

¹³ Other Profit (Loss) Margin = Non-Operating Profit (Loss) / 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 Amortization + Leasehold rights amortization) / 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 of the Board of Directors' Responsibilities to Financial report

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, 2020, 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 2020, 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 2020, 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.

Emphasis of Matter

I draw attention to Note 3 and Note 9 to the consolidated financial statements. In the fourth quarter of 2020, the Group has assessed the financial impacts of the uncertainties of the Coronavirus disease 2019 pandemic on the valuation of trade and other receivable. As a result, in preparing the consolidated and separate financial statements for the year ended 31 December 2020, the Group has decided to discontinue application of the relief measures relating to measurement of expected credit losses using a simplified approach, which the Group elected to apply under the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in



Response to the Impacts of the uncertainties of the Coronavirus disease 2019 pandemic issued by the Federation of Accounting Professions. This has no significant impact on the Group's financial statements.

However, the Company has elected to continue to apply the temporary relief measures on accounting alternatives relating to not to account for any reduction in lease payments by lessors resulting from the Coronavirus disease 2019 pandemic situation as a lease modification. The Group is evaluating the impact on the consolidated and separate financial statements and will consider recording such impact after the relief measures expire.

My opinion is not modified in respect of this matter.

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 Group's 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 Group to its 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 10 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 Group's 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.

Compliance with covenants stipulated in loan agreements

As at 31 December 2020, the Group had long-term loans from financial institutions totaling Baht 150.9 million (8% of total liabilities) (Separate financial statements: Baht 67.5 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 Group.

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.



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 Ouahanunkun

Certified Public Accountant (Thailand) No. 3844

EY Office Limited

Bangkok: 26 February 2021

Pranda Jewelry Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Assets					
Current assets					
Cash and cash equivalents	8	443,484,448	547,748,052	185,952,874	388,392,156
Current investments - deposits with financial institutions	4	-	574,473	-	-
Trade and other receivables	4, 9	391,064,678	440,849,868	400,488,485	544,834,029
Short-term loans to related parties	7	14,810,255	44,596,050	-	14,942,750
Inventories	10	1,532,008,362	1,577,445,131	775,651,415	770,444,828
Other current financial assets	4	9,171,219	-	-	-
Other current assets		39,702,479	39,987,959	13,186,519	9,503,772
Total current assets		2,430,241,441	2,651,201,533	1,375,279,293	1,728,117,535
Non-current assets					
Restricted bank deposits	11	32,120,688	31,845,006	26,751,800	26,476,184
Other non-current financial assets	4, 12	21,266,374	-	12,009,234	-
Investments in subsidiaries	13	-	-	551,883,673	573,107,647
Investment in associated company	14	11,761,068	10,089,908	-	-
Other long-term investments	4	-	16,082,900	-	14,942,780
Amounts due from related parties	7	-	1,586,023	-	1,586,023
Long-term loans to related parties	7	-	-	-	45,308,023
Investment properties	16	586,965,840	587,308,266	577,551,607	577,551,607
Property, plant and equipment	4, 17	721,993,203	596,032,202	469,358,310	500,933,324
Leasehold rights	4	-	13,199,676	-	-
Other intangible assets	18	63,132,480	26,194,662	59,466,862	22,019,444
Deferred tax assets	33	160,802,763	62,294,765	144,125,355	170,425,643
Other non-current assets	4	12,649,204	21,895,846	368,371	363,371
Total non-current assets		1,610,691,620	1,366,529,254	1,841,515,212	1,932,714,046
Total assets		4,040,933,061	4,017,730,787	3,216,794,505	3,660,831,581

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 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	19	319,000,000	491,399,243	319,000,000	391,400,000
Bills of exchange	20	49,605,920	49,034,768	-	-
Trade and other payables	4, 21	813,565,192	749,576,726	495,653,035	579,496,246
Short-term loans from related party		592,410	583,842	-	-
Current portion of long-term liabilities					
- Restructured long-term loan	22	1,260,000	-	-	-
- Long-term loans	23	142,787,366	110,552,564	67,500,000	75,000,000
- Convertible debentures	24	34,464,968	-	34,464,968	-
- Options	24	3,888,889	-	3,888,889	-
- Lease liabilities	4, 25	31,520,327	225,829	-	225,829
Other current financial liabilities	40.1	5,729,064	-	5,729,064	-
Income tax payable		97,581	16,543,244	-	16,471,148
Other current liabilities		61,263,993	73,162,446	11,044,345	24,013,195
Total current liabilities		1,463,775,710	1,491,078,662	937,280,301	1,086,606,418
Non-current liabilities					
Long-term liabilities, net current portion					
- Restructured long-term loan	22	21,027,601	-	-	-
- Long-term loans	23	8,170,583	58,705,429	-	-
- Convertible debentures	24	-	36,164,109	-	36,164,109
- Options	24	-	4,333,333	-	4,333,333
- Lease liabilities	4, 25	129,407,196	-	-	-
Provision for long-term employee benefits	26	289,691,273	283,181,660	272,691,734	268,821,102
Other non-current liabilities		4,683,005	706,258	-	-
Total non-current liabilities		452,979,658	383,090,789	272,691,734	309,318,544
Total liabilities		1,916,755,368	1,874,169,451	1,209,972,035	1,395,924,962

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 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Shareholders' equity					
Share capital	28				
Registered					
634,769,950 ordinary shares of Baht 1 each		<u>634,769,950</u>	<u>634,769,950</u>	<u>634,769,950</u>	<u>634,769,950</u>
Issued and fully paid up					
491,155,940 ordinary shares of Baht 1 each					
(2019: 462,395,601 ordinary shares of Baht 1 each)		491,155,940	462,395,601	491,155,940	462,395,601
Share premium		817,978,957	818,137,989	817,978,957	818,137,989
Capital reserve for share-based payment transactions		3,126,786	2,005,997	3,126,786	2,005,997
Deficit from the change in the ownership interests in subsidiary		-	(58,427,507)	-	-
Retained earnings					
Appropriated - statutory reserve	29	54,417,738	54,417,738	43,417,738	43,417,738
Unappropriated		787,845,207	953,653,391	737,112,915	1,021,985,614
Other components of shareholders' equity		<u>25,037,288</u>	<u>97,845,510</u>	<u>(85,969,866)</u>	<u>(83,036,320)</u>
Equity attributable to owners of the Company		2,179,561,916	2,330,028,719	2,006,822,470	2,264,906,619
Non-controlling interests of the subsidiaries		<u>(55,384,223)</u>	<u>(186,467,383)</u>	-	-
Total shareholders' equity		<u>2,124,177,693</u>	<u>2,143,561,336</u>	<u>2,006,822,470</u>	<u>2,264,906,619</u>
Total liabilities and shareholders' equity		<u>4,040,933,061</u>	<u>4,017,730,787</u>	<u>3,216,794,505</u>	<u>3,660,831,581</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 2020

(Unit: Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues					
Sales	30	2,462,297,796	2,984,760,547	2,019,730,336	2,476,378,072
Other income					
Interest income		-	4,141,866	-	3,425,413
Gain on exchange		59,662,919	-	9,818,402	-
Gain on liquidation of subsidiary	13	-	4,918,709	-	-
Others		33,919,676	34,804,709	31,481,973	51,692,252
Total revenues		2,555,880,391	3,028,625,831	2,061,030,711	2,531,495,737
Expenses					
Cost of sales		1,912,760,205	2,201,260,064	1,704,413,949	2,013,635,450
Selling and distribution expenses		288,375,826	382,299,677	50,949,131	79,306,616
Administrative expenses		387,553,550	558,198,861	232,511,802	306,386,727
Impairment loss on financial assets		-	-	271,718,032	-
Loss on exchange		-	73,462,429	-	72,552,399
Bad debts and doubtful accounts for trade and other receivables (reversal)		-	(3,528,805)	-	273,611,737
Doubtful accounts for loans to subsidiaries	7	-	-	-	268,408,260
Impairment loss on investments in subsidiaries	13	-	-	21,223,974	94,464,286
Loss on liquidation of subsidiary	13	71,866,717	-	-	-
Total expenses		2,660,556,298	3,211,692,226	2,280,816,888	3,108,365,475
Operating loss		(104,675,907)	(183,066,395)	(219,786,177)	(576,869,738)
Share of profit (loss) from investment in associated company	14.2	1,671,160	(57,333)	-	-
Finance income		5,872,730	-	905,650	-
Finance cost	31	(52,658,930)	(54,075,243)	(26,859,822)	(36,353,800)
Loss before income tax expenses		(149,790,947)	(237,198,971)	(245,740,349)	(613,223,538)
Tax income (expenses)	33	96,279,775	(16,248,141)	(28,171,015)	105,113,026
Loss for the year		(53,511,172)	(253,447,112)	(273,911,364)	(508,110,512)
Loss attributable to:					
Equity holders of the Company		(95,102,856)	(241,414,924)	(273,911,364)	(508,110,512)
Non-controlling interests of the subsidiaries (loss)		41,591,684	(12,032,188)	-	-
		(53,511,172)	(253,447,112)		
Earnings per share	35				
Basic earnings per share					
Loss attributable to equity holders of the Company		(0.1932)	(0.5118)	(0.5565)	(1.0773)

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 2020

(Unit: Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Loss for the year		<u>(53,511,172)</u>	<u>(253,447,112)</u>	<u>(273,911,364)</u>	<u>(508,110,512)</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		19,761,100	84,770,547	-	-
Gain on changes in value of available-for-sale investments		-	2,816,952	-	2,816,952
Other comprehensive income to be reclassified to profit or loss in subsequent periods		19,761,100	87,587,499	-	2,816,952
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Loss on investments in equity designated at fair value through other comprehensive income	12	(2,933,546)	-	(2,933,546)	-
Actuarial loss	26	(419,784)	(26,024,859)	-	(26,539,450)
Less: Income tax effect	33	99,118	5,204,972	-	5,307,890
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		<u>(3,254,212)</u>	<u>(20,819,887)</u>	<u>(2,933,546)</u>	<u>(21,231,560)</u>
Other comprehensive income for the year		<u>16,506,888</u>	<u>66,767,612</u>	<u>(2,933,546)</u>	<u>(18,414,608)</u>
Total comprehensive income for the year		<u>(37,004,284)</u>	<u>(186,679,500)</u>	<u>(276,844,910)</u>	<u>(526,525,120)</u>
Total comprehensive income attributable to:					
Equity holders of the Company (loss)		(168,087,444)	(185,678,242)	<u>(276,844,910)</u>	<u>(526,525,120)</u>
Non-controlling interests of the subsidiaries (loss)		131,083,160	(1,001,258)		
		<u>(37,004,284)</u>	<u>(186,679,500)</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 2020

(Unit: Baht)

	Consolidated financial statements									
	Equity attributable to owners of the Company					Other components of shareholders' equity				
	Issued and paid-up share capital	Share premium	Capital reserve for share-based payment transactions	Deficit from the change in the ownership interests of subsidiary	Retained earnings	Other comprehensive income				Total equity attributable to owners of the Company
						Exchange differences on translation of financial statements in foreign currency	Deficit on changes in value of available-for-sale investments	Deficit on changes in investments in equity designated at fair value	Total other components of shareholders' equity	
Balance as at 1 January 2019 - as previously reported	424,839,788	811,965,872	580,333	(58,427,507)	52,000,000	107,154,582	(85,853,272)	-	21,301,310	2,472,833,275
Cumulative effect of change in accounting policy for revenue contracts with customers	-	-	-	-	-	-	-	-	-	-
Balance as at 1 January 2019 - as restated	424,839,788	811,965,872	580,333	(58,427,507)	52,000,000	107,154,582	(85,853,272)	-	21,301,310	2,470,353,367
Loss for the year	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-	73,727,248	2,816,952	-	76,544,200	55,736,682
Total comprehensive income for the year	-	-	-	-	-	73,727,248	2,816,952	-	76,544,200	(185,076,242)
Ordinary shares issuance from exercised warrants to purchase new ordinary shares (Note 27)	24,586,265	-	-	-	-	-	-	-	-	24,586,265
Transferred convertible debentures to ordinary shares and share premium (Note 28)	13,169,548	6,172,117	-	-	-	-	-	-	-	19,341,665
Share-based payment transactions	-	-	1,425,664	-	-	-	-	-	-	1,425,664
Transferred to statutory reserve	-	-	-	-	2,417,738	(2,417,738)	-	-	-	-
Increase in non-controlling interests of the subsidiary	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2019	462,395,601	818,137,989	2,005,997	(58,427,507)	54,417,738	180,881,830	(83,036,320)	-	97,846,510	2,330,028,719
Balance as at 1 January 2020 - as previously reported	462,395,601	818,137,989	2,005,997	(58,427,507)	54,417,738	180,881,830	-	(83,036,320)	97,846,510	2,330,028,719
Cumulative effect of change in accounting policy related to financial instruments (Note 4)	-	-	-	-	-	-	-	-	-	-
Balance as at 1 January 2020 - as restated	462,395,601	818,137,989	2,005,997	(58,427,507)	54,417,738	180,881,830	-	-	97,846,510	2,330,028,719
Loss for the year	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-	(69,874,676)	-	(83,036,320)	(152,910,996)	(186,467,383)
Total comprehensive income for the year	-	-	-	-	-	(69,874,676)	-	(83,036,320)	(152,910,996)	(186,467,383)
Ordinary shares issuance from exercised warrants to purchase new ordinary shares (Note 27)	24,314,017	-	-	-	-	-	-	-	-	24,314,017
Transferred convertible debentures to ordinary shares and share premium (Note 28)	4,446,322	(159,032)	-	-	-	-	-	-	-	4,287,290
Share-based payment transactions	-	-	1,120,789	-	-	-	-	-	-	1,120,789
Deficit from liquidation of subsidiary	-	-	-	58,427,507	-	-	-	-	-	-
Balance as at 31 December 2020	481,155,940	817,978,957	3,126,786	-	54,417,738	111,007,154	-	(85,969,866)	25,037,288	2,179,561,916
										(55,384,223)
										2,124,177,693

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 2020

	Separate financial statements										(Unit: Baht)
	Issued and paid-up share capital	Share premium	Capital reserve for share-based payment transactions	Retained earnings		Other components of equity					
				Appropriated - statutory reserve	Unappropriated	Deficit on changes in value of available-for-sale investments	Deficit on changes in investments in equity designated at fair value	Total shareholders' equity			
Balance as at 1 January 2019	424,639,788	811,965,872	580,333	41,000,000	1,553,745,424	(85,853,272)	-	-	-	2,746,078,145	
Loss for the year	-	-	-	-	(508,110,512)	-	-	-	-	(508,110,512)	
Other comprehensive income for the year	-	-	-	-	(21,231,560)	2,816,952	-	-	-	(18,414,608)	
Total comprehensive income for the year	-	-	-	-	(529,342,072)	2,816,952	-	-	-	(526,525,120)	
Ordinary shares issuance from exercised warrants to purchase new ordinary shares (Note 27)	24,586,265	-	-	-	-	-	-	-	-	24,586,265	
Transferred convertible debenture to ordinary shares and share premium (Note 28)	13,169,548	6,172,117	-	-	-	-	-	-	-	19,341,665	
Share-based payment transactions	-	-	1,425,664	-	-	-	-	-	-	1,425,664	
Transferred to statutory reserve	-	-	-	2,417,738	(2,417,738)	-	-	-	-	-	
Balance as at 31 December 2019	462,395,601	818,137,989	2,005,997	43,417,738	1,021,985,614	(83,036,320)	-	-	-	2,264,906,619	
Balance as at 1 January 2020 - as previously reported	462,395,601	818,137,989	2,005,997	43,417,738	1,021,985,614	-	-	(83,036,320)	-	2,264,906,619	
Cumulative effect of change in accounting policy related to financial instruments (Note 4)	-	-	-	-	(10,961,335)	-	-	-	-	(10,961,335)	
Balance as at 1 January 2020 - as restated	462,395,601	818,137,989	2,005,997	43,417,738	1,011,024,279	-	-	(83,036,320)	-	2,253,945,284	
Loss for the year	-	-	-	-	(273,911,364)	-	-	-	-	(273,911,364)	
Other comprehensive income for the year	-	-	-	-	-	-	-	(2,933,546)	-	(2,933,546)	
Total comprehensive income for the year	-	-	-	-	(273,911,364)	-	-	(2,933,546)	-	(276,844,910)	
Ordinary shares issuance from exercised warrants to purchase new ordinary shares (Note 27)	24,314,017	-	-	-	-	-	-	(2,933,546)	-	24,314,017	
Transferred convertible debenture to ordinary shares and share premium (Note 28)	4,446,322	(159,032)	-	-	-	-	-	-	-	4,287,290	
Share-based payment transactions	-	-	1,120,789	-	-	-	-	-	-	1,120,789	
Balance as at 31 December 2020	491,155,940	817,978,957	3,126,786	43,417,738	737,112,915	-	-	(85,969,866)	-	2,006,822,470	

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 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash flows from operating activities				
Loss before tax	(149,790,947)	(237,198,971)	(245,740,349)	(613,223,538)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	99,262,845	71,518,925	39,847,485	45,405,146
Amortisation of leasehold rights	-	2,484,400	-	-
Write-off machinery and equipment	338,668	48,461	336,139	18,227
Impairment loss on financial assets/doubtful accounts (reversal)	12,586,838	(6,265,826)	59,201,180	539,332,134
Write-off bad debts	1,024,589	2,737,021	217,559,146	2,687,863
Write-off other assets	644,500	2,862,232	644,500	2,862,232
Reduce cost to net realisable value of inventories	861,942	6,673,051	1,878,500	13,166,630
Loss on sales of intangible assets	-	101	-	-
Share of loss (gain) from investment in associated company	(1,671,160)	57,333	-	-
Loss (gain) on liquidation of subsidiaries	71,886,717	(4,918,709)	-	-
Loss on revaluation of investment in equity	914,625	-	-	-
Gain from lease modification	(1,920,611)	-	-	-
Gain on sales of machinery and equipment	-	(216,908)	-	(216,908)
Gain on sales of investment property	-	(90,338)	-	-
Impairment loss on equipments	3,323,402	-	-	-
Impairment loss on leasehold right	-	11,270,560	-	-
Impairment loss on intangible assets	2,160,000	-	2,160,000	-
Impairment loss on investments in subsidiaries	-	-	21,223,974	94,464,286
Provision for long-term employee benefits expenses	20,910,918	77,370,565	18,567,533	75,314,829
Unrealised loss on revaluation of derivative financial instrument	5,729,064	-	5,729,064	-
Unrealised loss (gain) on exchange	(8,064,515)	(1,299,592)	(5,794,013)	90,611,668
Amortisation of deferred financial service fee of long-term loans	250,286	756,688	-	428,571
Amortisation of transaction costs of convertible debentures	750,625	(1,170,480)	750,625	(1,170,480)
Share-based payment transactions	1,120,789	1,425,664	1,120,789	1,425,664
Finance income	(5,872,730)	(4,141,866)	(920,764)	(3,425,413)
Finance cost	45,425,083	53,554,286	26,099,583	30,623,451
Profit (loss) from operating activities before changes in operating assets and liabilities	99,870,928	(24,543,403)	142,663,392	278,304,362
Operating assets (increase) decrease				
Trade and other receivables	26,496,718	(16,047,119)	(104,995,577)	(193,274,818)
Short-term loans from related parties	(4,622,793)	-	-	-
Inventories	44,574,827	116,104,929	(7,085,087)	(28,045,734)
Other current financial assets	(6,096,771)	-	-	-
Other current assets	2,856,879	13,110,502	(1,020,667)	17,166,325
Other non-current assets	(10,498)	2,682,918	(5,000)	20,000
Operating liabilities increase (decrease)				
Trade and other payables	73,712,373	51,823,281	(57,845,904)	84,272,333
Other current liabilities	(10,091,102)	(21,279,677)	(12,968,850)	1,931,444
Cash paid for long-term employee benefits	(14,821,089)	(15,708,615)	(14,696,901)	(15,184,430)
Other non-current liabilities	1,521,559	(412,261)	-	-
Cash flows from (used in) operating activities	213,391,031	105,730,555	(55,954,594)	145,189,482
Cash paid for interest expenses	(34,004,465)	(48,187,445)	(24,372,503)	(26,336,339)
Cash paid for corporate income tax	(21,890,768)	(6,835,472)	(21,648,455)	(1,581,497)
Net cash flows from (used in) operating activities	157,495,798	50,707,638	(101,975,552)	117,271,646

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 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash flows from investing activities				
Decrease (increase) in current investments - deposits				
at financial institutions	-	1,939,298	-	-
Increase in restricted bank deposits	(275,682)	(272,505)	(275,616)	(272,388)
Decrease (increase) in short-term loans to related parties	8,568	(4,000,000)	-	-
Acquisition of property, plant and equipment	(18,977,746)	(22,636,877)	(5,083,317)	(8,053,489)
Acquisition of other intangible assets	(43,879,612)	(3,624,874)	(43,132,711)	(3,453,494)
Proceeds from sales of machinery and equipment	-	216,916	-	216,916
Proceeds from sales of investment property	-	1,326,900	-	-
Cash paid for investment in equity designated				
at fair value through profit or loss	(3,414,600)	-	-	-
Proceeds from sales of leasehold rights	-	3,470,000	-	-
Cash receipt from interest income	4,794,589	3,310,952	3,888,438	3,520,094
Net cash flows used in investing activities	(61,744,483)	(20,270,190)	(44,603,206)	(8,042,361)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and				
short-term loans from financial institutions	(151,399,243)	141,599,473	(72,400,000)	130,093,111
Cash receipt from bills of exchange	48,479,652	48,480,758	-	-
Repayment of bills of exchange	(50,000,000)	(120,000,000)	-	(90,000,000)
Cash receipt from short-term loans from related party	30,000,000	-	-	-
Repayment of short-term loans from related individuals	-	(49,416,158)	-	(50,000,000)
Cash receipt for long-term loans	-	90,000,000	-	90,000,000
Repayment of long-term loans	(17,036,963)	(116,736,430)	(7,500,000)	(80,676,600)
Proceeds from ordinary shares issuance from exercised warrants	24,314,018	24,586,265	24,314,018	24,586,265
Repayment of liabilities under lease agreements	(37,376,836)	-	(274,542)	-
Proceeds from increase in investments in subsidiary				
by non-controlling interests of the subsidiary	-	8,278,554	-	-
Payment to non-controlling interests of the subsidiary	-	(986,146)	-	-
Net cash flows from (used in) financing activities	(153,019,372)	25,806,316	(55,860,524)	24,002,776
Increase (decrease) in translation adjustment	(46,995,547)	94,656,274	-	-
Net increase (decrease) in cash and cash equivalents	(104,263,604)	150,900,038	(202,439,282)	133,232,061
Cash and cash equivalents at beginning of year	547,748,052	396,848,014	388,392,156	255,160,095
Cash and cash equivalents at end of year	443,484,448	547,748,052	185,952,874	388,392,156

Supplemental cash flow information

Non-cash transactions

Transferred convertible debentures to ordinary shares and share premium	4,287,290	19,341,665	4,287,290	19,341,665
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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 2020

1. General information

1.1 General information of the Company

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.

1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic significantly affects. This situation significantly affects the Group’s business activities in terms of goods distribution, and this is significantly impacting the Group’s financial position, operating results, and cash flows at present, including compliance with debt covenants, and is expected to do so in the future. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, 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>2020</u> Percent	<u>2019</u> Percent
<u>Held by the Company</u>				
Primagold International Co., Ltd.	Distribution of jewelry	Thailand	100	100
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.	Ceased its operation in 2020	France	100	100
Pranda UK Ltd.	Distribution of jewelry	United Kingdom	100	100
Pranda Vietnam Co., Ltd.	Manufacture and distribution of jewelry	Vietnam	100	100
Pranda Jewelry Private Limited	Distribution of jewelry	India	51	51
Pranda & Kroll GmbH & Co., KG	Ceased its operation in 2018 and dissolution completed in 2020	Germany	-	75
Crystalline Co., Ltd.	Ceased its operation in 2018	Thailand	96	96
<u>Held by the subsidiaries</u>				
KSV Brand GmbH (Held by Pranda & Kroll GmbH & Co., KG)	Ceased its operation in 2018 and dissolution completed in 2020	Germany	-	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



In December 2020, Pranda & Kroll GmbH & Co., KG, a subsidiary company, was liquidated as described in Note 13 to financial statements.

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 Group 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 period

During the year, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. 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 adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarised below:

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments 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
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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.



The impact of the adoption of these standards on the Group's financial statements is as follows.

- Recognition of credit losses - The Group is to recognise an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables.
- Recognition of initial measurement and subsequent measurement - The Group is to initially recognise a prepaid rental deposit at difference value between their present value of deposit and cash paid and amortise rental deposit by the effective rate method and amortise prepaid rental on a straight-line basis.
- Classification and measurement of investments in equity instruments of listed companies - The Group measures investments in equity instruments of listed companies at fair value and classifies the investments as financial assets at fair value, through other comprehensive income.

The Group recognised the cumulative effect of the adoption of these financial reporting standards as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Group recognised the cumulative effect of the adoption of this financial reporting standard as an adjustment to retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4.

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Coronavirus disease 2019 pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Coronavirus disease 2019 pandemic. Its objectives are to alleviate some of the impacts of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

During the period from the first quarter to the third quarter of 2020, the Group elected to apply the temporary relief measures on accounting alternatives relating to measurement of expected credit losses using a simplified approach.

In the fourth quarter of 2020, the Group has assessed the financial impacts of the uncertainties of the Coronavirus disease 2019 pandemic on the valuation of trade and other receivable. As a result, in preparing the financial statements for the year ended 31 December 2020, the Group has decided to discontinue application of all temporary relief measures on accounting alternatives relating to measurement of expected credit losses using a simplified approach. This has no significant impact on the Group's financial statements.

The Group has elected to apply the following temporary relief measures on accounting alternatives:

- Not to account for any reduction in lease payments by lessors resulting from the Coronavirus disease 2019 pandemic situation as a lease modification, with the lease liabilities that come due in each period reduced in proportion to the reduction and depreciation of right-of-use assets and interest on lease liabilities recognised in each period reversed in proportion to the reduction, with any differences then recognised in profit or loss.

The Group is evaluating the impact on the financial statements and will consider recording the impact after the relief measures expire.

b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. 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 Group has evaluated that these standards do not have any significant impact on the Group's financial statements in the year when they are adopted

4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 3 to the financial statements, during the current year, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts of changes in accounting policies on the statements of financial position at the beginning of 2020 due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	The impacts of			
	Financial reporting standards related to financial instruments			
	31 December 2019	TFRS 16		1 January 2020
Statement of financial position				
Assets				
Current assets				
Current investments	575	(575)	-	-
Trade and other receivables	440,850	(10,961)	-	429,889
Other current financial assets	-	575	-	575
Non-current assets				
Other non-current financial assets	-	24,353	-	24,353
Other long-term investments	16,083	(16,083)	-	-
Property, plant and equipment	596,032	-	215,072	811,104
Leasehold rights	13,200	-	(13,200)	-
Other non-current assets	21,895	(9,410)	-	12,485

(Unit: Thousand Baht)

Consolidated financial statements				
	31 December 2019	The impacts of		1 January 2020
		Financial reporting standards related to financial instruments	TFRS 16	
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables	749,803	-	(226)	749,577
Current portion of lease liabilities	-	-	30,161	30,161
Non-current liabilities				
Lease liabilities, net of current portion	-	-	169,590	169,590
Other non-current financial liabilities	706	-	2,347	3,053
Shareholders' equity				
Retained earnings - unappropriated	953,653	(12,101)	-	941,552

(Unit: Thousand Baht)

Separate financial statements				
	31 December 2019	The impacts of		1 January 2020
		Financial reporting standards related to financial instruments	TFRS 16	
Statement of financial position				
Assets				
Current assets				
Trade and other receivables	544,834	(10,961)	-	533,873
Non-current assets				
Other non-current financial assets	-	14,943	-	14,943
Other long-term investments	14,943	(14,943)	-	-
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables	579,722	-	(226)	579,496
Current portion of lease liabilities	-	-	226	226
Shareholders' equity				
Retained earnings - unappropriated	1,021,985	(10,961)	-	1,011,024

4.1 Financial instruments

- a) Details of the impact on retained earnings as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Recognition of an allowance for expected credit losses in		
financial assets	<u>(12,101)</u>	<u>(10,961)</u>
Impacts on retained earnings due to the adoption of financial		
reporting standards related to financial instruments	<u>(12,101)</u>	<u>(10,961)</u>

b) As at 1 January 2020, classification and measurement of financial assets required by TFRS 9, in comparison with classification and the former carrying amount, are as follows:

(Unit: Thousand Baht)				
	Consolidated financial statements			
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9		
		Fair value through other comprehensive income	Amortised cost	Total
Financial assets as at 1 January 2020				
Cash and cash equivalents	547,748	-	547,748	547,748
Trade and other receivables	429,889	-	429,889	429,889
Short-term loans to related parties	44,596	-	44,596	44,596
Other current financial assets	575	-	575	575
Other current assets	39,988	-	39,988	39,988
Restricted bank deposits	31,845	-	31,845	31,845
Other non-current financial assets	24,353	14,943	9,410	24,353
Amounts due from related parties	1,586	-	1,586	1,586
Other non-current assets	12,485	-	12,485	12,485
Total financial assets	1,133,065	14,943	1,118,122	1,133,065
Separate financial statements				
(Unit: Thousand Baht)				

Financial assets as at 1 January 2020

	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9		
		Fair value		Total
		through other comprehensive income	Amortised cost	
Cash and cash equivalents	388,392	-	388,392	388,392
Trade and other receivables	533,873	-	533,873	533,873
Short-term loans to related parties	14,943	-	14,943	14,943
Other current assets	9,504	-	9,504	9,504
Restricted bank deposits	26,476	-	26,476	26,476
Other non-current financial assets	14,943	14,943	-	14,943
Amounts due from related parties	1,586	-	1,586	1,586
Long-term loans to related parties	45,308	-	45,308	45,308
Other non-current assets	363	-	363	363
Total financial assets	1,035,388	14,943	1,020,445	1,035,388

As at 1 January 2020, the Group has not designated any financial liabilities at fair value through profit or loss except derivative liabilities of which fair value is Baht 4,333 thousand (Separate financial statements: Baht 4,333 thousand)

4.2 Leases

Upon initial application of TFRS 16 the Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Group recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Operating lease commitments as at 31 December 2019	68,209	117
Less: Short-term leases and leases of low-value assets	(3,584)	(117)
Add: Estimated to extend lease term	166,983	-
Less: Deferred interest expenses	(32,083)	-
Increase in lease liabilities due to TFRS 16 adoption	199,525	-
Liabilities under finance lease agreements as at		
31 December 2019	226	226
Lease liabilities as at 1 January 2020	199,751	226
Weighted average incremental borrowing rate		
<i>(percent per annum)</i>	4.11 - 10.25	6.65
Comprise of:		
Current lease liabilities	30,161	226
Non-current lease liabilities	169,590	-
	199,751	226

5. Significant accounting policies

5.1 Revenue and expense recognition

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, allowances and price promotions to customers.

When a contract provided a customer with a right to return the goods within a specified period, the Group recognises the amount ultimately expected it will have to return to customers as a refund liability and recognises the right to recover the goods expected to be returned by customers as a right of return asset in the statement of financial position. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods.

Rental income

Rental income is recognised based on an accrual basis on straight-line basis over the lease term.

Service income

Service revenue is recognised at a point in time upon completion of the service.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

5.2 Cash and cash equivalents

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

5.3 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.

5.4 Investments in subsidiaries, joint ventures and associates

Investments in joint ventures and associates are accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries, joint ventures and associates are accounted for in the separate financial statements using the cost method.

5.5 Investment properties

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

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


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

5.6 Property, plant and equipment/Depreciation

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

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

Land improvements		20 years
Buildings and building improvements		10 - 40 years
Leasehold improvements	period of lease	(2 - 40 years)
Machinery and equipment		3 - 13 years
Furniture, fixtures and office equipment		2 - 20 years
Motor vehicles		2 - 6 years



Depreciation is included in determining income.

No depreciation is provided on land and assets under installation and construction in progress.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

5.7 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.

5.8 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.

5.9 Borrowing costs

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

5.10 Intangible assets

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

Intangible assets with finite useful lives are computer software which have finite useful lives of 2 - 10 years.

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

5.11 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

Accounting policies adopted since 1 January 2020

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Buildings and building improvements	5 - 30 years
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If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are presented as part of property, plant and equipment in the statement of financial position.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

Accounting policies adopted before 1 January 2020

Leases of property, plant or 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 is depreciated over the useful life of the asset.

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

5.12 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.

5.13 Foreign currencies

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

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

5.14 Impairment of assets non-financial assets

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment, right-of-use asset, investment properties 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.

An impairment loss is recognised in profit or loss.

5.15 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits and other long-term employee benefits

Defined contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

Defined benefit plans and other long-term employee benefits

The Group has obligations in respect of the severance payments they must make to employees upon retirement under labor law of each country. The Group 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 defined benefit plans 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.

5.16 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.

5.17 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.

5.18 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

5.19 Income tax

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

Current tax

Current income tax of the Group (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 Group recognises 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 Group reviews and reduces 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 Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.20 Financial instruments

Accounting policies adopted since 1 January 2020

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Equity instruments designated at FVOCI are not subject to impairment assessment.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset in default when contractual payments are 270 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Accounting policies adopted before 1 January 2020

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 experience and analysis of debt aging.

Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss 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 interest rate method with the amortised/accreted amount presented as an adjustment to the interest income.
- c) Investment in associates are accounted for in the consolidated financial statements using the equity method.
- d) Investments in subsidiaries and associates are accounted for in the separated financial statements using the cost method.
- e) Investments in non-marketable equity securities, which the Group 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 year.

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

In the event the Group 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.

5.21 Derivatives

The Group uses derivatives, such as forward currency contracts to hedge its foreign currency risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

5.22 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 Group applies a quoted market price in an active market to measure its 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 Group measures 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 Group determines 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.

6. 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:

Leases

Determining the lease term with extension and termination options - The Group as a lessee

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

Estimating the incremental borrowing rate - The Group as a lessee

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

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.

7. Related party transactions

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	529	594	Normal business price close to those charged to other customers
Purchases of goods and raw materials	-	-	278	309	With reference to market price
Loan interest income	-	-	25	3	Per loan agreement
Guarantee fee income	-	-	5	3	At 1 percent per annum
Service income	-	-	6	9	Agreed between the parties
Management fee income	-	-	-	19	Agreed between the parties
Service expenses	-	-	2	8	Agreed between the parties
<u>Transactions with associated company</u>					
Purchases of raw materials	115	145	115	145	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	20	18	20	12	Normal business price close to those charged to other customers
Purchases of goods	17	49	6	-	With reference to market price
Loan interest income	3	3	-	-	Per loan agreement
Loan interest expenses	-	3	-	3	Per loan agreement
Service income	2	1	1	1	Agreed between the parties
Purchases of machinery and equipment	-	2	-	-	Agreed between the parties

As at 31 December 2020 and 2019, the balances of the accounts between the Company and those related parties are as follows:

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	2020	2019	2020	2019
<u>Trade accounts receivable - related parties (Note 9)</u>				
Subsidiaries	-	-	645	704
Related companies (related by common directors)	50	46	49	45
Total	50	46	694	749
Less: Allowance for expected credit losses				
(2019: allowance for doubtful accounts)	(50)	(37)	(583)	(525)
Total trade accounts receivable - related parties, net	-	9	111	224
<u>Other receivables - related parties (Note 9)</u>				
Subsidiaries	-	-	57	76
Related companies (related by common directors)	3	2	2	2
Subsidiary and related company's directors	12	15	12	11
Total	15	17	71	89
Less: Allowance for expected credit losses				
(2019: allowance for doubtful accounts)	(2)	(2)	(54)	(54)
Total other receivables - related parties, net	13	15	17	35
<u>Accrued interest income - related parties (Note 9)</u>				
Subsidiaries	-	-	10	28
Related company (related by common directors)	3	2	-	-
Total	3	2	10	28
Less: Allowance for expected credit losses				
(2019: Allowance for doubtful accounts)	-	-	(10)	(27)
Total accrued interest income - related parties, net	3	2	-	1
<u>Amounts due from related parties</u>				
Subsidiary and related company's directors	-	2	-	2
Total amounts due from related parties - net	-	2	-	2
<u>Trade and other payables - related parties (Note 21)</u>				
Subsidiaries	-	-	38	55
Related companies (related by common directors)	5	17	-	-
Total trade and other payables - related parties	5	17	38	55

The Company has recorded allowance for expected credit losses for its trade and other receivables - related parties in the income statement of the separate financial statements for the year 2020, a total of Baht 207 million.

Loans to related parties

As at 31 December 2020 and 2019, 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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>Short-term loans to related parties</u>				
Subsidiaries	-	-	42	57
Related companies (related by common directors)	15	45	-	-
Total	15	45	42	57
Less: Allowance for expected credit losses				
(2019: allowance for doubtful accounts)	-	-	(42)	(42)
Total short-term loans to related parties, net	<u>15</u>	<u>45</u>	<u>-</u>	<u>15</u>

Long-term loans to related parties

Subsidiaries

Long-term loans	-	-	496	495
Less: Allowance for expected credit losses				
(2019: allowance for doubtful accounts)	-	-	(496)	(450)
Total long-term loans to related parties, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>45</u>

The Company has recorded allowance for expected credit losses for its short-term loans and long-term loans to related parties in the income statement of the separate financial statements for the year 2020, a total of Baht 65 million.

During the year 2020, movements of loans to related parties were as follow:

		(Unit: Million Baht)			
		Consolidated financial statements			
Short-term loans	Related by	Balance as at	Increase	Decrease	Balance as at
		31 December	during	during	31 December
		2019	the year	the year	2020
A-List Corporate Co., Ltd.	The Director related to				
	the Company's director	30	-	(30)	-
PT Sumberkreasi	The Director is the subsidiary's				
Ciptalogam	director	15	-	-	15
Total short-term loans		<u>45</u>	<u>-</u>	<u>(30)</u>	<u>15</u>

A local subsidiary (Pranda Lodging Co., Ltd.) granted a short-term loans to a related company, A-List Corporate Co., Ltd. The Company received loan repayment and interest in total amount during December 2020.

An overseas subsidiary (PT Pranda Marketing Indonesia) granted a short-term loan to a related company, PT Sumberkreasi Ciptalogam. This loan is subject to interest at rate of 7.5 percent per annum and unsecured.

(Unit: Million Baht)

		Separate financial statements				
Short-term loans	Related by	Balance as at	Increase	Decrease	Unrealised	Balance as at
		31 December	during	during	gain on	31 December
		2019	the year	the year	exchange rate	2020
H. GRINGOIRE s.a.r.l.	Subsidiary	25	-	-	2	27
PT Pranda Marketing Indonesia	Subsidiary	15	-	-	-	15
Total short-term loans		40	-	-	2	42

The short-term loans to two subsidiaries were unsecured and subject to interest at rate of 7.5 percent per annum. However, the Company has considered to fully record allowance for expected credit losses for short-term loans and accrued interest income to subsidiaries because of the uncertainty in receiving repayments.

(Unit: Million Baht)

		Separate financial statements				
Long-term loans	Related by	Balance as at	Increase	Decrease	Unrealised	Balance as at
		31 December	during	during	gain on	31 December
		2019	the year	the year	exchange rate	2020
Pranda UK Ltd.	Subsidiary	303	-	-	8	311
H. GRINGOIRE s.a.r.l.	Subsidiary	169	-	-	16	185
Total long-term loans		472	-	-	24	496

The short-term loans to two subsidiaries were unsecured and carries interest at 7.5 percent per annum. However, the Company has considered to fully record allowance for expected credit losses for long-term loans and accrued interest income to subsidiaries because of the uncertainty in receiving repayments.

Set out below is the movement in the allowance for expected credit losses of loans to related parties and accrued interest receivables.

	(Unit: Thousand Baht)
	Separate financial statements
As at 1 January 2020	507,582
Provision for expected credit losses	75,142
Amount written off	(44,378)
As at 31 December 2020	538,346

Directors and management's benefits

During the year ended 31 December 2020 and 2019, the Group had employee benefit expenses of their directors and management as below.

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Short-term employee benefits	38	64	26	31
Post-employment benefits	9	16	9	15
Other long-term benefits	-	1	-	-
Termination benefits	-	1	-	-
Total	47	82	35	46

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 38.2.1 to the financial statements.

Other information

As at 31 December 2020, a local subsidiary, Primagold International Co., Ltd., ("PMG") granted a long-term loan to PT Pranda Marketing Indonesia, a subsidiary company, amounting to USD 2 million or approximately Baht 60 million (2019: USD 2 million or approximately Baht 60 million). 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 PMG 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, PMG has ceased to calculate the said interest income of long-term loans because of the uncertainty in receiving repayments. However, PMG has considered recording an allowance for expected credit losses at the recoverable amount. PMG recorded the allowance for expected credit losses of Baht 16 million in the income statement of PMG separate financial statements for the year 2020 (2019: Allowance for doubtful accounts Baht 16 million). However, this transaction is no significant impact on the consolidated financial statements of the group.

8. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash	23,403	20,216	765	672
Bank deposits	420,081	527,532	185,188	387,720
Total	443,484	547,748	185,953	388,392

As at 31 December 2020, bank deposits carried interests between 0.01 to 3.25 percent per annum (2019: between 0.10 to 0.85 percent per annum).

9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	3,054	775	32,258	54,673
Past due				
Up to 3 months	37	2,569	39,193	35,244
3 - 6 months	49	3,885	21,313	19,242
6 - 12 months	2,184	176	59,258	83,244
Over 12 months	44,725	38,258	542,288	557,375
Total	50,049	45,663	694,310	749,778
Less: Allowance for expected credit losses				
(2019: Allowance for doubtful accounts)	(49,735)	(37,158)	(582,879)	(525,388)
Total trade accounts receivable - related parties, net (Note 7)	314	8,505	111,431	224,390
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	238,489	350,853	171,348	242,247
Past due				
Up to 3 months	137,743	49,492	109,691	39,124
3 - 6 months	5,200	3,043	690	133
6 - 12 months	10,106	7,725	2,568	1,951
Over 12 months	22,992	25,069	20,072	20,002
Total	414,530	436,182	304,369	303,457
Less: Allowance for expected credit losses				
(2019: Allowance for doubtful accounts)	(41,400)	(30,618)	(32,931)	(20,002)
Total trade accounts receivable - unrelated parties, net	373,130	405,564	271,438	283,455
Total trade accounts receivable, net	373,444	414,069	382,869	507,845

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>Other receivables</u>				
Other receivables - related parties (Note 7)	14,801	17,495	71,174	89,404
Other receivables - unrelated parties	3,058	10,584	316	389
Accrued interest income - related parties (Note 7)	3,167	2,021	10,416	27,793
Accrued interest income - unrelated parties	1,029	1,097	997	1,054
Total	22,055	31,197	82,903	118,276
Less: Allowance for expected credit losses				
(2019: Allowance for doubtful accounts)	(4,434)	(4,416)	(65,284)	(81,287)
Total other receivables, net	17,621	26,781	17,619	36,989
Total trade and other receivables, net	391,065	440,850	400,488	544,834

Set out below is the movement in the allowance for expected credit losses of trade and other receivables.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
As at 1 January 2020	72,192	626,677
Provision for expected credit losses	24,402	227,599
Amount written off	(1,025)	(173,182)
As at 31 December 2020	95,569	681,094

10. Inventories

	(Unit: Thousand Baht)					
	Consolidated financial statements					
	Reduce cost to					
	Cost		net realisable value		Inventories - net	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Finished goods	1,084,724	1,139,123	(125,146)	(128,515)	959,578	1,010,608
Work in process	226,821	164,822	-	-	226,821	164,822
Raw materials	423,229	477,631	(93,075)	(88,845)	330,154	388,786
Factory supplies	12,253	13,221	(8)	(7)	12,245	13,214
Goods in transit	3,210	15	-	-	3,210	15
Total	1,750,237	1,794,812	(218,229)	(217,367)	1,532,008	1,577,445

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2020	2019	2020	2019	2020	2019
Finished goods	308,365	305,436	(84,421)	(86,773)	223,944	218,663
Work in process	224,889	158,940	-	-	224,889	158,940
Raw materials	409,524	471,476	(92,647)	(88,417)	316,877	383,059
Factory supplies	9,163	9,768	-	-	9,163	9,768
Goods in transit	778	15	-	-	778	15
Total	952,719	945,635	(177,068)	(175,190)	775,651	770,445

During the current year, the Group reduced cost of inventories by Baht 8 million (2019: Baht 33 million) (The Company only: Baht 4 million 2019: Baht 14 million), to reflect the net realisable value. This was included in cost of sales. In addition, the Group reversed the write-down of cost of inventories by Baht 7 million (2019: Baht 26 million) (The Company only: Baht 2 million 2019: Baht 1 million), and reduced the amount of inventories recognised as expenses during the year.

As at 31 December 2020, the Company has pledged most of the Company's inventories to secure credit facilities from commercial banks amounting to Baht 477 million. In addition, a local subsidiary has pledged inventories of Baht 219 million and an overseas subsidiary company has pledged inventories of IDR 3,000 million or approximately Baht 6.3 million to secure credit facilities from an overseas commercial bank as described in Note 19, Note 22 and Note 23 to the financial statements.

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. Other non-current financial assets

(Unit: Thousand Baht)

	31 December 2020	
	Consolidated financial statements	Separate financial statements
<u>Debt instruments at amortised cost</u>		
Deposit	9,257	-
Total debt instruments at amortised cost - net	9,257	-
<u>Debt instruments at FVOCI</u>		
Listed equity instruments	12,009	12,009
Total debt instruments at FVOCI	12,009	12,009
Total other non-current financial assets - net	21,266	12,009

Equity instruments designated at FVOCI include listed equity instruments which the Group considers these investments to be strategic in nature.

13. Investments in subsidiaries

13.1 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	
	2020	2019		2020	2019	2020	2019
				(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
Pranda & Kroll GmbH & Co., KG	-	14.96	Million EUR	-	75	-	573,303
Pranda Jewelry Private Limited	150	150	Million Indian Rupee	51	51	213,439	213,439
Total						1,092,423	1,665,726
Less: Allowance for impairment of investments						(540,539)	(1,092,618)
Investments in subsidiaries, net						551,884	573,108

During 2020 and 2019, no dividend income was received from its investments in subsidiaries.

During the current year, the Company recorded the impairment loss on investment in subsidiaries of Baht 21 million in the income statement of 2020 (2019: Baht 94 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.

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 made full allowance for impairment loss on investment in this subsidiary.

Subsequently on 17 December 2020, the liquidation process was completed. The Company therefore write-off net investment of this subsidiary and recorded loss on liquidation of subsidiary company of Baht 72 million in the consolidated income statement of 2020.

Subsidiary - Pranda Trading (Shenzhen) Limited

On 8 July 2015, a meeting of the Company's Board of Directors passed a resolution to dissolve a subsidiary, Pranda Trading (Shenzhen) Limited, since 8 July 2015 onwards. 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 made full allowance for impairment loss on investment in this subsidiary.

Subsequently on 25 October 2019, the subsidiary was liquidated. The Company write-off net investment of this subsidiary and recorded gain on liquidation of subsidiary company of Baht 5 million in the consolidated income statement of 2019.

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.

13.2 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		Gain (loss) allocated to non-controlling interests during the year	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(Percent)	(Percent)				
Pranda & Kroll GmbH & Co., KG	25	25	(88)	(151)	54	(4)

13.3 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>2020</u>	<u>2019</u>
Current assets	-	5
Current liabilities	-	209

Summarised information about comprehensive income

(Unit: Million Baht)

	For the year ended 31 December	
	Pranda & Kroll GmbH & Co., KG	
	<u>2020</u>	<u>2019</u>
Revenue	216	6
Profit (loss)	216	(7)
Total comprehensive income	216	(7)

Summarised information about cash flow

(Unit: Million Baht)

	For the year ended 31 December	
	Pranda & Kroll GmbH & Co., KG	
	<u>2020</u>	<u>2019</u>
Cash flow used in operating activities	-	(2)
Net decrease in cash and cash equivalents	-	(2)

14. Investments in associated company

14.1 Details of associated company:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements			
			Shareholding		Carrying amounts	
			Percentage		based on equity method	
			2020	2019	2020	2019
			(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					8,161	6,490
Total carrying amounts based on equity method					11,761	10,090

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements					
			Shareholding		Cost		Allowance for impairment of investment	Carrying amounts based on cost method - net
			percentage					
			2020	2019	2020	2019	2020	2019
			(Percent)	(Percent)				
KZ-Pranda Co., Ltd.	Import and distribution of raw materials - precious metals	Thailand	40	40				
					3,600	3,600	(3,600)	(3,600)
							-	-

14.2 Share of comprehensive income

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

(Unit: Thousand Baht)

Company's name	Consolidated financial statements	
	Share of profit (loss) from investment in associated company during the year	
	2020	2019
KZ-Pranda Co., Ltd.	1,671	(57)

14.3 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		Total assets		Total liabilities		Total revenues		Profit for	
	as at		as at		as at		for the years		the years ended	
	31 December		31 December		31 December		31 December		31 December	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
KZ-Pranda Co., Ltd.	9	9	85	139	56	114	1,246	1,490	4	-

15. 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 5 years (maturity in April 2019), with no interest. However, the Company has considered to fully record allowance for expected credit losses for promissory note.

The outstanding balances as at 31 December 2020 and 2019 are presented below.

(Unit: Thousand Baht)

	Consolidated / Separate	
	financial statements	
	<u>2020</u>	<u>2019</u>
Promissory note	46,595	46,595
Less: Allowance for expected credit losses		
(2019: Allowance for devaluation)	(46,595)	(46,595)
Other receivable, net	-	-

16. Investment properties

The net book value of investment properties as at 31 December 2020 and 2019 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 2020:</u>						
Cost	576,952	65,962	642,914	576,952	9,476	586,428
<u>Less:</u> Accumulated depreciation	-	(55,948)	(55,948)	-	(8,876)	(8,876)
Net book value	<u>576,952</u>	<u>10,014</u>	<u>586,966</u>	<u>576,952</u>	<u>600</u>	<u>577,552</u>
<u>31 December 2019:</u>						
Cost	576,952	65,962	642,914	576,952	9,476	586,428
<u>Less:</u> Accumulated depreciation	-	(55,606)	(55,606)	-	(8,876)	(8,876)
Net book value	<u>576,952</u>	<u>10,356</u>	<u>587,308</u>	<u>576,952</u>	<u>600</u>	<u>577,552</u>

A reconciliation of the net book value of investment properties for the years 2020 and 2019 is presented below.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Net book value at beginning of year	587,308	589,186	577,552	577,552
Disposal - net book value as at disposal date	-	(1,237)	-	-
Depreciation during the year	(342)	(641)	-	-
Net book value at end of year	<u>586,966</u>	<u>587,308</u>	<u>577,552</u>	<u>577,552</u>

The fair value of the investment properties stated below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land held for development	1,175,000	609,000	1,175,000	609,000
Land and building for rent	109,851	97,419	38,805	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 2020 of approximately Baht 587 million (2019: Baht 587 million) as collateral against credit facilities which the Company received from a commercial bank (The Company only: Baht 577 million, 2019: Baht 577 million).

17. Property, plant and equipment

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Net book value:				
Property, plant and equipment	555,107	596,032	469,358	500,933
Right-of-use assets (Note 25.1 a))	166,886	-	-	-
Total	<u>721,993</u>	<u>596,032</u>	<u>469,358</u>	<u>500,933</u>

17. Property, plant and equipment (continued)

Movements of property, plant and equipment for the years ended 31 December 2020 and 2019 are summarised below.

Consolidated financial statements										(Unit: Thousand Baht)
	Land	Land improvements	Buildings and building improvements	Leasehold improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total	
Cost:										
1 January 2019	94,669	16,967	815,804	38,027	253,431	551,700	31,678	340	1,802,616	
Additions	-	-	300	95	912	13,893	41	7,396	22,637	
Disposals/write-off	-	-	-	(15,903)	(1,073)	(7,726)	(1,947)	(35)	(26,684)	
Transfers	-	-	314	-	-	3,027	-	(3,341)	-	
Translation adjustment	-	-	(7,171)	(2,276)	(1,054)	(5,036)	(344)	-	(15,881)	
31 December 2019	94,669	16,967	809,247	19,943	252,216	555,858	29,428	4,360	1,782,688	
Additions	-	-	-	8	660	10,886	-	4,376	15,930	
Disposals/write-off	-	-	-	-	(7)	(3,373)	-	(278)	(3,658)	
Transfers	-	-	1,085	8,813	-	(5,404)	-	(4,494)	-	
Translation adjustment	-	-	(996)	(23)	87	(363)	(29)	-	(1,323)	
31 December 2020	94,669	16,967	809,336	28,741	252,956	557,604	29,399	3,964	1,793,637	

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 2019	-	9,602	392,926	28,931	237,883	447,914	28,955	-	1,146,211
Depreciation for the year	-	495	22,008	6,756	6,051	28,608	1,217	-	65,135
Depreciation on disposals/write-off	-	-	-	(15,903)	(1,072)	(7,726)	(1,935)	-	(26,636)
Translation adjustment	-	-	(2,998)	(1,692)	(989)	(3,943)	(265)	-	(9,887)
31 December 2019	-	10,097	411,936	18,092	241,873	464,853	27,972	-	1,174,823
Depreciation for the year	-	496	22,002	369	5,166	23,535	841	-	52,409
Depreciation on disposals/write-off	-	-	-	-	(7)	(3,313)	-	-	(3,320)
Transfer	-	-	(19)	7,008	-	(6,989)	-	-	-
Translation adjustment	-	-	(759)	506	81	(336)	(30)	-	(538)
31 December 2020	-	10,593	433,160	25,975	247,113	477,750	28,783	-	1,223,374
Allowance for impairment loss:									
31 December 2019	-	-	-	-	-	11,833	-	-	11,833
31 December 2020	-	-	-	2,635	-	12,521	-	-	15,156
Net book value:									
31 December 2019	94,669	6,870	397,311	1,851	10,343	79,172	1,456	4,360	596,032
31 December 2020	94,669	6,374	376,176	131	5,843	67,333	616	3,964	555,107
Depreciation for the year									
2019 (Baht 20 million included in manufacturing cost, and the balance in selling and administrative expenses)									65,135
2020 (Baht 19 million included in manufacturing cost, and the balance in selling and administrative expenses)									52,409

17. Property, plant and equipment (continued)

Separate financial statements										(Unit: Thousand Baht)
	Land	Land improvements	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total		
Cost:										
1 January 2019	94,669	16,968	690,763	240,512	334,358	23,228	340		1,400,838	
Additions	-	-	-	912	3,366	42	3,733		8,053	
Disposals/write-off	-	-	-	(79)	(2,987)	(1,176)	(34)		(4,276)	
Transfers	-	-	314	-	920	-	(1,234)		-	
31 December 2019	94,669	16,968	691,077	241,345	335,657	22,094	2,805		1,404,615	
Additions	-	-	-	660	3,710	-	713		5,083	
Disposals/write-off	-	-	-	(7)	(1,563)	-	(278)		(1,848)	
Transfers	-	-	1,104	-	1,160	-	(2,264)		-	
31 December 2020	94,669	16,968	692,181	241,998	338,964	22,094	976		1,407,850	
Accumulated depreciation:										
1 January 2019	-	9,602	332,987	223,899	265,850	21,271	-		853,609	
Depreciation for the year	-	495	18,689	6,335	15,854	1,125	-		42,498	
Depreciation on disposals/write-off	-	-	-	(77)	(3,005)	(1,176)	-		(4,258)	
31 December 2019	-	10,097	351,676	230,157	278,699	21,220	-		891,849	
Depreciation for the year	-	496	18,717	5,741	10,554	814	-		36,322	
Depreciation on disposals/write-off	-	-	-	(7)	(1,505)	-	-		(1,512)	
31 December 2020	-	10,593	370,393	235,891	287,748	22,034	-		926,659	

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 2019	-	-	-	-	-	11,833	-	-	11,833
31 December 2020	-	-	-	-	-	11,833	-	-	11,833
Net book value:									
31 December 2019	94,669	6,871	339,401	11,188	45,125	874	2,805		500,933
31 December 2020	94,669	6,375	321,788	6,107	39,383	60	976		469,358
Depreciation for the year									
2019 (Baht 19 million included in manufacturing cost, and the balance in selling and administrative expenses)									
2020 (Baht 17 million included in manufacturing cost, and the balance in selling and administrative expenses)									
								42,498	
								36,322	

As at 31 December 2020, certain plant and equipment items of the Group 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 984 million (2019: Baht 938 million) (The Company only: Baht 728 million, 2019: Baht 707 million).

The Group has mortgaged its property, plant and equipment with a total net book value as at 31 December 2020 amounting to approximately Baht 398 million (2019: Baht 429 million) as collateral against credit facilities received from commercial banks (The Company only: Baht 350 million, 2019: Baht 378 million).

18. Intangible assets

The net book value of intangible assets as at 31 December 2020 and 2019 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Computer software	Trademark	Total	Computer software	Trademark	Total
Cost:						
1 January 2019	77,509	3,402	80,911	44,257	3,402	47,659
Additions	3,625	-	3,625	3,453	-	3,453
Disposals/write-off	(3,917)	-	(3,917)	-	-	-
Translation adjustment	(1,270)	-	(1,270)	-	-	-
31 December 2019	75,947	3,402	79,349	47,710	3,402	51,112
Additions	3,879	37,840	41,719	3,133	37,840	40,973
Write-off	(18)	-	(18)	-	-	-
Translation adjustment	669	-	669	-	-	-
31 December 2020	80,477	41,242	121,719	50,843	41,242	92,085
Accumulated amortisation:						
1 January 2019	49,149	-	49,149	22,884	-	22,884
Amortisation during the year	5,743	-	5,743	2,907	-	2,907
Amortisation on disposals/write-off	(3,916)	-	(3,916)	-	-	-
Translation adjustment	(1,124)	-	(1,124)	-	-	-
31 December 2019	49,852	-	49,852	25,791	-	25,791
Amortisation during the year	4,796	-	4,796	3,525	-	3,525
Amortisation on write-off	(18)	-	(18)	-	-	-
Translation adjustment	655	-	655	-	-	-
31 December 2020	55,285	-	55,285	29,316	-	29,316
Allowance for impairment loss:						
31 December 2019	-	3,302	3,302	-	3,302	3,302
31 December 2020	-	3,302	3,302	-	3,302	3,302
Net book value:						
31 December 2019	26,095	100	26,195	21,919	100	22,019
31 December 2020	25,192	37,940	63,132	21,527	37,940	59,467

19. Short-term loans from financial institutions

	(Unit: Thousand Baht)					
	Interest rate		Consolidated		Separate	
	(percent per annum)		financial statements		financial statements	
	2020	2019	2020	2019	2020	2019
Short-term loans from						
financial institutions	5.25 - 5.50	2.75 - 10.25	319,000	491,399	319,000	391,400
Total			319,000	491,399	319,000	391,400

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 and some assets of a local subsidiary company.

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

20. Bills of exchange

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
Balance as at 1 January 2020	49,035	
Add: Issuance of bills of exchange	50,000	
Amortisation of prepaid interest expenses	2,091	
Less: Repayment	(50,000)	
Prepaid interest expenses	(1,520)	
Balance as at 31 December 2020	49,606	

Bills of exchange of a local subsidiary company are subject to interest rate at 4.30 percent per annum (2019: 4.30 percent per annum) and will mature in March 2021. There are no collateral on the bills of exchange.

21. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Trade and other payables - related parties (Note 7)	5,300	17,472	37,881	54,956
Trade payables - unrelated parties	740,031	668,858	430,474	504,526
Other payables - unrelated parties	7,252	12,966	2,166	4,270
Accrued expenses	60,982	50,281	25,132	15,744
Total trade and other payables	<u>813,565</u>	<u>749,577</u>	<u>495,653</u>	<u>579,496</u>

22. Restructured long-term loan

In this year, an overseas subsidiary company, PT Pranda Marketing Indonesia, entered into debt restructuring agreements with the financial institution creditors. The debt repayment schedules and related interest rates are as follows:

1. Interest rates 10.25 percent per annum
2. Repayment schedules
 - Principal Monthly, from January 2021 to June 2022
 - Accrued interest Within June 2022
 - Interest Monthly

Details of long-term loan as 31 December 2020 are as follows:

	(Unit: Thousand)
	Consolidated
	financial statements
Long-term loan	22,288
Less: Current portion of long-term loan	(1,260)
Long-term loan, net of current portion	<u>21,028</u>

Movements in the long-term loan account during the year ended 31 December 2020 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Balance as at 1 January 2020	-
Add: Restructured long-term loan	22,288
Balance as at 31 December 2020	22,288

Long-term 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.

23. Long-term loans

The outstanding balances of long-term loans as at 31 December 2020 and 2019 are as follows:

(Unit: Thousand Baht)						
Loan	Interest rate (percent per annum)	Repayment schedule	Consolidated		Separate	
			financial statements		financial statements	
			2020	2019	2020	2019
1	MLR - 0.50	Quarterly installment as from September 2019 to September 2022	67,500	75,000	67,500	75,000
2	MLR - 1.25	Monthly installment as from July 2016 to June 2023	74,900	83,240	-	-
3	14.60	Monthly installment as from September 2013 to January 2029 (Indian Rupee loan)	9,031	9,779	-	-
4	10.25	Monthly installment as from June 2017 to May 2020 (Indonesian Rupiah loan)	-	1,995	-	-
Total			151,431	170,014	67,500	75,000
Less: Deferred financial service fee			(473)	(756)	-	-
Long-term loans - net of deferred financial service fee			150,958	169,258	67,500	75,000
Less: Current portion, net			(142,787)	(110,553)	(67,500)	(75,000)
Long-term loans - net of current portion, net			8,171	58,705	-	-

Movement of the long - term loan account during the year ended 31 December 2020 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2020	169,258	75,000
Add: Addition of long-term loans	26,424	-
Amortisation of deferred financial service fee	250	-
Less: Repayment	(17,037)	(7,500)
Transfer to restructured long-term loan	(22,288)	-
Translation adjustment	(5,649)	-
Balance as at 31 December 2020	150,958	67,500

Loans of the Company

In 2019, the Company entered into a long-term loan agreement with a local commercial bank for credit facility of Baht 90 million, with a term of 3 years. This loan is subjected to an interest at a rate of MLR - 0.5 percent per annum and the principal is repayable every 3 months and the interest is payable monthly. The Company is not allowed to use some of the Company's land and its subsidiary's investment properties that secure the bills of exchange after the redemption to incur obligations.

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.

However, since 31 December 2020, the Company was unable to maintain a debt service coverage ratio (DSCR) 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 January 2021, the Company obtained a letter granting a waiver for some conditions from the lender.

Loans of the subsidiaries

Long-term loan of a local subsidiary company, Primagold International Co., Ltd. ("PMG"), was 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.

As at 31 December 2020, PMG was unable to maintain a debt to equity ratio (D/E Ratio) in accordance with the agreements. As a result, the lender has the right to call the loans on demand and PMG has classified the full balance as current portion of long-term loans. PMG is currently asking for a letter granting a waiver for some conditions from the lender.

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.

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	Not exceeding Baht 500 million divided into 3 tranches as follows: 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.

In 2018, 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 61 million. The number of shares to be issued for the exercise of conversion rights is 28,280,336 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 28,280,336 and the Company has registered the increase of the paid-up capital with the Ministry of Commerce.

During the current year, Advance Opportunities Fund I exercised the conversation rights under the Convertible in the amount of Baht 4 million. The number of shares to be issued for the exercise of conversion rights is 4,446,322 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 4,446,322 and the Company registered the increase of the paid-up capital with the Ministry of Commerce.

Movements of the convertible debentures and options for consolidated and separate financial statements are summarised below.

(Unit: Thousand Baht)

Nominal value of issue of convertible debentures	
as at 1 January 2020	36,164
Less: Exercise of conversion rights	(3,843)
Add: Amortised - transaction cost	2,144
Balance as at 31 December 2020	<u>34,465</u>

(Unit: Thousand Baht)

Nominal value of options as at 1 January 2020	4,333
Less: Exercise of conversion rights	(444)
Balance as at 31 December 2020	<u>3,889</u>

25. Leases

25.1 The Group as a lessee

The Group has lease contracts for various items of property, plant, and equipment used in its operations. Leases generally have lease terms between 5 - 30 years.

a) Right-of-use assets

Movement of right-of-use assets on buildings and building improvements for the year ended 31 December 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements
Net book value as at 31 December 2019	-
Adjustments of right-of-use assets due to TFRS 16 adoption	221,355
Net book value as at 1 January 2020	221,355
Adjustments from the lease modification - net book value	
as at modification date	(12,755)
Depreciation for the year	(41,714)
Net book value as at 31 December 2020	<u>166,886</u>

b) Lease liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Lease payments on lease contract	183,396	275	-	275
Less: Deferred interest expenses	(22,469)	(49)	-	(49)
Total	160,927	226	-	226
Less: Portion due within one year	(31,520)	(226)	-	(226)
Lease liabilities - net of current portion	<u>129,407</u>	<u>-</u>	<u>-</u>	<u>-</u>

c) Expenses relating to leases that are recognised in profit or loss

	(Unit: Thousand Baht)	
	For the year ended 31 December 2020	
	Consolidated	Separate
	financial statements	financial statements
Depreciation expense of right-of-use assets	41,714	-
Interest expense on lease liabilities	8,273	49
Expense relating to leases of low-value assets	2,116	377

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2020 of Baht 47.8 million (The Company only: Baht 0.7 million), including the cash outflow related to leases of low-value assets. Moreover, the Group had non-cash additions to right-of-use assets and lease liabilities of Baht 215 million (The Company only: None).

26. Provision for long-term employee benefits

Movement in the provision for long-term employee benefit account during the year ended 31 December 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Post-employment		Other long-term		Total	
	benefits from		employee benefits plan			
	employee's retirement		employee benefits plan		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Defined benefit obligation at beginning of year	271,498	183,396	11,684	12,099	283,182	195,495
Included in statement of income:						
Current service cost	15,848	11,113	927	982	16,775	12,095
Past service cost	-	58,663	-	(293)	-	58,370
Interest cost	3,988	6,307	147	285	4,135	6,592
Actuarial (gain) loss arising from						
Financial assumptions changes	-	-	-	715	-	715
Experience adjustments	-	-	-	(401)	-	(401)
Included in other comprehensive income:						
Actuarial (gain) loss arising from						
Demographic assumptions charges	(5)	3,591	-	-	(5)	3,591
Financial assumptions changes	420	34,920	-	-	420	34,920
Experience adjustments	5	(12,486)	-	-	5	(12,486)
Benefits paid during the year	(12,245)	(14,006)	(2,576)	(1,703)	(14,821)	(15,709)
Provision for long-term employee benefits						
at end of year	<u>279,509</u>	<u>271,498</u>	<u>10,182</u>	<u>11,684</u>	<u>289,691</u>	<u>283,182</u>

(Unit: Thousand Baht)

	Separate financial statements					
	Post-employment		Other long-term		Total	
	benefits from		employee benefits plan			
	employee's retirement					
	2020	2019	2020	2019	2020	2019
Defined benefit obligation at beginning of year	257,989	170,881	10,832	11,270	268,821	182,151
Included in statement of income:						
Current service cost	13,976	12,079	747	833	14,723	12,912
Past service cost	-	56,130	-	(285)	-	55,845
Interest cost	3,710	5,973	135	267	3,845	6,240
Actuarial (gain) loss arising from						
Financial assumptions changes	-	-	-	676	-	676
Experience adjustments	-	-	-	(358)	-	(358)
Included in other comprehensive income:						
Actuarial (gain) loss arising from						
Demographic assumptions charges	-	3,183	-	-	-	3,183
Financial assumptions changes	-	33,233	-	-	-	33,233
Experience adjustments	-	(9,877)	-	-	-	(9,877)
Benefits paid during the year	(12,245)	(13,613)	(2,452)	(1,571)	(14,697)	(15,184)
Provision for long-term employee benefits						
at end of year	263,430	257,989	9,262	10,832	272,692	268,821

The Group expects to pay Baht 11 million of long-term employee benefits during the next year (Separate financial statements: Baht 10 million) (2019: Baht 13 million, separate financial statements: Baht 12 million).

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit is 10 - 18 years (Separate financial statements: 10 years) (2019: 10 - 18 years, separate financial statements: 10 years).

Key actuarial assumptions used for the valuation are as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(Percent per annum)	(Percent per annum)	(Percent per annum)	(Percent per annum)
Discount rate	1.50 - 7.00	1.50 - 8.75	1.50	1.50
Salary increase rate	5.00 - 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 2020 and 2019 are summarised below:

(Unit: million Baht)

	As at 31 December 2020			
	Consolidated financial statements		Separate financial statements	
	Increase 0.5 - 1%	Decrease 0.5 - 1%	Increase 0.5%	Decrease 0.5%
Discount rate	(13)	18	(12)	17
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Salary increase rate	36	(29)	34	(27)

(Unit: million Baht)

	As at 31 December 2019			
	Consolidated financial statements		Separate financial statements	
	Increase 0.5 - 1%	Decrease 0.5 - 1%	Increase 0.5%	Decrease 0.5%
Discount rate	(14)	15	(13)	15
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Salary increase rate	33	(29)	32	(28)

27. Warrants to purchase new ordinary shares of the Company

27.1 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.

On 7 February 2020, PDJ-W2 warrant holders exercised 24,314,017 units to purchase 24,314,017 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 24,314,017 from the exercise of the warrants, and the Company registered the corresponding increase in its paid-up capital with the Ministry of Commerce on 18 February 2020.

Presented below is a summary of movement in the number of warrants as at 31 December 2020.

	Unit
Outstanding as at 1 January 2020	76,784,947
Exercised during the year	(24,314,017)
Expired during the year	(1,280,540)
Outstanding as at 31 December 2020	51,190,390

27.2 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>
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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 2020, the Company has the unissued warrants of ESOP totaling 1,280,540 units.

28. Share capital/Share premium

The movements of number of ordinary shares, paid-up capital and premium on ordinary shares of the Company for the year ended 31 December 2020 and 2019 are as follows:

(Unit: Thousand Baht)

	Issued and paid-up share capital		Share premium	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Balance as at 1 January	462,396	424,640	818,138	811,966
Increase in capital from exercising of the warrants to purchase ordinary shares to existing shareholders	24,314	24,586	-	-
Increase (decrease) in capital from exercising of the rights of the convertible debenture	4,446	13,170	(159)	6,172
Total	28,760	37,756	(159)	6,172
Balance as at 31 December	491,156	462,396	817,979	818,138

29. 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.

30. Sales

Disaggregated revenue information

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Type of goods services:				
Sale of finished goods	2,202,164	2,984,761	1,759,596	2,476,378
Sale of raw materials	260,134	-	260,134	-
Total sales	<u>2,462,298</u>	<u>2,984,761</u>	<u>2,019,730</u>	<u>2,476,378</u>
Timing of revenue recognition:				
Revenue recognised at a point in time	<u>2,462,298</u>	<u>2,984,761</u>	<u>2,019,730</u>	<u>2,476,378</u>
Total sales	<u>2,462,298</u>	<u>2,984,761</u>	<u>2,019,730</u>	<u>2,476,378</u>

31. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Interest expenses on borrowings	32,361	41,615	24,286	30,890
Interest expenses on lease liabilities	5,358	51	49	51
Interest paid from collateral	4,009	2,085	-	-
Other expenses	<u>10,931</u>	<u>10,324</u>	<u>2,525</u>	<u>5,413</u>
Total	<u>52,659</u>	<u>54,075</u>	<u>26,860</u>	<u>36,354</u>

32. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Salaries and wages and other employee benefits	598,271	987,658	356,424	744,330
Depreciation and amortisation	99,263	74,003	39,847	45,405
Raw materials and consumables used and purchase				
of finished goods	397,035	1,375,525	1,257,441	1,369,849
Changes in inventories of finished goods and work				
in process	(10,032)	121,243	(68,878)	12,601
Decrease of inventory to net realisable value	862	6,673	1,878	13,167
Impairment loss on financial assets				
(2019: Bad debts and doubtful accounts (reversal))	-	(3,529)	271,718	542,020
Commission and sales promotion expenses	66,351	93,009	7,659	6,945
Rental expenses from operating lease agreements	21,146	64,992	393	255

33. Income tax

Tax expenses (income) for the years ended 31 December 2020 and 2019 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current income tax:				
Current income tax charge for the year	2,164	18,351	1,871	18,053
Adjustment in respect of income tax of previous year	-	(1,506)	-	(1,506)
Deferred tax:				
Relating to origination and reversal of temporary				
differences	(98,444)	(597)	26,300	(121,660)
Tax expense (income) reported in profit or loss	<u>(96,280)</u>	<u>16,248</u>	<u>28,171</u>	<u>(105,113)</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2020 and 2019 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Deferred tax relating to actuarial loss	(99)	(5,205)	-	(5,308)

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Accounting loss before tax	(149,796,947)	(237,199)	(245,740)	(613,224)
Applicable tax rate	15% - 30%	15% - 30%	20%	20%
Accounting loss before tax multiplied by income tax rate	(33,030)	(65,343)	(49,148)	(122,645)
Adjustment in respect of current income tax of previous year	3,643	(1,506)	-	(1,506)
Temporary differences which were not utilised and not recognised as deferred tax assets during the year	37	69,822	27,438	132,416
Temporary differences in previous year which were recognised as deferred tax assets during the year	(115,807)	-	(1,182)	(114,660)
Effect of elimination entries on the consolidated financial statements	(1,305)	12,189	-	-
Effects of:				
Promotional privileges (Note 34)	(1,871)	-	(1,871)	-
Non-deductible expenses	49,404	635	50,554	608
Additional expense deductions allowed	(1,444)	(2,029)	(1,469)	(1,807)
Others	4,093	2,480	3,849	2,481
Total	50,182	1,086	51,063	1,282
Tax expenses (income) reported in profit or loss	(96,280)	16,248	28,171	(105,113)

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

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2020	2019
Deferred tax assets		
Allowance for expected credit losses		
(2019: Allowance for doubtful accounts)	1,054	1,054
Reduce cost of inventories to net realisable value	600	500
Provision for long-term employee benefits	58,113	56,829
Difference between tax and accounting of revenue recognition	583	1,191
Loss on unrealised fair value measurement of derivative		
financial instruments	1,146	-
Unused tax loss	99,443	3,057
Total	160,939	62,631
Deferred tax liabilities		
Deferred financial service fee	136	336
Total deferred tax assets, net	160,803	62,295

	(Unit: Thousand Baht)	
	Separate financial statements	
	2020	2019
Deferred tax assets		
Allowance for expected credit losses		
(2019: Allowance for doubtful accounts)	1,054	1,054
Provision for long-term employee benefits	54,538	53,764
Unused tax loss	87,429	1,139
Loss on unrealised fair value measurement of derivative		
financial instruments	1,146	-
Allowance for impairment of investments in subsidiaries	-	114,661
Total	144,167	170,618
Deferred tax liabilities		
Deferred financial service fee	42	192
Total deferred tax assets, net	144,125	170,426

As at 31 December 2020, the Company has deductible temporary differences totaling Baht 2,246 million (2019: Baht 2,004 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 2020, the subsidiaries have deductible temporary differences and unused tax losses totaling Baht 751 million (2019: Baht 1,563 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 subsidiary had the unused tax losses amounting to Baht 112 million which will expire by 2024.

34. Promotional privileges

34.1 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 2020 and 2019, divided between promoted and non-promoted operations, are summarised below.

	Promoted operations		Non-promoted operations		(Unit: Thousand Baht) Total	
	2020	2019	2020	2019	2020	2019
Sales						
Domestic sales	185,818	324,313	840,634	955,507	1,026,452	1,279,820
Export sales	112,254	88,838	881,024	1,107,720	993,278	1,196,558
Total sales	298,072	413,151	1,721,658	2,063,227	2,019,730	2,476,378

34.2 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.

35. Earnings per share

Basic earnings per share is calculated by dividing loss for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

For comparative purposes, basic earnings per share for the year ended 31 December 2019 have been recalculated by.

Basic earning per share is calculated by dividing loss for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year multiplied by a factor calculated based on the fair value of ordinary shares before and after the exercise of share subscription rights.

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

Consolidated financial statements					
For the years ended 31 December					
Loss for the year		Weighted average number of ordinary shares		Loss per share	
<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
(95,103)	(241,415)	492,159	471,656	(0.1932)	(0.5118)

Separate financial statements					
For the years ended 31 December					
Loss for the year		Weighted average number of ordinary shares		Loss per share	
<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
(273,911)	(508,111)	492,159	471,656	(0.5565)	(1.0773)

An exercise price of the warrants to purchase ordinary shares in separated financial statements 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 2019. Therefore, the Company has not included the conversion of these warrants in the calculation of diluted earnings per share.

However, no calculation of diluted earnings per share for the year ended 31 December 2020 since the effect of diluted earnings per share is antidilutive.

36. 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 Group is organised into business units based on its business activities and have three reportable segments as follows:

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

Other segments are dormitory rental in Thailand and dormant companies.

The Group is organised into business units based on its business activities.

During the current year, the Group has 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 Group's operating segments for the years ended 31 December 2020 and 2019.

	(Unit: Million Baht)									
	Production		Distribution		Retail		Others		Total Segments	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
For the years ended 31 December	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenues										
Revenues from external customers	1,507	1,913	129	199	826	873	-	-	2,462	2,985
Revenues from intersegment	525	587	4	55	272	245	-	-	801	-
Total revenues	2,032	2,500	133	254	1,098	1,118	-	-	3,263	2,985
Results										
Segment profit (loss)	40	112	(48)	(189)	(27)	(12)	(9)	(8)	(44)	(68)
Unallocated revenues and expenses										
Interest income									-	4
Gain (loss) on exchange									59	(74)
Gain (loss) on liquidation of subsidiaries									(72)	5
Other income									34	35
Depreciation and amortization									(99)	(85)
Share of profit from investment in associated company									2	-
Finance income									6	-
Finance cost									(52)	(54)
Loss before income tax expenses									(150)	(237)
Tax incomes (expenses)									96	(16)
Loss for the year									(54)	(253)

Geographic information

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

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2020</u>	<u>2019</u>
Revenue from external customers		
Thailand	1,317,725	1,586,037
United States of America	331,867	549,891
Germany	23,035	28,843
Others	789,671	842,235
Total	<u>2,462,298</u>	<u>3,007,006</u>

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2020</u>	<u>2019</u>
Non-current assets		
(other than financial instruments and deferred tax assets)		
Thailand	1,382,078	1,241,770
Others	64,715	62,464
Total	<u>1,446,793</u>	<u>1,304,234</u>

Major customer

For the year 2020, the Group has revenue from one major customer in totaling amount of Baht 202 million, arising from sales by the production segment (2019: Baht 381 million derived from one major customer, arising from sales by the production segment).

37. 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 2020, the Company contributed Baht 11 million to the fund (2019: Baht 14 million).

38. Commitments and contingent liabilities

38.1 Capital commitments

As at 31 December 2020, an overseas subsidiary company had capital commitments of Baht 1 million and INR 12 million, totaling of Baht 6 million relating to acquisition of computer software, building construction and building improvements (The Company only: Baht 1 million).

38.2 Guarantees

38.2.1 The Company has issued guarantees to secure bank overdrafts and credit facilities of its subsidiaries. As at 31 December 2020, there were outstanding guarantees of Baht 250 million and USD 14.5 million (2019: Baht 330 million and USD 8.5 million), totaling of Baht 685 million (2019: Baht 586 million).

38.2.2 As at 31 December 2020, there were outstanding bank guarantees of Baht 6.8 million (2019: Baht 9.7 million) issued by banks on behalf of the Group to guarantee purchase of goods, electricity use, among others. (The Company only: Baht 6.6 million (2019: Baht 9.5 million)).

38.2.3 As at 31 December 2020, the Group has outstanding standby-letters of credit of USD 30.3 million, or approximately Baht 909 million (2019: USD 26.5 million, or approximately Baht 798 million) (The Company only: USD 17 million, totaling Baht 510 million (2019: USD 18 million or approximately Baht 542 million)).

38.3 Litigations

38.3.1 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 paid for these damages in September 2018. Two companies incorporated in Switzerland have submitted an appeal to the French 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.

As at 31 December 2020, 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 has therefore not record any provision for damages in its accounts.

38.3.2 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.

In 2018, the Indian tax authorities assessed sales tax of approximately INR 1 million or approximately Baht 0.4 million (including penalty and interest), covering the years 2014 - 2016 against the subsidiary in India. The management of the subsidiary appealed this assessment.

In 2019, the Indian tax authorities assessed sales tax of approximately INR 43.8 million or approximately Baht 19 million (including penalty and interest), covering the years 2012 - 2013 against the subsidiary in India. The management of the subsidiary appealed this assessment. However, the subsidiary placed a bond of 10 percent of the assessed sale tax amounting to INR 2 million or approximately Baht 0.8 million. The appeal is currently under the consideration of the Tribunal.

During the current year, the Indian tax authorities assessed sale tax of approximately INR 88.4 million or approximately Baht 35.4 million (including interest), covering the years 2011 - 2012 against the subsidiary in India. The management of the subsidiary appealed this assessment.

The management of the subsidiary believes that no material damages will affect the subsidiary. The subsidiary has therefore not recorded any provision for these tax assessments.

39. Fair value hierarchy

As at 31 December 2020 and 2019, the Group 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 2020		
	Level 1	Level 2	Total
Assets measured at fair value			
Investments in equity designed at fair value through profit or loss	2	-	2
Investments in equity designed at fair value through other comprehensive income	12	-	12
Liabilities measured at fair value			
Options	4	-	4
Derivative financial instruments	-	6	6
Assets for which fair value are disclosed			
Investment property	-	1,255	1,255

	(Unit: Million Baht)		
	Consolidated Financial Statements		
	As at 31 December 2019		
	Level 1	Level 2	Total
Assets measured at fair value			
Held for trade investments			
Equity instruments	15	-	15
Liabilities measured at fair value			
Options	4	-	4
Assets for which fair value are disclosed			
Investment property	-	706	706

(Unit: Million Baht)

	Separate Financial Statements		
	As at 31 December 2020		
	Level 1	Level 2	Total
Assets measured at fair value			
Investments in equity designed at fair value through other comprehensive income	12	-	12
Liabilities measured at fair value			
Options	4	-	4
Derivative financial instruments	-	6	6
Assets for which fair value are disclosed			
Investment property	-	1,202	1,202

(Unit: Million Baht)

	Separate Financial Statements		
	As at 31 December 2019		
	Level 1	Level 2	Total
Assets measured at fair value			
Held for trade investments			
Equity instruments	15	-	15
Liabilities measured at fair value			
Options	4	-	4
Assets for which fair value are disclosed			
Investment property	-	654	654

During the current year, there was no transfer within the fair value hierarchy.

40. Financial instruments

40.1 Derivatives

(Unit: Thousand Baht)

	Consolidated / Separate financial statements	
	2020	2019
Derivative liabilities		
Derivatives liabilities not designated as hedging instruments		
Forward contract	5,729	-
Total derivative liabilities	5,729	-

Derivatives not designated as hedging instruments

The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 1 month to 12 months.

40.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade accounts receivable, loans, investments, and short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable, loans, deposits with banks and financial institutions and other financial instruments. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Group's maximum exposure relating to derivatives is noted in the liquidity risk topic.

Trade receivables

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables and contract assets are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions. In addition, the Group does not have high concentrations of credit risk since it has a large customer base in various industries.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and not subject to enforcement activity.

Market risk

Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its trading transactions and borrowings that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into foreign exchange forward contracts when it considers 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	
	Financial assets		Financial liabilities		Financial assets		Financial liabilities		as at 31 December	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(Baht per 1 foreign currency unit)									
US dollar	12	11	23	20	33	30	13	16	29.99	30.11
Euro	-	-	-	-	9	10	-	-	40.56	39.44
Pound Sterling	-	-	-	-	10	10	-	-	36.82	33.68
Indonesian Rupiah	-	1	-	-	-	1	-	-	0.0021	0.0021

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

Foreign currency sensitivity

The following tables demonstrate the sensitivity of the Group's profit before tax to a reasonably possible change in US dollar, Euro and Pound Sterling exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives as at 31 December 2020. The Group's exposure to foreign currency changes for all other currencies is not material.

The result of sensitivity analysis for significant change in exchange rates effect on profit before tax as follow.

Currency	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
US dollar	(3,327)	3,327	5,929	(5,929)
Euro	3	(3)	4,065	(4,065)
Pound Sterling	61	(61)	3,454	(3,454)

Interest rate risk

The Group's exposure to interest rate risk relate primarily to bank overdrafts, debentures, 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 2020							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate (Percent per annum)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	1	-	-	258	184	443	0.01 - 3.25
Trade and other receivables	-	-	-	-	391	391	8.00
Short-term loans to related parties	15	-	-	-	-	15	7.50
Other current financial assets	1	-	-	-	6	7	1.35
Restricted bank deposits	32	-	-	-	-	32	0.13 - 1.35
Other non-current financial assets	-	-	9	-	12	21	7.50
Total	49	-	9	258	593	909	
Financial liabilities							
Short-term loans from financial institutions	319	-	-	-	-	319	2.50 - 10.25
Bills of exchange	50	-	-	-	-	50	4.30
Trade and other payables	620	-	-	-	194	814	0.60 - 2.00
Restructured long-term	1	21	-	-	-	22	10.25
Long-term loans	1	2	6	142	-	151	(1)
Convertible debentures	-	34	-	-	-	34	1.00
Total	991	57	6	142	194	1,390	

(1) MLR - 0.50, MLR - 1.25, 14.60

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2019

	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate (Percent per annum)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	1	-	-	287	260	548	0.10 - 0.85
Current investments - deposits with financial institutions	1	-	-	-	-	1	1.35
Trade and other receivables	4	-	-	-	437	441	8.00
Amount due from related parties	-	-	-	-	2	2	-
Short-term loans to related parties	45	-	-	-	-	45	7.50
Restricted bank deposits	32	-	-	-	-	32	0.80 - 1.35
Other long-term investments	-	-	-	-	16	16	-
Total	83	-	-	287	715	1,085	
Financial liabilities							
Bank overdrafts and short-term loans from financial institutions	491	-	-	-	-	491	2.75 - 10.25
Bills of exchange	49	-	-	-	-	49	4.30
Trade and other payables	540	-	-	-	212	752	2.20
Short-term loan from related party	1	-	-	-	-	1	-
Long-term loans	2	2	7	158	-	169	(1)
Convertible debentures	-	36	-	-	-	36	1.00
Total	1,083	38	7	158	212	1,498	

(1) MLR - 0.50, MLR - 1.25, 10.25, 14.60

(Unit: Million Baht)

Separate financial statements as at 31 December 2020

	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate (Percent per annum)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	124	62	186	0.13 - 0.50
Trade and other receivables	-	-	-	-	400	400	-
Restricted bank deposits	27	-	-	-	-	27	0.50
Other non-current financial assets	-	-	-	-	12	12	-
Total	27	-	-	124	474	625	
Financial liabilities							
Short-term loans from financial institutions	319	-	-	-	-	319	2.50 - 2.75
Trade and other payables	322	-	-	-	174	496	2.00
Long-term loans	-	-	-	68	-	68	MLR - 0.50
Convertible debentures	-	34	-	-	-	34	1.00
Total	641	34	-	68	174	917	

(Unit: Million Baht)

Separate financial statements as at 31 December 2019

	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate (Percent per annum)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	234	154	388	0.13 - 0.85
Trade and other receivables	-	-	-	-	545	545	-
Amounts due from related parties	-	-	-	-	2	2	-
Short-term loans to related parties	15	-	-	-	-	15	7.50
Long-term loans to related parties	-	-	45	-	-	45	7.50
Restricted bank deposits	26	-	-	-	-	26	1.05
Other long-term investments	-	-	-	-	15	15	-
Total	41	-	45	234	716	1,036	
Financial liabilities							
Bank overdrafts and short-term loans							
from financial institutions	391	-	-	-	-	391	2.75 - 5.25
Trade and other payables	384	-	-	-	196	580	2.20
Long-term loans	-	-	-	75	-	75	MLR - 0.50
Convertible debentures	-	36	-	-	-	36	1.00
Total	775	36	-	75	196	1,082	

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates on that portion of cash and cash equivalents, restricted bank deposits and floating rate loans from affected as at 31 December 2020, with all other variables held constant.

Currency	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
Baht	836	(836)	562	(562)
US dollar	280	(280)	-	-
Indonesian Rupiah	33	(33)	-	-
Indian Rupee	18	(18)	-	-

Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of bank loans. The Group manages the risk by controlling the ratio of short-term loans to long-term loans to maintain an appropriate balance of debt repayment according to types of investment and business operations. The Group obtains revolving credit facilities from several banks to prevent cancellation of credit facilities. In addition, the Group has access to a sufficient variety of sources of funding, such as available credit line of short-term loan, and debt maturing within 12 months can be rolled over with existing lenders. This risk is considered low.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2020 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

Consolidated financial statements					
	On demand	Less than 1 year	1 - 5 years	> 5 years	Total
Non-derivatives					
Short-term loans from financial institutions	-	319,023	-	-	319,023
Trade and other payables	-	813,565	-	-	813,565
Long-term loans	-	143,559	10,579	3,238	157,376
Convertible debentures	-	38,354	-	-	38,354
Lease liabilities	-	30,558	127,134	-	157,692
Total non-derivatives	-	1,344,879	137,713	3,238	1,485,830
Derivatives					
Cash outflows	-	5,729	-	-	5,729
Total derivatives	-	5,729	-	-	5,729

(Unit: Thousand Baht)

Separate financial statements					
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Short-term loans from financial institutions	-	319,023	-	-	319,023
Trade and other payables	-	495,653	-	-	495,653
Long-term loans	-	67,781	-	-	67,781
Convertible debentures	-	38,354	-	-	38,354
Total non-derivatives	-	920,811	-	-	920,811
Derivatives					
Cash outflows	-	5,729	-	-	5,729
Total derivatives	-	5,729	-	-	5,729

40.3 Fair values of financial instruments

Since the majority of the Group's financial instruments 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.

41. 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 2020, the Group's debt-to-equity ratio was 0.94:1 (2019: 0.87:1) and the Company's debt-to-equity ratio was 0.63:1 (2019: 0.62:1).

42. Events after the reporting period

- a) On 5 February 2021, PDJ-W4 warrant holders exercised 47,870,666 warrants to purchase 47,870,666 newly issued ordinary shares with a par value of Baht 1 each, at an exercise price of Baht 1 per share. The Company received the cash of Baht 47,870,666 from the exercise of the warrants and registered the corresponding increase in its paid-up capital with the Ministry of Commerce on 11 February 2021.
- b) On 10 February 2021, Advance Credit Fund SPC - Golden Fund SP proposed to the Company to early redeem the outstanding Convertible Debentures Tranche 1 No.2 in the amount of Baht 37,379,521. Therefore, the Company made repayment on 17 February 2021.
- c) On 26 February 2021, the Board of Directors' meeting passed a resolution to propose to the Annual General Meeting of the shareholders that a dividend of Baht 0.10 per share, or a total of Baht 53.9 million, be paid to the shareholders from retained earnings in respect of 2012 earnings derived from net profit from corporate income tax exemption under promotional privileges received from the Board of Investment. The dividend will be paid and recorded after being approved by the Annual General Meeting of the shareholders.

43. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 26 February 2021.

Director and Management Biography



Mr. Prida Tiasuwan (Founding director)

Age 72 Years

Board Chairman (Appointed : 6 June 1990)

Education

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

Training attended with regard to roles and responsibilities of corporate directors

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

Work Experience

- Director and Vice President of Thai Gem and Jewelry Traders Association
- Director of Listed and Authorized Companies Association
- Director of Thailand-US Business Council
- Director of The Thai Chamber of Commerce
- Director and President 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 Law Reform on Fair Trade and Consumer Protection
- Director Assembly of Thailand Reform
- Director of Duang Prateep Foundation (DPF)
- Director of 14 October Foundation

Directorship

Other listed companies

- None -

Non-listed businesses

- Chairman of Board of Pranda Group, 6 companies
- Director of Pranda Group, 2 companies
- Director & Treasurer May 1992 Memorial Foundation
- Director of CIBJO - The World Jewellery Confederation

% of Shareholding as of 30 December 2020 : PDJ 26,997,222 shares or 5.50% of paid up shares

Mr. Pramote Tiasuwan (Founding director)

Age 70 Years

Vice Chairman (Appointed : 24 July 2020)

Executive Director

Managing Director (Manufacturing)

Finance & Risk Management Director

Nomination and Remuneration Director



Education

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

Training attended with regard to roles and responsibilities of corporate directors

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

Work Experience

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

Directorship

Other listed companies

- None -

Non-listed businesses

- Director of Pranda Group, 3 companies

% of Shareholding as of 30 December 2020 : PDJ 10,440,630 shares or 2.13 % of paid up shares



Mrs. Prapee Sorakraikitikul (Founding director)

Age 74 Years

Director [Appointed : 6 June 1990]

Finance & Risk Management Director

Nomination and Remuneration Director

Education

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

Training attended with regard to roles and responsibilities of corporate directors

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

Work Experience

- 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

Other listed companies

- None -

Non-listed businesses

- Chairman of Board of Pranda Group, 2 companies
- Director of Pranda Group in 3 companies
- Director of the Thai Mozambique Trade Association
- Board of directors of Gem and Jewelry Promotion Foundation
- Operation Director of Thai - Vietnam Business Council
- Director of the Thai AEO Importer & Exporter Association

% of Shareholding as of 30 December 2020 : PDJ 7,868,188 shares or 1.70% of paid up shares

Mrs. Sunanta Tiasuwan (Founding director)

Age 71 Years

Director [Appointed : 6 June 1990]

Nomination and Remuneration Director



Education

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

Training attended with regard to roles and responsibilities of corporate directors

- Director Certificate Program (DCP), Class 22/2002 Thai Institute of Directors (IOD)
- Top Executive Program, Capital Market Academy Class 11

Work Experience

- Vice President of Thai Gem and Jewelry Traders Association for two times
- Director of Listed and Authorized Companies Association

Directorship

Other listed companies

- 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

- Chairman of Board of Pranda Group, 1 companies
- Director of Pranda Group, 7 companies
- Director of Bridge view Company Limited
- Vice President of Global Compact Network Thailand

% of Shareholding as of 30 December 2020 : PDJ 3,060,562 shares or 0.62 % of paid up shares



Mrs. Pranee Khunprasert (Founding director)

Age 68 Years

Director (Appointed : 6 June 1990)

Chairman of Group Executive Committee

Managing Director (Marketing)

Finance & Risk Management Director

Nomination and Remuneration Director

Education

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

Training attended with regard to roles and responsibilities of corporate directors

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

Work Experience

- None -

Directorship

Other listed companies

- None -

Non-listed businesses

- Director of Pranda Group, 2 companies

% of Shareholding as of 30 December 2020 : PDJ 12,417,352 shares or 2.53% of paid up share

Mrs. Panidda Tiasuwan (Founder)

Age 77 Years

Advisor to the Company's Board of Directors (Appointed : 1 January 2017)

Nomination and Remuneration Director



Education

- Amatayanukul school and language study in England

Training attended with regard to roles and responsibilities of corporate directors

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

Work Experience

- None -

Directorship

Other listed companies

- None -

Non-listed businesses

- Chairman of Board of Pranda Group, 1 company

% of Shareholding as of 30 December 2020 : PDJ 25,000,054 shares or 5.09% of paid up shares



Ms. Pittaya Tiasuwan (Founding director)

Age 66 Years

Director (Appointed : 6 June 1990)

Executive Director

Deputy Managing Director (Manufacturing)

Finance & Risk Management Director

Education

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

Training attended with regard to roles and responsibilities of corporate directors

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

Work Experience

- None -

Directorship

Other listed companies

- None -

Non-listed businesses

- Director of Pranda Group, 2 company

% of Shareholding as of 30 December 2020 : PDJ 21,676,230 shares or 4.41% of paid up shares

Mr. Verachai Tantikul

Age 78 Years

Independent Director (Appointed : 25 March 2005)

Chair of Audit Committee

Chair of Nomination and Remuneration Committee



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

- None -

Non-listed businesses

- Director of the Petroleum Committee under the Petroleum Law

% of Shareholding as of 30 December 2020 : - None -



Mrs. Rawittha Pongnuchit

Age 71 Years

Independent Director (Appointed : 14 August 2012)

Member of the Audit Committee

Education

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

Training attended with regard to roles and responsibilities of corporate directors

- 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
- Director Certificate Program (DCP) Class 59/ 2005 Thai Institute of Directors (IOD)
- National Defense College, The Joint State - Private Sector Course Class 15, Thailand National Defense College

Work Experience

- Inspector-General, Ministry of Finance
- Deputy Director-General, the Revenue Department
- 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 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

Other listed companies

- 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

- 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
- 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 30 December 2020 : - None -

Mr. Chamnong Watanagase

Age 69 Years

Independent Director (Appointed : 25 March 2014)

Member of the Audit Committee



Education

- B.Com. (1974), Chulalongkorn University
- MBA, University of Central Missouri, 1982
- Completed Ph.D. coursework in Political Science and Philosophy, Thammasat University, 2006 (Finished the PhD coursework and quit without pursuing the doctoral dissertation)
- Cert. of Proficiency in English (with Merit), National Institute of Development Administration, 1975
- The School of Law Thmmasat University Graduate Study Program (1978 - 80)

Training attended with regard to roles and responsibilities of corporate directors

- Director Certification Program (DCP) Class 5 (2001), Audit Committee Program, Class 1 (2002), DCP Refresher Course 2/2006, Chartered Director, Class 1 (2007) Thai Institute of Directors (IOD)
- The Capital Market Academy, Class 6
- Tactical Training in Hostage Rescues, US Marshal Service, Department of Justice, Baton Rouge, Louisiana, USA, 1990
- Marketing Coaching, Tack Training International, London, UK, 1991

Work Experience

- Chairman of the Audit Committee, Chairman of the Risk Management Committee, Indara Insurance, Plc. (2000-2012)
- President of the following joint ventured companies with the Siam Commercial Bank, Plc. (1994-1998)
 - Siam Commercial Link, Ltd.
 - Science Commercial Link, Ltd., with the National Science and Technology Development Agency (NSTDA) as 3rd partner
 - SCB Technology, a venture capital of the Siam Commercial Bank, Plc.
- Founding Manager, Business Advisory Center for SMEs, Kenan Institute Asia Foundation (funded by USAID) (1999-2000)
- Member of the Executive Committee, Thailand Science Park, the National Science and Technology Development Agency
- 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 companies

- Chairman of the Audit Committee, LDC Dental, Plc. (2013-present)

Non-listed businesses

- Chairman Nomination and selection Committee, member of the Audit Committee, Thai Credit Retail Bank, Plc.
- Vice President of the Thai Investors Association

% of Shareholding as of 30 December 2020 : PDJ 92,200 shares or 0.02% of paid up shares



Mr. Decha Nuntanajaroenkul

Age 61 Years

Director [Appointed : 23 April 2019]

Executive Director

Deputy Managing Director (Marketing)

Finance & Risk Management Director

Education

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

Training attended with regard to roles and responsibilities of corporate directors

- None -

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 30 December 2020 : - None -

Mr. Chanat Sorakraikitikul

Age 42 Years

Chair of Finance & Risk Management Committee

Executive Director



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
- Independent Director/ Chairman of Audit Committee/ Nomination and Remuneration Committee, Cpanel Company Limited

% of Shareholding as of 30 December 2020 : PDJ 630,000 shares or 0.13% of paid up shares



Prof. Dr. Channarong Pronrungrroj

Age 65 Years

Chair of Core Values & CSR Committee

Executive Director

Deputy Managing Director (Manufacturing)

Education

- Ed.D. (Art) from Illinois State University, Illinois, USA.

Training attended with regard to roles and responsibilities of corporate directors

- National Defence College of Thailand
- King Prajadhipok's Institute
- Bhumipalang Phandin, Chulalongkorn University
- Advanced Security Management Course

Work Experience

- 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

Other listed companies

- None -

Non-listed businesses

- President of the Art for All Foundation
- Honorary Member of the University Council of the Mahamakut Buddhist University
- National Buddhism Commission

% of Shareholding as of 30 December 2020 : - None -

Mr. Dusit Chongsutthanamee

Age 49 Years

Finance & Risk Management Director

Corporate Secretary



Education

- 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

- 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

- 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

Other listed companies

- Chairman of Audit Committee, DOD Biotech Public Company Limited
- Chairman of Nomination and Remuneration Committee, DOD Biotech Public Company Limited

Non-listed businesses

- Executive Director, Siri Assets Company Limited
- Director, Kin Author Company Limited

% of Shareholding as of 30 December 2020 : - None -

Details of Directors and Executives

The name of the Subsidiary Companies														
PRANDA														
The list of the Board of Directors														
Subsidiary Companies														
Associated Companies														
Related Companies														
Country														
Foreign														
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Note : 1. X = Chairman ➤ = Vice Chairman / = Director ⊙ = Chairman of Core Values & CSR Committee ⊕ = Chairman of Executive Committee * = Chairman of Audit Committee ● = Chairman of Group executive Committee
 □ = Chairman of Finance & Risk Management Committee ⚙ = Managing Director (Acting)
 2. Report only of directors of subsidiaries which contribute over 10% of total revenues including PMG

PRANDA = Pranda Jewelry PCL. HGG = H.Gringoire s.a.r.l. KZ - PRANDA = KZ-Pranda Co., Ltd.
 PMG = Primagold International Co., Ltd. PUK = Pranda UK Ltd. P.Holding = Pranda Holding Co.,Ltd.
 CTL = Crystaline Co., Ltd. PVN = Pranda Vietnam Co.,Ltd. Forward FreeLand = Forward Freeland Co., Ltd.
 PLG = Pranda Lodging Co., Ltd. PDI = Pranda Jewelry Pvt Ltd. SCL = P.T. Sumberkreasi Ciptalogam
 PNA = Pranda North America, Inc. PMI = PT Pranda Marketing Indonesia



**For additional information, please refer to
Annual Registration Statement (Form 56-1)
on www.sec.or.th or company official website
www.pranda.com.**

**For other inquiries, please contact
Corporate Secretary Office.
Email: cs@pranda.co.th; ir@pranda.co.th
Tel: +662 769 9999 Ext 403, 431, 436**





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