

Resurgence of Craftsmanship

PRIMA
PRIMA GOLD • PRIMA SILVER • PRIMA ART



Pranda Jewelry Public Company Limited

Annual Registration Statement

Annual Report 2021

(Form 56-1 One Report)



The past 48 years

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

For over 48 years, PRANDA has been committing to bring success to our partners and care to their customers. Taking inspiration to the perfection of jewelry making, that is PRANDA.



www.pranda.com



Pranda Group



info@pranda.com

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This Annual Registration Statement / Annual Report 2021 (56-1 One Report) referred to the information disclosed on the Company's website, which is an integral part of the 56-1 One Report. The Board of Directors certifies the correctness and completeness of such referred information.

VISION

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



RESURGENCE OF CRAFTSMANSHIP

The significant change of information technology in the past decades is considered as the beginning stage of the "Digital Economy". Consumer lifestyles are driven by digitalization with online media playing a very important role in consumers' daily lives from updating news, reviewing and purchasing products, enhancing skills and knowledge, participating in social activities to sharing real-time information. Consumers can access and study product information with insightful details of lifestyles specific to their interests, leading to the needs of purchasing products that particularly reflect individual needs and lifestyles.

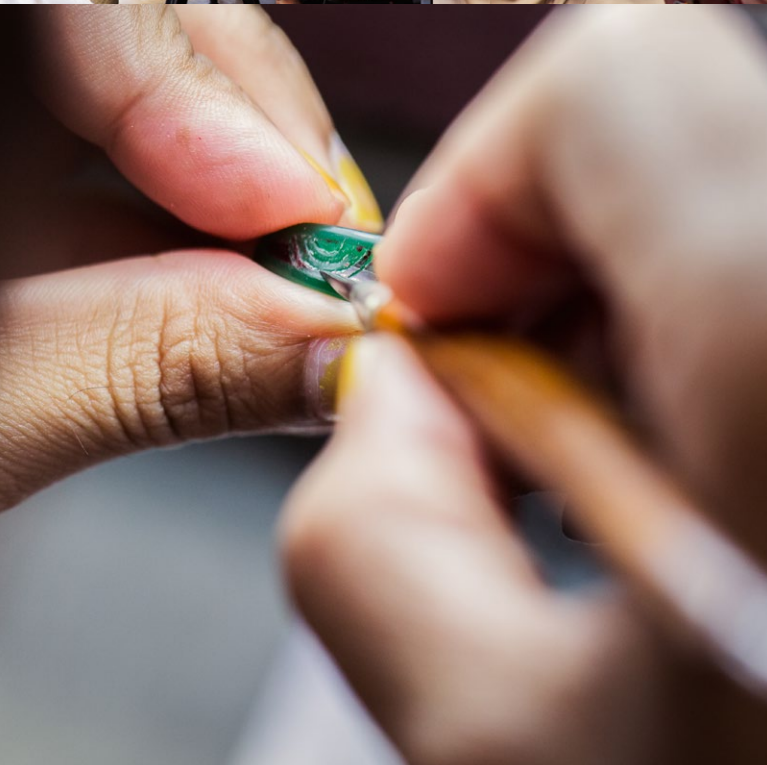




The jewelry business, regarded as lifestyle products with a unique identity, has gained advantages from online technology towards mass communication to consumers both directly and simultaneously from relaying the brand story, designers' creativity, and inspiration as well as the meticulous manufacturing processes to sharing information between consumers to other consumers. As a result, an increasing number of consumers with high appreciation towards differentiation on quality of jewelry, brand identity, and product insights are creating the drive for growth in the industry. Furthermore, with the 'New Normal' lifestyles resulting from the Coronavirus 2019 (Covid-19) pandemic situations, consumers around the world are becoming more engaged with online media. Consequently, the Craftsmanship trend has been Resurgent on which fine jewelry brands are recognized with high sales growth rate especially Designer Brands and Affordable Fine Jewelry Brands distributed through online channels in the United States and Europe. Such trend is predicted to be continuously increasing in the emergence of the Metaverse era which is considered an opportunity for potential brands to create new types of customer experiences while engaging in deeper relationships with consumers.







As Pranda Jewelry Public Company Limited has implemented strategies towards continuously creating relationships with high potential customer groups of Designer Brand and Affordable Fine Jewelry Brand along with the Resurgence of Craftsmanship popularity trend, the Company's performance for the year 2021 had been recovered both in sales revenue and profits although being operated under the challenging economic conditions. Sales revenue for the year 2021 increased by 17.8% compared to the previous year with operating profits of THB 96 million turned from the previous year's loss at THB 126 million. Overall performance has been in line with strategies formulated by the Company from the restructuring of strategic customer bases to diversify risks by focusing on potential customer groups with growth rates in premium jewelry markets.





For 2022, Pranda Jewelry Public Company Limited focuses on improvements of the production process to be more efficient and effective by developing expertise of personnel and controlling the rate of loss in the production process which can result in more effective production cost managed by the Company. In addition, the Company emphasizes continuously building strategic customer bases with potential growth to ensure that regular and consistent purchasing orders are settled while working with customers toward strategic partners approach by having long-term mutual plans with key customers. The Company's primary goals are to be the manufacturing company with high efficiency in providing services to create and add more value for the Company and to efficiently manage operating expenses, build trust and long-term customer relationships towards business alliances for mutual growth, create customer satisfaction as well as being trusted jewelry brands to strive Pranda towards continuous and sustainable growth





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

Sales Contribution

74%

Gross Margin

17%

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 and Vietnam. The Company also has the design and development center which can broadly meet the customers' needs.



RETAIL

Sales Contribution

22%

Gross Margin

42%

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



DISTRIBUTION

Sales Contribution

4%

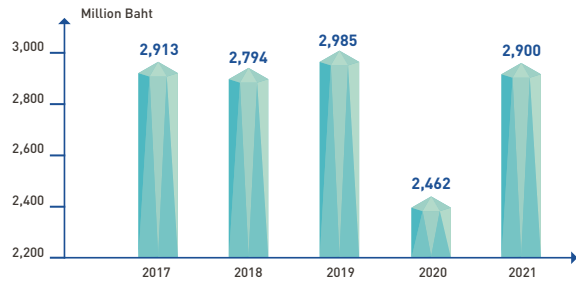
Gross Margin

39%

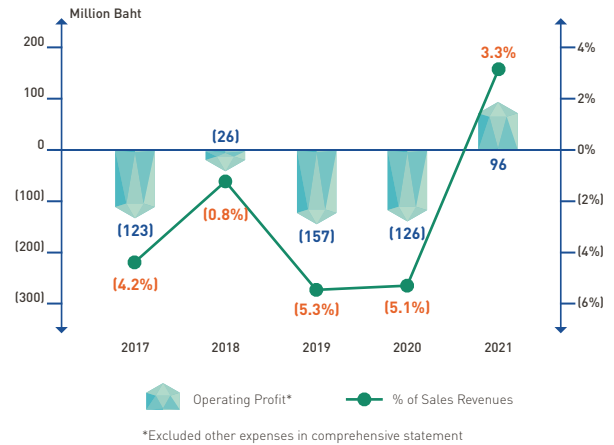
The Company has subsidiaries as distribution base in India. Also, the company discontinued distribution section in UK and U.S.A. align with plan. As a result, distribution base has more efficient on cost management resulted in reducing on investment cost and operating loss together with enhancement liquidity of the Group.



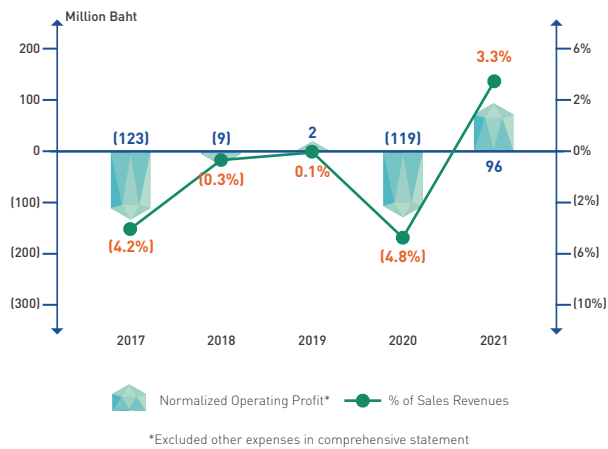
Sales



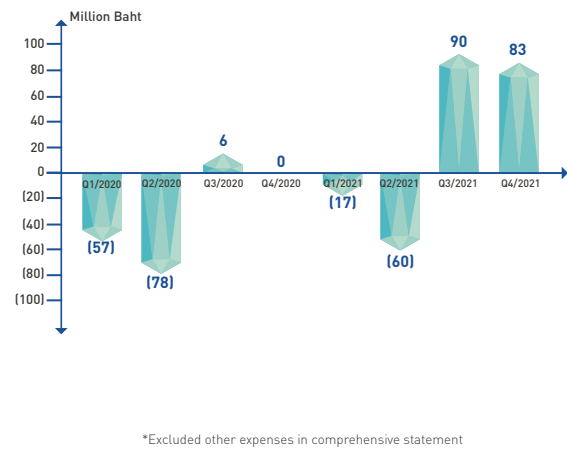
Operating Profit



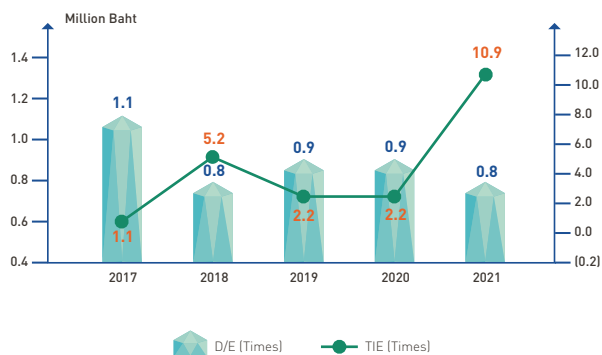
Normalized Operating Profit



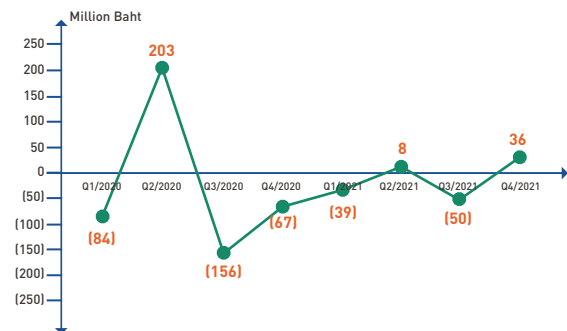
Normalized Operating profit by Quarter*



Financial Risks



Net Cash Flow



Financial Highlights

Consolidated Financial Statements	2021	2020	2019	2018	2017
FINANCIAL PERFORMANCE					
Sales Revenue (Million Baht)	2,900	2,462	2,985	2,794	2,913
Gross Profit (Million Baht)	687	550	784	881	828
Gross Profit Margin	23.69%	22.32%	26.25%	31.54%	28.44%
EBITDA ^{/1} (Million Baht)	181	(27)	(83)	51	(36)
EBITDA Margin	6.23%	(1.10%)	(2.78%)	1.82%	(1.23%)
Operating Loss ^{/2} (Million Baht)	96	(126)	(157)	(26)	(123)
Operating Loss Margin ^{/3}	3.32%	(5.13%)	(5.26%)	(0.93%)	(4.21%)
Profit (Loss) to Equity holders of the Company (Million Baht)	138	(95)	(241)	168	(161)
Profit (Loss) Margin to Equity holders of the company	4.76%	(3.86%)	(8.09%)	6.00%	(5.54%)
FINANCIAL POSITION (Million Baht)					
Current Assets	2,330	2,430	2,651	2,621	2,646
Total Assets	3,789	4,041	4,018	4,054	4,217
Current Liabilities	1,279	1,464	1,491	1,423	1,853
Total Liabilities	1,652	1,917	1,874	1,774	2,188
Total shareholders' equity	2,137	2,124	2,144	2,280	2,029
RATE OF RETURN					
ROA ^{/4}	3.41%	(1.33%)	(6.28%)	3.32%	(4.02%)
ROCE ^{/5}	1.20%	(0.95%)	(5.45%)	(3.05%)	(3.43%)
ROE ^{/6}	6.33%	(4.22%)	(10.05%)	7.17%	(7.05%)
RISKS					
Current Ratio (Times)	1.82	1.66	1.78	1.84	1.43
Quick Ratio ^{/7} (Times)	0.55	0.56	0.65	0.56	0.32
Times Interest Earned ^{/8} (Times)	10.93	2.16	2.24	5.24	1.11
Debt to Equity Ratio (Times)	0.77	0.90	0.87	0.78	1.08
DATA PER SHARE					
Book Value Per Share	3.99	4.43	5.00	5.74	5.53
Earnings (Loss) Per Share to Equity holders of the Company	0.25	(0.19)	(0.52)	0.39	(0.40)
Dividend Per Share ^{/9}	0.10	-	-	-	-
Paid-up Shares (Million Shares)	539.03	491.16	462.40	424.64	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

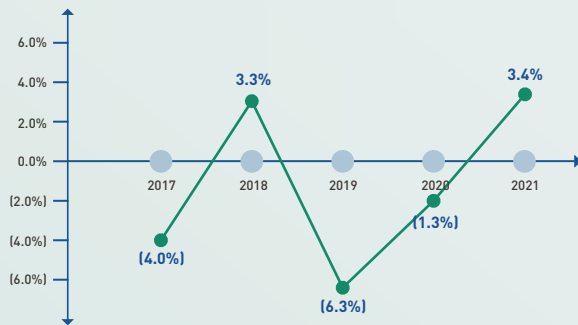
^{/7} Quick Ratio = (Cash and Cash at Bank + Marketable Security + Net Account Receivable and Net Notes Receivable) / Current Liability

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

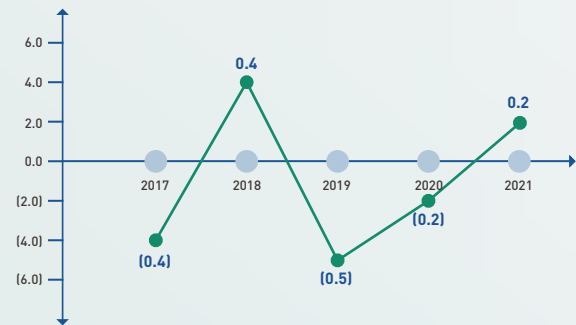
^{/9} For the fiscal year 2021, the Board of Directors approved to propose to the Shareholders' Meeting for consideration of approval the dividend payment from retained earnings of net profit of year 2012

Financial Highlights

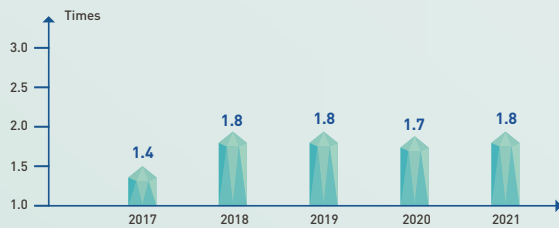
Return on Assets



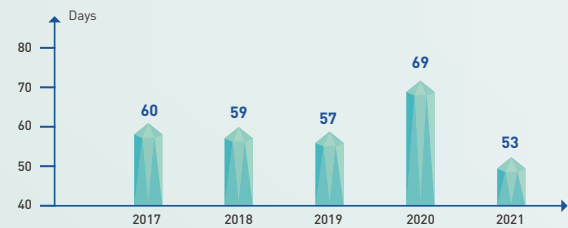
Earnings(Loss) Per Share to Equity holders of the company



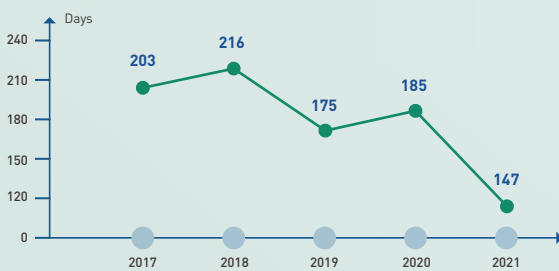
Current Ratio



Account Receivable Days



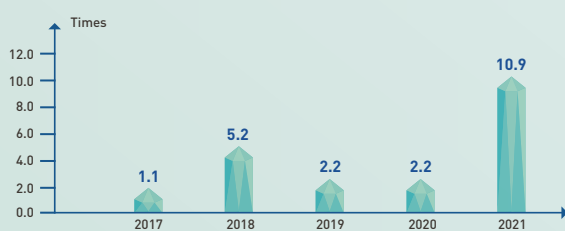
Inventory Turnover Days



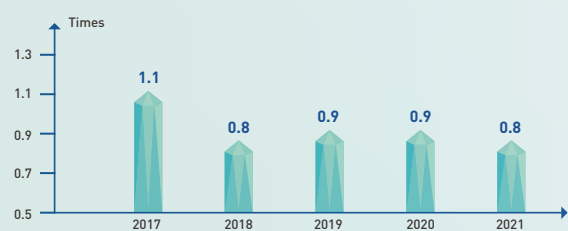
Cash Cycle



Times Interest Earned



Debt to Equity Ratio



Message from Chairman

The Company has adjusted the group structure from previous 4 business units consisting of Production Base, Distribution Base, Retail Base and Support into 3 new business units namely Production Base, Omnichannel Distribution Base and Support. The new structure aims to align the Company's present and future business operations with the highly dynamic digital market structure.



To All Shareholders

From the COVID-19 pandemic situation which has still continued over 2 years until now, the government of each country has essentially obligated to impose both monetary and fiscal policy to stimulate the economy. However, the global economic situations still experience severe recession as many businesses were closed leading to an inevitable sharp increase in the unemployment rate. These consequences resulted from the lockdown policy being imposed by all countries to prevent the disease outbreak. In addition, economic activities in each country have been tremendously stopped following the declaration of the government on mandatory measures and public cooperation including avoid crowded places, maintain social distancing and work from home.

The jewelry industry was severely affected due to the limited consumers' purchasing power as well as by the high price of gold. As a result, more jewelry manufacturers continued to cease business operations from previous year as volume of purchase orders were not covered to the operation costs.

As Pranda Jewelry Public Company Limited well recognizes the risks of this situation, the COVID-19 Management Committee comprising of the top executives has then been established. The roles and responsibilities of the Committee are to manage the process of monitoring, preventing and controlling the pandemic, establish the preventive and control measures of the outbreak and strictly carry out preventive actions following the established measures. In 2021, the Committee achieved its goals even though the highest percentage of infection was 5% of total employees. The Company was able to promptly respond and control the spread leading to no impacts onto the operations of the Company's production base. Furthermore, as the Company has managed to locate the factory layout into each function clearly and separately, we are able to accomplish social distancing measure by efficiently preventing the transmission of the disease

As the Company has started adjusting its business strategy since 2018 by focusing on the downsize of overseas distribution base following the changing market conditions and to stop loss, the Company has thus referred potential customers to be directly under the production base to create competitive advantage. Such strategy is resulted from the Group's business restructuring in 2021. The Company has adjusted the group structure from previous 4 business units consisting of Production Base, Distribution Base, Retail Base and Support into 3 new business units namely Production Base, Omnichannel Distribution Base and Support. The new structure aims to align the Company's present and future business operations with the highly dynamic digital market structure. Brief details of each core business unit are described as follows:

- >> **Production Base** - Focus on manufacturing products for 15 key potential customers and other general customers.
- >> **Omnichannel Distribution Base** - Focus on Omnichannel selling of Owned Brand product line with new service features to facilitate more convenience to the customers.

For the performance of year 2021, the Company had its turnover of THB 2,900.54 million, increased by THB 438.24 million compared to the same period of the previous year at THB 2,462.30 million or equivalent to increasing rate of 17.79 percent. Gross margin was at 23.69 percent greater than the previous year and operating profits at THB 96.32 million or equivalent to growth rate of 176.19 percent. 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 77.16 million. As a result, the Company had profits attributable to equity holders of the Company at THB 138.17 million, increased from THB 233.27 million or equivalent to 245.26 percent compared to the previous year.

The Company still has a Strong financial position considering from the Debt to Equity at 0.77 Times and debt payments successively settled could also result in a decrease in financial cost. The Company is also able to maintain its financial liquidity considering from the Current Ratio up to 1.82 Times and the operating cash flow THB 300.84 million, and remaining cash balance for the business THB 397.82 million.

The year 2022 is another challenging year given the continuous outbreak of the Coronavirus 2019 (COVID-19)

which still continues to threaten the global economy. As the Company is consciously aware of these existing risk factors, the restructuring of the Group's management has been adjusted to be run under the management of the Group Executive Committee. The Committee comprises of Managing Director of each function who are qualified with expertise to systematically and cooperatively work towards 'New Normal' directions which have transformed consumer behavior towards social network of E-Commerce and Social Commerce. In addition, the Company also starts to work on planning to respond to the 5th Industrial Revolution (METAVERSE) at a certain level.



Goals of Production Base and Omnichannel Distribution Base in 2022 are as follows:

- >> **Production Base** - Build strategic customer base to achieve regular and continuous purchase orders, provide 100% on-time delivery to build customer confidence, pay high attention to every relationship and increase engagement within the organization.
- >> **Omnichannel Distribution Base** - Become fine jewelry retailers based in the Southeast Asia and South Asia focusing on consumer-centric approach as well as expansion of distribution channels to online channels to directly reach consumers all over the world.

For the sustainability goals, the Company aims to enhance growth, stability, sustainability covering the principles of Environmental, Social and Governance (ESG). More information of "Sustainability Report" is available on the Company's website, www.pranda.com. Accordingly, the Core Values and Corporate Sustainability Committee has been assigned to take responsibilities for overseeing the corporate sustainability matters.

Finally, on behalf of the Board of Directors of Pranda Jewelry PCL., we would like to express our appreciation to the shareholders and all stakeholders who always trust, understand and support the Company. The Board of Directors, the Committee, the Executives and employees are still dedicated to performing own duties in accordance with international principles of UN Global Compact, business ethics, code of conducts and anti-corruption in all forms by being committed towards the highest benefits mutually shared among all stakeholders.

Prida Tiasuwan
Board Chairman

Board of Directors and Advisors / Group Executive Committee



Mr. Prida Tiasuwan
Board Chairman

Mr. Pramote Tiasuwan
Vice Chairman /
Group Executive Director /
Finance & Risk Management Director /
Nomination and Remuneration Director

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



Mrs. Sunanta Tiasuwan
Director /
Nomination and Remuneration Director

Mrs. Pranee Khunprasert
Director /
Chairman of Group Executive Committee /
Finance & Risk Management Director /
Nomination and Remuneration Director

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



Mr. Decha Nuntanajaroenkul
Director /
Group Executive Director /
Finance & Risk Management Director

Mrs. Panidda Tiasuwan
Advisor of the Board of Directors /
Nomination and Remuneration Directors



Mrs. Rawittha Pongnuchit

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

Mr. Chamnong Watanagase

Independent Director /
Audit Committee



Mr. Chanat Sorakraikitikul

Chairman of Finance &
Risk Management Committee /
Group Executive Director

Prof. Dr. Channarong Pornrunroj

Chairman of Core Values & Corporate
Sustainability Committee /
Group Executive Director

Mr. Pitipong Tiasuwan

Group Executive Director



Managing Directors of Pranda Jewelry PCL.



Mr. Pramote Tiasuwan

Managing Director of Production
(Acting)

Mrs. Pranee Khunprasert

Managing Director of Product
Development & Prototypes (Acting)



Ms. Pittaya Tiasuwan

Managing Director of
Supply Chain and Gemstones

Mr. Decha Nuntanajaroenkul

Managing Director of Marketing

Mr. Chanat Sorakraikitikul

Managing Director of Finance &
Risk Management



Prof. Dr. Channarong Pornrungraj

Managing Director of
Corporate Sustainable Growth

Mr. Pitipong Tiasuwan

Managing Director of
Omnichannel Retailing

Managing Director of Subsidiaries and Associated Companies



Mrs. Pranee Khunprasert
Managing Director
Primagold International Co., Ltd.

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



Mr. Vinod Tejwani
Managing Director
Pranda Jewelry Private Limited

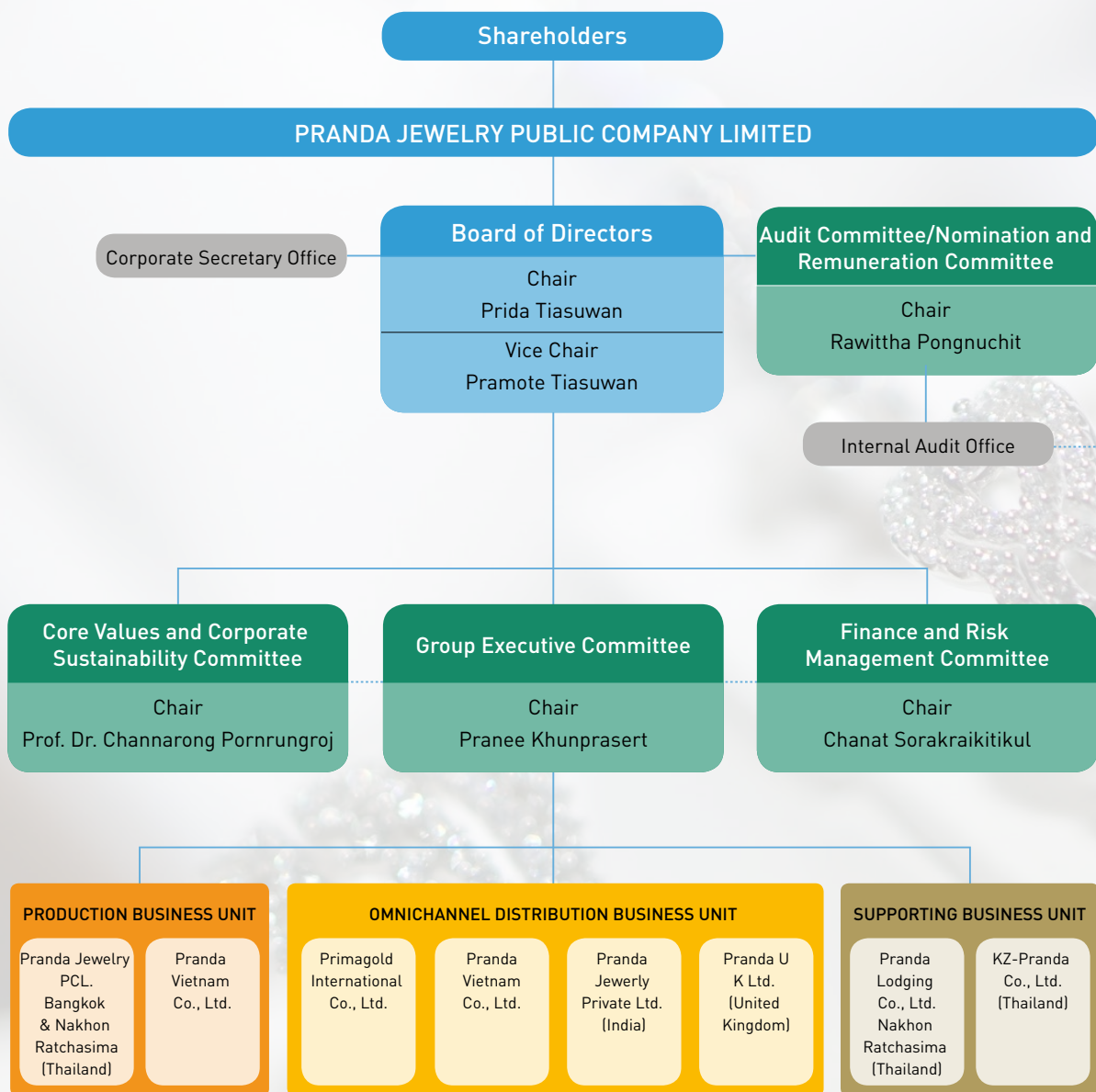
Mr. Pitipong Tiasuwan
Managing Director (Acting)
Pranda UK Limited



Mr. Somsak Srirueangmon
Managing Director
Pranda Lodging Co., Ltd.

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

Group Organization Chart



Effective Date: 01 January 2022

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 will focus on Omni Channel retail strategy seamlessly integrated with offline and online channels to promptly and continuously respond to the needs of customers through product presentation on physical retail channel and E-Channel platforms namely Online Marketplaces and Social Commerce. For physical retail channel, the Company will focus on developing an expansion of retail business through own retail 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 objectives to increase consumer base and create brand trust as well as developing new alternative products to the market. Social Commerce channels including Facebook, Instagram or Line are also focused as another channel in directly responding to the consumers comparable to the interaction of selling in stores which can remarkably enhance good relationship with consumers.

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. With the focus on Omni Channel retail strategy, the Company believes that the sales volume can be increased as products can be directly ordered and services can be promptly delivered through these integrated channels which can effectively meet different lifestyles of consumers these days.

Awards and Recognitions



Global Compact Network Thailand

Pranda was elected as 1 of the 11 member organizations of GCNT to drive towards 'A New Era of Action' in the 2021 Annual General Meeting.

On Thursday, July 15th, 2021, Pranda Jewelry Public Company Limited was elected from the members as the Executive Committee of the Global Compact Network Thailand in the 2021 Annual General Meeting from 11 leading organizations. The commitment is to drive the Global Compact Network Thailand during the period of 2022 - 2025 and emphasize on purpose to support Thai private sectors to run business with responsibilities, create awareness and enhance capacity in applying sustainable development with business strategies for more concrete results under a concept of 'A New Era of Action'.



Responsible Jewellery Council (RJC) Certification

Pranda Jewelry Public Company Limited, with its head office and branch located in Bangkok and Nakhon Ratchasima respectively, has been certified with standards assurance systems by the Responsible Jewellery Council (RJC). Being certified to earn such certification is regarded as driving force to create trust towards social responsibilities which are aligned with jewelry business to achieve sustainability in jewelry industry. We recognize the importance of supply chain management that must be engaged with transparency, ethics and verifiability. Since 2018, Pranda Jewelry Plc., has been officially granted as certified member of Responsible Jewellery Council (RJC) recognized as standards body for responsible jewelry throughout the entire supply chain. Significantly, our customers are trusted by RJC international standards being committed to carrying out regularly and constantly by Pranda.



"ISO 9001:2015" Certification

Pranda Jewelry Public Company Limited, with its head office and branch located in Bangkok and Nakhon Ratchasima respectively, has been certified as the first organization in Thailand with quality management systems, ISO 9001:2015, in jewelry industry. The certification is regarded as reliable source towards organization management system certified with international standards by focusing on both internal and external system of the Company upon efficiency in planning of organization management and risk management in business operations.



The assessment on the Corporate Governance Report of Thai Listed Companies (CGR) for the year 2021 in "Excellent" level for the 5 consecutive years.

Pranda Jewelry Public Company Limited was assessed on the Corporate Governance Report of Thai Listed Companies 2021 and achieved 5 stars or "Excellent" level and considered as 1 of the 268 listed companies ranked in "Excellent" level from 2017 – 2021.

Certified Membership of the Collective Action Coalition Against Corruption (CAC)

Pranda Jewelry Public Company Limited has been certified as member of CAC since 2017 with a renewal of every 3 years. The Company has been recently certified on February 7th, 2020.





Pranda – Korat earned the Certificate of “Good Labour Practices (GLP)”

On Friday, March 26th, 2021, Pranda Jewelry Public Company Limited (Nakornratchasima branch) earned the certificate of “Good Labour Practices (GLP)”. The certificate is awarded with objectives to promote the business to run its operations with ethics and social responsibilities along with employment improvement and work conditions to be in compliance with related laws as well as developing an effective labour management system to meet international standard.



Pranda earned Thailand Labour Management Excellence Award 2021 (10 Consecutive Years)

On Monday, September 27th, 2021, Pranda Jewelry Public Company Limited earned “Thailand Labour Management Excellence Award 2021” for the category of Labour Relations and Labour Welfare Excellence Award for 10 consecutive years.

Pranda – Korat earned Thailand Labour Management Excellence Award 2021 (12 Consecutive Years)

On Tuesday, September 28th, 2021, Pranda Jewelry Public Company Limited (Nakornratchasima branch) earned “Thailand Labour Management Excellence Award 2021” for the category of Labour Relations and Labour Welfare Excellence Award for 12 consecutive years.



Pranda earned Human Rights Awards 2021

On Wednesday, September 29th, 2021, Pranda Jewelry Public Company Limited earned “Human Rights Awards 2021” in the category of large enterprise. This award is remarkably emphasized on the Company’s commitment to run the business towards transparency, compliance with international human rights and association with partners in all sectors for the development of sustainable growth.



PART 1

Business Operation and Operating Results



1 Organizational Structure and Operation of the Group of Companies

1.1 Policy and Business Overview

Pranda Group's core businesses are production, distribution and retail of fine jewelry products with customer bases spanning in key regions namely North America, Europe and Asia. Currently, Pranda Jewelry Public Company Limited is recognized as Thailand's leading jewelry exporter.

On February 28th, 2022, the Board of Directors had resolutions upon approval on reviewing vision, mission and business strategies of the Company in which vision statement declared in the preceding year is remained as follows:



1.1.1 Vision, Mission, Strategies and Core Values

Vision

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



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

Strategies

Retail Business Strategy

1. Develop owned trustworthy brands through high quality and unique products
2. Expand the marketing network through owned Omnichannel and authorized retailers




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

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

1.1.2 Significant Changes and Developments

Significant changes and developments related to business operations and financial management for the past period of 3 years from 2019 – 2021 are described below.



2019

On 30 June 2019, the Company has the resolutions to discontinue distribution business a subsidiary company, Pranda U.K. Ltd., Inc. in accordance with plan.

On July 8th, 2015, at the Board of Directors' Meeting, the resolutions were concluded to dissolve a subsidiary, Pranda Trading (Shenzhen) Limited, from July 8th, 2015 onwards. As the subsidiary was not a key segment of the Group, therefore, there was no significant impact on the consolidated financial statements. In addition, the Company has completely recorded the amount of impairment loss on the investment in the subsidiary.

Subsequently, on October 25th, 2019, the liquidation process was completed. The Company, therefore, proceeded the write-off of net investment of the subsidiary and recorded loss on liquidation of subsidiary company total THB 5 million in the consolidated income statement of the year 2019.

On 19 July 2021, the Company has the resolutions to discontinue operation in a subsidiary company, H. Gringoire S.A.R.L., Inc. in accordance with plan.



2020

On February 13th, 2018, at the Board of Directors' Meeting, the resolutions were concluded to dissolve a subsidiary company, Pranda & Kroll GmbH & Co., KG, from February 13th, 2018 onwards. As the subsidiary was not a key segment of the Group, therefore, there was no significant impact on the consolidated financial statements. In addition, the Company has completely recorded the amount of impairment loss on the investment in the subsidiary.

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



2021

On 20 April 2021, the Company paid USD 0.5 million or approximately Baht 15.7 million for additional capital of the Pranda Vietnam Co., Ltd. a subsidiary in which the Company has 100% interest, in accordance with the resolution to increase its registered share capital of the Meeting of Board of Directors of subsidiary held on 19 November 2020.

On 22 April 2021, the Extraordinary General Meeting of the shareholders of a local subsidiary, Crystalline Co.,Ltd., passed a resolution approving the reduction of Baht 70 million in its registered share capital, from Baht 100 million to Baht 30 million, by reducing the par value of the shares from Baht 100 to Baht 30 per share, in order to write off deficit. The subsidiary registered the reduction in registered share capital with the Department of Business Development, Ministry of Commerce, on 5 May 2021.

On 3 November 2021, the Extraordinary General Meeting of the shareholders of a local subsidiary, Crystalline Co.,Ltd., passed a resolution approving the reduction of its registered share capital by Baht 22.5 million, from Baht 30 million to Baht 7.5 million by reducing the par value of the shares from Baht 30 to Baht 7.5 per share. The subsidiary registered the reduction in registered share capital with the Department of Business Development, Ministry of Commerce, on 8 December 2021.

On 25 May 2021, the Extraordinary General Meeting of the shareholders of a local subsidiary, Pranda Lodging Company Limited, passed a resolution approving the reduction of Baht 35 million in its registered share capital, from Baht 50 million (5 million ordinary shares with a par value of Baht 10 per share) to Baht 15 million (1.5 million ordinary shares with a par value of Baht 10 per share). The subsidiary registered the reduction in registered share capital with the Department of Business Development, Ministry of Commerce, on 29 June 2021.

On 7 May 2021, the Company has the resolutions to discontinue operation in a subsidiary company, Pranda North America, Inc. in accordance with plan.

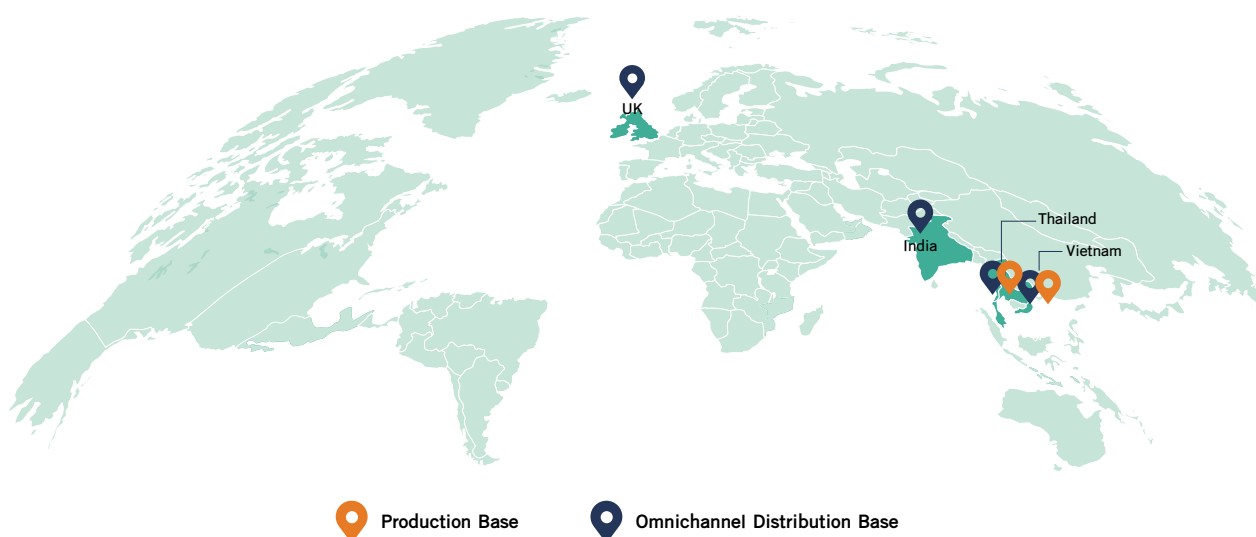
1.2 Our Business

Pranda Jewelry Public Company Limited ("PDJ") was established in 1973 and 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 THB 634.77 million divided into issued and paid-up capital of THB 539.026 million. The Company's head office 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. Currently, the Company has become one of a leading Thailand's jewelry exporters expanding its customer bases to key regions globally including North America, Europe and Asia.

In 2022, the Company has restructured its group from three main business groups, comprising of Production, Distribution and Retail to two main business groups, consisting of Production and Omnichannel Distribution in accordance with the company's current and future operations.

The Company has set the balanced management structure as follows:



Production Base

The production efficiency in jewelry products based on economies of scale approach results in the compatibility between cost of goods manufactured and product quality along with diversification of production risks to cover nearly all product price ranges. The Company has manufacturing subsidiaries located in Thailand and Vietnam as well as having established the Product Design & Development Center to extensively meet various customer needs.

Omnichannel Distribution Base

The Company is associated with subsidiaries which are proficient in distribution and retail business through seamless integration of offline and online channels with consumer-centric approach (Omnichannel). The channels include owned retail stores and authorized distributors located in Asia and the Middle East to directly reach target consumer groups of jewelry products and gold sheet artwork. Currently, such subsidiaries are located in Thailand, Vietnam, India and UK (E-commerce).

1.2.1 Revenue Structure of Pranda Jewelry PCL. and its subsidiaries (classified by division) consolidated by intercompany eliminations are categorized into 3 business groups namely Production, Distribution and Retail as below.

Revenue Structure

Operated By	Shareholding [%]	2021		2020		2019	
		Million Baht	%	Million Baht	%	Million Baht	%
Production							
Pranda Jewelry PLC.	100	2,141	70.36	1,491	58.34	1,882	62.13
Pranda Vietnam Co., Ltd.	100	11	0.36	16	0.62	31	1.02
Total Revenue from Production		2,152	70.72	1,507	58.96	1,913	63.16
Distribution							
H.Gringoire s.a.r.l.	100	-	-	-	-	[32]	(1.06)
Pranda UK Limited	100	9	0.30	20	0.78	37	1.22
Pranda North America, Inc.	100	43	1.41	82	3.21	101	3.33
Pranda Jewelry Private Ltd.	51	62	2.04	27	1.06	93	3.07
Total Revenue from Distribution		114	3.75	129	5.05	199	6.57
Retail							
Primagold International Co., Ltd.	100	505	16.60	681	26.64	695	22.94
Pranda North America, Inc.	100	-	-	-	-	7	0.23
Pranda UK Limited	100	72	2.37	63	2.46	57	1.88
Pranda Vietnam Co., Ltd.	100	45	1.48	55	2.15	65	2.15
PT Pranda Marketing Indonesia	55	12	0.39	27	1.05	49	1.62
Total Revenue from Retail		634	20.83	826	32.31	873	28.82
Total Revenue from Sales		2,900	95.30	2,462	96.32	2,985	98.55
Pranda Lodging Co., Ltd	83	8	0.26	6	0.23	7	0.23
Gain on liquidation of subsidiaries		-	-	-	-	5	0.17
Other income		135	4.44	88	3.44	32	1.06
Total Other Income		143	4.70	94	3.68	44	1.45
Grand Total		3,043	100	2,556	100	3,029	100

Revenue Structure in Domestic and Overseas

Unit: Million Baht

	2021		2020		2019	
	Million Baht	% by Total Revenue	Million Baht	% by Total Revenue	Million Baht	% by Total Revenue
Revenue from Domestic Market	787	25.86%	1,318	51.56%	1,586	52.36%
Revenue from Overseas Market	2,113	69.44%	1,144	44.76%	1,399	46.19%
- United States	1,028	33.79%	332	12.99%	550	18.16%
- Germany	18	0.59%	23	0.90%	29	0.96%
- Other Countries	1,067	35.06%	789	30.87%	820	27.07%
Other revenue	143	4.70%	94	3.68%	44	1.45%
Total	3,043	100.00%	2,556	100.00%	3,029	100.00%

1.2.2 Nature of Products

(1) Product Characteristics

The Company's products are classified into 2 main categories as follows:

1.1 OWN BRAND MANUFACTURING (OBM)

Currently, the Company has set Own Brand Manufacturing products with different market positioning to reach target group of medium to high-end jewelry consumers in several regions as follows:

- >> **PRIMA:** Retail store brand of fine jewelry products comprising of
 - **Prima Gold:** 99.9% pure gold jewelry, primarily for markets in Asia and the Middle East
 - **Prima Diamond:** high quality diamond jewelry, primarily for Thai market
 - **Prima Art:** 99.9% gold sheet artwork, primarily for markets in Thailand, Vietnam and India
- >> **Merii:** high quality silver jewelry with cubic zirconia, primarily for Thai market
- >> **Gemondo:** genuine gemstones jewelry marketed through E-Commerce and TV Shopping mainly for European market

Own Brand Manufacturing products are currently distributed under Omnichannel Distribution base through the Subsidiaries' owned retail stores or authorized distributors.

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 gemstones 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) Marketing and Competition

2.1 Key Marketing Policies of Products in the Preceding Year

As the Company classifies its products into 2 main categories namely Own Brand Manufacturing (OBM) and Original Design Manufacturing (ODM), key marketing policies in the preceding year are described as follows:

2.1.1 Owned Brand Manufacturing (OBM)

The distribution strategy of Own Brand Manufacturing products emphasizes on building stability for the Group business in long run by having product brands mainly distributed through own Omnichannel and authorized retailers. The key markets are described as follows:

- >> **Thailand:** Even though the COVID-19 pandemic situations and temporary close of department stores during lockdown measures have caused impacts to retail business during the third quarter of 2021, Primagold International Co., Ltd., retailer of PRIMA jewelry products, has adjusted its business strategies to continuously stimulate its sales volume. The directions include distributing through online channels including E-commerce and Social Commerce, launching new collections on Entry Price Point range and presenting personalized promotion through Exclusive Collection for a group High Networth consumers. As a result, Primagold International Co., Ltd. is able to expand new consumer base while continuously maintaining its existing consumers.
- >> **Vietnam:** Pranda Vietnam Co., Ltd. was affected by COVID-19 pandemic situations from social distancing and lockdown measures during the second and third quarter of 2021. The Company has adjusted its strategies towards direct sales, personalized promotion and development of innovative products on gold artworks. The Company is able to maintain its existing consumers by continuously marketing and advertising Prima Gold and Prima Art products.
- >> **Indonesia:** Pranda Group has adjusted strategies for Indonesia markets by adjusting business structure of Pranda Marketing

Indonesia Co., Ltd. from subsidiary to be an authorized distributor for Prima Gold and Prima Art products in the third quarter of 2021. Thus, Prima Gold and Prima Art products are distributed through authorized distributors located in Jakarta and key cities which are recognized as potential markets although Indonesia had been severely impacted by COVID-19 pandemic situations in 2021.

- >> India: Pranda India Co., Ltd., focuses on distributing 99.9% gold sheet artwork under Prima Art brand through jewelry retailers. During the fourth quarter of 2021, the Company started to fully run the manufacturing of gold sheet artwork based in India after the Indian government easing lockdown measures. In addition, the Company has launched new product design to target Millennial group to expand selling opportunities and serve the needs of India Market.
- >> The United Kingdom: Pranda UK Limited primarily focuses on marketing Gemondo brand through gemondo.co.uk website and online marketplaces namely Amazon, Ebay, etc. In 2021, the Company started to expand to other marketplaces namely Zalando, Wolf and Badger as well as expanding distribution channel through website to European zone to increase sales and reach potential European markets where Gemondo has had a satisfactory growth rate in the past 3 years. The Company still emphasizes on strategies in increasing sales from existing customers through Customer Relationship Management (CRM) together with focusing on expansion of new customer bases by developing products that meet the needs of Millennial group.

2.1.2 Original Design Manufacturing (ODM)

In 2021, the Company still 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 2021, most of the businesses were disrupted by global and local economic slowdown. However, the Company was able to recover the business in the second half of 2021 despite the lockdown measures. The recovery was resulted



from continuous growth of economy in Europe and the United States which are key customer bases of the Company. In addition, the Company managed to adjust consumer bases 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 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 competitive conditions towards changing of consumers' behaviors and technology are resulting in an increase of sales volume of jewelry business through E-Commerce channel in key markets. The key strategies include Omnichannel selling by seamless integration of offline and online channels to create positive experiences and thoroughly connecting information and requirements of consumers to effectively meet various lifestyles in present. In addition, the internal process has been improved towards building new potential customer bases along with maintaining existing customers.

The Company realizes the importance of building various customer bases in terms of business types of customers and varieties in geographic areas in USA, Europe and Asia to diversify possible future risks. In addition, the Company works and cooperates with key customers in form of strategic partners by determining long-term planning to increase opportunity for mutual benefits and to mitigate the risks in cost management of raw materials and so forth.

[3] Industrial Trends and Competition Outlook

Gems and jewelry market in 2021 was found to be improved by recovery of economic situations in Europe and the United States. The Thai gems and jewelry industry also 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 started to order products from Thailand and later expanded some production bases into Thailand. Meanwhile, the restrictions of economic activities and long-term lockdown in India have significantly disrupted supply chain, forcing diamond jewelry distributors based in UK and US to immensely shift purchase orders to Thailand.

In addition, there are various key factors beneficial to the Company upon increasing competitiveness from both production base and Omnichannel distribution base. For production base, the Company has capacity in manufacturing high-end gold and silver jewelry and is flexible to respond to purchase orders from various customers. The Company has also established the

Design & Product Development Center to serve the needs of customers with high craftsmanship through unique Pranda Process. In terms of Omnichannel distribution, the Company focuses on managing the distribution business by seamless integration of offline and online with consumer-centric approach as well as developing its own brand under "PRIMA" brand to diversify market risks and increase business opportunities by seeking new markets with potential growth.

The business trend in 2022 remains positive from stable GDP growth rate, expected slowdown in rate of inflation and increasing rate of interests. However, such recovery tends to be dependent upon 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, the Russian-Ukraine crisis in political conflicts, a sudden fluctuating price of raw materials namely gold and silver, a fluctuating rate of Thai Baht, a development of digital communication systems that change the consumption behavior of 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 for the business operations by adjusting retail strategies towards Omnichannel to seamlessly meet the needs of consumers through both offline and online channels, improving work procedures to facilitate potential groups of customers, expanding strategic customer base to a growing group of "Affordable Fine Jewelry" consumers as well as revising the production capacity to meet the needs of new potential customers and respond quickly towards changing circumstances.

[4] Product Procurement

The Company applies the procedures of mass production in silver jewelry group while high & medium "Gold" jewelry group is produced by advanced craftsmanship from skillful artisans and modern technology owned by the Company which result in exquisite and durable jewelry products with low production loss rate.

customers' demands which are highest during Christmas and New Year festivals. However, the seasonal demand does not have an impact on the Company's operations as the production has been well planned and controlled. During 2017 – 2021, the sales volume contributed by the Company and Subsidiaries are described by 4 quarters as follows:

Quarter	2021		2020		2019	
	Million Baht	%	Million Baht	%	Million Baht	%
1	506	17	599	19	569	19
2	543	19	486	17	507	17
3	835	29	620	27	819	27
4	1,016	35	757	37	1,091	37
Total 4 Quarters	2,900	100	2,462	100	2,985	100

Production Capacity of the Company in the past 3 years:

Production Base	Production Capacity (million pieces)		
	22021	2020	2019
Thailand			
Bangna Factory, Bangkok	1.0	1.0	1.0
Suranaree Industrial Zone	1.9	1.9	2.1
Overseas			
Pranda Vietnam	0.1	0.1	0.4
Total	3.0	3.0	3.5

Raw Materials

Unit : Million Baht

Raw Materials	2021	2020	2019
Overseas:-			
Gold	872	566	386
Parts	99	28	25
Gemstones	416	296	230
Others	66	24	80
Total	1,453	914	721
Domestic:-			
Gold	141	292	359
Silver	175	131	145
Alloy	5	1	4
Parts	20	5	6
Gemstones	213	123	160
Others	81	51	51
Total	635	604	724
Grand Total	2,088	1,518	1,445

Usage Proportions of Raw Materials

	2021	2020	2019
Overseas Raw Materials (%)	70	60	50
Domestic Raw Materials (%)	30	40	50
Total	100	100	100

The Company normally diversifies the sourcing of raw materials from many suppliers and maintains purchasing proportions not exceeding 30% per supplier. As the Company always enhances good business relationships with all suppliers, the Company, therefore, is able to mitigate the risks in case of any changes/losses of particular supplier.

(5) Assets Used in Business Operations

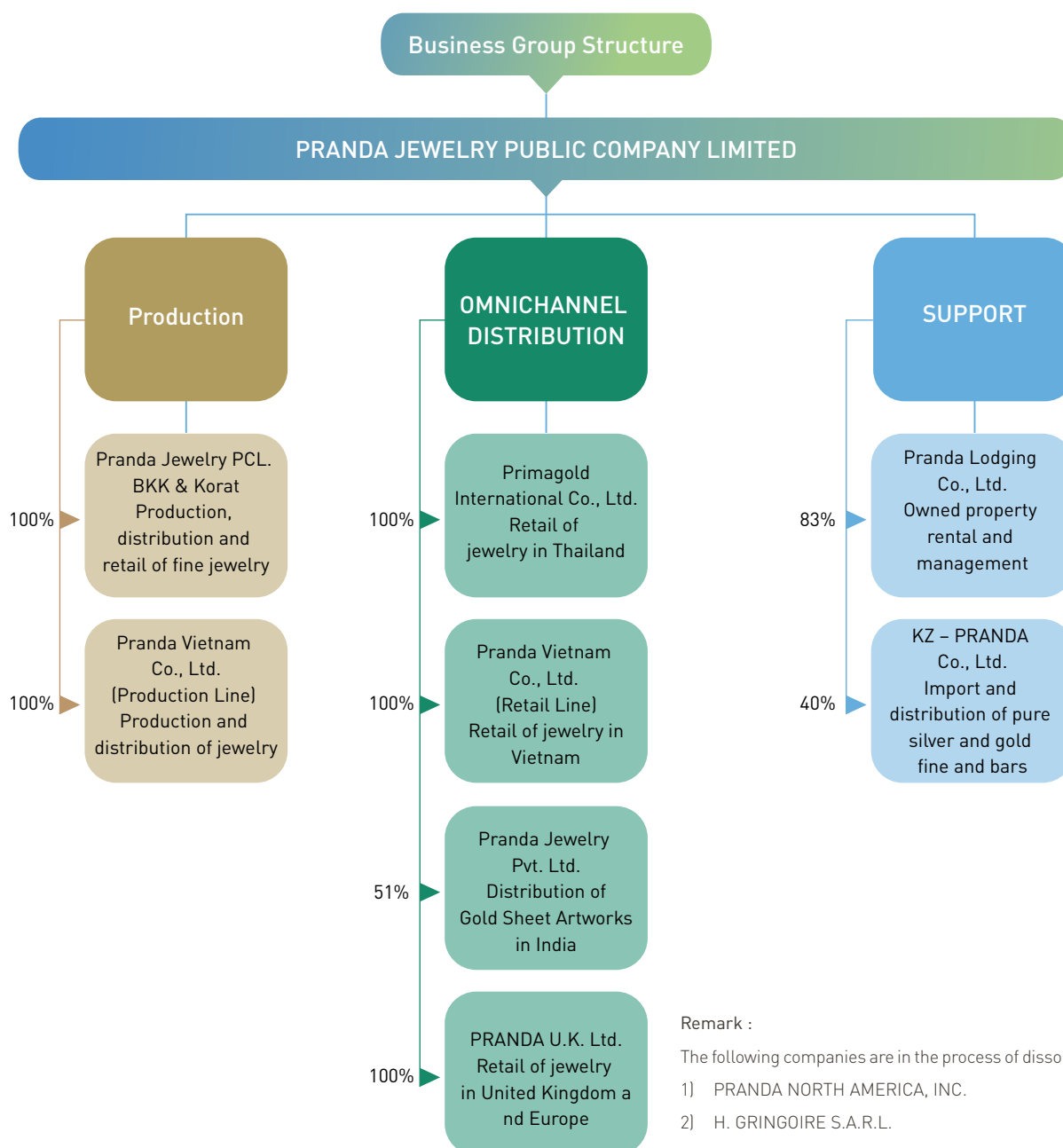
The Company and Subsidiaries own factory and office as assets used in business operations as well as rental rights of the Subsidiaries. More details on assets used in business operations are described in Attachment 4 of Annual Report (Form 56-1 One Report).

1.3 Shareholding Structure

The Company determines the policy in allocation of balanced management comprising of production base, distribution base and retail base as described in the shareholding structure of the Group.

1.3.1 Shareholding Structure of the Group of Companies

The Company commenced its export business of jewelry products under "Pranda Design" by Tiasuwan family in 1973. Later in 1984, the Company expanded its business by establishing the production base of jewelry products and changed its entity to Pranda Jewelry with continuous business expansion. Until now, the Company runs the business which is categorized into 3 groups namely Production Base Omnichannel Distribution Base and Supporting business unit .



1.3.2 A Person who may have a Conflict of Interest on holding the Shares in the Subsidiaries or Associates more than 10 Percent of the Shares with Voting Rights. Please Explain the Reasons.

- None -

1.3.3 Relationships with the Major Shareholders' Business Group

The Company's main business operation has no relationship or involvement with major shareholders' other businesses.

1.3.4 Shareholders

(1) List of Major Shareholders

(A) The list of top 10 major shareholders at the closing date as of December 30, 2021 was listed below.

Major Shareholders	Number of Shares	Percentage of Shares
1. Founding Family	196,909,825	36.53%
Mr. Prida Tiasuwan	31,746,774	5.89%
Mrs. Panida Tiasuwan	28,045,249	5.20%
Ms. Pittaya Tiasuwan	23,947,600	4.44%
Mrs. Pranee Khunprasert	13,734,146	2.55%
Mrs. Ratchara Pornrungraj	12,138,049	2.25%
Mr. Pramote Tiasuwan	11,600,700	2.15%
Mrs. Prapee Sorakraikitikul	8,336,317	1.55%
Mrs. Sunanta Tiasuwan	1,400,624	0.26%
Relatives of founders	43,390,793	8.05%
Pranda Holding Co., Ltd ^{/1}	22,569,573	4.19%
2. Mr. Prateep Tangmatitham	45,209,199	8.39%
3. Mr. Somchai Padphai	32,695,800	6.07%
4. BANK OF SINGAPORE LIMITED	14,593,973	2.71%
5. Mr. Pariwat Padphai	12,200,000	2.26%
6. Thai NVDR Company Limited	11,841,574	2.20%
7. Mr. Sukrit Surabotsopon	10,000,000	1.86%
8. Ms. Thitikul Saegiang	8,597,000	1.59%
9. Mr. Sinchok Piriyoaisakul	8,044,200	1.49%
10. Ms. Siripat Amornrattanachaikul	6,346,900	1.18%
Total	346,438,471	64.27

The shareholders may assess the list of shareholders on the closing date for the Annual General Meeting at the Company's website (www.pranda.com, section: Investor Relations, topic: Shareholder Information: Major shareholders) before the date of Annual General Meeting 2021.

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

List of Shareholders	Number of Shares	Percentage of Shares
1. Ms. Juranee Tiasuwan	220,000	22.00%
2. Mr. Pitipong Tiasuwan	170,000	17.00%
3. Mrs. Pranee Khunprasert	120,000	12.00%
4. Mrs. Prapee Sorakraikitikul	110,000	11.00%
5. Mr. Pramote Tiasuwan	110,000	11.00%
6. Mrs. Panida Tiasuwan	100,000	10.00%
7. Ms. Pittaya Tiasuwan	100,000	10.00%
8. Mr. Chaisak Saktanaset	50,000	5.00%
9. Mr. Manat Barameechai	20,000	2.00%
Total	1,000,000	100.00%

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

- Major shareholders who have authority comprise of the founding family as (a) top ten major shareholders.

2) The Company has no business in form of holding company.

(3) The Company has no agreement between major shareholders concerning any issues that may impact to securities trading and management of the Company (Major Shareholders' Agreement).



1.4 Amount of Registered Capital and Paid-up Capital

1.4.1 The Company has a registered capital of THB 634,769,950 with share value of THB 1 per share and the paid-up capital of THB 539,026,606 divided into common shares of 39,026,606 shares.

1.4.2 The Company has no other types of shares.

1.4.3 Shares or convertible securities as an underlying securities for issuance of investment units of mutual funds for foreign investors (Thai Trust Fund) and the Non-Voting Depository Receipts (NVDR)

- None -

1.5 Issuance of Other Securities

1.5.1 Convertible Securities

As of December 19th, 2017, the Board of Directors had resolutions and proposed to the Extraordinary General Meeting of Shareholders held on January 29th, 2018 with approval on key matters as follows:

1. Warrants to purchase new ordinary shares to existing shareholders

On January 29th, 2018, the Extraordinary General Meeting of Shareholders of the Company had resolutions 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) at the total number not exceeding 25,595,562 units to the existing shareholders at the ratio of 16 existing ordinary shares to 1 unit of warrant at no cost, with the exercise price of THB 1 per share. Subsequently, on February 8th, 2018, the Company issued the 25,594,557 units of PDJ-W2 to the existing shareholders of the Company. The warrants have a 1-year exercise period from the issue date and are exercisable for 1 time on the maturity date of 1 year from the issuance of the warrants. The first and the last exercise dates are on February 7th, 2019.

- 2) Approval on issuance and offering of the warrants to purchase ordinary shares of the Company No. 3 (PDJ-W3) at the total number not exceeding 25,595,563 units to the existing shareholders at the ratio of 16 existing ordinary shares to 1 unit of warrant at no cost, with the exercise price of THB 1 per share. Subsequently, on February 8th, 2018, the Company issued the 25,594,557 units of PDJ-W3 to the existing shareholders of the Company. The warrants have a 2-year exercise period from the issue date and are exercisable for 1 time on the maturity date of 2 years from the issuance of the warrants. The first and the last exercise dates are on February 7th, 2020.

- 3) Approval on issuance and offering of the warrants to purchase ordinary shares of the Company No. 4 (PDJ-W4) at the total number not exceeding 51,191,125 units to the existing shareholders at the ratio of 8 existing ordinary shares to 1 unit of warrant at no cost, with the exercise price of THB 1 per share. Subsequently, on February 8th, 2018, the Company issued the 51,190,390 units of PDJ-W4 to the existing shareholders of the Company. The warrants have a 3-year exercise period from the issue date and are exercisable for 1 time on the maturity date of 3 years from the issuance of the warrants. The first and the last exercise dates are on February 7th, 2021.

On such warrants, there were warrant holders who exercised the conversion rights for ordinary shares total 96,770,948 shares and the warrant holders who exercised no conversion rights for ordinary shares total 5,611,302 units. Therefore, the Company shall further propose to the Annual General Meeting upon consideration of approval for the reduction of registered capital.

2. On August 14th, 2018, the Board of Directors' Meeting had resolutions to approve the allocation and determination of details for the issuance of the warrants to purchase ordinary shares of the Company to the Directors and employees of the Company (PDJ ESOP-2). Details of the warrants are summarized below.

Warrants issue date	14 August 2018
Term of warrants	3 years from the issuance date
Warrants expiry date	14 August 2021
Amount of warrants (Units)	20,476,450
Exercise ratio	One unit of the warrants for one ordinary share
Exercise price	THB 4 per share unless the exercise ratio is otherwise adjusted pursuant to the conditions of rights adjustment.
Exercise period	Once a year on the maturity date of each year from the issuance date of warrants.
First Exercise date	14 August 2019
Last Exercise date	14 August 2021
Proportion for Exercise	The First Exercise: To exercise the accrued rights not exceeding 25 percent of the warrants which allocated to each holder by the Company. The Second Exercise: To exercise the accrued rights not exceeding 50 percent of the warrants which allocated to each holder by the Company (inclusive of the first and second exercises). The Third Exercise: To exercise the accrued rights not exceeding 100 percent of the warrants which allocated to each holder by the Company (inclusive of the first to third exercises).

As of August 14th, 2021 which was the expiry date of the warrants, no warrant holders exercised the conversion rights for ordinary shares total 20,476,450 units. Therefore, the Company shall further propose to the Annual General Meeting upon consideration of approval for the reduction of registered capital.

3. Convertible Debentures

On January 29th, 2018, the Extraordinary General Meeting of Shareholders had resolutions to approve on issuance and offering of the convertible debentures on private placement basis in the amount of not exceeding THB 500 million to Advance Opportunities Fund I with details described below.

Issuer of convertible debentures	Pranda Jewelry Public Company Limited
Total principal amount of convertible debentures	Not exceeding THB 500 million divided into 3 tranches as follows: 1) Convertible Debentures Tranche 1 in the amount of not exceeding THB 100 million divided into 20 equal sub-tranches valued not exceeding THB 5 million each. 2) Convertible Debentures Tranche 2 in the amount of not exceeding THB 200 million divided into 40 equal sub-tranches valued not exceeding THB 5 million each. 3) Convertible Debentures Tranche 3 in the amount of not exceeding THB 200 million divided into 20 equal sub-tranches valued not exceeding THB 10 million each.

Issuer of convertible debentures	Pranda Jewelry Public Company Limited
Terms and conditions on issuance of convertible debentures	The period to issue the convertible debentures is 1 year from the meeting date with approval to issue the convertible debentures. The Company will issue the convertible debentures when the Company has sold the redeemed shares, which have not been sold under the share redemption project as disseminated by the Company on October 14 th , 2015, or upon expiration of period for the sale of the said redeemed shares.
Interest rate of convertible debentures Maturity of convertible debentures	1 percent per annum 3 years upon the issue 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 which to be dependent upon the market conditions at each time of issuing and offering of convertible debentures.
Principal Repayment	Repayment in installments or in one-time 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 not less than 7 consecutive business days but not exceeding 15 consecutive business days 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 THB 50 million and TBH 50 million, respectively. These funds exercised the conversion rights under the convertible debentures in the amount of THB 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 THB 1 equivalent to total paid-up capital in which the Company registered at THB 28,280,336. The Company has thus completely registered the increase of the paid-up capital with the Ministry of Commerce.

In 2020, Advance Opportunities Fund I exercised the conversion rights under the convertibles in the amount of THB 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 THB 1 equivalent to total paid up capital in which the Company registered at THB 4,446,322. The Company has thus completely registered the increase of the paid-up capital with the Ministry of Commerce.

On February 10th, 2021, Advance Credit Fund SPC - Golden Fund SP requested the Company to proceed redemptions of Convertible Debentures Tranche 1 and Tranche 2 before maturity date at THB 37,379,521. The Company had then settled the repayment of those convertible debentures on February 17th, 2021.

The holders of convertible debentures had exercised the conversion rights total 32,726,658 shares from leaving and offering sales of convertible debentures at 102,382,250 shares, remaining at 69,655,592 shares. Therefore, the Company shall further propose to the Annual General Meeting upon consideration of approval for the reduction of registered capital.

1.6 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 shall be considered by the Board of Directors which would be primarily based on the Company's operating profit, working capital and investment capital in tangible assets, financial conditions and reserves as stated by laws for both present and future.

The Company's subsidiaries also have a policy to pay dividends from operating performance after legal reserves. The Board of Directors will consider operating profit, financial conditions and capital needs and shall propose to the shareholders for approval. The dividends paid by the Company to shareholders from 2001 – 2021 are described below.

Year	Net Profit (Million Baht)	% of dividend payment	Dividend pay-out (Million Baht)	Number (Million Shares)	Dividend per share (baht)
2001	364.72	13.71	50.00	20.00	2.50 ^{/1}
2002	370.42	27.80	105.36	210.73	0.50
Extra dividend from retained earnings, a net profit of year 2002	-	-	66.28	200.96	0.30
2003	312.06	46.05	143.70	261.27	0.55
2004	361.76	57.35	207.46	319.18	0.65
2005	356.59	59.63	212.65	327.15	0.65
Extra dividend from retained earnings, a net profit of year 2005	-	-	111.84	372.79	0.30
2006	432.27	58.36	252.28	388.13	0.65
2007 ^{/2}	396.49	54.90	217.66	395.75	0.55
2008	300.07	52.75	158.29	395.75	0.40
Interim dividend from net profit as of June 30 th , 2009	169.00	11.12	39.81	398.16	0.10
2009	357.90	47.85	171.25	398.25	0.43
Extra dividend from retained earnings, a net profit of year 2008	-	-	119.48	398.25	0.30
Extra dividend from retained earnings, a net profit of year 2007	-	-	120.20	400.67	0.30
2010	343.79	58.33	200.54	401.09	0.50
Interim dividend from net profit of 9-month period as of September 30 th , 2011	408.03	9.88	40.33	403.33	0.10
2011	441.14	45.76	201.86	403.71	0.50
Interim dividend from net profit of 9-month period as of September 30 th , 2012	337.40	12.04	40.63	406.28	0.10
2012	414.27	49.08	203.33	406.66	0.50
2013	219.73	37.28	81.9	409.52	0.20
2014	146.62	41.89	61.43	409.52	0.15
2015	67.05	30.01	20.12	402.39	0.05
2016	(1.32)	-	-	-	-
2017	(419.25)	-	-	-	-
2018	48.35	-	-	-	-
2019	(508.11)	-	-	-	-
2020	(273.91)	-	-	-	-
2021	119.43	-	-	-	-
Extra dividend from retained earnings, a net profit of year 2012	414.27	13.01	53.90	539.03	0.10
Extra dividend from retained earnings, a net profit of year 2012 ^{/3}	414.27	13.01	53.90	539.03	0.10

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

^{/2} The Board of Directors' Meeting No. 14/2007 held on June 18th, 2007 had resolutions regarding the dividend payment policy to the shareholders in a rate of not more than 60% of net profit from the separate financial statements. Thus, as the Company has changed the methods of recording investment accounts in subsidiaries and associates in separate financial statements from "cost method" to "equity method" since 2007, the net profit of the Company in the consolidated and separate financial statements is not identical.

^{/3} The Board of Directors shall propose to the Annual General Meeting 2021 which will be held of April 20th, 2022 upon consideration of approval on dividend payment from retained earnings resulted from a net profit of year 2012.

PART 1

Business Operation and Operating Results



2 Risk Management

2.1 Risk Management Policy and Plan

The Company recognizes the importance towards the change of market development over 40 years as the Management always foresees business opportunities over the risks in business operations. In the past 5 years, the economic situations have been rapidly and severely changed in the countries of the Company's key foreign partners as well as the domestic market.

As obviously seen, the crisis has started in the United States and rapidly spread across all regions through commercial trade which is connected by advanced technology combined with broader expansion of social media network. In addition, the Coronavirus 2019 (COVID-19) pandemic situations which spread around the world from the first quarter of 2020 have been affecting the global economy and changes in lifestyles of people.

For the benefits towards more efficient risk management to be in accordance with the principles of Good Corporate Governance, charter of the Financial & Risk Management Committee and risk management policy framework, the Finance & Risk Management Committee has therefore appointed the risk management subcommittee to study, review and assess risks in order to formulate strategic risk management policy as well as reviewing relevant policies to be presented to the Finance & Risk Management Committee and the Board of Directors subsequently.

2.2 Risk Factors on the Company's Business Operations

Economic Risks

1. Risk from fluctuating raw material prices

Although the global economic situations start to get recovered, still there is a high uncertainty which results in the continuity of fluctuating prices on gold and silver. Raw materials, gold and silver, are considered the key raw materials in fine gemstone jewelry production. However, the Company implements hedging policy towards the fluctuation of raw material prices for its production base as below.

- For prices of raw materials, the Company applies the Pass Through method with customers. Therefore, the Company has no gains on profits or losses from the increasing or decreasing prices of raw materials.
- Price insurance of raw materials in advance (Forward Rate) through financial transactions with financial institutions.

Thus, the fluctuation of raw material prices does not affect the distribution and retail business as the pricing is determined from the cost of sales quoted from the factory.

2. Financial Risk

As the Company runs its production, distribution and retail business in both domestic and international markets, the Company's revenue is mostly based in foreign currencies and partly Thai Baht. The costs of key raw materials, gold and silver, which are commodities and some imported gemstones are priced in foreign currency resulting in the transactions of Natural Hedge. The Company also applies Forward Contract to hedge the currency exchange risk.

In addition, the credit check of existing customers and new customers are regularly performed including setting credit limit to customers based on detailed business performance and financial status as well as conducting performance assessment in long term competitiveness. The Company has also applied a close monitoring of debt collection and regular review of the credit limit allowed to customers. If any customers are assessed with risks beyond risk appetite, the deposits may be required prior to accepting purchase orders.

Business Risks

1. Production and Business Continuity

As the Coronavirus 2019 (COVID-19) pandemic situations have affected the global economy including the economy of Thailand, many economic activities were forced to be on hold due to the government's lockdown measures as well as strict prevention and control measures to prevent the outbreak of the disease. Such measures essentially lead to the changes in consumer behavior towards New Normal lifestyles while businesses must be temporarily closed if any employees, suppliers or consumers in contact are found infected.

The Company has therefore established prevention guidelines and procedures as follows:

1. Establish the Coronavirus 2019 (Covid-19) Prevention Center to look after the wellbeing of employees, business continuity and supply chain management by delegating and assigning the Covid-19 Management Committee to execute management and monitoring plan for employees during such situations in order to prevent the spread of the diseases into the Company.
2. Establish strict control measures regularly implemented to prevent the spread of the disease such as temperature checking and screening for employees before entering the workplace. In case the temperature is 37 degree Celsius or more, the employees must go through the screening point by seeing nurse for dispensing medicine, seeing doctor or going for hospitalization. Surgical masks are provided for employees having flu or cold with spots for alcohol and hand sanitizers located at various points as well as spraying disinfectants to clean areas and chemical insecticides to kill mosquitoes.
3. Provide employees with self-protection knowledge and guidelines. In case of being high risk groups, the employees must avoid close contact with others and advise high risk groups of friends and relatives not to go out to meet others.
4. Coordinate and provide vaccinations for all employees to receive the first and second dose of Covid-19 vaccines by exercising the rights of Social Security, Section 33 in Bangkok area as well as providing alternative vaccines to a group of merchants who regularly come and sell products and food within the Company to enhance self- and herd immunity to reduce the outbreak.
5. Identify infected and non-infected employees as soon as possible by using Antigen Test Kit (ATK) method to isolate the infected and non-infected persons which can control the spread in the Company's area.
6. Conduct Bubble & Seal by arranging Factory Accommodation Isolation (FAI) for confirmed cases by using office buildings and isolated areas between infected and non-infected persons through advices from Bangna District Office and Public Health Office to meet the standards of disease prevention and control processes prescribed by the Ministry of Public Health.
7. Clearly identify and design factory layouts into separate groups, resulting in the low risk for the Company to entirely shut down the production line of the factory.

2. Risks of changes in consumer behavior from advancement of technology (Digital Disruption)

In recent times, E-commerce business has continuously played an important role in current economic system leading to

an increasing number of internet users globally. The advancement of technology results in the changes of selling and purchasing transactions of products and services as well as consumer behavior. From fast-paced lifestyles, more convenience in purchasing products through various available channels and more severe competition in business sectors, all of these factors are contributing online channels to respond to the needs of customers effectively.

Therefore, the Company in Production business has continuously maintain customer's relationship in designer brand and affordable fine jewelry brand which has strategies towards online channel both website and Market Place. For Omnichannel Distribution business, the Company expand to own distribution channels through online channel both E-Commerce and Social Commerce in order to respond changing on customer's behavior as aforementioned.

Social Risks

1. Risks of acceptance from the community and society

The Company is committed to running its business operations by recognizing impacts to the community, society and environment. In case the Company is not accepted by the community and society, its business operations may be affected. Therefore, the Company has organized activities to promote and support the development and enhance positive relationships with the community and society not less than 3 activities per year.

Environmental Risks

1. Risks from consumption of natural resources and energy

The Company is committed and aware of monitoring the usage of natural resources to be most efficient and useful as well as mitigating impacts to environment and promoting the best utilization of natural resources in the organization for sustainability. The Company has managed and supervised the usage of natural resources as below.

1. **Less Electricity Consumption:** The Company managed the application of LED light bulbs with on-off switch of light bulbs installed on each area as well as setting on-off period for air-conditioning system.
2. **Less Water Consumption:** The Company managed the collection of wastewater sample generated from RO system to be examined on laboratory treatment for water quality assessment. In case the result of water quality assessment is passed, the proposal for installation of water meter in releasing and recycling water from RO system will be presented to the Executives.
3. **Plastic Waste Reduction:** The Company has promoted less usage of plastic in order to not additionally create more plastic waste as well as educating the proper ways on waste separation and disposal.
4. **Greenhouse Gas Mitigation:** The Company has implemented greenhouse gas mitigation by decreasing the usage of LPG gas and decreasing or changing the refrigerants of air conditioners as well as installing solar cell for electricity generation.

PART 1

Business Operation and Operating Results



3 Business Sustainability Development

Over 48 years of business operations, the Company is not only profit-oriented but also aware of contributing to the society. Pranda Jewelry Public Company Limited is operated under principles of Code of Conduct and Good Corporate Governance and is adhered to be the organization with social and environmental responsibilities through business operations and activities and involved in continuously creating the well-being of society and community. The Company's employees are implanted with voluntary by giving opportunities for the employees to participate in Corporate Social Responsibilities activities. The Company believes that employee participation is the key factor in continuously driving our business towards social responsibility.

3.1 Sustainability Management Policy and Goals

The Board of Directors recognizes the importance of business operations towards sustainability and believes that driving business concretely will lead to the sustainable business through being adhered to the principles of Environmental, Social and Governance (ESG). The Company's business is operated in compliance with the required rules, laws and international sustainable principles namely 10 Principles of the UN Global Compact as well as being the founding organization of UN Global Compact Local Network and the United Nations Sustainable Development Goals (UN SDGs). The Sustainability Management Policy includes 3 principles as below.



Environmental:

Run environmentally-friendly business by utilizing resources for the most benefits as well as involving in the energy, water, waste, pollution and Green-house Gas management.



Social:

Run the business with social responsibilities by considering human rights, labour rights protection, appropriate workplace environment as second home, occupational health and safety in workplace and continuous development of skills and potentials as well as creating opportunities for underprivileged people, enhancing job opportunities for the disabled, supporting education for the juvenile for occupational knowledge and skills in Bilateral Education. Being responsible for the customers with quality products and on-time delivery, the supplier management by transparent procurement as well as the development of society and community by enhancing potentials of society and community for associations are included.



Governance:

Run the business on the principles of Good Corporate Governance with business ethics and anti-corruption in all forms, both direct or indirect, as well as having the efficient risk management and adequate internal control system, strengthening value chain management, initiating innovation in the organization and developing technology for the corporate sustainability.

Scopes of Sustainability Management



Sustainability Management Goals



In 2021, in order to support the sustainability strategies of the organization as well as the United Nations Sustainable Development Goals (UN SDGs) and the principles of Environmental, Social and Governance (ESG), the Company has set up Sustainability Management Goals, total 18 goals, in accordance with the Scopes of Sustainability Management. More information is published on the Company's website, www.pranda.com, under section "Sustainability, topic "Sustainability Report 2021".



<https://pranda.com/sustainability/>

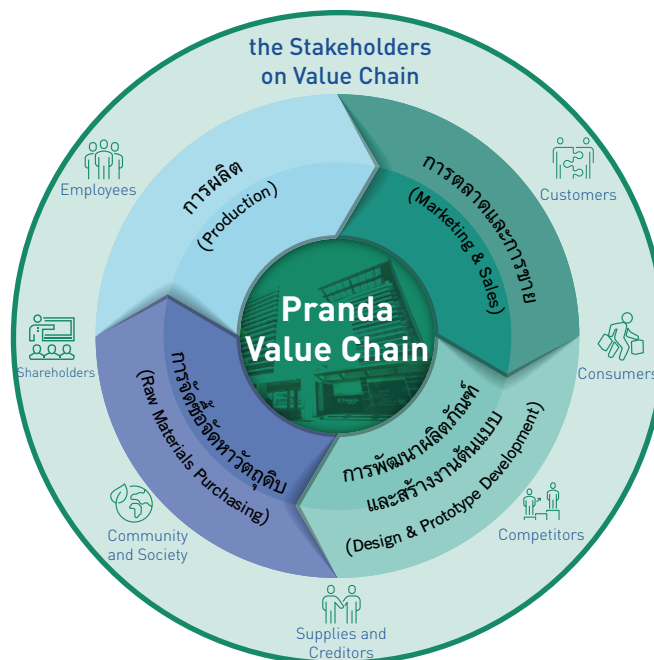
3.2 Management of Impacts to the Stakeholders on Value Chain

The Company recognizes the efficiency in business operations through supply chain as well as focusing on mitigating social and environmental impacts from the product development process with quality product and service to create satisfaction to the stakeholders. In addition, the Company conducts survey on expectations from the key stakeholders including employees, customers, partners with appropriate responses.

3.2.1 Value Chain

Value Chain shows relationships of the stakeholders in activities related to the business operations through supply chain.

Pranda is competent in producing mass craftsmanship to the world class clients as well as retail business of own brands. Such achievement is resulted from Pranda's systematic process management leading to the value creation which is transferred from department to department to enhance the highest values to the products and services delivered to consumers. Value Chain is regarded as significant strategy in which the Company places high importance and pays attention in each procedure for sustainable success



Marketing & Sales	Design & Prototype Development	Raw Materials Purchasing	Production
<ul style="list-style-type: none"> Market Survey - Study information on trends of jewelry industry and consumer behavior Meet the Customers' Expectations - Listen and thoroughly understand customer needs with care in every detail to achieve the customers' desire. Integrated Marketing - Deliver quality products to consumers through distribution of the Subsidiaries, retail business networks and business partners in each region. 	<ul style="list-style-type: none"> Product Development - Care in every detail of the customers' needs and combine creativity to design the products that meet the market and brand requirements. Prototype Creation - Work on mold and prototyping process before proceeding to the mass craftsmanship. 	<ul style="list-style-type: none"> Raw Materials Sourcing - Work close with partners to source and select quality and constant raw materials to meet required specifications, resulting in the most perfect piece of products. Select partners having social responsibilities and reliable sources of raw materials including gold, silver, diamonds, gemstones and parts pursuant to the requirements of the Responsible Jewellery Council (RJC). 	<ul style="list-style-type: none"> Systematic Production - Be the pioneer of production process called "Mass Craftsmanship" and be the experts specialized in producing high quality jewelry in mass quantity. Quality control on products and production process as required by laws and international standards covering environment, safety and consumers such as Responsible Jewelry Council and ISO 9001

3.2.2 Analysis of the Stakeholders in Value Chain

The connectivity of relations between the stakeholders under social responsibilities and sustainability context.

Stakeholders	Channels of Participation	Expectations and Significant Issues	Responses
Shareholders and Investors	<ul style="list-style-type: none"> Annual General Meeting Investor Relations Website / E-mail Annual Report Opportunity Day Business Site Visit Complaints through Whistleblowing and Complaints Channels 	<ul style="list-style-type: none"> Significant Returns Management following Good Corporate Governance Disclosure of the Company's Information in Actual, Complete and Up-to-date Basis Efficiency in Risk Management 	<ul style="list-style-type: none"> Treat the Shareholders and Investors based on Corporate Governance Principles Determine the Disclosure of Information with Transparency and Reliability Protection of Rights of the Shareholders based on Good Corporate Governance
Customers	<ul style="list-style-type: none"> Satisfaction Survey Website / E-mail and Social Media Group Discussion Business Visit Opportunities Provide Knowledge by Experts and Representatives of the Company Design Journal for News and Publications Meet with Customers to Obtain Opinions and Suggestions Complaints through Whistleblowing and Complaints Channels 	<ul style="list-style-type: none"> Deliver Products and Services which meet the Quality and Standard as required Share Knowledge and Technology of the Company's products Product Diversification Treat Customers' Information as Confidential 	<ul style="list-style-type: none"> Encourage the customers to be aware and responsible for the quality and safety of product and service Evaluate customer satisfaction in various aspects covering all issues to carry out consideration for the improvement of work process and service Deliver customer service following responsibilities on business ethics Protection of Customers' Information
Suppliers and Creditors	<ul style="list-style-type: none"> Group Discussion Meetings Meet with Partners to Obtain Suggestions Complaints through Whistleblowing and Complaints Channels 	<ul style="list-style-type: none"> Appropriate Prices with comparison to Common Prices On-time Debt Settlement Fair and Equal in Hiring and Bidding Process Exchange Knowledge and Experiences 	<ul style="list-style-type: none"> Treat Suppliers and Creditors with Equality and Justice following the Agreement and Business Ethics and Code of Conduct Inform Suppliers to acknowledge and understand the Procurement methods and selection process and evaluation by following up, examining and reporting to related parties

Stakeholders	Channels of Participation	Expectations and Significant Issues	Responses
Competitors	<ul style="list-style-type: none"> Obtain News from the Media and Public Stage 	<ul style="list-style-type: none"> Run the Business with Transparency, Integrity and Ethics Fair Competitions in compliance with laws 	<ul style="list-style-type: none"> Set up the monitoring process not to take any actions to obtain any Trade Secrets of the Competitors through unlawful acts Treat the Competitors with Comprehension and Positive Cooperation
Employees	<ul style="list-style-type: none"> Establishment of Pranda Academy Intranet / Social Media Survey on Opinions Training and Development Performance Evaluation Activities with Employee Participation including CSR Activities Complaints through Whistleblowing and Complaints Channels 	<ul style="list-style-type: none"> Fair Remuneration and Welfares additional to the required laws Stability and Advancement Continuous Development on Knowledge and Job Competency Safety and Sanitation in Workplace Participation in Process of Product and Service Development Participation in Public Benefit Activities 	<ul style="list-style-type: none"> Set up the Principles on Business Ethics and Code of Conduct for the employees to be adhered to Provision of appropriate and fair remuneration and welfares Provision of standard safety system and equipment and applicable workplaces to facilitate efficiency and effectiveness in work procedures with high concerns on safety and sanitation Respect of Employee Rights as required by laws Training and Development and Advancement
Community and Society	<ul style="list-style-type: none"> Survey/Evaluation of Needs and Satisfaction Regular Meetings Set up Meetings to Obtain Opinions and Suggestions Cooperate with Community to establish the Quality of Life Projects and Activities Arrange Business Site Visit and Promote Participation in Social Development Report on Information, News and Activities Follow News and Report from the Press Complaints through Whistleblowing and Complaints Channels 	<ul style="list-style-type: none"> Promote Occupations and Good Health and Well-being to the Society Cooperate in the Community and Society Development Being aware on Impacts to the Community and Society Being the Organization Responsible for Local, Nation and Global by promoting and preserving local traditions Disclose Information based on Facts 	<ul style="list-style-type: none"> Bilateral Education System by giving opportunities for the youth living in the area which lacks educational and vocational opportunities to be able to study under Bilateral Education System in Artisan Jewelry Strictly Perform towards Safety and Occupational Health Policy Support the roles towards benefits to the Public, Community and Society as a whole Cooperate in organizing Public Benefit Activities to the Community and Society

3.3 Sustainability Management on Environmental Aspect

3.3.1 Policy and Guidelines on Environmental Aspect

The Company is aware of the responsibilities by considering the environmental impacts to the Employees, Community and concerned parties and thus determines the policy to control and mitigate the impacts on environment, natural resources and energy for the Executives, Employees and all concerned parties to participate and follow as below.

1. Encourage and promote personnel in the organization to be aware of importance of environment and shall be obliged as duties to protect, safe, prevent and minimize environmental impacts to all concerned parties and the community.
2. Encourage and promote operations in to be line with laws, standard and requirements related to the environment with strict control.
3. Perform, operate, control, follow, improve, review and develop related issues to conserve the environment regularly and continuously.
4. Encourage the consumption and utilization of resources and energy of the organization for the most benefits to create sustainability in business, society and environment.
5. Provide contributions of other resources to promote knowledge and cultivate the consciousness of being responsible for the environment within the organization and to concerned parties.

Although the Company's business operations are not significantly leading any impacts to the environment, the Company never neglects this responsibility which is considered sensitive issue in social aspect and thus gives high importance on business operations towards environmental and energy conservation constantly.

3.3.2 Performance on Environmental Aspect

1. Energy Management

The Company has efficiently run the energy management including lighting and air-conditioning system with improvements in 2021 as follows:

- >> Changing of FLUORESCENT 36W lamp to LED T8 20 W lamp
- >> Changing of FLUORESCENT 28W lamp to LED T5 16 W lamp
- >> Changing of E27 18W lamp to LED 7 W lamp
- >> Changing of Spot Light lamp to SOLAR LED lamp
- >> Changing of Air-conditioning from R22 to R32, Water chiller
- >> Installation of Generator Hybrid

In 2021, the amount of electricity consumption is 7,002,561 kWh/yr., increasing from 2020 by 9.95%. This is due to the situation of the Corona virus pandemic (COVID-19) that caused the Company temporality closed operation in certain sections in 2020 while running full operation in 2021.

2. Water Management

In 2021, the Company managed the recycling of concentrate water from RO (Reverse Osmosis).

In 2021, the amount of water consumption is 89,125 cum/yr., increasing from 2020 by 4.76%. This is due to the situation of the Corona virus pandemic (COVID-19) that caused the Company temporality closed operation in certain sections in 2020 while running full operation in 2021.

3. Trash, Waste and Pollution Management

The Company recognizes trash and waste problems and realizes that non-standard trash disposal process will generate the pollution to the environment as well as to the living conditions of animals and health of humans in long run. In this regard, the Company organizes campaign to encourage consciousness for the employees on trash and waste disposal through comprehension of disposal process as well as promoting self-development opportunity and contributions to society by turning and utilizing non-recyclable waste.

Trash and Waste Disposal Process for the Year 2021

Recyclable Waste		Disposable Waste	
• Plastic	3,946.50 kilograms	• Chemical Sludge from Waste Water Treatment System	4,164 kilograms
• Paper Box, Carton Box	3,513 kilograms	• Lamp, Batteries and Contaminated Tank	1,330 kilograms



4. Greenhouse Gas Mitigation Management

The Company gives importance to Greenhouse Gas mitigation management in which the business activities that release the highest volume of greenhouse gas include the usage of electricity in production process, air-conditioning in factory and office and fuel of the Company's vehicles. The Company has thus set up measures following the continuous energy conservation plans to reduce the consumption of electricity, as published by the Metropolitan Electricity Authority, by installing Solar system for electricity generation, changing air-conditioning units, installing energy saving equipment and using electric cars. The Company considers year 2021 as the based year in comparison of mitigation of greenhouse gas. In addition, the Company is in the stage of being audited on the Carbon Footprint of Organization (CFO) which is being under consideration for the certification from the Centre of Excellence on enVironmental strategy for GREEN business (VGREEN), Faculty of Environment, Kasetsart University

3.4 Sustainability Management on Social Aspect

The Company indicates policy and guidelines on human rights as well as policy related to the treatment of employees, clients and society. In 2021, the Company is still committed to developing potential of the employees to be in line with business change along with taking care of employees for the better quality of life. More information is published on the Company's website, www.pranda.com, section "Sustainability", topic "Sustainability Report 2021".

3.4.1 Policy and Guidelines on Social Aspect

1. Respect to Human Rights

The Company realizes the business operations with ethics by being adhered to the responsibilities to the society and all stakeholders following Corporate Governance & Code of Conduct by strictly following the related laws and international principles. Especially, the Company supports and follows the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the International Labor Organization Declaration on Fundamental Principles and Right at Works (ILO).

In order to ensure that the business operations of the Company are not involved in human rights violations, the following guidelines on human rights are thus determined:

1. The Company shall strictly treat employees and partners in supply chain following human rights principles including the respect of freedom without discrimination on ethnicity, nationality, race, religion, gender, disability, social and economic status, culture, marital status as well as other characteristics.
2. Strive and maintain fair working conditions as examples for business operations and other aspects following human rights such as use of child labour and forced labour.
3. Organize fair employment without discrimination in which every employee will be treated with equal opportunity in career advancement and welfares.
4. Organize training on human rights for the Executives and employees to understand the fundamental rights and freedom which will help mitigate the risk to human rights violations of the business.
5. Open opportunities for employees to be able to provide guidelines, opinions or complaints to the Company through available channels and protect employees who honestly report the misconduct behavior.
6. The Company shall not provide any supports to raw materials suppliers who may involve in human rights violations from raw materials sourcing process.

2. Fair Treatment of Labour

To ensure that the products of Pranda Jewelry Public Company Limited are produced by legal labour with respect on human rights, the employees must be in conditions where they are willing to work happily both physically and mentally which will result in efficient performance. Therefore, the Company treats employees with fairness and equality with no discriminations on employment, remuneration, promotion, training and development without differentiating on gender, age, institutions, race and religion. In addition, the Company supports the employment of underprivileged people including the disabled, the elderly to create opportunities, career and income to achieve the Sustainable Development Goals (SDGs) of the nation and global with guidelines as follows:

1. Child Labour The Company shall not hire or support the employment of child labour or employ child labour with age below the required law.

2. Female Labour The Company is aware on gender equality by not closing opportunities and limiting career advancement. In addition, the measures on violation, harassment and supervision of working environment of pregnant employees to be safe and secure are established.
3. Forced Labour The Company shall not act or support the forced labour.
4. Health and Safety The Company shall organize safe and hygiene workplace and working environment to the employees.
5. Freedom of Association and Bargaining Rights The Company shall respect the rights of employees in establishing the association or join the labour union as well as bargaining rights of representative employees.
6. Discrimination The Company shall not act or support any forms of discrimination in employment, remuneration, overtime, training attendance, promotion, dismissal or retirement based on the difference in ethnicity, race, nationality, class, birth, religion, disability, gender, sexual deviation, membership of the labour union, political entity, marital status, pregnancy, physical appearance, HIV infection stage, age or other common characteristics.
7. Disciplinary Measures The Company shall not carry or support the punishment by attacking or threatening both physically and mentally.
8. Working Hours and Overtime The Company shall determine the working hours as stated by laws and relevant industry standard.
9. Remuneration The Company shall provide remuneration to the employees equivalent to the rate declared by laws or minimum requirement of particular industry pursuant to the required laws.

3. Human Resources Management

The Company recognizes the importance of employees which are regarded as key performance indicator of the business. Activities including training and development, skills enhancement, proficiency associated with motivation, working environment and living conditions of the employees are organized as the key factors to enhance potential in work performance and quality of life simultaneously. The Company determines the

foundation to facilitate the sustainable growth following the directions stated in the Company's vision on basis of employee participation by implanting the Core Values in 3 aspects namely Teamwork, Continuous Improvement and Stakeholder Focus.

1. Manage personnel to be in line with vision, mission and policy of the Company.
2. Manage personnel by being followed with labour standard, Core Values and related laws.
3. Set up the systematic recruitment process and facilitate the selection of potential personnel.
4. Set up the manpower planning to efficiently respond to the tasks, the right number of people for the right quantity of tasks, as well as ensuring the sufficient manpower to business operations.
5. Set up the retention plan to retain the employees to work with the organization as long as possible.
6. Set up the appropriate welfares and motivation in work to encourage the employees to put full efforts both physically and mentally to perform their duties.
7. Set up the efficient evaluation and performance evaluation of employees in the organization as guidelines for the salary raise and fair promotion.
8. Set up the salary structure system and conduct survey on salary as information to determine remuneration rate for the employees in line with economic and social status in present and future.
9. Set up the training and development courses for the employees in various fields to enhance efficiency in work and ability to understand job assignments fast and correctly as well as being prepared to work and take responsibilities in higher stage in the future.
10. Set up employee relations activities to create positive relationships between the Company and the Employees and within the group of employees.
11. Set up the efficient internal communication within the organization both top down and bottom up approach.
12. Set up the work procedures of employees in each level with safety, occupational health, risk reduction in procedures, accident prevention measures as well as decreasing the rate of accidents from work procedures performed by employees.



4. Safety, Occupational Health and Working Environment

The Company is aware on the importance of quality of products, energy and environmental conservation, global warming situation, occupational health and safety which are regarded as part of the business. Accordingly, the Energy, Environment, Occupational Health and Safety Quality Management System is established and adhered by the Executives and the Employees to follow the guidelines as below.

1. Safety in workplace is the first responsibility that all employees must be aware of.
2. The Company shall encourage employees in all levels to be educated and conscious to work with safety along with good occupational health.
3. The Company is aware on the importance of preventive measures of accidents occurred from employees or others.
4. The supervisors in all levels must act as role model and leader by educating, coaching and encouraging employees to work with safety practices.
5. All employees must be aware of the safety for themselves, colleagues as well as the Company's assets which are considered priority during work.
6. All employees must cooperate with Safety and Occupational Health project of the Company and shall have rights to provide opinions for the improvement of working conditions and procedures towards more safety.
7. The Company has the performance follow up and evaluation in accordance with Safety, Occupational Health and Working Environment Policy to encourage the essential practices with highest efficiency as required by the regulations and standards of safety in workplaces of the government.

The Executives in the Company shall take responsibilities and perform as role model in developing and maintaining the Occupational Health, Safety and Environment Quality Management System by contributing sufficient resources for all employees to carry out into practice. In addition, the performance results of the Occupational Health, Safety and Environment Management shall be communicated to all concerned parties.

5. Responsibility to Customers

The Company runs its business with Code of Conduct focusing on responsibilities to all customers with fair treatment. The Company pays attention to the delivery of quality products and services, jewelry production and quality gemstones in international standard. The process is conducted by team of experts through stringent quality control for on-time delivery to reach the highest customer satisfaction with continuous improvement approach. In addition, the resources, time, personnel, investment, materials, equipment and machines, information technology and procedures are efficiently and effectively designed to maintain the quality of occupational health, safety and environment strictly and continuously. The mechanism and system on customer service for prompt response is also initiated. The Company is committed to being the organization creating standards of jewelry production with responsibilities to the environment and society. The Code of Conduct for customer responsibility is described below.

1. Respond to the needs of customers/consumers with quality and excellent service.
2. Disclose complete and accurate news and information related to products and services which are fair to the customers and not distorted from facts.
3. Provide product and service warranty under appropriate terms and conditions.
4. Not deliver products and services to the customers if being aware that such products and services are defects and may cause harms to the customers as well as products and services which are lower than standard to the customers.
5. Set up customer service mechanism and system for the customers to provide complaints on products and services conveniently with prompt response.
6. Minimize production cost at the lowest rate while maintaining standard quality of products and services.
7. Continuously search for opportunities to enhance benefits to the customers.
8. In case not being able to meet the agreement or requirements, the customers shall be notified in advance to discuss on solutions and prevention of damage.



6. Partner Management

The Company's procurement process of products and services are aligned with fair, reasonable, transparent and verifiable transactions without conflicts of interests as well as providing equitable treatment to partners through fair competition. The practices are described below.

1. Follow trade agreement and in case any transactions are not able to be proceeded, the partners shall be informed in advance to discuss on solutions and prevention on damage.
2. Provide accurate and complete financial information
3. Not request, receive or give any benefits which are dishonest to the partners. If any information on dishonest benefits is found, the fair discussion must be promptly taken with partners.

7. Responsibilities to the Community and Society

The Company runs its business with responsibilities to the community and society by giving awareness and importance to the support of social and community activities in surrounding area as well as continuously taking care of environment. The commitment in working with all concerned parties by focusing on creating and carrying on positive relationships built from acceptance and trust of each other as well as considering possible impacts to the stakeholders such as shareholders, employees and community related to the business of the Company as well as the customers, partners, government sectors, society and nation is also adhered to. In addition, the positive attitude and corporate culture for responsibilities to the community are cultivated to all employees. The Company sets up the practices as below.

1. Run business in accordance with Corporate Governance and responsibilities to the society.
2. Respect the rights and treat all groups of stakeholders with fairness.
3. Support benefit activities for public, society and environment as well as contributing to public or private organizations having mission beneficial to the society and environment.
4. Encourage personnel in all levels to give importance and participate in working and organizing various activities of the Company towards responsibilities to the society as well as encouraging and supporting the employees for voluntary and public benefit activities with the community.

3.4.2 Performance Results on Social Aspect

1. Respect to Human Rights

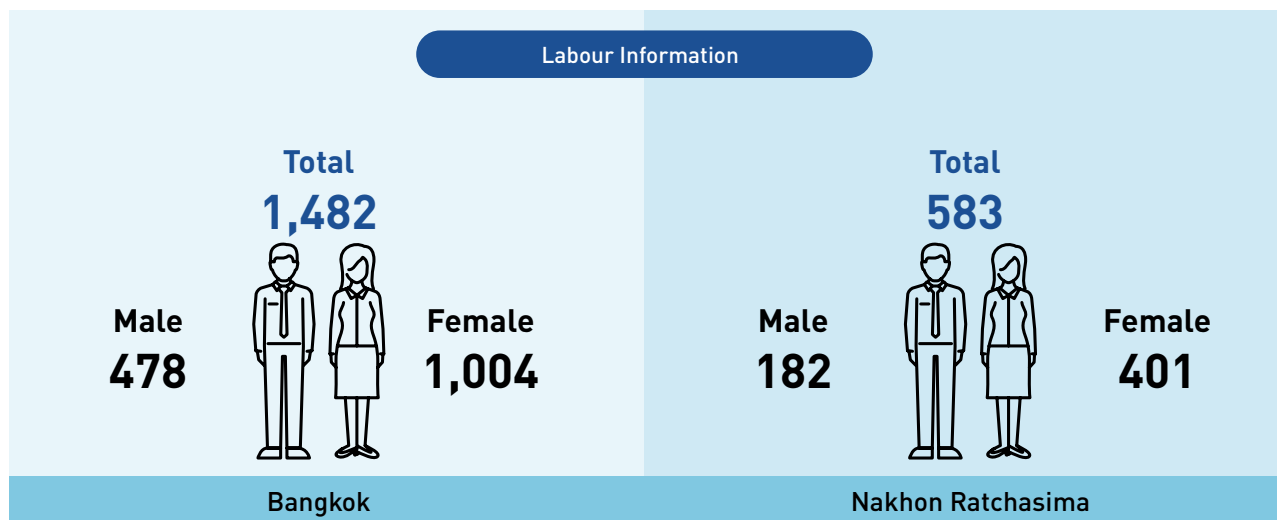
The Company declares its intention and commitment towards laws and international principles on human rights with performance results in 2021 as below.

- 1.1 No complaints on human rights violations
- 1.2 No human rights violations per the assessment of the customers' factory in overseas
- 1.3 The Company earned "Human Rights Awards 2021" in the category of large enterprise from the Rights and Liberties Protection Department, Ministry of Justice.

2. Fair Treatment to Labour

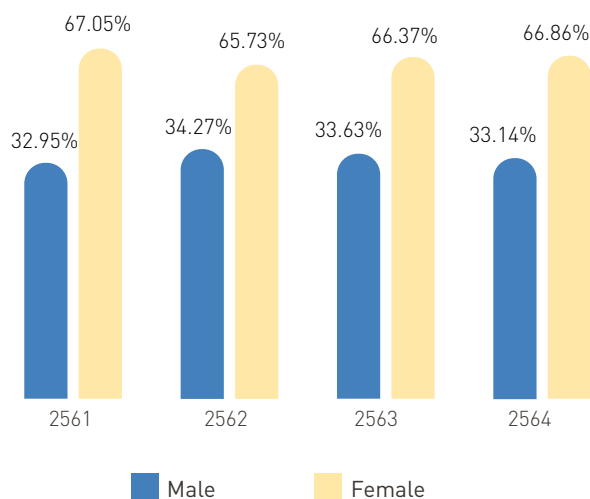
The Company treats labour with fairness and equality towards the employment, remuneration and welfares, training opportunities, promotion and quality of life of the employees. In 2021, the Company run significant performance as below.

- 2.1 Provide the Welfare Committee elected from representative employees through the meetings between employers and the Welfare Committee for 4 times with objectives on examining and advising each other.
- 2.2 Provide the selection criteria on fair employment with no discrimination by focusing on competency and experiences of candidates as priority. In 2021, the Company employed new employees over 180 persons with no complaints on employment.
- 2.3 Provide disciplinary measures in compliance with laws and internal labour standard such as whistleblowing channels. In 2021, there were no complaints on labour either directly from available channels or through justice system.
- 2.4 Provide regulations in compliance with labour standard of foreign customers such as salary and wages, welfares, training opportunities and promotion. In 2021, there were assessments from foreign customers not less than 3 times with no findings on unfair treatment to labour.
- 2.5 The Company cooperates with the Welfare Committee to create labour relations standard in compliance with requirements of the Ministry of Labour. In 2021, the Company earned "Thailand Labour Management Excellence Award 2021" for the category of Labour Relations and Labour Welfare Excellence Award from the Ministry of Labour for 10 consecutive years.

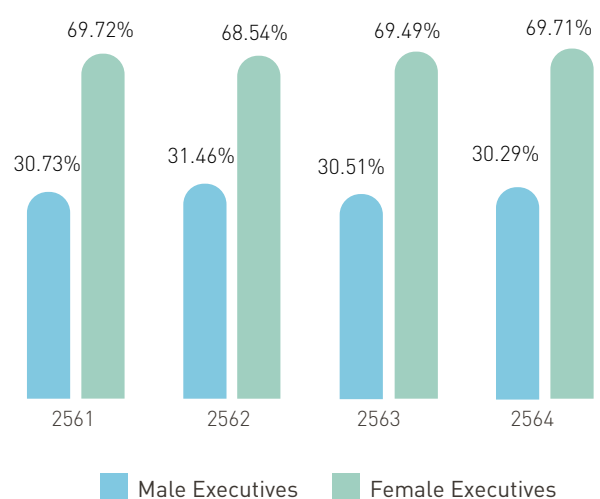


No Discrimination on Gender upon Employment

Proportions of Male – Female Employment (2018 – 2021)
(Comparison with Total Employees)



Proportions of Male – Female Executives (2018 – 2021)
(Comparison with Total Employees Executives)



The labour information showed that the number of female employees is greater than the number of male employees and most of the Executives are female. In addition, the employment rate of the disabled is greater than the required law. Currently, there are 29 disabled persons employed in proportion of 70:1 (70 normal persons to 1 disabled person).

3. Personnel Management

The Company realizes that each personnel is regarded as the most valuable resource. Therefore, the Company will retain its employees to work with the organization by focusing on developing quality of life and engagement within the organization. Meanwhile, every employee must possess skills which are efficient for competition in upcoming severe globalization. In 2021, the Company performed its personnel management as below.

3.1 Personnel Development

The Company provides total 59 training courses to the employees with total of 1,213 participants equivalent to 80.43% of total employees. The training plans are categorized into 4 groups including courses based on policy of the Company, courses based on training requirements, courses based on competency and courses based on related laws and standard system.

- Courses based on the Policy of the Company are courses designed by the Executives towards guidelines on corporate development such as orientation, basic knowledge of jewelry business, development for driving the organization to success.
- Courses based on Training Requirements are courses designed by the requirements of function such as personal data management, Carbon Footprint data management and responses to Covid-19 situations.
- Courses based on Competency are courses designed to upskill personnel in accordance with competency such as skill development of jewelry artisans, language skills in Chinese and English. In addition, the Company organizes Up-skill, Re-skill project to enhance newly-hired labour to production process and upskill current labour to higher level.
- Courses based on Related Laws and Standard System are designed to be in accordance with law requirements and with oversea partners such as safety standard operating procedure, first aid, fire drill and evacuation, human rights practices, labour standard and basic knowledge on ISO and RJC standard systems.

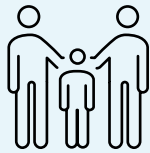
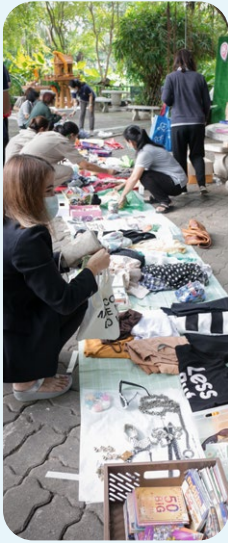
3.2 Quality of Life Development

The Company also organizes welfares aside from the required laws such as free rice in 3 meals, affordable accommodation, childcare development center, provident fund, full time doctor and nurse, health garden, gym and fitness center, house loans, personal debt, legal advice for debt solving, etc.

3.3 Engagement in the Organization

During 2021, the Company organized activities to enhance engagement between the Company and the employees as well as among the employees as follows:

1. Organize running and jogging club (miles collecting competition) total 2 phases which were participated by approximately 200 employees. The top runner achieved 1,000 kilometers in 3 months.
2. Activities through 'LINE' application to exchange knowledge and experiences as follows:
 - Happy Retired Group to give knowledge on welfares and benefits to the employees who are going to be retired; joined by approximately 100 employees.
 - New Mom Group to give knowledge about child care; joined by approximately 50 employees.
 - Reduce Belly Reduce Disease Group to give knowledge to the employees on health care; joined by approximately 30 employees.
 - Agricultural Earning Group as part-time jobs; joined by approximately 50 employees.
 - Pranda Flea Market Group to allow employees to have extra earns after work; joined by approximately 200 employees.



4. Safety, Occupational Health and Working Environment

The Company gives high importance in running the business along with safety in workplaces by being committed to facilitating the employees with safety in workplaces as well as good health and well-being. In 2021, the Company organized activities concerning Safety, Occupational Health and Working Environment as below.

4.1 Establishment of the Safety, Occupational Health and Working Environment Committee

The Committee comprises of the representatives from employer and employee who represent each department of the Company to drive practices on Safety awareness.

The performance of the Committee in past year was definitely in compliance with the required laws. The cooperation between employer and employee in management of Safety, Occupational Health and Working Environment has been continuously run by conducting safety-related survey and audit of the unsafe working conditions monthly which includes monthly meetings and progress tracking.





4.2 Safety Talk' Activity

The activity focuses on emphasizing employees to be aware and conscious to the importance of safety in workplace. Usually, the information is communicated towards safety problems, examples of past incidents or preventive measures. The 'Safety Talk' activity is organized weekly with 10-15 minutes by indicating topic on safety in current situations or risk characteristics of each department such as accidents from work and preventive guidelines to Covid-19 situation.



4.5 Safety Information

The Company recognizes importance in prevention of accidents during work in order to raise safety in workplaces and allow every employee to go home safe. In 2021, the accidents with sick leave more than 3 days were recorded 3 cases. The Company has investigated the root cause and discussed on the solutions to prevent any future cases. The highest statistic of the Company, given no accidents leave more than 3 days, was 447 days.

5. Responsibilities to the Customers

The Company has continuously developed products and services to meet the customer satisfaction with responsibilities, integrity and ethics. In 2021, the Company received customer satisfaction score from top 20 customers at 80.06%.

6. Supplier Management

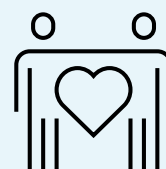
The Company's procurement process of products and services are aligned with fair, reasonable, transparent and verifiable transactions without conflicts of interests as well as providing equitable treatment to partners through fair competition. In 2021, there was no complaint from the suppliers on unfair procurement process.

4.3 Annual Health Check-up for All Employees

The annual health check-up is annually organized to check and prevent any health problems occurred from work and considered as the contributions to the employees.

4.4 Covid-19 Screening Checkpoint

In 2021, the situation of Covid-19 pandemic was severely incurred. The Company has issued various measures to prevent the spread of Covid-19 within the Company including screening point before entering the Company area, factory isolation for infected employees, proactive testing within the Company and nearby company every week over 40 times.



Responsibilities to the Community and Society

The Company runs its business with responsibilities to the community and society by giving importance in mitigating impacts to the environment and avoiding any activities that might lead to negative effects on quality of lives in surrounding areas. In 2021, there was no complaint from the community on social or environmental issues.

In addition, the Company organized activities for the year 2021 emphasizing on the development of quality of life and contributions to the community participation as below.

No.	Name	Details	Contributions
1.	The Foundation for the Blind in Thailand	Donation of Calendars, Commodities and Contributions	THB 15,000
2.	Wat Bot Woradit, Ang Thong Province	Lunch and Commodities	THB 5,000
3.	Wat Bangna Nai, Bangkok	Fundraising for Land	THB 128,328
4.	Separate Bottles for Doctors Project	Donation of Plastic Bottles to Produce PPE	4,850 Bottles
5.	Wat Chak Daeng, Samutprakan Province	Donation of Plastic Bottles for Recycling into Monk's Robe	6,365 Bottles
6.	Bangna Police Station	Meal Box and Drinking Water	100 Meal Boxes 1,000 Bottles of Drinking Water (Value THB 10,000)
7.	Pranda Factory Isolation	Build Factory Isolation	THB 1,300,000
8.	Bangna District Office	Drinking Water	1,000 Bottles of Drinking Water (Value THB 5,000)
9.	Board of Trade of Thailand	Drinking Water	1,000 Bottles of Drinking Water (Value THB 5,000)
10.	Vaccine Station for Insurer M. 33, Area 8, Bangkok (1 st Dose)	Meal Box and Drinking Water	50 Meal Boxes 500 Bottles of Drinking Water (Value THB 5,000)
11.	Baan Metta Juvenile Center, Bangkok	Meal Box and Drinking Water	50 Meal Boxes 500 Bottles of Drinking Water (Value THB 5,000)
12.	Community Isolation, Bangna, Bangkok	Drinking Water	1,000 Bottles of Drinking Water (Value THB 5,000)
13.	Samrong Hospital	Meal Box and Drinking Water	100 Meal Boxes 1,000 Bottles of Drinking Water (Value THB 10,000)
14.	Paolo Hospital Samutprakarn	Meal Box and Drinking Water	100 Meal Boxes 1,000 Bottles of Drinking Water (Value THB 10,000)
15.	Vaccine Station for Insurer M. 33, Area 8, Bangkok (2 nd Dose)	Meal Box and Drinking Water	50 Meal Boxes 500 Bottles of Drinking Water (Value THB 5,000)

No.	Name	Details	Contributions
16.	Royal Kathina, Social Security Office, Nakhon Ratchasima Province	Co-contribution	THB 2,000
17.	Royal Kathina, Department of Labor Protection and Welfare, Nakhon Ratchasima Province	Co-contribution	THB 2,000
18.	Royal Kathina, Industry Office, Nakhon Ratchasima Province	Co-contribution	THB 5,000
19.	Royal Kathina, Department of Employment, Nakhon Ratchasima Province	Co-contribution	THB 2,000

Thus, more information on 'Business Driving for Sustainability' is published on the Company's website, www.pranda.com, under section "Sustainability, topic "Sustainability Report".



<https://pranda.com/sustainability/>



PART 1

Business Operation and Operating Results



4 Management Discussion and Analysis: MD&A

4.1 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 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 has 3 in factories situated in Thailand and Vietnam and having also a design center which offers design and development of products that can meet all the needs of customers.

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 in order to reach jewelry consumers directly the Group in Thailand, Vietnam and UK. (E-commerce)

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 in distribution base in India.

4.2 Operating Results and Profitability

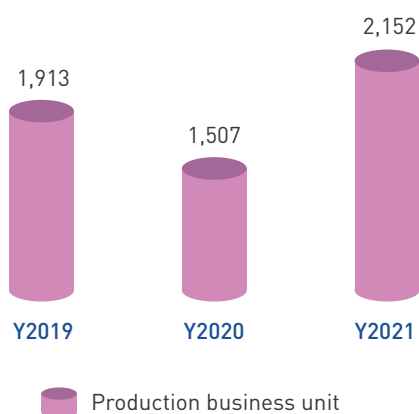
Total revenues

The Group had total revenues in year 2021 and 2020 amounting to Baht 3,042 million and Baht 2,556 million respectively which increased of Baht 486 million or 19.01% due to sales revenue increased.

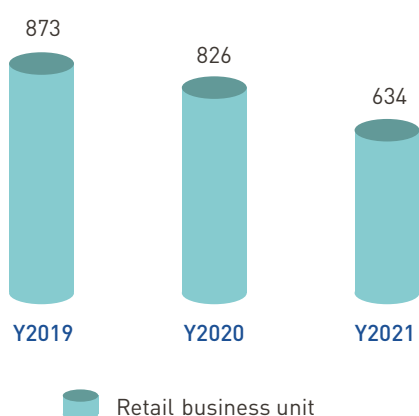
Consolidated	2019		2020		2021		Increase / (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Sales Revenue	2,985	98.55%	2,462	96.32%	2,900	95.33%	438	17.79%
- Production	1,913	63.16%	1,507	58.96%	2,152	70.74%	645	42.80%
- Distribution	199	6.57%	129	5.05%	114	3.75%	(15)	(11.63%)
- Retail	873	28.82%	826	32.32%	634	20.84%	(192)	(23.24%)
Other Revenues	44	1.45%	94	3.68%	142	4.67%	48	51.06%
Total Revenues	3,029	100.00%	2,556	100.00%	3,042	100.00%	486	19.01%

Sales revenue

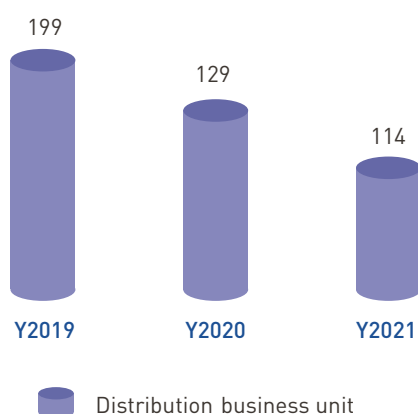
The Group's sales revenue consists of production revenue of Baht 2,152 million, representing 70.74%, retail revenue of Baht 634 million and representing 20.84% and distribution revenue of Baht 114 million, representing 3.75% due to the increase (decrease) of such income as follows:



Production business unit income increased from Baht 1,507 million to Baht 2,152 million, this is due to key customer's economy in Europe and USA grow significantly.



Retail business unit income decreased from Baht 826 million to Baht 634 million as effect from COVID-19 epidemic situation. In addition, in first quarter 2021, retail business in Thailand has been affected by the 2nd round and greatly affected by the 3rd round of COVID-19 epidemic situation more than previous year as well as Vietnam increased government policy to prevent epidemic of COVID-19. However, revenue has recover and growth after releasing lockdown measurement in both Thailand and Vietnam in fourth quarter 2021.



Distribution business unit income decreased from Baht 129 million to Baht 114 million restructuring business plan in UK and USA align with plan.

Other income

The other income's Group consist of gain on exchange rate Baht 77 million and revenues from other service Baht 65 million.

Cost of Sales and Selling and Administrative Expenses

Cost of sales	2021		2020		Increase / (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales revenue	2,900	100.00%	2,462	100.00%	438	17.79%
Cost of sales	2,213	76.31%	1,912	77.66%	301	15.74%
Total Selling & Admin Expenses	591	20.38%	676	27.46%	(85)	(12.57%)
- Selling Expenses	256	8.83%	288	11.70%	(32)	(11.11%)
- Administrative Expenses*	335	11.55%	388	15.76%	(53)	(13.66%)

*Excluded other expenses in comprehensive statement

Cost of sales

The Group had a cost of sales of Baht 2,213 million which increased by Baht 301 million or 15.74% from previous year. As a result of overall in 2021 has gross profit Baht 687 million or 23.69%.

Selling and administrative expenses

The Group had selling and administrative expenses at Baht 591 million decreased by Baht 85 million from the previous year or 12.57% due to decreasing expense in distribution business in UK and USA align with plan as well as reducing selling and administration expense in retail business as effect of the epidemic situation on 3rd round in second quarter continued to third quarter 2021.

Profits

Consolidated	2021		2020		Increase / (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales revenue	2,900	100.00%	2,462	100.00%	438	17.79%
Cost of sales	2,213	76.31%	1,912	77.66%	301	15.74%
Gross Profit	687	23.69%	550	22.34%	137	24.91%
Selling and Admin expenses*	591	20.38%	676	27.46%	(85)	(12.57%)
Operating Profit (Loss)	96	3.31%	(126)	(5.12%)	222	176.19%
Financial costs	36	1.24%	53	2.15%	(17)	(32.08%)
Gain (loss) on exchange rate	77	2.66%	60	2.44%	17	28.33%
Other expenses	58	2.00%	(30)	(1.22%)	88	293.33%
Profit (loss) before income tax	195	6.72%	(149)	(6.05%)	344	230.87%
Income tax (expenses)	(62)	(2.14%)	96	3.90%	(158)	(164.58%)
Non-controlling interests of the subsidiaries (loss)	(5)	(0.17%)	42	1.71%	(47)	(111.90%)
Profit (loss) of Equity holders of the Company	138	4.76%	(95)	(3.86%)	233	245.26%

*Excluded other expenses in comprehensive statement

Gross profit

The Group's gross profit was at Baht 687 million or 23.69% increased from previous year which had gross profit margin at 22.34%.

Net profit (loss) from operations

The Group's profit from operations for the year 2021 is at Baht 96 million increased from previous year which had loss from operation Baht 126 million due to efficiency on cost control as well as decreasing expense in distribution business in UK and USA align with plan.

Net profit (loss) attributable to the shareholders of the Group

The Group's net profit attributable to shareholders of the company amounts to Baht 138 million increased by Baht 233 million or 245.26% due to sales increased and SG&A as aforementioned above.

Return on shareholders' equity

The return of equity (ROE) in the year 2021 is at 6.33%, increased from last year's figure which stood at (4.22%), due to net profit attributable to the shareholders of the Group as aforementioned above.

For the fiscal year 2021, 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 28, 2022 that hereby fixed as the record date, the dividend will be paid on May 17, 2022. However, there is uncertainty for the dividend payment which are subjected to the approval of AGM.

4.3 Asset Management Abilities

Asset Components

The table compares the annual financial statements in 2021 and 2020.

Statement of Financial Position	Dec 31, 2021		Dec 31, 2020		Increase / (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Cash and cash equivalents	398	10.50%	443	10.96%	(45)	(10.16%)
Trade account receivables and other receivables	328	8.66%	391	9.68%	(63)	(16.11%)
Short-term loans to related parties	-	0.00%	15	0.37%	(15)	(100.00%)
Inventories, net	1,563	41.25%	1,532	37.91%	31	2.02%
Other current assets	41	1.08%	49	1.21%	(8)	(16.33%)
Total current assets	2,330	61.49%	2,430	60.13%	(100)	(4.12%)
Total non-current assets	1,459	38.51%	1,611	39.87%	(152)	(9.44%)
Total assets	3,789	100.00%	4,041	100.00%	(252)	(6.24%)

Asset Quality

The Group had total assets of Baht 3,789 million decreased compared with the previous year by Baht 252 million, or 6.24%. The decreasing of total assets mainly come from decreasing on deferred tax assets as The group used loss carry forward for tax objective resulted in decreasing on unused tax losses. Also, property, plant and equipment decreased due to annual depreciation expense. While,

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)
	2021	2020	
Not yet due	-	3	(3)
Overdue			
No more than 3 months	-	-	-
3 – 6 months	-	-	-
6 – 12 months	-	2	(2)
More than 12 months	49	45	4
Total	49	50	(1)
Less the allowance for expected credit losses	(49)	(50)	(1)
Total accounts receivable - net	-	-	-

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)
	2021	2020	
Not yet due	275	238	37
Overdue			
No more than 3 months	53	138	(85)
3 – 6 months	1	5	(4)
6 – 12 months	-	2	(2)
More than 12 months	28	23	5
Total	358	414	(56)
Less the allowance for expected credit losses	(49)	(41)	8
Total accounts receivable – net	309	373	(64)

The Group has net accounts receivable from trade receivables of unrelated parties totaling Baht 309 million decreased by Baht 64 million or 17.16% from the previous year due to received payment from account receivable.

Inventories

Unit : Million Baht

Inventories	2021	2020	Increase (Decrease)
Finished products	937	1,085	(148)
Work-in-progress	300	227	73
Raw materials	490	423	67
Plant materials	10	12	(2)
Goods in-transit	-	3	(3)
Total	1,737	1,750	(13)
Less the listings of cost reduction adjustment for net capital	(174)	(218)	(44)
Remaining inventories – net	1,563	1,532	31

As of December 31, 2021 the Group and its subsidiaries has inventories of Baht 1,563 million, which has increased from the 2020 year-ended figure by Baht 31 million due to inventory particularly the work in process inventory that are due for delivery in first quarter 2022. 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.

4.4 Liquidity and Capital Adequacy of the Group

4.4.1 Sources and Uses of Funds

- **Cash Flow Components**

The Group's Cash Inflow from Operating Activities for the year ended December 31, 2021 is at Baht 301 million mainly due to Pranda Group has profit from operation after adjustment to reconcile of non-cash transaction Baht 399 million and cash outflow used in inventory increased by Baht 57 million, account payable and other payable decreased by Baht 10 million, other current liabilities decreased by Baht 10 million and cash paid for long-term employee benefits Baht 13 million.

Cash Outflow used in Investing Activities for the year ended December 31, 2021 is at Baht 31 million generally due to purchasing fixed assets for operation in Pranda Group.

Cash Outflow used in Financing Activities for the year ended December 31, 2021 is at Baht 216 million mainly came from Pranda group repayment of bills of exchange Baht 50 million, paid for convertible debentures redemption Baht 35 million, repayment loan on schedule Baht 93 million and payment dividend Baht 54 million. Also, the company has proceeds from ordinary shares issuance from exercised warrants Baht 48 million.

From operating, investing and financing activities, the Group's net cash for the fiscal year 2021 has decreased by Baht 45 million, and when combined with cash at beginning of period amount Baht 443 million, forms a total of Baht 398 million in cash at the end of the period.

The table compares the statement of cash flows for the year 2021 and 2020.

Unit: Million Baht

Statement of Cash Flows	Dec 31, 2021	Dec 31, 2020
Cash flows from (used in) operating activities	301	157
Cash flows from (used in) investing activities	(31)	(62)
Cash flows from (used in) financing activities	(216)	(153)
Translation adjustment	(99)	(47)
Net cash flows	(45)	(105)
Cash at the beginning of the year	443	548
Cash at the end of the year	398	443

- **Liabilities and Shareholder's equity**

The group's total liabilities and shareholders' equity Baht 3,789 million decreased by Baht 252.13 million or 6.24% as compared to December 31, 2020, mainly came from repayment loans from financial institutions and convertible debenture. Also, other non-current liabilities decreased due to amended lease agreement resulted in decreasing on lease liabilities.

4.4.2 Capital expenditure

The Group invested a total of Baht 32 million which is divided into two types of investment, as follows:

- 1) Approximately Baht 16 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 16 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 India in distribution base.

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

As of December 31, 2021, the Group was able to maintain a debt service coverage ratio (DSCR) in accordance with the agreements (no less than 1.10 times).

4.5 Long term plan and Business operations in 2022

As the global economic situations start to get recovered from Coronavirus 2019 (COVID-19) pandemic situations which spread around the world. The Company has set a target to enhance the sustainable growth in long run as follows.

For Original Design Manufacturing (ODM), 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 will focus on Omni Channel retail strategy seamlessly integrated with offline and online channels to promptly and continuously respond to the needs of customers.

Setting a target well-balanced income proportion base of the Group will accomplishedly result in the sustainable growth of total revenue of the Group. With the focus on Omni Channel retail strategy, the Company believes that the sales volume can be increased as products can be directly ordered and services can be promptly delivered through these integrated channels which can effectively meet different lifestyles of consumers these days.

Financial Ratios		For the year ended period ending December 31				
		2021	2020	2019	2018	2017
Liquidity ratio						
Current Ratio ¹	(times)	1.82	1.66	1.78	1.84	1.43
Quick Ratio ²	(times)	0.55	0.56	0.65	0.56	0.32
Cash Flow Ratio ³	(times)	0.22	0.11	0.03	0.14	0.01
Accounts Receivable Turnover Ratio ⁴	(times)	6.82	5.20	6.27	6.07	6.03
Average Collection Period ⁵	(days)	53	69	57	59	60
Inventory Turnover Ratio ⁶	(times)	2.44	1.94	2.06	1.67	1.78
Average Sale Period ⁷	(days)	147	185	175	216	203
Creditors Turnover Ratio ⁸	(times)	2.91	2.67	3.33	3.36	3.70
Repayment Period ⁹	(days)	124	135	108	107	97
Cash Cycle ¹⁰	(days)	77	120	124	168	165
Profitability ratio						
Gross Profit Margin ¹¹	(%)	23.69	22.32	26.25	31.54	28.44
Operating Loss Margin ¹²	(%)	3.32	(5.13)	(5.26)	(0.93)	(4.21)
Other Profit (Loss) Margin ¹³	(%)	3.92	0.92	(0.86)	9.70	0.82
Cash to Profitability ¹⁴	(%)	312.33	(124.61)	(32.30)	(881.39)	(9.41)
Net Profit (Loss) Margin ¹⁵	(%)	4.39	(2.09)	(8.37)	4.33	(6.11)
Return on Equity ¹⁶	(%)	6.33	(4.22)	(10.05)	7.17	(7.05)

Financial Ratios		For the year ended period ending December 31				
		2021	2020	2019	2018	2017
Efficiency ratio						
Return on Assets ¹⁷	(%)	3.41	(1.33)	(6.28)	3.32	(4.02)
Return on Capital Employed ¹⁸	(%)	1.20	(0.95)	(5.45)	(3.05)	(3.43)
Return on Non-Current Assets ¹⁹	(%)	16.38	3.53	(14.26)	16.17	(6.54)
Asset Turnover ²⁰	(times)	0.78	0.63	0.75	0.77	0.66
Financial policy ratio						
Liabilities to Shareholders' Equity Ratio ²¹	(times)	0.77	0.90	0.87	0.78	1.08
Interest Coverage Ratio ²²	(times)	10.93	2.16	2.24	5.24	1.11
Debt Service Coverage Ratio (cash basis) ²³	(times)	1.47	1.21	0.16	0.29	0.02
Dividend Payout Ratio ²⁴	(%)	39.01	-	-	-	-

Note : 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



PART 1

Business Operation and Operating Results



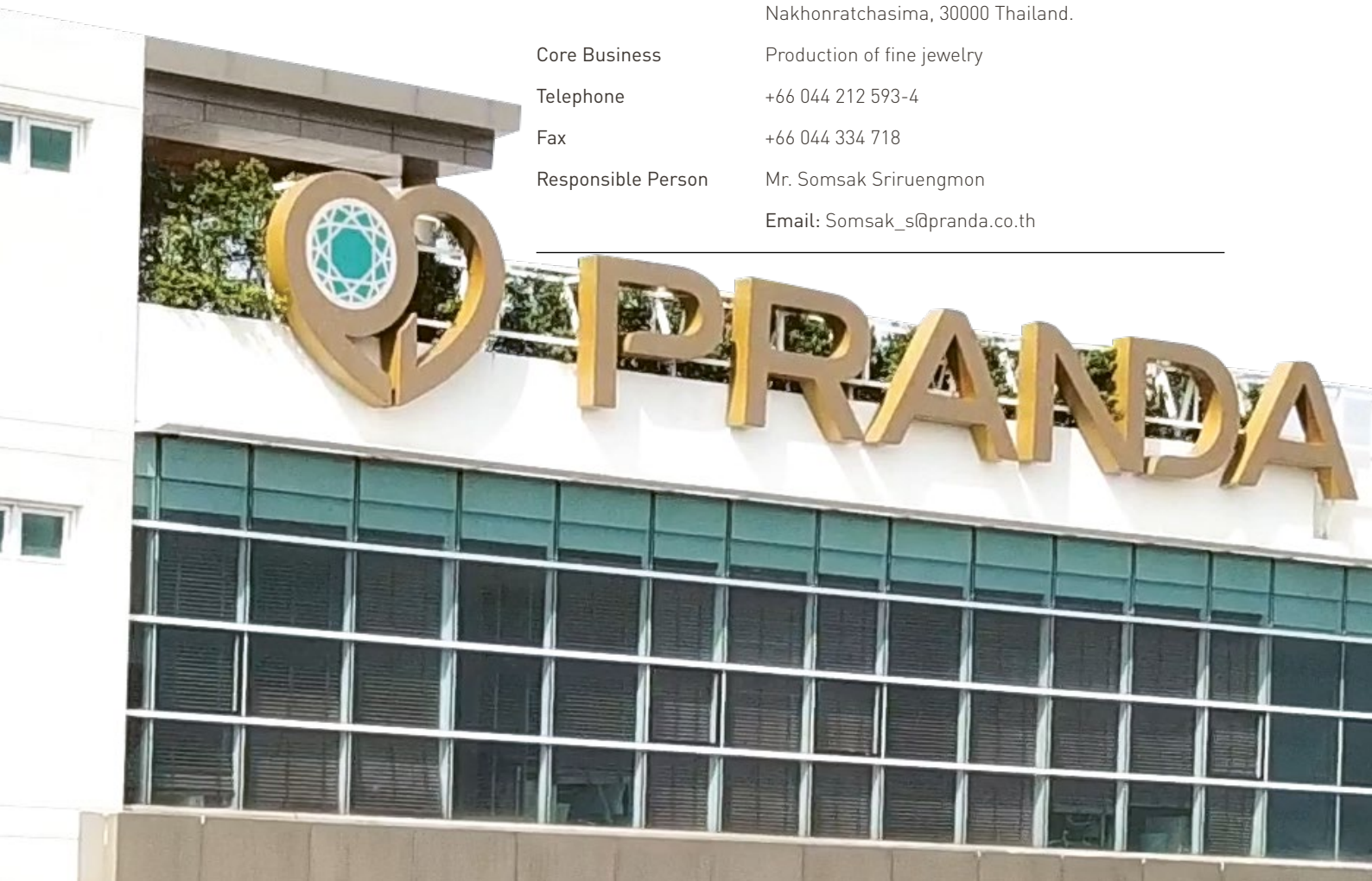
5 General Information and Other Material Facts

5.1 Other Information

5.1.1 Company

Company Name	Pranda Jewelry Public Company Limited
Symbol	PDJ (Effective date of January 19, 2018)
Head office	28 Soi Bangna-Trad 28, Bangna Tai, Bangna, Bangkok 10260 Thailand
Registration	0107537001986
Telephone	+66 2769 9999
Fax	+66 2398 2143
Registered Capital	634,769,950 THB
Paid Capital	539,026,606 THB
Home Page	www.pranda.com
	Email: ir@pranda.co.th
Responsible Person	Mrs. Pranee Khunprasert
	Email: Pranee@pranda.co.th

Branch Office	332-333 Suranaree Industrial Zone, Muang, Nakhonratchasima, 30000 Thailand.
Core Business	Production of fine jewelry
Telephone	+66 044 212 593-4
Fax	+66 044 334 718
Responsible Person	Mr. Somsak Sriruengmon
	Email: Somsak_sl@pranda.co.th



5.1.2 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 +66 235 3339 Fax +66 2235 3076 www.rlcounsel.com

5.2 Other Important Information

-None-

5.3 Legal disputes

There are no cases that have a lawsuit according to the criteria that must be disclosed

5.4 Secondary market

-None-



PART 2

Corporate Governance

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6 Corporate Governance Policy

6.1 Corporate Governance Policy and Practices

Pranda Jewelry Public Company Limited is committed to running business on the foundation of good corporate governance by applying consciousness and work ethics to our employees as well as giving importance in operating business upon consideration of fair treatment to shareholders and all stakeholders. The Board of Directors has established the written form of good corporate governance in Corporate Governance Manual since 2000. On November 12, 2021, the Corporate Governance & Code of Conduct Manual has been reviewed and updated by the Board of Directors as 8th edited version. The Corporate Governance Policy has been updated in accordance with SET CG Principles & Guidelines, 2012 with 5 categories including 1) Rights of shareholders 2) Equitable treatment of shareholders 3) Role of stakeholders 4) Disclosure and transparency and 5) Responsibilities of the Board together with Corporate Governance Report of Thai Listed Companies (CGR) of Institute of Director (IOD). The Good Corporate Governance Code (CG Code) 2017, as stated by the Office of the Securities and Exchange Commission (SEC), has also been applied with corporate governance towards positive and reliable performance in long run for the benefits of creating values in sustainable business for shareholders and stakeholders. The policy of good Corporate Governance and Code of Conduct has been communicated, acknowledged and adhered to as the principles for the Board of Directors, the Executives and employees to follow as well as being regularly applied to the management in all business levels, resulting in a good corporate culture created with shared Core Values. Such practices include equitable treatment of stakeholders and full efforts in work performance for the benefits of the Company with honesty, transparency and verification which lead to trust and reliability to shareholders, investors, stakeholders and all concerned parties. The policy and principles are also described on the Company's official website, www.pranda.com, under "Investor Relations" section, "Corporate Governance" topic.

6.1.1 Policy and Guidelines for the Directors

The Board of Directors, on behalf of shareholders, is committed to governing the management of the Company to be in accordance with the required laws, objectives and the Articles of Association as well as presenting reports upon progress of overall operations and performance in order that the Executives and employees are driven towards the same directions. The key aspects on guidelines and principles of Corporate Governance are further described below.

According to the principles of Corporate Governance, the Board of Directors (Fiduciary) shall adhere to the follows:

1. Duty of Care – the Board of Directors performs duties with deliberation to ensure no harms been brought to the Company as well as no impacts from the operations onto the environment, community and society while adding more values to all stakeholders concurrently.

2. Duty of Loyalty – the Board of Directors performs duties with honesty and integrity in keeping advantages of the Company, shareholders, stakeholders and society.

3. Duty of Obedience – the Board of Directors performs duties and governs the Company to strictly run the business following the required laws, rules, obligations and other conditions.

4. Duty of Disclosure – the Board of Directors governs the procedures in disclosing information according to the laws as well as publishing news and information to create knowledge and comprehension to the shareholders.

1) Policy and the Nomination and Remuneration of the Directors and the Executives

For the nomination of the Directors, the Nomination and Remuneration Committee is to state the scope of nomination to create confidence that the selected candidate will be able to perform duties of the Directors following the 2 key fiduciary duties including Duty of Care and Duty of Loyalty. The criteria in nomination of the Directors will be based on the structure of the Board of Directors, the Board Diversity, qualifications and skills necessary to be present for the Board of Directors. The Skills Matrix is developed to identify qualifications of the candidates by considering the essential skills. Thus, the Nomination and Remuneration Committee may consider nominating the candidates for the Board of Directors by referring the recommendations from the Directors of the Company, the shareholders, professional search firm, director pool from other sectors or other processes as deemed appropriate by the Nomination and Remuneration Committee.

2) Orientation of New Directors

The selected candidate who is appointed to be the new director shall be provided with training courses concerning the business of the Company as well as duties and responsibilities of the Board of Directors. The information generally used in orientation when being appointed as the Director by the shareholders include the requirements by laws, the memorandum of association, the articles of association, the scope of duties and responsibilities of the Board of Directors and the subcommittee, the minutes of the Board of Directors' meeting on a previous year, the Listed Companies handbook, the SET CG Principles & Guidelines, the policy of Corporate Governance and Code of Conduct and the related laws concerning business operations as well as the Company's rules, the Director training courses and other information related to the Company's business operations, etc. For the orientation, the Company Secretary is appointed to present all information to the new director. The Board of Directors has practically set up the policy in promoting the Directors to continuously obtain the knowledge and participate in training courses or other seminars.

3) Development of the Directors

The Board of Directors governs each director and each subcommittee towards enhancing knowledge and comprehension concerning roles of business operations and related laws while promoting the Directors to be upskilled and more knowledgeable to perform duties constantly. The development includes training and continuous improvement of knowledge to support the Directors to efficiently perform duties and monitor corporate governance of the Company while gaining comprehension on laws, rules, standards, risk and environment related to business operations, regulations and business information of the Company.

4) Tenure

Tenure of the Directors is to be in accordance with the Public Limited Companies Act, the Articles of Association and the Resolution of the Board of Directors. Accordingly, the Annual General Meeting shall hold the termination of the Directors for ratio of 1 of 3. In case number of the Directors are not able to be categorized into 3 parts, the termination will be taken place at least to 1 out of 3 Directors who will be terminated on the first year. For the second year, after the Company registration, the draw will be used instead and for the following years, the Director with the longest tenure will be terminated from the position. However, the terminated Director on particular tenure may be resumed upon selection.

5) Remuneration of the Directors and the Executives

The Company has categorized the remuneration into 2 types including Non-Executive Director and Executive Director which is disclosed along with the guidelines of remuneration of the Executives as follows:

1. Remuneration is divided into 2 parts; 1) monetary remuneration and 2) others
2. The Board of Directors has appointed the Nomination and Remuneration Committee to perform duties towards consideration of policy and criteria in setting up remuneration based on types of remuneration, process of remuneration distribution and number of remuneration referred from the Company values generated to the shareholders and presented to the Board of Directors to further propose for the approval on the Annual General Meeting.
3. Remuneration is set up with transparency based on duties and responsibilities and aligned with operational performance, strategy and long-term goals of the Company as well as from the comparison of business performance in the same industry level and with competitive business scale. Thus, the discretion shall be dependent on concrete decision of the Nomination and Remuneration Committee.
4. In order to retain the Directors with high potential, the Nomination and Remuneration Committee has set up the remuneration of the Directors based on potential benefits earned from each director which should be appropriate and able to stimulate incentives or be competitive in the industry level.

6) Independence of the Board of Directors from the Management Team

The Board of Directors and the Management team are independently instituted with the roles, duties and responsibilities to create balance and efficiency in business review. The Board of Directors sets up and approves for the significant matters related to business operations including vision, mission, strategy, policy, business plan, budget, accountability report for financial statements along with governing and following up with strategic directions executed by the Management team towards efficiency, integrity and transparency as well as performance progress to get comparison with targets. Meanwhile, the Management team

shall perform duties on setting targets and monitoring business operations to be aligned with vision, mission, strategy and policy of the Board of Directors as well laws, conditions, rules, the Articles of Association and business plan as determined by the Directors.

7) Performance Assessment of the Board of Directors

The Board of Directors arranges the performance assessment of the Directors and the Subcommittee at least once a year with 2 assessment forms including

- 1) Individual and Self-assessment
- 2) Group Assessment for the Directors and the Subcommittee by the Nomination and Remuneration Committee

Criteria of self-assessment for each group of the Directors and individual assessment of each director is based on scores per below.

Score (%)	▶	Level
90-100	▶	Excellent
80-89	▶	Very Good
70-79	▶	Good
50-69	▶	Fair
30-49	▶	Poor

Self-assessment process of the Directors by individual and group is described below.



Self-assessment Process of the Board of Directors and the Subcommittee

1. The Company arranges performance assessment of the Board of Directors both individual and group as well as the Subcommittee on annual basis. The Company Secretary is assigned to collect assessment form to the Board of Directors in which the Board Self-assessment forms are used as to be in line with SET directions and the business nature of the Company.
2. The Company Secretary disseminates self-assessment forms for individual director to each director in order to provide answers to questionnaires concerning individual performance. Each individual director is required to submit assessment form to the Nomination and Remuneration Committee for assessment conclusion.

3. For the group assessment of the Board of Directors and the Subcommittee, the Nomination and Remuneration Committee is assigned to assess and conclude the results accordingly.
4. The Nomination and Remuneration Committee is to present results and comments to the meeting of the Board of Directors to consider performance and difficulties found during the year as well as evaluating efficiency towards governance of the Directors. In addition, the assessment results can be further determined to support, improve and develop efficiency of the Management team.

8) Succession Plan of the Top Management

The Board of Directors assigns the Nomination and Remuneration Committee to conduct succession plan and review development plan of the Chairman of Executive Board and Managing Director including Top Management in order to be prepared as continuous plan for the successor in case Managing Director or Top Management in specific position are retired or unable to perform duties for running the business continuously. The Chairman of Executive Board and Managing Director including Top Management shall hold his/her own succession plan to gain trust from stakeholders including shareholders, clients or employees that the Company business will be succeeded by sustainability and growth policy with code of conduct. The Chairman of Executive Board is to present the performance results following succession plan to the Nomination and Remuneration Committee and the report to the Board of Directors for acknowledgement at least once a year.

9) Limitations of the Number of Companies for the Appointment of Director Position of the Directors and Managing Director

9.1 Appointment of Director Position in other Companies

In order for the Directors to dedicate time and efforts to perform duties, the Board of Directors sets up the number of listed companies for each director to be appointed not more than 5 entities, as stated in Good Corporate Governance Policy. The Director shall inform to the meeting of the Board of Directors for acknowledgement prior to holding position in other listed companies.

9.2 Appointment of Director Position in other Companies of the Chairman of Group Executive committee and Top Management

The Company sets up policy on appointment of director position in other companies of the Chairman of Group

Executive committee and Top Management in which shall hold Managing Director of only 1 listed company in order to spend sufficient time in running business operations of the Company and shall not run business as partners or hold director position in other juristic being in the same business nature and competitive to the business, either for own benefits or others, unless notifying to the Annual General Meeting prior to an approval of the appointment.

10) Information Disclosure and Transparency

10.1 Information Disclosure

The Company places high importance to the disclosure of significant information concerning to the Company with thorough, adequate, updated, timely, transparent and constant basis by treating the information neither negative nor positive. The disclosure of information of the Company is in accordance with the regulations of the Stock Exchange of Thailand (SET) and the Office of the Securities and Exchange Commission (SEC) both financial and non-financial information. The information is published through the SET's electronic system (SETLink) to the Stock Exchange of Thailand including periodic reports namely financial statements, form 56-1 One Report and information disclosure of material events namely purchase and sale of assets, related transactions, associates, capital increase, capital decrease, initial public offering (IPO), treasury stock, payment or no payment of dividend, etc. The information is published in both Thai and English via the Company's website along with quarterly announcement of business performance in order that the shareholders and stakeholders will be informed with reliable and adequate information for further consideration.

10.2 Responsible Persons for Information Disclosure

1. Chief Financial Officer (CFO) and Investor Relations Department (IR) are responsible for providing information and responding to enquiries from the shareholders, investors, securities analyst and general people concerning financial information, business performance, nature of business, business plan and investment as well as possible factors effecting the adjustments of business performance in significant stage.
2. Corporate Secretary Office department is responsible for disclosing important information to the Stock Exchange of Thailand (SET) and the Office of the Securities and Exchange Commission (SEC)

3. Corporate Communication department is responsible for disseminating consistent communication of general information of the Company to the stakeholders and public.
4. Persons assigned with no responsibility for the information disclosure of the Company or not assigned by the Managing Director shall not disclose any insider information which may impact to the reputation and image of the Company as well as information which may affect to the price adjustment and quantity of assets trading of the Company.

11) Report of the Board of Directors

The Board of Directors is responsible for the consolidated financial statements of the Company and subsidiaries and financial information stated in the financial statements. The Company manages for an effective internal audit to ensure that the financial statements are conducted accurately and sufficiently in accordance with accounting policies following Thai Generally Accepted Accounting Principles and are disclosed with sufficient information to the public which are in line with the objectives, key goals, strategy and policy of the Company.

12) Report of the Securities Holding of the Board of Directors

The Company sets up code of conduct towards confidentiality, reliability and readiness of information as well as the use of insider information in trading the Company securities. In addition, policy is required for the Directors to disclose and provide the securities holding report as below.

The Directors and the Executives are responsible for reporting if any changes are made on the securities holding by conducting and submitting a report of securities holding and trading of the Company's securities to the Corporate Secretary Office in order to further submit to the Office of the Securities and Exchange Commission (SEC) within due period. In addition, relevant regulations must be stated on any changes in which the Corporate Secretary Office shall report those changes in securities holding of the Directors and the Executives to the Board of Directors each time.

13) Report on Vested Interests of the Directors

The Company has set the policy concerning the report on vested interests of the Directors in which the Directors and the Executives must report to the Company on individual own or related person's vested interests in accordance with Section 89/14 of the Securities and Exchange Act by submitting to the Corporate Secretary. The Corporate Secretary is required to

submit the copy of report on vested interests upon Section 89/14 of the Securities and Exchange Act to the Chairman of Executive Board and Chairman of Internal Audit within 7 business days after the receipt date.

14) Governance of the Subsidiaries and Associates

14.1 Supervision, Management and Responsibility for the Performance of the Subsidiaries and Associates

The Company sets up regulations in which the nomination and voting rights in appointment of personnel to hold the Director position in the subsidiaries and associates must be approved by the Board of Directors through the nomination from the Group Executive Committee. The appointed personnel to hold the director position in the subsidiaries and associates is responsible for performing duties for the best advantages of the subsidiary or associates. The appointed person is required to be approved by the Board of Directors before voting or using the rights to vote for significant issues at the same level as being approved by the Board of Directors. Thus, the assignment of the Director to be representative in the subsidiaries or associates must be based on the proportion of the Company's shares.

In addition, for the subsidiaries, the Company sets up rules that the appointed person must supervise the subsidiary to be thoroughly obliged with related transactions, purchase or sale of assets or other transactions and applied with relevant criteria for information disclosure and any transactions related to the criteria of the Company. Moreover, the information storage and financial records of subsidiary must be performed for the Company to be able to examine and gather for consolidated financial statements in due period.

The Company has determined PRANDA Group Financial Policy for the management of the subsidiaries and associates as follows:

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.

All of the abovementioned plans must be submitted to the Group Executive Committee for approval within the month of October of each year and the plans shall be further reviewed within the month of April on the following year.

In addition, the subsidiaries and associates shall explain all plans in written form in case the results are different from the proposed plans. Moreover, in case the subsidiaries and associates require loans from financial institutions or any forms

of guarantee or any agreement or juristic related with business as well as the appointment of auditors, all the transactions must be approved by the Group Executive Committee.

14.2 Agreement between the Company and Shareholders for the Management of the Subsidiaries and Associates

There is no other agreement for the management of the subsidiaries and associates. The compensation is referred from proportions of ordinary shares.

6.1.2 Policy and Guidelines related to Shareholders and Stakeholders

1) Equitable Treatment of Shareholders

The Company places importance to an equitable treatment of all shareholders including minor shareholders and foreign shareholders with guidelines in protection of shareholders' rights with equitable and fair treatment for the investment confidence. The Company sets up guidelines to act upon equitable treatment of shareholders as follows:

1. The Company gives opportunities to the shareholders to propose the meeting agenda, nomination of candidates for the Director position and enquiries submitted prior to the meeting date during October to December which are carried on every year. Thus, propose of the meeting agenda or nomination for the Director position must be aligned with laws and regulations as well as criteria set by the Company and must be published on the Company's office website, www.pranda.com.
2. The Company arranges the proxy for the shareholders who are not able to be present at the meeting and sets up voting procedures to other people and/or to the Independent Directors of the Company to be proxy in the meeting. Details of all Independent Directors including name, profile, work information are submitted for consideration upon selecting one person as a proxy of the shareholder.
3. The Company shall not add any meeting agenda or change any important information without giving advanced notice to the shareholders.
4. The Board of Directors supports the use of ballots for voting on each agenda including the nomination of the Director for transparency and verification.

5. The Company sets up ethics concerning the use of insider information and trading of the Company securities to prevent the Directors, the Executives and employees on using insider information to improperly seek for own benefits or for others. The guidelines and policies are explained to all staff to adhere to and shall be followed up regularly.
6. The Board of Directors and the Executives are responsible for providing the report of the securities holding and changes of the securities holding in accordance with criteria of the Office of the Securities and Exchange Commission (SEC) to the Board of Directors on each transaction made.

2) Promote the Rights of Shareholders

The Company gives importance to the exercise of the rights and promotes the basic rights of shareholders as securities investors and owners of the Company including accessing to full and sufficient information of the Company, earning profit shares of the Company, attending the meeting to exercise and casting on voting rights to appoint or remove Directors, auditors, etc.

The Company has set up the meeting date of the Annual General Meeting once a year and within 4 months after the end of the financial year to give opportunities for shareholders and institutional investors to acknowledge the business performance of the Company, to express opinions and to take part in decision making of each agenda.

The Company has set the guidelines for the shareholders to propose the agenda of the Annual General Meeting, propose the nomination of Directors and submit questions prior to the meeting date through the SET's electronic system (SETLink) to the SET within 3 months before the end of the accounting period by announcing the rules and procedures unofficially published on the Company's website, www.pranda.com, during October to December of each year until the written form being submitted by the shareholders. The Corporate Secretary will initially consider the agenda prior to proposing to the Board of Directors to consider for the necessity and appropriateness of the agenda proposed by the shareholders to be included as the meeting agenda in which the resolution of the Board of Directors is considered final. The agenda agreed by the Board of Directors will be included on the agenda stated in the Annual General Meeting invitation letter with opinions from the Board of Directors. The agenda proposed on set criteria is to be notified for acknowledgement in the Annual General Meeting while the reasons upon the rejection of any proposed agenda is also described.

3) Prevention of Disclosing Insider Information

The Company has announced policy of insider information and securities trading of the Directors, the Executives and any individuals who know and possess insider information or are able to assess insider information including close persons with abnormal records on trading onto the Company's intranet. The key details of criteria, guidelines and punishment are clearly stated in which the persons who know or possess the insider information must comply with the Securities and Exchange Act regarding the unfair action of securities trading and must be aligned with Section 240, Section 24 and Section 242 of the Securities and Exchange Act. In addition, details related to the blackout period and report on the securities holding and changes of securities holding with guidelines are established as follows:

Guidelines:

1. The Directors, the Executives, employees of the Company and Subsidiaries and other individuals must not disclose the insider information and confidential documents to the outsiders which lead to improperly seeking own or others' benefits or may cause harms to the Company.
2. The Directors, the Executives, employees of the Company and Subsidiaries and other individuals must not disclose the Company's confidential information for own or others' benefits either directly or indirectly and in any forms of compensations or even employment status is terminated.
3. The Company considers information related to counterparty and the agreement made with the counterparty be confidential and shall not be disclosed to other parties unless being authorized by the Company and the counterparty.
4. The Company assigns supervisors at each level to be responsible for controlling data leakage and monitoring confidential information not to be disclosed prior to official disclosure. Any violations must be deemed in accordance with disciplinary measures of the Company.
5. The use of insider information by the employees must be in the given scope of duties and responsibilities.
6. In case being asked or forced to disclose any part of information beyond scope of responsibilities, concerned personnel shall politely refuse to express opinions and shall further advise inquirer to enquire from the departments directly responsible for the disclosure of such information for an accurate and consistent information.
7. Investor Relations Department has a policy of avoiding future forecasts or giving any comments concerning the information with period less than 6 months ahead as to be compliance with the SET policy and international practices. Thus, investors are still be able to meet and discuss with Investor Relations Officers to gain opinions and business view in the long run.
8. The Company will announce the quiet period 30 days prior to the public disclosure of financial statements. During such period, the Company will refrain from answering questions related to business performance and forecast. Whereas, only the answer to respond to the facts or clarification of disclosed information or to explain any news impacting the stock price or to enquire about long-term business points of view shall be acted upon. The Company is to avoid calling out meeting with analysts or investors during such period or if any meeting is appointed during such period, only information concerning business operations in the long run will be informed.
9. The Company's personnel shall keep information at least 10 years both in forms of hard copy or electronic copy just in case some documents might be retrieved as prescribed by laws. The Company's personnel shall study and consider case by case and after specific periods for the documents to be destroyed.

Securities Trading

Guidelines:

1. The Directors, the Executives and employees of the Company and the Subsidiaries or persons who know or possess insider information concerning securities trading of the Company are prohibited to buy or sell securities of the Company for a period of one month prior to the publish of financial statements or dissemination of financial position and status of the Company. Moreover, it is prohibited to disclose financial statements or any other information that may affect the price of the Company's securities to outsiders or non-related parties.
2. The Directors, the Executives and employees of the Company and the Subsidiaries or persons who know or possess insider information shall refrain trading the securities at least 24 hours. In case the information is ideally complex, the period should be extended up to 48 hours after being published.

3. The Directors, the Executives including spouses and minor children of the Directors, the Executives and employees of the Company and the Subsidiaries who intend to trade the securities of the Company 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 TorChor 23/2551, including spouses and minor children of the Directors and the Executives of the Company are obligated to report the securities holding to the Office of the Securities and Exchange Commission (SEC) under Section 59 of the Securities and Exchange Act, B.E. 2535 and to submit the report to the Board of Directors upon each transaction related to a purchase, sale or transfer of the securities on the same date of which the report is submitted to the Office of the Securities and Exchange Commission (SEC).

4) Prevention of Conflicts of Interest

The Board of Directors has established code of ethics related to the conflicts of interest in which any actions performed by the Company shall be solely regarded as the Company's benefits and not related to any activities which may lead to the conflicts of interest including holding position in form of partnerships related to financial benefits or having relationships with outsiders. Hence, the Directors, the executives and employees of the Company and subsidiaries shall act upon regulations of the Company and provide report on conflicts of interest annually and periodically if any transactions occurred during the year.

Guidelines:

1. The Directors, the executives and employees of the Company and subsidiaries must make decisions on business operations considering the highest interest of the Company as priority.
2. The Directors, the executives and employees of the Company and subsidiaries are prohibited to authorize own power or influence to settle any transactions between the Company and the subsidiaries as well as for related persons or relatives aside from the benefits entitled, unless the vested interests are disclosed and permission is specifically granted or approved in principles.
3. For the Directors, the Executives and employees of the Company and subsidiaries to make general trade transactions, there shall be no influence on personal needs or related persons to that personnel including blood relation or outsiders personally acquainted. Trade agreement in which a reasonable person shall treat general business partners of the Company or subsidiaries with fair and appropriate price as if transactions being made with outsiders shall be acted upon. For making any decision or approval on transactions possibly engaged with conflict of interest, such personnel must report to the supervisor or authorized persons in approval process and withdraw from being involved in such transactions.
4. The Directors, the Executives and employees of the Company and subsidiaries must follow the standard regulations of the Company by working in full hours and with full efforts by not allocating working hours for other business not related to the benefits of the Company.
5. The Directors, the Executives and employees of the Company and subsidiaries shall not disclose confidential information of the Company to outsiders to seek for own or family's benefits or friends which are considered as behavior against code of ethics on conflict of interest. For instance, providing information related to business performance or future plans of the Company and so on.
6. The Directors, the Executives and employees of the Company and subsidiaries must avoid connection to financial transactions and/or relationships with outsiders which may lead to loss of benefits or cause any conflict of interest or obstruct the efficiency in operations.
7. Duties and position holding of the Directors, the Executives and employees of the Company and subsidiaries must not conflict with key interests of the Company. Being in part of assignment from the subsidiaries or associates is permitted upon approval from the supervisor, the Management team and the Directors considered case by case.
8. The Directors, the Executives and employees of the Company and subsidiaries must not accept freelance jobs which are in competition with the Company's and subsidiaries' business operations or create conflict of interest to the Company and subsidiaries including part time or full time unless being specifically permitted by the supervisor.

9. The Directors, the Executives and employees of the Company and subsidiaries must provide Conflict of Interest Disclosure Report on annual basis and each time if conflict of interest activity may or may not occur during the year. The report from employees shall be reported to supervisor in hierarchy and Corporate Secretary is assigned to be a keeper of such report in confidential manner.
10. The Directors and the executives must consider conflict of interest concerning the related transactions between the Company or the Company with relevant parties deliberately with honesty, rationale and independence under the scope of code of ethics by considering the highest benefits of the Company as priority.
11. Acceptance of new personnel in relationship with the personnel of the Company and subsidiaries must be acted upon with transparency and justice to the candidates holding similar qualifications. The personnel of the Company and subsidiaries must not intervene or use own power to assist on the employment of his/her acquainted persons.

5) Responsibility to Stakeholders

The Company fully respects the rights of all stakeholders and has a policy to accommodate each group with the rights including internal stakeholders namely employees, the Executives of the Company and subsidiaries and external stakeholders namely shareholders, customers, business partners, creditors, competitors as well as the public and the society. The code of ethics is defined as "Stakeholders" and included under section 'Business Ethics' featured in the Corporate Governance & Code of Conduct Manual (8th edited version) on November 12, 2021. More information is available on the Company's official website, www.pranda.com, under "Investor Relations" section, "Corporate Governance" topic.

6) Anti-Corruption

The Company recognizes importance of anti-corruption and adheres to transparency as well as business moral and ethics with responsibilities to stakeholders to exempt any actions intended towards practical motivation as stated "Ask, promise, give and receive assets or other forms of benefits with government official or any person dealing business with the Company, whether directly or indirectly, results in acquisition or maintenance of any other improper business benefit. Except in the case provided by laws, regulations, notifications, rules, local customs, tradition or trade practices that such practices are permissible." The

Company has established policy and guidelines of anti-corruption in the Code of Conduct and Anti-Corruption Manual.

Accordingly, the Company has published details of policy and practices to prevent any actions related to corruption on the Company's website, www.pranda.com, under "Investor Relations" section, "Corporate Governance" topic as well as the Company's intranet under "Documents/Manual" section.

7) Measures on Persons not Complied with Policy and Guidelines

The Company has established measures on persons not complied with policy and guidelines which shall be subject to disciplinary action and if any actions are likely to be against laws, rules and government regulations, the Company shall report to government officials for further action

8) Human Rights

The Company realizes importance on code of conduct by adhering to social responsibility and stakeholders in compliance with Corporate Governance and Ethics by strictly acting upon rules and international practices, especially support and practice following the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the International Labor Organization Declaration on Fundamental Principles and Right at Works (ILO).

9) Intellectual Property

The Company has essentially set up the Code of Conduct concerning the intellectual property or copyrights. The policy is stated towards prevention of infringement or abusive use of the intellectual property and running the business in accordance with the required laws, rules and contractual obligations. Accordingly, the personnel of the Company are responsible for not disclosing trade secrets, formulations, production processes or confidential business practices and shall keep information safe and prevent for any possible leakage. The personnel of the Company must respect the rights of intellectual property of others and must not grant others' creation, even partially, to be used for his/her own benefits without permission unless the owner is compensated beforehand. In addition, the policy includes the prevention of illegal use on software programs with the strict compliance to the code of conduct concerning the responsible use of technology to cause no infringement of others' rights.

Accordingly, the Company has not received any complaints concerning the infringement of the copyrights or intellectual property.

10) Channels for Complaints and Whistle-Blowing

The Company supports employees and stakeholders to participate in supervision and compliance with laws and rules related to the principles of good corporate governance and code of conduct as well as reporting and complaining any actions against laws or ethics or any misbehaviors leading to corruption or misconduct through direct channels for complaints or by mail to:



- >> **Board Chairman /
Chairman of the Audit Committee**
Pranda Jewelry Public Company Limited
28 Bangna-Trad 28, Bangna Tai, Bangna,
Bangkok 10260 Thailand
or via other available channels on
the Company's website www.pranda.com
or email to:
- >> **Board of Directors**
board@pranda.co.th
0-2769-9923
- >> **Corporate Secretary Office**
cs@pranda.co.th
0-2769-9431
- >> **Internal Audit Office**
ia@pranda.co.th
0-2769-9905
- >> **Investor Relations**
ir@pranda.co.th
0-2769-9431
- >> **Corporate Communication**
corpcomm@pranda.co.th
0-2769-9494
- >> **Human Resources**
hr@pranda.co.th
0-2769-9961

To protect the rights of whistleblower or complainant or cooperators involved in the investigation, the Company will not disclose the names of whistleblowers and will keep such complaints as confidential to prevent any effects that might happen to the whistleblowers. In addition, protection measures are established in case the whistleblowers feel unsafe or troubled. The Company will accordingly proceed with fair and appropriate practices along with alleviation of damage when any sufferers are found.



6.2 Code of Conduct

The Board of Directors has established the "Code of Conduct" in written form as the guidelines and good practices for the Directors, the Executives and employees in all levels to understand the ethical values being applied in the business operations, regarded as code of honesty, and has seriously promoted ethical practices while monitoring the performance based on "the Corporate Governance & Code of Conduct Manual (8th edited version)". The manual has been communicated to employees in all levels of the Company to essentially adhere to and published on the Company's official website, www.pranda.com, under "Investor Relations" section, "Corporate Governance" topic.

6.3 Changes and Significant Development of Policy, Guidelines and Corporate Governance Process in the Past Year

6.3.1 Changes and Significant Development on Policy Review

The Board of Directors recognizes importance of development on the corporate governance of the Company to result in corporate sustainability. Accordingly, the Board of Directors has regularly reviewed the appropriateness, adequacy of policy and guidelines on corporate governance and code of conduct on annual basis to be in compliance with nature of business operations and environment which may evolve including laws, regulations and guidelines. For 2021, the meeting of the Board of Directors 5/2021 on November 12, 2021, the Directors considered a review and approval of "Corporate Governance & Code of Conduct Manual (8th edited version)" with key aspects updated as below.

1. Add new policy on the following aspects:
 - 1.1 Human Rights Policy
 - 1.2 Privacy Policy
2. Edit and add details of key policy as well as guidelines related to good corporate governance on the following aspects:
 - 2.1 Edit "Sustainable Management Policy"
 - 2.2 Edit Labour Practices and Respect for Rights of Employees Policy to "Fair Labour Practice Policy"
 - 2.3 Cybersecurity Policy and Measures
 - 2.4 Edit details on "Information Disclosure and Transparency"
 - 2.5 Add elements on the Board of Directors by prescribing the number of the Female Directors not less than 30 percent of total number of the Directors of the Company in section "Responsibilities of the Directors".

6.3.2 (CG Code) Guidelines on Corporate Governance Code (CG Code) for the Listed Companies in 2017

The Board of Directors has considered the Guidelines on Corporate Governance for the Listed Companies in 2017 issued by the Office of the Securities and Exchange Commission (SEC) by determining roles and duties of corporate leaders upon the implementation of good corporate governance to create sustainable values to the business. The assessment based on CG Code principles is conducted by comparison with operational policy towards good corporate governance and business context. The Board of Directors has advised that the Company has policy, measures and work procedures in compliance with CG Code principles which are applicable for the growth directions of the Company. Hence, the pending issues raised in 2021 are described below.

Pending Issues	Reasons
The Company has Independent Director holding a Director position for more than 9 years.	As the Board of Directors and the Nomination and Remuneration Committee are concerned to knowledge, competency and business experience of the Independent Directors including ability to act as an Independent Director as well as freedom of expressions, therefore, an Independent Director can hold the position for more than 9 years; existing total number of 1 Director. However, there are 2 Independent Directors holding terms less than 9 years. Hence, each Independent Director has demonstrated and proved towards maintaining characteristic of being independent and having no conflict of interests and/or any significant interests with the Company.
The Chairman of the Board of Directors is not an Independent Director	The business operated in the jewelry industry requires personnel with knowledge, competency and long business experience to drive the business to achieve targets. However, the Company's business and the Board of Directors are structured on the principles of good corporate governance upon the guidelines of the Stock Exchange of Thailand.

6.3.3 Information Disclosure of other Practices on Good Corporate Governance



The Company has continuously followed the Guidelines on Corporate Governance for the Listed Companies in 2012 of the Stock Exchange of Thailand (SET) as well as criteria and Corporate Governance Report of Thai Listed Companies (CGR) of the Institute of Director (IOD). The Company achieved 5 stars or "Excellent" level in the Corporate Governance Report of Thai Listed Companies 2021. The Company is considered as 1 of the 268 listed companies rated "Excellent", out of 716 listed companies in total, and is 1 out of 60 companies categorized in Top Quartile group of the listed companies with market value below THB 1,000 million, out of 222 in total, according to the survey of Corporate Governance of Listed Companies 2021, conducted by the Stock Exchange of Thailand (SET), the Office of the Securities and Exchange Commission (SEC) and the Institute of Director (IOD).

Thus, there are some policies in which the Company has implemented in other different ways from the prescribed guidelines upon reasonability and applicable environment under business operations to achieve goals and objectives of the Company as well as the best interests of the shareholders. In 2021, the pending issues which have not yet been complied with good corporate governance are described below along with reasons.

Pending Issues	Reasons
The Company does not arrange for the cumulative voting for an appointment of the Directors.	As the Company's Articles of Association is stated with 'One Share One Vote', the implementation of the cumulative voting may result in the discrepancy of qualifications of the appointed Director based on the Board Skill Matrix, a tool used for the appointment of the Directors to align with the Company's strategy, and may also lead to conflicts in management of the Directors focusing on the benefits of shareholders.
The Nomination and Remuneration Committee is not mostly, more than half, comprised of the Independent Directors.	The Nomination and Remuneration Committee comprises of 6 members, consisting of 1 Independent Director who is the Chairman. Even though the other five members are not entitled as the Independent Directors, the process of nomination and remuneration for the Directors and Executives is carried out towards clarity and transparency with no conflicts on the anti-corruption policy. The policy is also as compatible as 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 establish the CG Committee essentially comprising of the Director level.	The Board of Directors is exclusively governing CG practices of the Company.
The Board of Directors is comprised of less than half of the Independent Directors.	The Company has been in compliance with principles of the Office of the Securities and Exchange Commission (SEC) by appointing the Independent Directors of at least one thirds of the Directors. Thus, the entire Board of Directors perform duties of governing the Company with fairness, transparency and appropriateness with concerns to the benefits of the Company as priority.



SET Corporate Governance Principles & Guidelines

1) Rights of Shareholders

The Company has set up the meeting date of the Annual General Meeting which is taken place once a year and within 4 months after the end of the financial year to give opportunities for the shareholders and institutional investors to assess to business performance of the Company, to express opinions and to take part in making decisions on key agenda of the Company. Thus, the Company has prepared for the Annual General Meeting of Shareholders as below.

Before the Date of the Annual General Meeting

As the Company is primarily concerned to the benefits of shareholders, the exercise of rights of shareholders are thus promoted and protected in accordance with the laws and the Company's Articles of Association. Accordingly, the Company provide complete, adequate and timely information to shareholders to be used for making decisions, to exercise voting rights in significant matters and to acknowledge business performance of the Company. The agenda of the Annual General Meeting has been notified and proposed along with the nomination of the Directors as well as for the questions prior to the Annual General Meeting through the SET's electronic system (SETLink) and procedures of proposing agenda is also published on the Company's website.

The Company has arranged the invitation letter for the Annual General Meeting in an electronic QR Code form with files available for download including detailed agenda of the meeting and full set of supporting documents, both in Thai and English, to facilitate both Thai and foreign shareholders with complete and adequate information. Each agenda proposed in the meeting invitation letter is stated with facts and reasons as well as opinions of the Board of Directors. For key agenda significant to shareholders for decision making, details are indicated in the meeting invitation letter such as the agenda concerning the appointment of the Directors and external auditors in which the names and profiles of the nominated persons including other necessary information are listed for the consideration towards ability and appropriateness as follows:

- >> The Company's Annual Report containing important information of the Company and business performance in the past year.
- >> Details of supporting information for each agenda are indicated such as the agenda on the appointment of Directors to replace retired Director contains brief

profiles of the Directors including age, education, past and present positions, number of the Company's shares, number of terms of working for the Company, position in listed company and other businesses that may cause conflict of interests to the Company and legal disputes.

- >> The instructions of proxy, registration and presentation of the invitation documents for the meeting and voting.
- >> The information of the Independent Directors which shareholders can consider as proxies with detailed profile.
- >> The meeting procedures.
- >> The Articles of Association particularly for the Annual General Meeting.
- >> A map of the venue
- >> Three types of the proxy forms, as specified by the Department of Business Development, Ministry of Commerce, include Form A - a general proxy form, Form B - a proxy form defined with items and Form C - a proxy form available only for foreign shareholders appointing a custodian resided in Thailand to be responsible for deposits and stocks.
- >> The Company has set the guidelines for shareholders to propose the agenda of the Annual General Meeting, propose the nomination of Directors and submit questions prior to the meeting date through the SET's electronic system (SETLink) within 3 months before the end of the accounting period by announcing the rules and procedures unofficially published on the Company's website, www.pranda.com, during October to December of each year until the written form submitted by the shareholders. The Corporate Secretary will initially consider the agenda prior to proposing to the Board of Directors to consider for the necessity and appropriateness of the agenda proposed by the shareholders to be included as the meeting agenda in which the resolution of the Board of Directors is considered final. The agenda agreed by the Board of Directors will be included on the agenda stated in the

Annual General Meeting invitation letter with opinions from the Board of Directors. The agenda proposed on set criteria is to be notified for acknowledgement in the Annual General Meeting while the reasons upon the rejection of any proposed agenda is also described.

For the Annual General Meeting 2020, held on April 21, 2021, no shareholders had proposed for meeting agenda, nomination of Directors and questions. In addition, the Board of Directors agreed to add topic of 'Other issues for consideration (if any)' on the agenda in order that the shareholders are able to propose any issues for the meeting's consideration in accordance with the provisions of the Public Limited Companies Act B.E. 2535, Section 105, stating that any shareholders holding not less than one-thirds of the total number of shares sold are able to request for further consideration of other matters aside from items specified in the meeting agenda. Finally, no other matters were raised for approval but only suggestions and questions were noted in the minutes of the meeting.

On the Day of the Annual General Meeting

For 2021, the Company arranged the Annual General Meeting of Shareholders 2020 on Wednesday April 21st, 2021 at 14.00 hrs. at the Auditorium Room, B1 Building, Pranda Jewelry Public Company Limited, 28 Soi Bangna-Trad 28, Bangna Tai, Bangna, Bangkok with facilities and measures provided to shareholders as follows:

- >> To follow the preventive and control measures of the Coronavirus (COVID-19).
- >> To arrange the registration through Barcode system 2 hours prior to the meeting time. Although, the registration time was over, the shareholders willing to attend the meeting were still able to register with no loss of rights or continuously until the meeting ended.
- >> To prepare the printing of the full meeting invitation letter and supporting documents for consideration on each agenda.

The Annual General Meeting was orderly conducted as below.

1. Before the meeting, the Chairman of the meeting or the assigned person introduced the Board of Directors, the Chairman of Subcommittees, the Executives and the external auditors to the meeting and assigned the Directors to explain the meeting procedures and voting methods and also gave opportunities for shareholders to inquire the voting process and methods.

2. The Meeting was conducted in an order of the agenda as stated in the meeting invitation letter to the Annual General Meeting. In addition, the minor shareholders and the representatives from the Thai Investors Association were asked to be the volunteer representatives for counting the votes of each agenda and stationed at the designated point. However, there was no volunteer from shareholders, the representatives from the Thai Investors Association were asked to be the observers instead of the shareholders.
3. The Company suitably allocated the time without adding any agenda which was not notified to shareholders in advance as well as no dissemination of additional documents being suddenly given.
4. The ballot casting was used for the agenda required for an approval. For the agenda on the appointment of the Directors, individual vote casting was used for transparency and verification in compliance with the Articles of Association stating that the appointment of the Director must be through One Share: One Vote method.
5. The shareholders who attended the meeting after the meeting commenced were allowed to exercise the rights or vote on the agenda being considered and not yet concluded.
6. The minutes of the meeting and the voting record of each agenda were completely made.

For the number of attendees in the Annual General Meeting 2020, the shareholders attending by their own presence and by proxies were 27 persons, total 274,536,286 shares, categorized as by own presence at 192,413,463 shares and by proxies at 82,122,823 shares, accounted for 50.93% of total paid-up shares at 539,026,606 shares.

Thus, the Board of Directors were present at the Annual General Meeting total 10 persons, accounted for 100% of the total number of 10 Directors including Chairman of the Subcommittees, Managing Director and the external auditors.

After the Date of the Annual General Meeting

The Company proceeded the procedures as below.

1. The Company submitted the resolutions of the Annual General Meeting 2020 indicating the voting results for each category including "Agree", "Disagree" and "Abstain" along with proportion of voting results of each category through the SET's electronic system (SETLink) to the SET and published on the Company's website,

available in both Thai and English, on the following business day after the meeting.

2. The minutes of the Annual General Meeting 2020 was thoroughly and clearly prepared by the Corporate Secretary in written form stated with key points of each matter proposed to the meeting, key summary of inquiries from the shareholders and explanations of the Board of Directors including additional suggestions and comments as well as the resolutions of the meeting and each category of voting results and proportion of votes in each matter. The minutes was signed and certified by the Chairman of the meeting and the authorized Directors of the Company.
3. The minutes was submitted to the Stock Exchange of Thailand (SET), the Office of the Securities and Exchange Commission (SEC) and the Department of Business Development within 14 days after the meeting according to the principles of the SET as the documents for examination and reference and also published on the Company's website, www.pranda.com, on March 19, 2021 along with photos and voice record of the Annual General Meeting.



From the abovementioned procedures, the Company has been evaluated towards quality on organizing the Annual General Meeting (AGM) by the Thai Investors Association with a score of 98.5 from full score of 100 and ranked in "Excellent" range.

2) Equitable Treatment of Shareholders

The Company adheres to equitable treatment of shareholders in accordance with the principles of the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) and gives importance to the treatment and protection of basic rights of the shareholders as follows:

1. To respect the rights of shareholders, the Company discloses the complete version of the Annual General Meeting invitation letter on the website and submits the Annual General Meeting invitation letter by post to shareholders in advance, both Thai and English, upon established principles. The letter indicates the proxy forms for the shareholders who are not able to attend the meeting which must be submitted not less than 21 days prior to the meeting date according to the terms

and conditions stated by the Business Development Department. The procedures and guidelines on voting for the others or the Independent Directors and the custodian for the shareholders holding non-Thai nationality are also stated in the letter.

2. To provide processes and channels for minor shareholders to participate in proposing an agenda of the meeting, nominating for the Director position and submitting inquiries prior to the meeting date during October to December every year, by individual or multiple shareholders holding not less than 5% of total voting shares of the Company. Hence, proposing a meeting agenda or nominating a person for the Director position must be complied with laws and the Company's Articles of Association as published on the Company's website.
3. To ensure the shareholders with transparency and authentication, the Company shall not add or adjust the meeting agenda or significant information without notifying the shareholders in advance. In addition, the voting ballots are used for each agenda as well as the agenda for the appointment of individual Director in the Annual General Meeting.
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 method.
5. The Company has no business group structure operating on related transactions that may cause conflict of interest.
6. The Company has arranged the Corporate Governance & Code of Conduct Manual (7th edited version), defined with principles and best practices with prevention policy on the use of insider information, and published for the Directors, the Executives and employees of the Company to follow as below.
 - 6.1. The first four Directors and Executives, according to the Notification of the Capital Market Supervisory Board TorChor 23/2551, including spouses and minor children of the Directors and the Executives of the Company are obligated to report the securities holding to the Office of the Securities and Exchange Commission (SEC) under Section 59 of the Securities and Exchange Act, B.E. 2535 and to submit the report to the Board of Directors upon each transaction related to a purchase, sale or transfer of the securities

on the same date of which the report is submitted to the Office of the Securities and Exchange Commission (SEC).

- 6.2 In 2021, there were no Directors or Executives trading stocks by using insider information as announced on the Company's intranet regarding the policy on the use of insider information and securities trading of the Directors, the Executives, and individuals who know or possess insider information or are able to assess insider information including close persons with abnormal records on trading.
7. The Directors, the Executives including spouses and minor children of the Directors, the Executives and employees of the Company and the Subsidiaries who intend to trade the securities of the Company must inform the Corporate Secretary at least 1 day in advance prior to trading.
8. In case there are any related transactions required for an approval from the shareholders as stated by the Stock Exchange of Thailand (SET) before making any transactions, the Company will clearly disclose details and reasons of such transaction as well as opinions from the Board of Directors on particular transactions to the shareholders beforehand.
9. The Company has disclosed related transactions at fair and at arm's length basis according to the SET regulations with details on "Notes to Financial Statements" and "Related Transactions".
10. The Company has no transactions related to offering financial assistance to the Company that is not a subsidiary of the Company including ownership structure of having no cross-shareholding in the Group of Companies.
11. The Company requires employees at all levels to report to the Company whether having or not having any possible transactions related to benefits opposing to the interests of the Company.

3) Roles of Stakeholders

The Company fully respects the rights of all stakeholders and has a policy to accommodate each group with the rights including internal stakeholders namely employees, the Executives of the Company and the Subsidiaries and external stakeholders namely shareholders, customers, business partners, creditors, competitors as well as the public and the society. The code is defined as "Stakeholders" and included under section 'Code of Conduct' featured in the Corporate Governance & Code of Conduct Manual (8th edited version) on November 12, 2021. For 2021, the Company has treated each group of stakeholders per below.



1. Shareholders

The Company is committed to operating the business with ethics and being fair representatives of the shareholders for the highest benefits towards transparency and long-term values to shareholders with growth and stability along with good and sustainable returns. Accordingly, the policy and guidelines to shareholders are established towards performing own duties with honesty and leading to no conflict of interest or violation of the shareholders' rights, related to no respects of basic rights of the shareholders or misuse of insider information of employees at all levels. The Company has promoted good relationships and effective communication with the shareholders and investors and also disclosed information with transparency and fairness through various activities and channels including public disclosure of information through various forms of media to the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission via electronic system as well as news published to the press throughout the year. The shareholders shall not also seek for self-interest and other interest from their duties.



2. Customers

The Company has established code of conduct for fair treatment as well clear roles and responsibilities to the customers and has been certified by the Responsible Jewellery Council (RJC), an organization defining the standard of jewelry production with the environmental and social responsibility. The Company is committed to delivering customers with quality and reliable products and services under the international standard on quality management system ISO 9001:2015. The Company's professional employees, in team, are dedicated to designing jewelry and gems with stringent quality control in each procedure to deliver products on due

time for the highest customer satisfaction. The continuous improvement is carried out with caring practices to deliver products according to the customers' requirements to achieve high satisfaction by utilizing resources, time, personnel, capital, materials, machines, equipment, information, technology and processes both efficiently and effectively with high concerns towards occupational health, safety and environment both strictly and continuously. By being applied with mechanism and customer service system in providing customers with prompt response, as a result, the Company has been certified by the Global Group United Kingdom accredited by UKAS Management Systems with 3-year certification valid from December 17, 2018 to December 17, 2021.

3. Supplies and Creditors



The Company has clearly stated code of conduct for business partners and creditors with concrete business partner selection process. Hence, the code of conduct and anti-corruption guidelines are established as practices for transparent and fair treatment to the business partners. The Company determines the qualifications of partners based on stability and credibility of the organization accredited with ISO 9001 with important certificates, stable financial status, records of on-time product delivery with efficiency, quality and standard and reasonable price. Accordingly, details of potential business partners, at least 3, are to be compared for equality. The Company shall not request for any benefits that may lead to injustice and must strictly follow the contracts and conditions as agreed. In addition, the Company treats business partners and creditors fairly and settles debts to the creditors in timely manner in accordance with terms and conditions as specified in the contract requirements and financial obligations. Hence, in case there are reasonable causes to change conditions or significant reasons that may significantly affect financial status and debts, the Company will inform the creditors to mutually find out preventive actions or solutions and to cause no damage as well as using credits approved by the creditors or financial institutions for the purpose of the Company as notified to the creditors or financial institutions.



4. Competitors

The Company operates its business with fair practices to the competitors under trade competition framework with transparency, law compliance and code of conduct

with regard to practices towards trade competition. In addition, the Company will not act or abuse any aspects which lead to the pursuit of confidential information of competitors by fraudulent methods and violate the intellectual property of competitors. Moreover, the Company refrains from accusation of mischief without truth and shall not ruin the reputation of the competitors and monopolize the allocation of revenue and market share.



5. Employees

The Company recognizes the values of personnel and believes that personnel is the most important factor in running the business. Therefore, the Company gives priority in keeping employees continuously promoted and developed under policy and guidelines concerning remuneration and benefits of the employees and has established the policy of respects to the rights of the employees stated in the Good Corporate Governance manual. The Company adheres to equitable and fair treatment to employees regardless of birthplace, race, religion, gender, marital status, language or position and does not support on child labor, human trafficking and all forms of corruption.



6. Community and Society

The Company is concerned to social responsibility by focusing on environmental impacts affecting employees, society and related parties. Thus, policy to control and reduce the impacts to environment, natural resources and energy is established for the Executives, employees and related parties to participate and adhere to.

The Company provides support to employees and stakeholders towards monitoring and following laws and regulations concerning the Corporate Governance and Code of Conduct as well as reports and complaints of illegal acts against laws or code of conduct or behaviors which may lead to corruption or misbehavior through complaints channel.

For 2021, the Company had no report on violation of labor laws, employment, consumers, trade competition, environment and received no complaints from the stakeholders.

4) Information Disclosure and Transparency

The Company discloses information to shareholders, investors, security analysts and press by Managing Director and the top management upon announcing business performance, giving additional information, answering inquiries during the Annual General Meeting and the meetings with stakeholders as well as publishing on various channels throughout 2021 as below.

Activity	Amount (Times)
Special Interview on TV	21
Public Relations of the Company's News	305
Field Study and Business Site Visit	4
Newsletter	6
SET News	26
Opportunity Day	4

In 2021, the Company had no penalties taken by the regulators as no announcement or disclosure of important information be made within the specified period.

Preparation of Financial Reports

The Board of Directors is responsible for preparing and reviewing financial reports with accuracy, completeness and transparency as to retain the Company's properties from being lost or used by unauthorized persons and preventing fraud and unusual operations to be carried out in compliance with Thai Generally Accepted Accounting Standards and relevant laws and notifications in order to provide stakeholders with confidence in financial reports. The Board of Directors has assigned the Audit Committee to review the financial reports, the application of appropriate accounting policy following relevant laws and notifications as well as reviewing the accuracy and adequacy of financial reports. In this regard, the Audit Committee has set the meetings with auditors, without presence of the management team, at least 4 times a year to ask for comments from the auditors on various issues. The Company has hired EY Office Limited as auditor of the Company considering from knowledge, professional skills and no conflicts of interest leading to a lack of independence and neutrality. With all required qualifications, the Directors and shareholders can be ensured that the Company's financial reports reflect the accurate Company's financial status and operating performance with reliability in all aspects.

In 2021, the Company disclosed the annual and quarter financial statements to shareholders and investors within the specified period and had no record on instructions for the amendment of the financial statements by the Office of the Securities and Exchange Commission (SEC).

5) Responsibilities of the Board of Directors

The Board of Directors, on behalf of shareholders, is responsible for governing the management of the Company to be complied with laws, objectives and the Articles of Association as well as reporting the progress of business performance and results of the Company for the Executives and employees to be driven towards the same direction. The roles and responsibilities are written in the Charter of the Board of Directors available on the Company's website, www.pranda.com, under "Investor Relations" section, "Corporate Governance" topic.

**Roles on being Part of UN Global Compact Local Networks**

Pranda Group is regarded as the first Thai company signed up to the UN Global Compact since 2002 and as one of the founding members of the UN Global Compact Local Networks to enhance collaboration among organizations according to the UNGC principles to create transparency and responsibilities to individual, society and the nation which will essentially lead to the sustainable development. The Company has played a role in the network by having the representative of the Company, Mrs. Sunanta Tiasuwan, the Director, to hold the position of 2nd Vice-President and Executive Director of UN Global Network Thailand. The network group has regularly organized seminars and meetings to create and enhance broader understanding of sustainability, corporate responsibilities and responsibilities for the nation.

Therefore, the Company has cultivated consciousness and attitude to employees at all levels to behave themselves according to the rules and social norms which create responsibilities for themselves, society and environment as well as strong foundation for the nation development by not conducting any misbehavior resulting in negative effects on themselves, others, country, natural resources and environment. In addition, all employees shall adhere to live with morality for the benefits of social sustainable development in compliance with the 10 principles comprising of 4 key areas including human rights, labour, environment and anti-corruption.

For 2021, the Company had no complaints or whistleblowers regarding misbehavior of ethics or any actions not being complied with corporate governance or any forms of corruption.

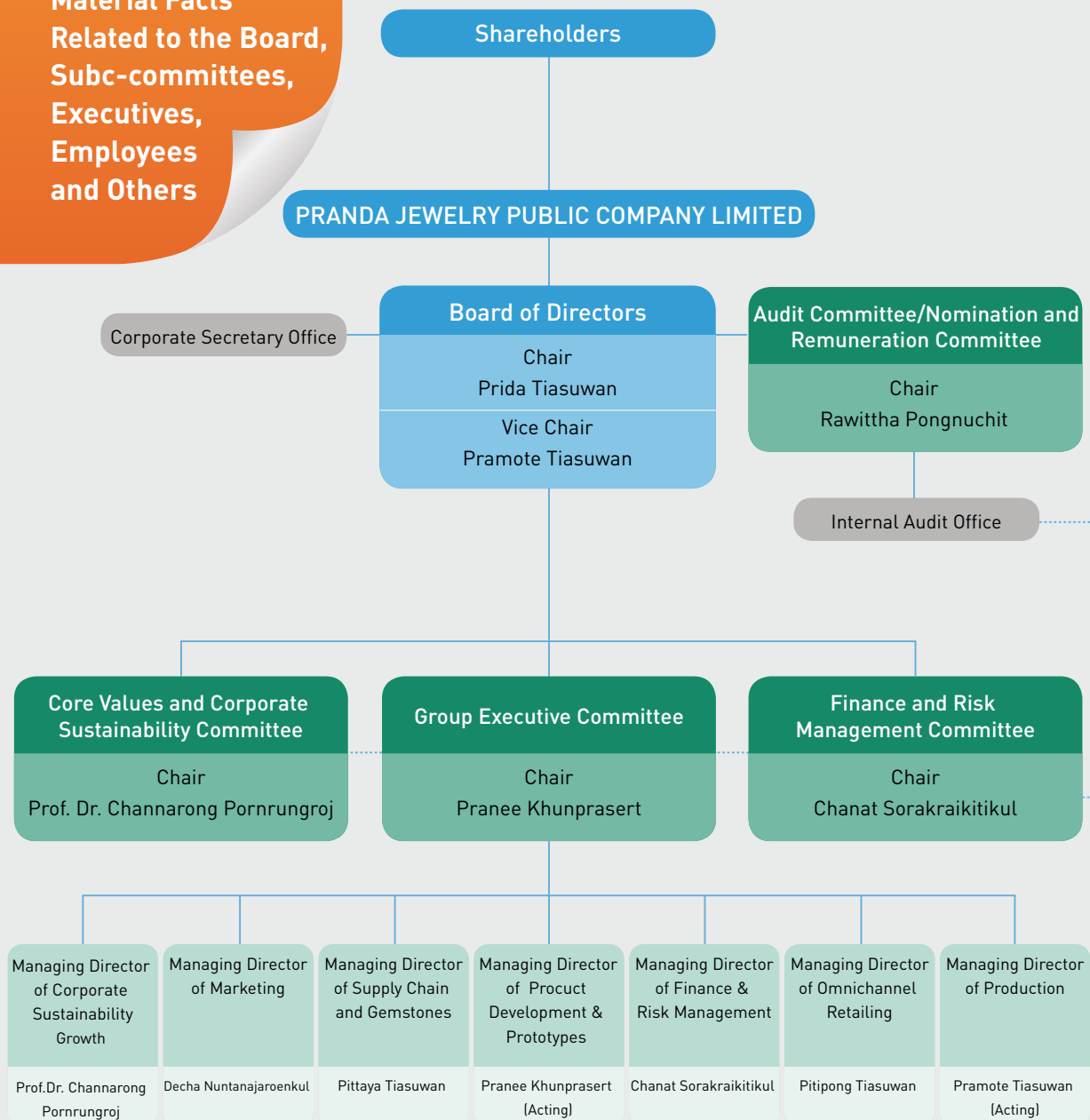
PART 2

Corporate Governance



7 Corporate Governance Structure and Material Facts Related to the Board, Sub-committees, Executives, Employees and Others

7.1 Corporate Governance Structure



Effective Date: January 1st, 2022

7.2 Board of Directors

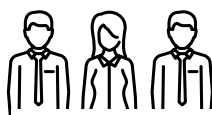
7.2.1 Structure of the Board of Directors

The Company's Articles of Association specifies that the Board of Directors consists of number of Directors not less than 5 but not more than 20 in which not less than half of the Board of Directors must reside in Thailand and hold qualifications as required by the Public Limited Companies Act and other relevant laws.

As of December 31st, 2021, the Board of Directors consists of total 10 members including the Independent Directors, Executive Directors and Non-Executive Directors regarded as qualified members holding knowledge, competency and experiences in fields of finance, accounting, management and others which are significantly beneficial for the Company. The Board of Directors is structured as below.

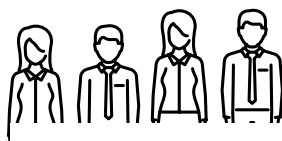
Independent Directors

Total 3 persons
(representing 30% of the Board)



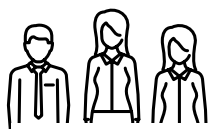
Executive Directors

Total 4 persons
(representing 40% of the Board)

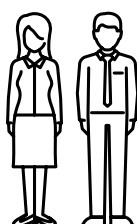


Non-Executive Directors

Total 3 persons
(representing 30% of the Board)



**Female
Directors
50%**



**Male
Directors
50%**

The Board of Directors sets up structure towards Board Diversity which comprises of the Directors holding qualifications and various skills such as industrial, accounting and financial, management and legal skills, etc. as well as experiences, capabilities and other specific qualifications including gender and age necessary to achieve the Company's objectives and goals. Hence, at least 1 Non-Executive Director experienced in core business or industry the Company is running shall be included. The Board of Directors accordingly specifies the written policy of Board Diversity.

The Board of Directors comprises of total 3 Independent Directors including 1 Independent Female Director in which the proportion is at least one third of total Directors. Therefore, the Independent Directors shall hold qualifications as specified by the Company as well as in accordance with the Notification of the Capital Market Supervisory Board and the principles of the Stock Exchange of Thailand.

Appointment and Tenure

The Board of Directors is specified with tenure and thus appoints the termination of the Directors on ratio of 1 of 3 to be taken place at the Annual General Meeting. In case number of the Directors are not able to be categorized into 3 parts, the termination will be taken place at least to 1 out of 3 Directors who will be terminated on the first year. For the second year, after the Company registration, the draw will be used instead and for the following years, the Director with the longest tenure will be terminated from the position. However, the terminated Director on particular tenure may be re-appointed upon selection.

Classification of Roles and Responsibilities of the Board Chairman and Managing Director

For the roles and responsibilities of the Board Chairman and Managing Director to be clearly independent, well-separated and well-balanced, the Company sets up the policy on classification of roles and responsibilities of the Board Chairman and Managing Director to be separated from each other and shall not be the same person. Roles and responsibilities are classified as follows:

Board Chairman is responsible for being a leader of business strategy and encouraging all the Board of Directors to participate in the meeting, supervise and support the mission of the Management to be carried out by Managing Director without interfering regular duties or business tasks responsible by Managing Director.

Managing Director is responsible for overseeing the management of the Company to be in line with the corporate vision, mission, strategy and policy as defined by the Board of Directors.

7.2.2 The Board of Directors

Name	Position	Types of Directors	Appointed Date ^{/1}
1. Mr. Prida Tiasuwan	Board Chairman	Non-Executive Director	April 23 rd , 2019
2. Mr. Pramote Tiasuwan	Vice Chairman	Executive Director	April 21 st , 2021 ^{/2}
3. Mrs. Prapee Sorakraikitikul	Director	Non-Executive Director	April 23 rd , 2019
4. Mrs. Sunanta Tiasuwan	Director	Non-Executive Director	July 16 th , 2020
5. Mrs. Pranee Khunprasert	Director/ Chairman of Group Executive Committee	Executive Director	July 16 th , 2020
6. Ms. Pittaya Tiasuwan	Director	Executive Director	April 23 rd , 2019
7. Mrs. Rawittha Pongnuchit ^{/3}	Chair of Audit Committee/ Chair of Nomination and Remuneration Committee	Independent Director	April 21 st , 2021 ^{/2}
8. Mr. Verachai Tantikul	Audit Committee	Independent Director	April 21 st , 2021 ^{/2}
9. Mr. Chamnong Watanagase	Audit Committee	Independent Director	July 16 th , 2020
10. Mr. Decha Nuntanajaroenkul	Director/Executive Director/ Deputy Managing Director (Marketing)	Executive Director	April 23 rd , 2019

Remark: ^{/1} Appointed date is the appointed date of all members of the Board upon tenure prescribed on the Company's Articles of Association.

^{/2} On the Annual General Meeting 2020 on April 21st, 2021, the resolution was stated on extension of another terms for the Directors namely Mr. Verachai Tantikul, Mrs. Rawittha Pongnuchit and Mr. Pramote Tiasuwan.

^{/3} Appointed as the Chairman of the Audit Committee and Chairman of the Nomination and Remuneration Committee, resulting in effect from 1 January 1922 onwards

The advisor to the Board of Directors is Mrs. Panidda Tiasuwan.

Authorized Directors who sign on behalf of the Company

The authorized directors who jointly sign on behalf of the Company are either Mrs. Sunanta Tiasuwan or Mrs. Prapee Sorakraikitikul or Mrs. Pranee Khunprasert together with Mr. Pramote Tiasuwan or Ms. Pittaya Tiasuwan or Mr. Decha Nuntanajaroenkul, in total of two directors and affix with the Company's seal.

7.2.3 Roles and Responsibilities of the Board of Directors

The Board of Directors, on behalf of shareholders, is responsible for supervising management and operations of the Company to be in line with laws, objectives and the Company's Articles of Association, the resolutions of the Board and the Annual General Meeting. The Board of Directors must carry on tasks with Duty of Care, Duty of Loyalty, Duty of Obedience and Duty of Disclosure.

As stated in the Company's Articles of Association, the Board of Directors is authorized for decisions and supervision of the Company with exemption of the following issues which must be approved by the Annual General Meeting prior to implementation:

- 1) Issues related to prescribed laws shall be approved by the Annual General Meeting.
- 2) Related transactions with value over criteria as prescribed by the Office of the Securities and Exchange Commission (SEC)
- 3) Trading of assets with value over criteria as prescribed by the Office of the Securities and Exchange Commission (SEC)

Further details of roles and responsibilities of the Board of Directors as well as the Board Chairman are disclosed in attachment 5.

7.3 Information on subcommittees

7.3.1 The Subcommittees

The Board of Directors has appointed various committees to consider and supervise the Company's operations on particular topics. Hence, for the highest efficiency and effectiveness of duties performed by the Board of Directors, the Subcommittees comprising of the Group Executive Committee, Audit Committee, Nomination and Remuneration Committee, Finance & Risk Management Committee and Core Values & Corporate Sustainability Committee are appointed. On November 12th, 2021, the resolutions of the Board of Directors meeting were stated with an approval for a review of Subcommittee Charter. Accordingly, details of authorization, roles and responsibilities of each subcommittee are further disclosed in attachment 5.

(1) Group Executive Committee

The Group Managing Director Committee consists of 7 members including 4 members from the Board of Directors and other 3 members from personnels who are competent in specialized fields. The terms of the Group Executive Committee are 3 years in which the retired Group Executive Directors may be re-appointed. The Group Executive Committee comprises of the following Directors:

Name	Position
1. Mrs. Pranee Khunprasert	Chairman
2. Mr. Pramote Tiasuwan	Director
3. Ms. Pittaya Tiasuwan	Director
4. Mr. Decha Nuntanajaroenkul	Director
5. Mr. Chanat Sorakraikitikul	Director
6. Prof.Dr.Channarong Pornrungrroj	Director
7. Mr. Pitipong Tiasuwan	Director

The advisors to the Group Executive Committee are as follows:

1. Mrs. Prapee Sorakraikitikul
2. Mrs. Panidda Tiasuwan
3. Mrs. Sunanta Tiasuwan
4. Mr. Chaisak Sakthanaseth

(2) Audit Committee

As the Board of Directors has recognized the importance of good corporate governance, the Audit Committee has thus been appointed on January 29, 1999 onwards and regarded as the significant tool for the Board of Directors towards overseeing business operations to achieve accurate and transparent standards, effective internal control and reliable reporting system beneficial to the shareholders and all related parties. The Audit Committee performs duties in compliance with the regulations and qualifications prescribed by the Stock Exchange of Thailand. The Audit Committee shall have full independence in working and reporting directly to the Board of Directors. The composition and qualifications shall be in accordance with the regulations of the Office of the Securities and Exchange Commission while the scope of authorities and responsibilities shall be in accordance with the standards prescribed by the Stock Exchange of Thailand which are clearly stated in the Charter. The Internal Auditors shall verify and audit the adequacy of audit and internal control system of the Company and directly report the results to the Audit Committee.

Currently, the Audit Committee comprises of 3 Independent Directors with terms of 3 years. The Board of Directors appoints the Audit Committee and assigns the Internal Audit Office Manager of the Company to be the secretary to the Audit Committee. The Audit Committee comprises of the following Directors:

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

Remark: ^{/1} Appointed as the Chairman of the Audit Committee, resulting in effect from 1 January 2022 onwards

^{/2} The Director in the 3rd order is knowledgeable in Accounting and Financial fields.

(3) Nomination and Remuneration Committee

The Board of Directors has appointed the Nomination and Remuneration Committee comprising of 6 Directors in which an Independent Director holding position as Chair of the Committee with terms of 3 years. The retired Nomination and Remuneration Director may be re-appointed by the Board of Directors. The Nomination and Remuneration Committee comprises of the following Directors:

	Name	Position
1.	Mrs. Rawittha Pongnuchit ^{/1}	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

The advisors to the Nomination and Remuneration Committee are as follows:

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

Remark: ^{/1} Appointed as the Chairman of the Nomination and Remuneration Committee, resulting in effect from 1 January 2022 onwards

(4) Finance & Risk Management Committee

The Board of Directors has appointed the Finance & Risk Management Committee with terms of 3 years in which the retired Finance & Risk Management Director may be re-appointed. The Finance & Risk Management Committee comprises of 7 Directors listed as follows:

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

The advisors to the Finance & Risk Management Committee are as follows:

1. Mr. Prida Tiasuwan
2. Mrs. Sunanta Tiasuwan

(5) Core Values & Corporate Sustainability Committee

The Core Values & Corporate Sustainability Committee is responsible for corporate development towards sustainability by thriving scopes of sustainability in 3 aspects including Environment, Society and Corporate Governance as well as promoting and enhancing the establishment of Core Values across the Group. The Committee's key roles are to encourage staff participation, improve for systematic activity, run projects continuously, apply activities and projects in operational routines and daily living to be in accordance with shared Core Values while supporting the United Nations Sustainable Development Goals (SDGs). Pranda Jewelry PCL., essentially focuses on 6 goals namely 1) Gender Equality 2) Decent Work and Economic Growth 3) Responsible Consumption and Production 4) Climate Action 5) Peace, Justice and Strong Institutions and 6) Partnerships for the Goals. The Core Values & Corporate Sustainability Committee is appointed with terms of 3 years in which the retired Director may be re-appointed. The Core Values & Corporate Sustainability Committee comprises of the following Directors:

Name	Position
1. Prof. Dr. Channarong Pornrungrroj	Chairman
2. Mr.Somsak Srirueangmon	Director
3. Mrs.Chawee Jarukornvasin	Director
4. Ms.Sasisopa Wattakeecharoen	Director
5. Ms.Suporn Rungpitayatorn	Director
7. Mr. Pitipong Tiasuwan	Director

The advisors to the Core Values & Corporate Sustainability Committee are as follows:

1. Mr. Prida Tiasuwan
2. Mrs. Panidda Tiasuwan
3. Mr. Pramote Tiasuwan
4. Mrs. Pranee Khunprasert
5. Mr. Decha Nuntanajaroenkul

7.4 Top Executives**7.4.1 Names and Positions of Top Executives**

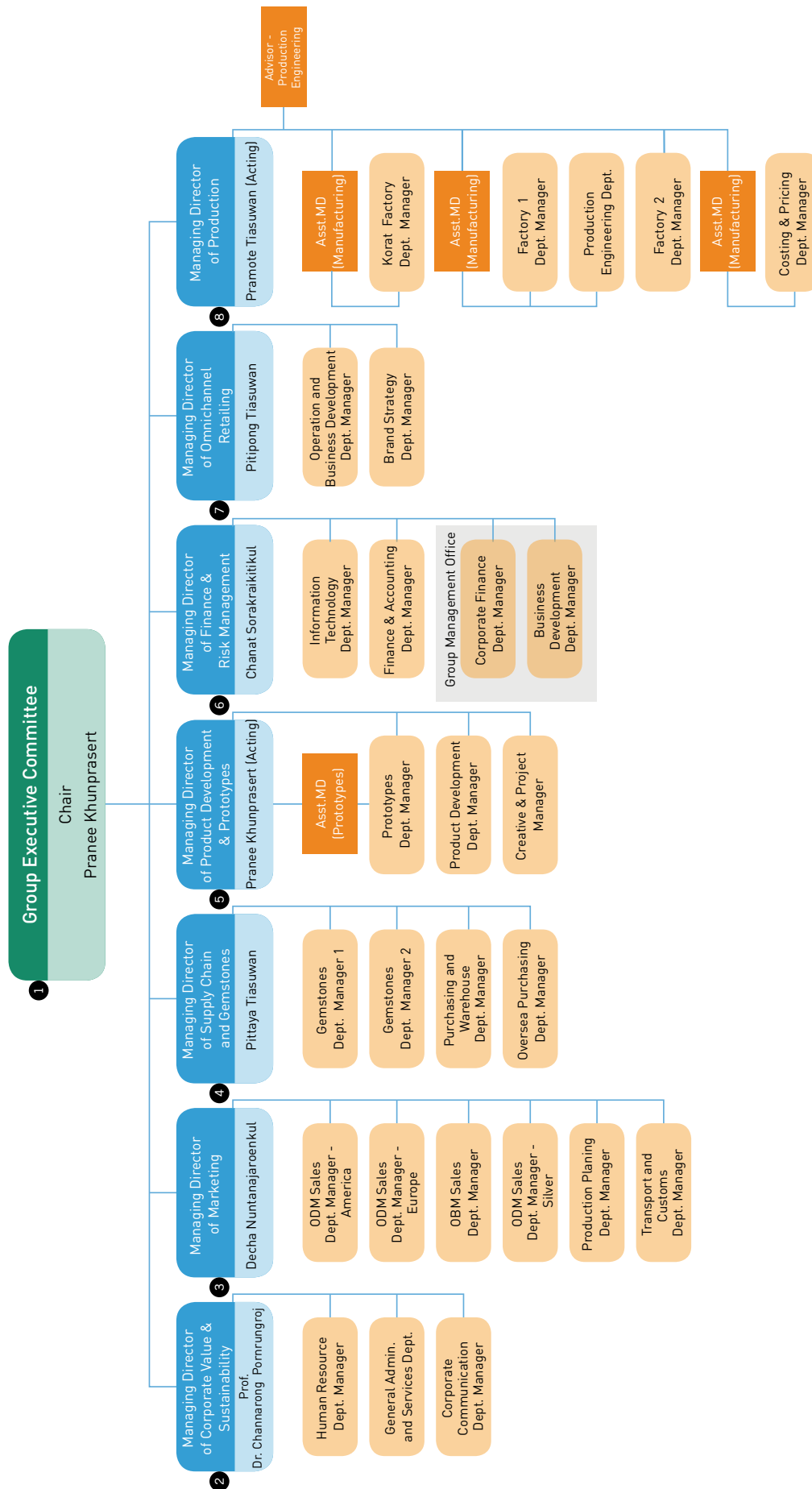
As of December 31st, 2021, the Company appoints total 7 executives as defined by the Office of the Securities and Exchange Commission with names and positions listed below.

Name	Position
1. Mrs. Pranee Khunprasert	Chairman of Group Managing Director / Managing Director of Product Development & Prototypes (Acting)
2. Mr. Pramote Tiasuwan	Managing Director of Production (Acting)
3. Ms. Pittaya Tiasuwan	Managing Director of Supply Chain and Gemstones
4. Mr. Decha Nuntanajaroenkul	Managing Director of Marketing
5. Mr. Chanat Sorakraikitikul	Managing Director of Finance & Risk Management
6. Prof. Dr. Channarong Pornrungrroj	Managing Director of Corporate Sustainable Growth
7. Mr. Pitipong Tiasuwan	Managing Director of Omnichannel Retailing

Remark: ^{/1} The appointment of total 7 positions is effective from January 1st, 2022 onwards.

^{/2} Defined as manager or the first four of executives after manager level, the appointed persons equivalent to the fourth executives as well as executives in accounting or financial function holding position above department manager level or equivalent.

Organization Structure of Pranda Jewelry Public Company Limited



Effective Date: 01 January 2022

1 - 8 The management of the company according to the Notification of the SEC regarding the definition of the issuance and offering of securities

7.4.2 Remuneration Policy of the Company's Executives

The Nomination and Remuneration Committee acts as proposer towards the criteria in remuneration of the Executives to the Board of Directors to be in line with mission and strategy of the Company, experiences, duties, scope of roles and responsibilities to be in competitive level which shall be comparable to the industry's offerings. The short-term incentives include salary and bonus while long-term incentives, to be considered by the Board of Directors on case by case basis, include Employee Stock Option Program (ESOP), which are all regarded as work motivations to achieve the Company's goals. The performance evaluation is based on Balanced Scorecard in which the Company indicates Objectives and Key Results (OKR) to be used as evaluation on performance efficiency towards the Company's goals. The incentives are thus related to performance achieved.

7.4.3 Total Remuneration of the Executives

1. Monetary Incentives

In 2021, the Company provides incentives including salary and bonus to the Executives total 7 persons worth THB 22.11 million and revenue for Compensation as executive from 1 January 2022 onwards.

2. Other Incentives

The Company provides provident fund to the Executives of the Company with rate of 4 percentage of the salary. In 2021, the Company paid provident fund to the Executives total 7 persons worth THB 1.12 million and 1 additional income as executives since the date January 1, 2022 onwards

7.5 Employees

The Board of Directors recognizes the importance of all employees who are regarded as significant resources. The Company has thus provided compensation and benefits towards fair treatment of all employees through regular provision and allocation of welfare and benefits to ensure that the remuneration of the Company is comparable to in the industry's offerings. The Company sets up policy on performance evaluation by KPIs methods to assess between actual performance and objective measurement.

The Company has total of 2,105 employees. In 2021, the Company provides remuneration to the employees total

THB 636.77 million including salary, wages, overtime, bonus, diligent allowance, social security fund and provident fund, etc. In addition, similar remuneration provided by the associates is total THB 170.24 million which has a number of 445 employees.

The Company has also provided other benefits as below.

1. Life Insurance (Group)

1.1 Life and Health Insurance

(Executives Level)

1.2 Accident and Overseas Travel Insurance

(Executives Level)

1.3 Accident Insurance (Group) for Senior Managers, Supervisors and High-risk Employees

1.4 Travel Insurance (Times)

1.5 Accident Insurance (Group) for Bilateral Students

2. Subsidies

The Company provides subsidies to the Employees including ordination, marriage, maternity, decease of executives and employees, decease of family members, medical benefits as prescribed by the Company's rules.

3. Annual Health Check Up Program

The Company arranges Annual Health Check Up Program to the Executives and employees.

4. Nursing Service

The Company arranges health and sanitation services with doctors and nurses stationed at the first aid room.

5. Social Security and Compensation Fund

The Company arranges for the registration of Social Security and Compensation Fund to employees as prescribed by laws in accordance with Social Security Act.

6. Provident Fund (PVD)

The Company announces the establishment of provident fund project towards objectives in providing security to the employees when they retire or resign from work. The proportions of employees joining provident fund compared to total employees including the Associates located in Thailand with provident fund offering are below.

Name of Company/Associates	Included/ Excluded PVD	Total Employees Joining PVD (persons)	Proportions of Employees Joining PVD/Total Employees (%)
Pranda Jewelry PCL.,	Included	784	48.70%
Primagold International Co., Ltd.	Included	111	60.7%
Pranda Lodging Co., Ltd.	Excluded	-	-

7. Other benefits include house loan (Government Housing Bank), cooperative, hospitalization visit and maternity (Executives), uniform, lockers, free rice, club, gym, fitness center, library and childcare center for employees' children.

The total number of employees of the Company and the associates as of December 31st, 2021 is listed below.

Total Employees	Manufacturing	Distribution	Retail	Others	Total
Operations/Service (persons)	1,627	0	191	3	1,821
Office (persons)	545	90	91	3	729
Total (persons)	2,172	90	282	6	2,550

Remark: The Company has no any labor disputes.

7.6 Other Important Information

7.6.1 Appointed Persons Directly Responsible for Supervising Accounting (Chief Accountant), Corporate Secretary, Head of Internal Audit and Head of Company Compliance

1) Person Supervising Accounting (Chief Accountant)

Mr. Thanee Panjakrid, working as Accounting and Finance Manager from July 1st, 2004, is appointed to supervise the preparation of accounting and financial reports which must be accurate towards reality, timeliness, reasonability and reliability to propose to the Executives, shareholders, government sectors and other related parties. The qualifications of the person supervising accounting (Chief Accountant) are described in attachment 1.

2) Corporate Secretary

The Board of Directors has appointed Mr. Dusit Chongsutthanamane to hold position of Corporate Secretary since December 19th, 2008. Corporate Secretary is the person appointed by the Board of Directors to assist on running activities of the Directors and the Company namely the Directors Meeting and the Annual General Meeting as well as providing suggestions to the Board of Directors towards execution and management to be compliance with laws and other relevant regulations in regular basis. In addition, Corporate Secretary is responsible for monitoring the Board of Directors and the Company towards information disclosure upon accuracy, completeness and transparency as well as supporting Corporate Governance to be carried out with Corporate Governance standards. The qualifications of Corporate Secretary are described in attachment 1.

3) Head of Internal Audit

In the process of recruiting.

4) Head of Company Compliance

Mr. Dusit Chongsutthanamane, Corporate Secretary, is appointed as Head of Company Compliance with duties towards being a center of corporate compliance of the Company and the Associates to be in compliance with laws, rules, regulations, policy and requirements of other related sections including the Office of the Securities and Exchange Commission (SEC), the Bank of Thailand, etc. Hence, the Board of Directors agreed on the implementation of Compliance Policy by appointing the Board of Directors, Audit Committee, Top Executives, department or section and employees to abide by the laws as well as communicating to employees to realize that every employee has his own duties and responsibilities in studying and understanding laws and rules related to responsible tasks and shall thoroughly and strictly carry out as prescribed by regulations. The qualifications of Head of Company Compliance are described in attachment 3.

7.6.2 Head of Investor Relations

Mr. Dusit Chongsutthanamane, Head of Investor Relations, is responsible for running proactive activities related to investor relations to communicate news and information including additional information from inquiries as well as information beneficial to the shareholders, institutional investors, securities analysts, etc. towards equality and fairness to stakeholders and create positive relationships between the Company and the shareholders. In addition, Head of Investor Relations shall involve in planning the annual investor relations plan and giving opportunities for the stakeholders to submit questions to investor relations via various channels such as email. Investors are able to contact through these 3 channels as follows:



Address: Pranda Jewelry Public Company Limited
28 Soi Bangna-Trad 28, Bangna-Tai subdistrict,
Bangna district, Bangkok 10260



Email: ir@pranda.co.th



Telephone Number: 0-2769-9431 or 0-2769-9999 extension 431

7.6.3 Audit Fee

The external auditors of Pranda Jewelry Public Company Limited are Ms. Siraporn Ouuanunkun, CPA number 3844 or Mrs. Chonlaros Suntiasvaraporn, CPA number 4523 or Mr. Chatchai Kasemsrithanawat, CPA number 5813 of EY Office Limited.

Audit fee paid by the Company and the Associates to EY Office Limited for the year 2021 is described below.

unit: Thai Baht

	The Company	The Associates
Audit Fee	3,130,000	1,070,000
Total	3,130,000	1,070,000

PART 2

Corporate Governance



8 Report on key Operating Results Related to Corporate Governance

8.1 Conclusion on Performance of the Board in the Past Year

In 2021, the Board of Directors reviewed the policy of sustainability management as guidelines for managing the business towards growth, stability and sustainability covering the principles of Environment, Social and Governance (ESG). The Core Values & Corporate Sustainability Committee, as the Subcommittee, is assigned to create culture and corporate shared values through integration of action plans to be effectively associated, to create harmony on the principles of Environment, Social and Governance (ESG), to follow rules, regulations and related laws, to be adhered to international sustainability practices upon 10 principles of UN Global Compact and to take part as founding organizations on the establishment of UN Global Compact Local Network as well as supporting the United Nations Sustainable Development Goals (SDGs). Pranda Jewelry PCL., essentially focuses on 6 goals namely 1) Gender Equality 2) Decent Work and Economic Growth 3) Responsible Consumption and Production 4) Climate Action 5) Peace, Justice and Strong Institutions and 6) Partnerships for the Goals. In addition, the Company agrees on the approval of assessing the adequacy of internal control system as well as the corporate risk management.

8.1.1 Nomination, Development and Performance Assessment of the Directors

For the appointment of the Directors, the Nomination Committee, comprising of 1 Independent Director out of total 6 Nomination Committee Directors, is responsible for the nomination and consideration of potential nominees following the Articles of Association. The nominees shall hold appropriate qualifications in order that the professional directors will be employed upon diversified characteristics based on structure, size and elements of the Board of Directors. The nomination shall be proposed to the Board of Directors for approval and the list of qualified Directors shall be further presented at the Annual General Meeting for appointment upon criteria.

Thus, the Nomination Committee takes into consideration the nature of business operations and future plans for the determination of the Directors' qualifications who must be knowledgeable and experienced in business of the Company. The Nomination Committee also provides opportunities for the shareholders to nominate the qualified Directors.

1) Nomination of the Independent Directors

Selection Criteria of the Independent Directors

The nomination of the Independent Directors shall be proceeded in compliance to the elements of the Board of Directors in which qualifications of the Independent Directors are stated in topic 'Management Structure' as required by the Securities and Exchange Commission (SEC) notification and shall be proposed to the Board of Directors' Meeting and/or at the Annual General Meeting for the approval on appointment of the Independent Directors. The qualifications and selection process of the Independent Directors are described below.

Qualifications

1. Holding no more than 1% of total voting shares of the Company, the Parent Company, Subsidiaries, Associates, major shareholders or controlling parties of the Company. Thus, the shareholding of persons related to the Independent Director shall also be included.
2. Not currently be or never been the Executive Director, worker, employee, salaried consultant or controlling parties of the Company, Parent Company, Subsidiaries, Associates, Subsidiaries in similar level, major shareholder or controlling parties of the Company, unless the status has been terminated at least 2 years prior to the date of submitting the permission to the Securities and Exchange Commission (SEC). Thus, such prohibition shall not include the case that the Independent Director used to be an official or advisor to the government sector which are major shareholders or controlling parties of the Company.
3. Not by blood or legally registered in the status of father, mother, spouse, brother and sister and child including spouse of son or daughter of the management, major shareholders, controlling parties or persons who will be nominated as the Executives or controlling parties of the Company or Subsidiaries.
4. Not currently having or never had any relations with the Company, Parent Company, Subsidiaries, Associates, major shareholder or controlling parties of the Company in the way that such relation may impede the person from having independent views. Also, the person should not currently be or never be a significant shareholder or controlling person having business relations with the Company, Parent Company, Subsidiaries, Associates, major shareholder or controlling parties of the Company, unless the status has been terminated at least 2 years prior to the date of submitting the permission to the Securities and Exchange Commission (SEC).

The term "Business Relationship" shall include normal business transactions on rental or lease of immovable property, transactions related to assets or services or giving or receiving financial assistance through loans, guarantees, providing assets as collateral as well as any similar actions which results in the debts obligated by the Company or counterparties to the other parties in the amount equal to or more than 3% of the net tangible assets of the Company or equal to or more than THB 20 million; whichever is lower. Thus, the calculation of such debts shall be proceeded in accordance with the calculation method on the values of connected transactions under the Notification of the Capital Market Supervisory Board upon the conditions of connected transaction mutatis mutandis. However, determination of such debts shall include any debts

- incurred during the period of 1 year prior to the date of commencing business relationship with the party
5. Not currently being or never been the auditor or never provided services as legal consultant or financial consultant with service fee more than THB 2 million per year from the Company, Parent Company, Subsidiaries, Associates, major shareholder or controlling parties of the Company. Also, the person should not currently be or never be a significant shareholder, controlling person or partners of current auditor's auditing firm, unless it has been at least two years after the person has held the position prior to the date of submitting the permission to the Commission.
6. Not currently be providing or never provided professional services neither legal consulting nor financial consulting services to the Company with service fee more than THB 2 million per year for the Company, Parent Company, Subsidiaries, Associates, major shareholder or controlling parties of the Company. Also, the person should not currently be or never be a significant shareholder, controlling person, or partners of current service providers, unless it has been at least two years after the person has held the position prior to the date of submitting the permission to the Commission.
7. Not currently be a director appointed to represent the Company's Directors, major shareholders or the shareholder who is related to major shareholder.
8. Not currently be operating under similar business nature and significant competition to the Company or Subsidiaries or not a significant partner of the partnership or an Executive director, salaried worker, employee or consultant or holding more than 1% of voting shares of any other companies operating under similar business nature and in significant competition to the Company and Subsidiaries.
9. Not under any conditions that may impede the person from having independent views towards the Company's operations.

After the appointment as the Independent Director in accordance with the conditions under items 1 – 9, the Independent Director may be assigned by the Board of Directors to make decisions on business operations of the Company, Parent Company, Subsidiaries, Associates, Subsidiaries in the same level, major shareholders or controlling parties of the Company in form of collective decision.

Nomination Process

1. For the nomination of the Directors, the Nomination and Remuneration Committee is to state the scope of nomination to create confidence that the selected candidate will be able to perform duties of the Directors following the 2 key fiduciary duties including Duty of

Care and Duty of Loyalty. The criteria in nomination of the Directors will be based on the structure of the Board of Directors, the Board Diversity, qualifications and skills necessary to be present for the Board of Directors. The Skills Matrix is developed to identify qualifications of the candidates by considering the essential skills. Thus, the Nomination and Remuneration Committee may consider nominating the candidates for the Board of Directors by referring the recommendations from the Directors of the Company, the shareholders, professional search firm, director pool from other sectors or other processes as deemed appropriate by the Nomination and Remuneration Committee.

2. Besides the nomination proposed by the Nomination and Remuneration Committee, the Board of Directors gives an opportunity to the minor shareholders to propose the candidates for the Director position to the Nomination and Remuneration Committee. The timeline for the nomination shall be applicable upon the consideration through Due Diligence process prior to the Annual General Meeting. Accordingly, the Company shall provide information through the SET's electronic system (SETLink) to the Stock Exchange of Thailand in which the shareholders can propose the candidates' names through the Company's website and submit the profiles of the Directors proposed through email board@pranda.co.th. The nominees must submit a confirmation letter accepting the Director position to the Company within December 31st of every year. Thus, all the required documents, once completely received, shall be submitted to the Nomination and Remuneration Committee for the selection and proposal of the nominees whose qualifications are complied with required laws and regulations, experiences, knowledge and competency beneficial to the Company for the Board of Directors' consideration. When the resolution is settled, the Company will present the names of the nominees for further approval at the Annual General Meeting given the majority vote of the shareholders attending the meeting with voting rights. Once being approved for the appointment from the shareholders or the resolution of the Board of Directors' meeting (in case of the replacement for the retired Director), the orientation program for the new Director will be conducted.
3. For the accuracy and transparency, the Board of Directors shall disclose the policy of recruitment and process of appointment for the Director position to the shareholders as well as preparing the nomination form indicated necessary information as supporting reasons for decision.
4. The process shall include screening and verifying the candidates for the Director position with related sectors to assure such persons are either not titled on the black list or removed from the lists of those sectors as

well as conducting interview with the nominees whose being screened and nominated by the Nomination and Remuneration Committee.

5. In the process of nominating the names of the Director, 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, in order that the Board of Directors will have the opportunity to select the most appropriate Directors prior to presenting to the Annual General Meeting for consideration based on the required number.
6. The Board of Directors will submit the names and profiles of the nominees to the shareholders in advance along with the invitation letter to the Annual General Meeting.
7. In case there is a nomination of the retired Director to be reappointed, the details of contribution and records of meeting attendance on the Board of Directors' meeting and the Annual General Meeting shall be presented for consideration.
8. In process of proposing the list of Directors to the shareholders for consideration, the Board of Directors gives opportunity to the shareholders to cast one vote for one nominee at a time in order to provide shareholders with the opportunity to consider the Directors individually and disclose the results of voting at the meeting.
9. The orientation for the newly appointed Directors will be officially conducted prior to the first attendance on the Board of Directors' meeting.

Thus, once the appointment of new Directors is taken place, the Company shall arrange the orientation session for the newly appointed Directors through briefings on the Company's vision, mission and core values as well as documents for the newly appointed Directors towards performing duties, regarded as Board Orientation Manual which includes the following aspects:

1. Information included in the pre-orientation for a Director position comprises of the Company profile, nature of business, the Group structure, organizational structure, structure of major shareholders and the Directors, remuneration and benefits of the Directors and the Executives, financial status and business performance for at least the past 3 years as well as roles and responsibilities of the Board of Directors as required by the related laws.
2. Information included in the orientation upon approval of the appointment as a Director from the Annual General Meeting comprises of issues that need to be conducted in compliance with laws, the Memorandum of Association, the Company's Articles of Association, roles and responsibilities of the Board of Directors and the Subcommittee, minutes of the Board of Directors'

meetings for the past at least 1 year, Director manual, Good Corporate Governance manual declared by the Stock Exchange of Thailand, the Company's Corporate Governance & Code of Conduct policy, related laws concerning the business of the Company as well as other significant rules and regulations of the Company, training courses for the Directors and other information concerning the business of the Company, etc.

3. Meeting with the Chairman and Managing Director prior to the first Board of Directors' meeting must be conducted to inform the newly appointed Director on various issues including significant policy of the Company, corporate culture and expectations on knowledge, competency and experiences of the newly appointed Director which will accommodate the Board of Directors to perform duties more efficiently and effectively.

2) Nomination of the Directors and Top Executives

Selection Criteria of the Directors

The Nomination and Remuneration Committee shall take consideration on the selection of qualified candidates, with qualifications described under topic 'Structure of the Board of Directors', whose are appropriate and eligible to be nominated as the Directors. The nominees shall be proposed to the Board of Directors or the shareholders (depending on the case) for consideration of appointment through transparent and accurate selection process. The qualifications and nomination process of the Directors are described below.

Qualifications

1. The Director must be qualified with knowledge, competency, integrity along with business ethics and shall have sufficient time to dedicate his knowledge and competency to perform his duties for the Company.
2. The Director must not possess prohibited characteristics as stated in the Public Company Act as well as characteristics which may be perceived with lack of appropriateness to be reliable for running the listed company as required by the Securities and Exchange Act or by the the Securities and Exchange Commission (SEC).
3. The Director must not be a person who violates the rules, regulations, notices, orders, resolutions of the Board of Directors or the agreement, registration to the securities and stock exchange including any circular letters required to be followed which may lead to significant negative effects on the benefits or decisions of the shareholders or investors or changes in securities price.
4. The Director shall not run any business as partner in limited partnership or juristic-person director in the same business nature and in competition with the Company, either for own benefits or other persons, unless informing to the Annual General Meeting prior to the resolution of appointment.

Criteria for voting/ appointing the Director are categorized into 2 cases as below.

1. Appointment of the Board of Directors by the resolution from the Annual General Meeting including the appointment of the Board of Directors to replace the retired Director 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 equivalent 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 is not allowed to divide the votes to either one.
 3. The person receiving the highest number of votes and the following persons in descending order shall be appointed as the Directors upon required number. In case a person who has been elected in the following order holds the same number of votes in excess of the number of directors to be elected, the Chairman shall have the casting vote for final decision.

In each year, the Board of Directors, as followed by the Good Corporate Governance practices towards equitable treatment of the shareholders, gives an opportunity to either individual or group of shareholders who holds no less than 5% of total shares with voting rights to nominate persons for the consideration of appointment as the Board of Directors prior to the Annual General Meeting.

2. The appointment of Directors to replace vacant positions upon other reasons than the retirement, according to the resolution of the Board of Directors' Meeting, the Director shall select any person who is qualified under the Public Company Act to be the Director for the next Board of Directors' meeting. Unless the term of the Director is less than 2 months, the person who replaces such Director shall remain in the Director position only for the remaining term. The resolution of the Board of Directors' under paragraph one shall consist of votes of not less than three-fourths of the remaining Directors.

Selection Criteria of the Top Executives

The Board of Directors has considered and assigned the Nomination Committee to determine criteria and nomination process for selecting qualified candidates to hold the position of top executives with more than one person to be proposed along with supporting reasons for the Board of Directors to further consider the appointment. The nomination process is taken by considering and reviewing candidates who have complete and appropriate qualifications, knowledge, skills and experiences beneficial to the operations as well as thorough

comprehension of the business of the Company with effective management skills to accomplish objectives and goals set by the Board of Directors.

Qualifications of the Top Executives

1. Characteristics
 - (1) Integrity and accountability
 - (2) Informed judgment
 - (3) Being maturity and stable, being a good listener and willing to express opinions differently and independently
 - (4) Being committed to working rationally
2. Possessing knowledge and competency in business operations, being skillful, experienced, professional and specialized in various fields for the necessity and highest benefits to the Company's business.
3. Being qualified under the criteria prescribed by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).
4. Being experienced in Gems and Jewelry business and organizational management essentially to enhance efficiency in business operations and competitiveness to the Company.
5. Being experienced as the leader of the organization with high leadership traits.
6. Being recognized by the relevant business sectors.
7. Being approved by the Board of Directors.

3) Development of the Directors

In 2021, the Board of Directors did not attend seminars or training courses related to the roles of the Directors. However, during the past period, the Board of Directors has regularly supported and encouraged the Directors to participate in relevant courses in line with the duties including courses conducted by Thai Institute of Directors (IOD) as below.

Training Records of the Board of Directors

Name of the Board of Directors	Class / Year of Training (IOD)	Courses of Thai Institute of Directors (IOD) ¹	Courses from Other Institutions
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. Ms. 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 Defence Course for the Joint State Private Sector, National Defence College - Class 4515

Name of the Board of Directors	Class / Year of Training (IOD)	Courses of Thai Institute of Directors (IOD) ^{/1}	Courses from Other Institutions
9. Mr. Chamnong Watanagase	5/2544 1/2545 2/2549 1/2550 8/2019	DCP ACP DCP Re CDC BNCP	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)
10. Mr. Decha Nuntanajaroenkul	-	-	-

Remark: ^{/1} DCP : Director Certification Program
DAP : Director Accreditation Program
FN : Financefor Non-Finance Program
ACP : Audit Committee Program
DCP Re : DCP Refresher Course
CDC : Chartered Director Class
BNCP : Board of Nomination and Compensation Program

4) Performance Assessment of the Board of Directors, the Subcommittee and the Chairman of Group Executive Committee

The Board of Directors has arranged performance assessment of the Board of Directors and the Subcommittee at least once a year through the following forms:

- 1) Self Assessment
- 2) Group Assessment and the Subcommittee by the Nomination and Remuneration Committee

Summary of Self Assessment for the Year 2021

1. Performance Assessment of the Board of Directors

- 1.1 The individual assessment of the Board of Directors comprises of 3 key criteria with total average score of 96% or "Excellent" level.

Criteria	Score (%)
1. Structure and Qualifications of the Directors	100
2. Meeting Attendance of the Directors	96
3. Roles, Duties and Responsibilities of the Directors	94

- 1.2 The group assessment of the Board of Directors comprises of 6 key criteria with total average score of 92% or "Excellent" level.

Criteria	Score (%)
1. Structure and Qualifications of the Directors	90
2. Roles, Duties and Responsibilities of the Directors	91
3. Meeting Attendance of the Directors	94
4. Duties of the Directors	96
5. Relationships with the Management	95
6. Self-development of the Directors and Development of the Executives	83

2. Performance Assessment of the Subcommittee

The group assessment of the Subcommittee comprises of 3 key criteria with total average score of 85% or "Very Good" level.

Criteria	Score (%)
1. The structure and qualifications of the Committee are suitable to enhance efficiency of the Committee.	89
2. The meetings of the Subcommittee are proceeded on other issues to allow the Committee to efficiently perform duties during the meeting.	100
3. The roles, duties and responsibilities of the Subcommittee are performed towards importance on adequate timing for consideration, review and implementation of other issues	81

The Company has a policy on appointing the Nomination and Remuneration Committee to be assessor of the performance of the Chairman of Group Executive Committee. The assessment is to be determined by comparison of goal achievements and other factors including qualitative measures comprising of leadership, strategic implementation, planning and performance results.

Process of Performance Assessment of the Chairman of Group Executive Committee

- The Board of Director appoints the Nomination and Remuneration Committee and Non-executive Directors to consider the following processes:
 - To provide approval on criteria for performance assessment of the Chairman of Group Executive Committee and Managing Director. The criteria for performance assessment should stimulate the Chairman of Group Executive Committee and Managing Director to run the business in accordance with objectives, goals, strategies and in line with the benefits of the business in long run. Such criteria must be informed to the Chairman of Group Executive Committee and Managing Director in advance.
 - To assess the annual performance of the Chairman of Group Executive Committee and Managing Director annually. The Chairman is to inform the results of assessment including significant issues for improvement to the Chairman of Group Executive Committee and Managing Director.
- Such assessment shall be considered by the Nomination and Remuneration Committee to determine the remuneration of the Chairman of Group Executive Committee and Managing Director and propose to the Board of Directors' meeting for further approval.

In 2021, the assessment of the Chairman of Group Executive Committee comprised of 3 criteria to total average score of 93% or "Excellent" level.

Criteria	Score (%)
1. Assessment based on KPIs	96
2. Assessment on Leadership	91
3. Assessment on Budget Management and other Project Management	96

8.1.2 Meeting Attendance and Remuneration of the Board of Directors on Individual Basis

1) Meeting Attendance

Name	Position	Meetings	
		The Board of Directors (Meeting Attendance / Rights of Attendance)	The Annual General Meeting (Meeting Attendance / Rights of Attendance)
1. Mr. Prida Tiasuwan	Board Chairman	6/6	1/1
2. Mr. Pramote Tiasuwan	Vice Chairman	6/6	1/1
3. Mrs. Prapee Sorakraikitikul	Director	6/6	1/1
4. Mrs. Sunanta Tiasuwan	Director	6/6	1/1
5. Mrs. Pranee Khunprasert	Director	5/6	1/1
6. Mrs. Rawittha Pongnuchit	Independent Director / Chairman of Audit Committee / Chairman of Nomination and Remuneration Committee	6/6	1/1
7. Mr. Verachai Tantikul	Independent Director / Audit Committee	6/6	1/1
8. Mr. Chamnong Watanagase	Independent Director and Audit Committee	6/6	1/1
9. Ms. Pittaya Tiasuwan	Director	6/6	1/1
10. Mr. Decha Nuntanajaroenkul	Director	6/6	1/1

Remark: ^{/1} Appointed as Chairman of Audit Committee / Chairman of Nomination and Remuneration Committee effective from January 1st, 2022 onwards.

2) Remuneration of the Directors**2.1 Financial Remuneration** for the period of January 1st, 2021 to December 31st, 2021.

Remuneration for the Director position^{/1} comprises of salary, position allowance and bonus.

Unit: Million Baht

Name	Position	Remuneration of the Directors		
		The Board of Directors (Salary and Bonus)	The Audit Committee (Position Allowance and Bonus)	Total
1. Mr. Prida Tiasuwan	Board Chairman	3.053		3.053
2. Mrs. Prapee Sorakraikitikul	Director / Finance & Risk Management Director / Nomination and Remuneration Director	1.586		1.586
3. Mrs. Sunanta Tiasuwan	Director / Nomination and Remuneration Director	1.507		1.507
4. Mrs. Rawittha Pongnuchit ^{/1}	Independent Director / Chairman of Audit Committee / Chairman of Nomination and Remuneration Committee		0.520	0.520
5. Mr. Verachai Tantikul	Independent Director and Audit Committee		0.780	0.780
6. Mr. Chamnong Watanagase	Independent Director and Audit Committee		0.520	0.520
Total		6.146	1.820	7.966

Remark: ^{/1} Appointed as Chairman of Audit Committee / Chairman of Nomination and Remuneration Committee effective from January 1st, 2022 onwards.

2.2 Other Remunerations**Provident Fund**

In 2021, the Company contributed THB 0.210 million for a provident fund to the Board of Directors.

8.1.3 Governance of the Subsidiaries and Associates**1. Supervision, Management and Responsibility for the Performance of the Subsidiaries and Associates**

The Company sets up regulations in which the nomination and voting rights in appointment of personnel to hold the Director position in the subsidiaries and associates must be approved by the Board of Directors through the nomination from the Group Executive Committee. The appointed personnel to hold the director position in the subsidiaries and associates is responsible for performing duties for the best advantages of the subsidiary or associates. The appointed person is required to be approved by the Board of Directors before voting or using the rights to vote

for significant issues at the same level as being approved by the Board of Directors. Thus, the assignment of the Director to be representative in the subsidiaries or associates must be based on the proportion of the Company's shares.

In addition, for the subsidiaries, the Company sets up rules that the appointed person must supervise the subsidiary to be thoroughly obliged with related transactions, purchase or sale of assets or other transactions and applied with relevant criteria for information disclosure and any transactions related to the criteria of the Company. Moreover, the information storage and financial records of subsidiary must be performed for the Company to be able to examine and gather for consolidated financial statements in due period.

The Company has determined PRANDA Group Financial Policy for the management of the subsidiaries and associates as follows:

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.

All of the abovementioned plans must be submitted to the Group Executive Committee for approval within the month of October of each year and the plans shall be further reviewed within the month of April on the following year.

In addition, the subsidiaries and associates shall explain all plans in written form in case the results are different from the proposed plans. Moreover, in case the subsidiaries and associates require loans from financial institutions or any forms of guarantee or any agreement or juristic related with business as well as the appointment of auditors, all the transactions must be approved by the Group Executive Committee.

2. Agreement between the Company and Shareholders for the Management of the Subsidiaries and Associates

There is no other agreement for the management of the subsidiaries and associates. The compensation is referred from proportions of ordinary shares.

8.1.4 Follow Up on Policy and Guidelines of Corporate Governance

The Company recognizes importance of Good Corporate Governance by setting up the relevant policy and guidelines prescribed in the Corporate Governance & Code of Conduct Policy of the Company as well as encouraging for actual implementation to create trust to all stakeholders.

In the past year, the Company has monitored the performance on practices following Good Corporate Governance covering aspects of 1) Employee Treatment and Equitability 2) Anti-unfair Trade Practices 3) Environment, Occupational Health and Safety in the Organization and 4) Information Security. The results shown that the Company has been completely aligned with the guidelines of each aspect.

Thus, the Company has summarized the results for practices following Corporate Governance and included additional 4 aspects as follows:

1) Prevention of Conflicts of Interest

The Company has set up the policy to involve the Board of Directors, the Executives and employees to perform duties for the highest benefits of the Company by filling in the form of Corporate Governance and Conflicts of Interest to disclose any transactions that might relate to conflicts of interest of the Company. The form must be acknowledged by supervisor and submitted to the Corporate Secretary Office.

Thus, the Company discloses information in Corporate Governance & Code of Conduct manual which is also published on the Company's website, www.pranda.com, for the shareholders and others for information.

In 2021, the Company had no transactions that might lead to conflict of interests through examination of possible cases.

2) Usage of Insider Information for Benefits

The Company has disclosed policy on the usage of insider information and securities trading of the Directors, the Executives and employees who know or possess insider information or are able to assess insider information including close persons with abnormal records on trading onto the Company's intranet. The Corporate Secretary Office shall send email to notify concerned parties regarding the blackout period indicating that it is prohibited for the persons who know or possess insider information to trade securities of the Company for a period of one month prior to the publish of financial statements or dissemination of financial position and status of the Company. The persons who know or possess insider information shall refrain trading the securities at least 24 hours. In case the information is ideally complex, the period should be extended up to 48 hours after the information has been published to public including the period of which information has only been acknowledged by the Directors and the Executives which are not yet disclosed to the shareholders.

In 2021, there was no transactions found regarding the securities trading during the blackout period performed by the Directors or the Executives as the Company had notified in advance through email to employees in all levels.

Report on Securities Trading

For the report on securities trading of the Board of Directors and the Executives, the Company has notified through letter upon obligations in reporting securities holding to the Office of the Securities and Exchange Commission (SEC) under Section 59 of the Securities and Exchange Act, B.E. 2535 and submitting the report to the Board of Directors upon each transaction related to a purchase, sale or transfer of the securities. Thus, during the year 2021, the Directors and the Executives of the Company reported securities holding by comparison of increasing (decreasing) at the book-closing date during December 30th, 2020 to December 30th, 2021 as below.

Name	Number of Shares (Shares)		Number of Shares Increasing (Decreasing) during the Year (Shares)
	December 30 th , 2021	December 30 th , 2020	
1. Mr. Prida Tiasuwan	31,746,774	26,997,222	4,749,552
2. Ms. Pittaya Tiasuwan	23,947,600	21,676,230	2,271,370
3. Mrs. Pranee Khunprasert	13,734,146	12,417,352	1,316,794
4. Mr. Pramote Tiasuwan	11,600,700	10,440,630	1,160,070
5. Mrs. Prapee Sorakraikitikul	8,336,317	8,336,316	1
6. Mrs. Sunanta Tiasuwan	1,400,624	3,060,562	(1,659,938)
7. Mr. Chanat Sorakraikitikul	685,000	630,000	55,000
8. Mr. Decha Nuntanajaroenkul	-	-	-
9. Prof. Dr. Channarong Pornrungrøj	-	-	-
10. Mr. Pitipong Tiasuwan ^{/1}	8,791,250	8,020,000	771,250

Remark: ^{/1} Appointed as Group Executive Director effective from January 1st, 2022 onwards.

3) Anti-corruption

The Company declares its intention to participate in the Collective Action Coalition Against Corruption: (CAC) on November 9th, 2010 with certification as membership of Thai Private Sector Collective Action Against Corruption on March 9th, 2017 and has been extended its membership on February 7th, 2020.

The Company has implemented the anti-corruption policy as follows:

- 1) The Company sets up communication channels to the Directors, the Executives and all employees by indicating that all processes must be strictly adhered to the scope of laws or if there are any mistakes in the process caused by carelessness, the punishment shall be obliged to the government sector without any assistance on waiving an appeal.
- 2) The Company arranges training courses concerning measures on anti-corruption and anti-money laundering including knowledge on policy and practices on anti-corruption as well as the Code of Conduct of the Company. The tests on knowledge and comprehension are conducted to ensure that the Executives and employees of the Group are adhered to. In addition, all employees are required

to sign for acknowledgement and carry out following Anti-corruption Manual. The new employees shall also be trained before getting employed as full-time employees.

- 3) The Company provides report channel if any cases relating to policy violation or anti-corruption are found with protection measures to the reporters.

Thus, the Company has disclosed details on the policy and practices on prevention of anti-corruption on the Company's website, www.pranda.com, under "Investor Relations" section, "Corporate Governance" topic including the Company's intranet under "Documents/Manual".

In 2021, the Company had no complaints or whistleblowing concerning unethical behavior or any acts which are not in line with Corporate Governance as well as any forms of corruptions.

4) Whistleblowing

The Company provides channels for the stakeholders for whistleblowing or complaints through available channels including post, email address, telephone number and suggestion box. The Audit Committee, the Independent Directors from the

Management, shall be responsible for consideration. The Company Secretary is responsible for collecting the documents submitted from all available channels to provide conclusion on suggestions or other issues to present to the Board of Directors on quarterly basis, except in form of letters which are to be directly submitted to the Audit Committee. In case of emergency, the inquiries can be submitted directly to email of Managing Directors (pramote@pranda.co.th; pranee@pranda.co.th). Further on, the Company shall examine by the procedures and record the investigation in written form with anonymous detail of whistleblowers as well as keeping whistleblowing information as confidential report to protect any violation that may happen to the whistleblowers.

In 2021, the Company had no whistleblowing or complaints concerning to the anti-corruption or violation to the Corporate Governance policy of the Company.

8.2 Report on Performance of the Audit Committee in the Past Year

In 2021, the Audit Committee had meetings with Head of Internal Audit Office and auditors without presence of the Management. The meetings allow for the independent discussion concerning key issues on preparing financial reports, standard information disclosure and significant issues from internal audit results to review financial statements, related transactions or transactions that may lead to conflicts of interests, good Corporate Governance, risk management, adequacy of internal control, internal audit governance as well as consideration for appointment of the auditors and auditing fees for 2021. Thus, more information is described in attachment 6 – Report of the Audit Committee.

Details on Meeting Attendance of the Audit Committee in the Year 2021

Name	Position	Number of Meetings Attended/Number of Meetings
1. Mrs. RawitthaPongnuchit	Chairman	4/4
2. Mr. VerachaiTantikul	Director	4/4
3. Mr. ChamnongWatanagase ^{/1}	Director	4/4

Remark: ^{/1} Appointed as Chairman of Audit Committee effective from January 1st, 2022 onwards.

For 2021, the self-assessment was conducted in accordance with the Stock Exchange of Thailand in which the performance assessment of the Audit Committee was in “Excellent” level.

8.3 Conclusion on Performance of the Subcommittee

8.3.1 Group Executive Committee

The Group Executive Committee, a total of 7 Directors, comprises of 4 Executive Directors and 3 personnels who have been qualified from specialized knowledge and competency in business. The term of the Group Executive Committee is 3 years in which the retired Directors may be re-appointed. In 2021, there was a total of 12 meetings of the Group Executive Committee.

Details on Meeting Attendance of the Group Executive Committee in the Year 2021

Name	Position	Number of Meetings Attended/Number of Meetings
1. Mrs. Pranee Khunprasert	Chairman	12/12
2. Mr. Pramote Tiasuwan	Director	11/12
3. Ms. Pittaya Tiasuwan	Director	12/12
4. Prof. Dr. Channarong Pornrungrroj	Director	12/12
5. Mr. Decha Nuntanajaroenkul	Director	12/12
6. Mr. Chanat Sorakraikitikul	Director	12/12
7. Mr. Pitipong Tiasuwan ^{/1}	Director	0/0

Remark: ^{/1} Appointed as Group Executive Committee effective from January 1st, 2022 onwards.

The performance results and action plans of the Group Executive Committee in the year 2021 are described below.

The Committee has determined and set goals and business plans of the Company and Subsidiaries of each group in quarterly basis to be compliance with vision, mission, strategies and policies set by the Board of Directors as well as laws, conditions, rules and regulations of the Company. The Committee also audited and monitored business performance of the Company and Subsidiaries on monthly basis to be aligned with business plans as assigned by the Board of Directors.

In addition, the Committee considered and advised on job and salary structure, welfares and benefits of the employees as well as management structure from department level downwards and considered and advised on annual budget prior to proposal to the Board of Directors for approval. Additionally, the Committee considered and ensured for the effective and secure internal control system through collaboration with the Audit Committee.

For 2021, the self-assessment was conducted in accordance with the Stock Exchange of Thailand in which the performance assessment of the Group Executive Committee was in "Excellent" level.

8.3.2 Nomination and Remuneration Committee

The Board of Directors has appointed the Nomination and Remuneration Committee which comprises of 6 Directors and 1 Independent Director holding Chairman position with 3-year term. The retired Nomination and Remuneration Director may be re-appointed by the Board of Directors.

In 2021, there was a total of 3 meetings of the Nomination and Remuneration Committee which were completely attended by the Nomination and Remuneration Directors. The performance of the Nomination and Remuneration Committee has regularly been reported to the Board of Directors.

Details on Meeting Attendance of the Nomination and Remuneration Committee in the Year 2021

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

Remark: Mrs. Rawittha Phongunchit has been appointed as the Chairman of Nomination and Remuneration Committee effective from January 1st, 2022 onwards.

The performance results and action plans of the Nomination and Remuneration Committee in the year 2021 are described below.

>> Performance Results on Nomination

In 2021, the Company gave opportunities for the shareholders to propose candidates upon nomination of the Directors through the Company's website. However, there was no submission of candidates proposed by the shareholders to the Board of Directors. Thus, the Nomination and Remuneration Committee proposed the names of 3 retired Directors to be re-appointed for the following term as set by the Articles of Association of the Company. The Nomination and Remuneration Committee considered for the diversity of characteristics of the nominated Directors to be aligned with strategies of the Company including gender, age, qualification, skills, knowledge, competency and experiences.

>> Performance Results on the Determination of Remuneration

The Nomination and Remuneration Committee considered the remuneration of the Board of Directors and the Executives through comparison with other registered entities and other businesses in the same industry. For 2021, there was no adjustments on remuneration due to COVID-19 pandemic situations in which the business has been impacted by economic recession.

For 2021, the self-assessment was conducted in accordance with the Stock Exchange of Thailand in which the performance assessment of the Nomination and Remuneration Committee was in "Excellent" level.

8.3.3 Finance & Risk Management Committee

The Board of Directors approved on the appointment of the Finance & Risk Management Committee with 3-year term. The retired Finance & Risk Management Director may be re-appointed.

In 2021, there was a total of 4 meetings of the Finance & Risk Management Committee to plan and review the system or assess the efficiency of risk management.

Details on Meeting Attendance of the Finance & Risk Management Committee in the Year 2021

Name	Position	Number of Meetings Attended/Number of Meetings
1. Mr. Chanat Sorakraikitikul	Chairman	4/4
2. Mrs. Prapee Sorakraikitikul	Director	4/4
3. Mr. Pramote Tiasuwan	Director	4/4
4. Mrs. Pranee Khunprasert	Director	4/4
5. Ms. Pittaya Tiasuwan	Director	4/4
6. Mr. Decha Nuntanajaroenkul	Director	4/4
7. Mr. Dusit Chongsuttanamanee	Director	4/4

The Finance & Risk Management Committee has considered for the working capital to be used in business operations of the Group as well as controlling, monitoring and analysing performance of all subsidiaries on quarterly basis including expected risks and benefits. The Committee also supervises, controls and monitors Fiscal Budget of all companies which affect to the Consolidated Financial Statements.

In addition, the Finance & Risk Management Committee determines and provides opinions on Risk Appetite and continuously supervises for the development and compliance towards risk management policies and framework as well as reviewing risk management report to follow up on significant risks and perform necessary actions to ensure that the sufficient and appropriate risk management is run in the organization.

For 2021, the self-assessment was conducted in accordance with the Stock Exchange of Thailand in which the performance assessment of the Finance & Risk Management Committee was in "Fair" level.

8.3.4 Core Values & Corporate Sustainability Committee

The Core Values & Corporate Sustainability Committee plays a key role in developing the organization towards sustainability by striving work scopes on 3 sustainability principles covering Environment, Social and Corporate Governance as well as promoting and supporting the establishment of Core Values to be recognized in the Group. The actions taken include encouraging participation of employees, improving for systematic and continuous participation activities, applying activities and projects into work procedures as well as promoting daily lives to be aligned with Core Values. In addition, the commitment towards the Sustainable Development Goals (SDGs) are adhered by the Committee. The Core Values & Corporate Sustainability Committee has a 3-year term and the retired Directors may be re-appointed.

In 2021, there was a total of 4 meetings of the Core Values & Corporate Sustainability Committee.

Details on Meeting Attendance of the Core Values & Corporate Sustainability Committee in the Year 2021

Name	Position	Number of Meetings Attended/Number of Meetings
1. Prof. Dr. Channarong Pornrungrroj	Chairman	3/3
2. Mr. Somsak Srirueangmon	Director	2/3
3. Mrs. Chawee Jarukornvasin	Director	1/3
4. Ms. Sasisopa Wattakeecharoen	Director	2/3
5. Ms. Suporn Rungpitayatorn	Director	2/3
6. Mr. Pitipong Tiasuwan	Director	2/3

The performance results and action plans of the Core Values & Corporate Sustainability Committee in the year 2021 are described below.

- 1) Propose Sustainability Management policy to the Board of Directors for approval.
- 2) Report performance results of the Core Values & Corporate Sustainability Committee to the Board of Directors on projects related to Core Values & Corporate Sustainability.
- 3) Provide Sustainability Report of the Company.

For 2021, the self-assessment was conducted in accordance with the Stock Exchange of Thailand in which the performance assessment of the Core Values & Corporate Sustainability Committee was in "Good" level.

PART 2

Corporate Governance

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9 Internal Control and Related Party Transactions

9.1 Internal control

According to the Board of Directors meeting 1/2022 on February 28, 2022, 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.

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 Objective and Key Result : OKR 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.

In addition, the Company significantly adheres to personnel management by means of establishing the Core Values and Corporate Sustainability Committee towards striving sustainable practices in 3 aspects including environment, society and corporate governance as well as promoting and supporting Core Values to be implemented across the Group. Practically, the Company focuses on creating collaboration among employees, improving more systematic participation and monitoring continuous practices. Accordingly, various forms of activities and projects are initiated and applied to work procedures and daily routines in accordance with shared Core Values along with full support towards Sustainable Development Goals (SDGs) of the United Nations (UN).

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 2021 totaling 6 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.

The Audit Committee considers that the Company has well managed the process and disclosure of financial statements in accurately, appropriately and reliably manner as well as having an effective internal control, internal audit and risk management. The Company is also considered to be strictly followed by laws, regulations and obligations with stringent control on related transactions along with practices complied with sufficient, transparent and reliable corporate governance. In addition, a continuous improvement on work processes is continuously applied for greater quality and suitability to business environment. Hence, the Audit Committee Report is described in attachment 6.

The Audit Committee agreed that Ms. Rachakorn Wunjina, Internal Audit Manager, is experienced with auditing, trained with relevant internal audit courses and has a comprehension of the Company business which are appropriately qualified to be appointed to perform duties. However, the consideration and approval for the appointment, withdrawal and transfer of a personnel appointed as Internal Audit Manager of the Company must be approved (or agreed) from the Audit Committee. The qualifications of Internal Audit Manager are described in attachment 3.

9.2 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 as of December 31, 2021, the Company has no related transactions with persons/juristic persons both within and not within the scope of SET announcement on Disclosure of Information and Act of Listed Companies Concerning the Connected Transactions.

For the normal general trading transaction between the Company and its subsidiaries, affiliated companies, and related companies which share mutual Executives and Directors following normal trading transaction (Please refer notes to financial statements No. 6)

Necessity and reasonability of the transaction

The transactions between the Company, its subsidiaries, and its affiliated companies were normal business operation and had been approved by the Board of Directors or the Executive committee of the Company which followed the appropriate approval procedures in accordance with all of regulations of the Company.

Policy and future connected transactions

The connected transaction of the Company in the future will be the same normal business operation transaction. There will be no special transaction, benefit transfer of the Company or its subsidiaries to other persons with conflict of interest. The price determination policy between the Company and related companies or persons shall follow normal price determination which is in the same way of the price determination provided to non-related persons or companies. The products or material bought from the Company or related persons shall follow the agreed contract or shall be referred to the market price of such material. However, the Audit Committee, or the Company's auditor, or independent expertise shall consider examining and provide opinion of the suitability of the price and reasonability of the transaction, as well as to disclose the value of the transaction with transaction reasons to the shareholders' meeting in the Annual Report.

In addition, the Board of Directors shall comply to the Securities and Exchange law and regulations, notifications, orders, or requirement of the Stock Exchange of Thailand, as well as the notification of the disclosure of transaction and the acquisition or disposal of important assets of the Company or its subsidiaries, following the accounting standard stipulated by the Institute of Certified Accountants and Auditors of Thailand.

In addition, the Audit Committee shall provide an opinion to consider the necessity and appropriateness of future transactions when the transactions of the Company or its subsidiaries are performed with the person whom may have conflict of interest in the future. When the Audit Committee has no skill to consider the possible connected transaction, an independent expertise or the Company's auditor shall provide an opinion toward the connected transaction of which shall be taken forth to the Board of Directors or the shareholders for consideration, depending on circumstances. Therefore, the company should disclose the connected transaction in notes to financial statements which audited by independent auditor.

PART 3

Financial Statements



Report of the Board of Directors' Responsibilities for Financial reports

The Board of Directors is responsible for the consolidated financial statements of Pranda Jewelry Public Company Limited and its subsidiaries as well as the separate financial statements of Pranda Jewelry Public Company Limited including the financial information presented in the annual report. The financial statements have been prepared in accordance with the Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and in accordance with the requirements of the Securities and Exchange Commission and The Stock Exchange of Thailand regarding the preparation and presentation of financial statements under the Securities and Exchange Acts B.E. 2535. The appropriate accounting practices and consistently held to them, providing adequate disclosure in the notes to the financial statement in which the auditor reviewed and audited the financial statements as well as commented on the auditor's report without providing sufficient reason or explanation.

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

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

The Board of Directors is of the opinion that the system of internal control and the internal audit of the company create well-founded sense of confidence in the financial statements of the Company and its subsidiaries as of December 31, 2021, 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
Board Chairman

Independent Auditor's Report

To the Shareholders of Panda 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 2021, 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 2021, 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 to the consolidated financial statements. Due to the impact of the COVID-19 outbreak, in preparing the consolidated financial statement for the year ended 31 December 2021, the Group 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.

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.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, (but does not include the financial statements and the auditor's report thereon). The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

Siraporn Ouaanunkun
Certified Public Accountant (Thailand) No. 3844

EY Office Limited
Bangkok: 28 February 2022

Panda Jewelry Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Assets					
Current assets					
Cash and cash equivalents	7	397,820,060	443,484,448	252,949,905	185,952,874
Trade and other receivables	6, 8	328,009,969	391,064,678	275,041,950	400,488,485
Short-term loans to related parties	6	-	14,810,255	-	-
Inventories	9	1,563,295,621	1,532,008,362	1,066,890,316	775,651,415
Other current financial assets		5,750,972	9,171,219	-	-
Other current assets		35,525,294	39,702,479	10,639,636	13,186,519
Total current assets		2,330,401,916	2,430,241,441	1,605,521,807	1,375,279,293
Non-current assets					
Restricted bank deposits	10	32,316,565	32,120,688	26,947,658	26,751,800
Other non-current financial assets	11	19,300,680	21,266,374	12,045,723	12,009,234
Investments in subsidiaries	12	-	-	483,251,326	551,883,673
Investment in associated company	13	12,566,435	11,761,068	-	-
Investment properties	15	586,624,349	586,965,840	577,551,607	577,551,607
Property, plant and equipment	16	644,890,549	721,993,203	451,997,416	469,358,310
Other intangible assets	17	55,378,151	63,132,480	51,972,885	59,466,862
Deferred tax assets	32	101,345,174	160,802,763	82,740,168	144,125,355
Other non-current assets		5,976,046	12,649,204	1,696,807	368,371
Total non-current assets		1,458,397,949	1,610,691,620	1,688,203,590	1,841,515,212
Total assets		3,788,799,865	4,040,933,061	3,293,725,397	3,216,794,505

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

Panda Jewelry Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2021

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	18	289,182,825	319,000,000	287,000,000	319,000,000
Bills of exchange	19	-	49,605,920	-	-
Trade and other payables	6, 20	831,226,643	813,565,192	541,409,135	495,653,035
Short-term loans from related party		-	592,410	-	-
Current portion of long-term liabilities					
- Restructured long-term loan	21	-	1,260,000	-	-
- Long-term loans	22	87,096,371	142,787,366	37,500,000	67,500,000
- Convertible debentures	23	-	34,464,968	-	34,464,968
- Options	23	-	3,888,889	-	3,888,889
- Lease liabilities	24	25,475,397	31,520,327	-	-
Other current financial liabilities	40.1	-	5,729,064	-	5,729,064
Income tax payable		80,071	97,581	-	-
Other current liabilities		46,311,956	61,263,993	28,854,086	11,044,345
Total current liabilities		1,279,373,263	1,463,775,710	894,763,221	937,280,301
Non-current liabilities					
Long-term liabilities, net current portion					
- Restructured long-term loan	21	-	21,027,601	-	-
- Long-term loans	22	-	8,170,583	-	-
- Lease liabilities	24	73,747,411	129,407,196	-	-
Provision for long-term employee benefits	25	295,334,222	289,691,273	278,160,595	272,691,734
Other non-current liabilities		3,641,530	4,683,005	-	-
Total non-current liabilities		372,723,163	452,979,658	278,160,595	272,691,734
Total liabilities		1,652,096,426	1,916,755,368	1,172,923,816	1,209,972,035

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

Panda Jewelry Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Shareholders' equity					
Share capital	27				
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					
539,026,606 ordinary shares of Baht 1 each					
(2020: 491,155,940 ordinary shares of Baht 1 each)		539,026,606	491,155,940	539,026,606	491,155,940
Share premium		817,978,957	817,978,957	817,978,957	817,978,957
Capital reserve for share-based payment transactions		3,668,984	3,126,786	3,668,984	3,126,786
Retained earnings					
Appropriated - statutory reserve	28	60,417,738	54,417,738	49,417,738	43,417,738
Unappropriated		828,936,592	787,845,207	796,642,673	737,112,915
Other components of shareholders' equity		<u>(64,134,265)</u>	<u>25,037,288</u>	<u>(85,933,377)</u>	<u>(85,969,866)</u>
Equity attributable to owners of the Company		<u>2,185,894,612</u>	<u>2,179,561,916</u>	<u>2,120,801,581</u>	<u>2,006,822,470</u>
Non-controlling interests of the subsidiaries		<u>(49,191,173)</u>	<u>(55,384,223)</u>	<u>-</u>	<u>-</u>
Total shareholders' equity		<u>2,136,703,439</u>	<u>2,124,177,693</u>	<u>2,120,801,581</u>	<u>2,006,822,470</u>
Total liabilities and shareholders' equity		<u>3,788,799,865</u>	<u>4,040,933,061</u>	<u>3,293,725,397</u>	<u>3,216,794,505</u>

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

Panda Jewelry Public Company Limited and its subsidiaries

Income Statement

For the year ends 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Revenues					
Sales	29	2,900,539,677	2,462,297,796	2,393,637,178	2,019,730,336
Other income					
Gain on exchange		77,160,312	59,662,919	-	9,818,402
Others		65,035,039	33,919,676	35,526,303	31,481,973
Total revenues		<u>3,042,735,028</u>	<u>2,555,880,391</u>	<u>2,429,163,481</u>	<u>2,061,030,711</u>
Expenses					
Cost of sales		2,213,384,700	1,912,760,205	1,995,285,655	1,704,413,949
Selling and distribution expenses		255,491,756	288,375,826	52,248,183	50,949,131
Administrative expenses		335,344,212	387,553,550	234,482,811	232,511,802
Impairment loss on financial assets (reversal)		23,767,265	-	(93,336,819)	271,718,032
Loss on exchange		-	-	5,104,148	-
Impairment loss on investments in subsidiaries	12	-	-	36,017,526	21,223,974
Loss on liquidation of subsidiary	12	-	71,866,717	-	-
Total expenses		<u>2,827,987,933</u>	<u>2,660,556,298</u>	<u>2,229,801,504</u>	<u>2,280,816,888</u>
Operating profit (loss)		<u>214,747,095</u>	<u>(104,675,907)</u>	<u>199,361,977</u>	<u>(219,786,177)</u>
Share of profit from investment in associated company	13.2	805,367	1,671,160	-	-
Finance income		15,901,848	5,872,730	360,285	905,650
Finance cost	30	<u>(36,488,374)</u>	<u>(52,658,930)</u>	<u>(18,415,404)</u>	<u>(26,859,822)</u>
Profit (loss) before income tax expenses		<u>194,965,936</u>	<u>(149,790,947)</u>	<u>181,306,858</u>	<u>(245,740,349)</u>
Tax income (expenses)	32	<u>(61,524,123)</u>	<u>96,279,775</u>	<u>(61,874,690)</u>	<u>(28,171,015)</u>
Profit (loss) for the year		<u>133,441,813</u>	<u>(53,511,172)</u>	<u>119,432,168</u>	<u>(273,911,364)</u>
Profit (loss) attributable to:					
Equity holders of the Company		138,167,866	(95,102,856)	<u>119,432,168</u>	<u>(273,911,364)</u>
Non-controlling interests of the subsidiaries		<u>(4,726,053)</u>	<u>41,591,684</u>		
		<u>133,441,813</u>	<u>(53,511,172)</u>		
Earnings per share	34				
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company		<u>0.2523</u>	<u>(0.1873)</u>	<u>0.2181</u>	<u>(0.5395)</u>

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

Panda Jewelry Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ends 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Profit (loss) for the year		133,441,813	(53,511,172)	119,432,168	(273,911,364)
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		(91,284,663)	19,761,100	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods		(91,284,663)	19,761,100	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Gain (loss) on investments in equity designated at fair value through other comprehensive income		36,489	(2,933,546)	36,489	(2,933,546)
Actuarial loss	25	-	(419,784)	-	-
Less: Income tax effect	32	-	99,118	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		36,489	(3,254,212)	36,489	(2,933,546)
Other comprehensive income for the year		(91,248,174)	16,506,888	36,489	(2,933,546)
Total comprehensive income for the year		42,193,639	(37,004,284)	119,468,657	(276,844,910)
Total comprehensive income attributable to:					
Equity holders of the Company		48,996,313	(168,087,444)	119,468,657	(276,844,910)
Non-controlling interests of the subsidiaries		(6,802,674)	131,083,160		
		42,193,639	(37,004,284)		

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

Panda Jewelry Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ends 31 December 2021

	Consolidated financial statements											(Unit: Baht)
	Equity attributable to owners of the Company											
	Retained earnings					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	Appropriated - statutory reserve	Unappropriated	Exchange differences on translation of financial statements in foreign currency	Deficit on changes in investments in equity designated at fair value	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	
Balance as at 1 January 2020	462,395,601	818,137,989	2,005,997	(58,427,507)	54,417,738	941,951,936	180,881,830	(83,036,320)	97,845,510	2,317,927,264	(186,467,383)	2,131,459,881
Loss for the year	-	-	-	-	-	(95,102,856)	-	-	-	(95,102,856)	41,591,684	(53,511,172)
Other comprehensive income for the year	-	-	-	-	-	(176,386)	(69,874,676)	(2,933,546)	(72,808,222)	(72,808,222)	89,491,476	16,506,888
Total comprehensive income for the year	-	-	-	-	-	(95,279,222)	(69,874,676)	(2,933,546)	(72,808,222)	(168,087,444)	131,083,160	(37,004,284)
Ordinary shares issuance from exercised warrants to purchase new ordinary shares (Note 26)	24,314,017	-	-	-	-	-	-	-	-	24,314,017	-	24,314,017
Transferred convertible debentures to ordinary shares and share premium (Note 27)	4,446,322	(159,032)	-	-	-	-	-	-	-	4,287,290	-	4,287,290
Share-based payment transactions	-	-	1,120,789	-	-	-	-	-	-	1,120,789	-	1,120,789
Deficit from liquidation of subsidiary	-	-	-	58,427,507	-	(58,427,507)	-	-	-	-	-	-
Balance as at 31 December 2020	491,155,940	817,978,957	3,126,786	-	54,417,738	767,845,207	111,007,154	(85,969,866)	25,037,288	2,179,561,916	(55,384,223)	2,124,177,693
Balance as at 1 January 2021	491,155,940	817,978,957	3,126,786	-	54,417,738	767,845,207	111,007,154	(85,969,866)	25,037,288	2,179,561,916	(55,384,223)	2,124,177,693
Profit (loss) for the year	-	-	-	-	-	138,167,866	-	-	-	138,167,866	(4,726,053)	133,441,813
Other comprehensive income for the year	-	-	-	-	-	-	(89,208,042)	36,489	(89,171,553)	(89,171,553)	(2,076,621)	(91,248,174)
Total comprehensive income for the year	-	-	-	-	-	138,167,866	(89,208,042)	36,489	(89,171,553)	48,996,313	(6,802,674)	42,193,639
Ordinary shares issuance from exercised warrants to purchase new ordinary shares (Note 26)	47,870,666	-	-	-	-	-	-	-	-	47,870,666	-	47,870,666
Share-based payment transactions	-	-	542,198	-	-	-	-	-	-	542,198	-	542,198
Decrease from capital decrease in subsidiary (Note 12)	-	-	-	-	-	-	-	-	-	-	(9,650,000)	(9,650,000)
Effect from loss of control in subsidiary	-	-	-	-	-	(37,174,071)	-	-	-	(37,174,071)	22,645,724	(14,528,347)
Transferred retained earnings to statutory reserve	-	-	-	-	6,000,000	(6,000,000)	-	-	-	-	-	-
Dividend payment (Note 37)	-	-	-	-	(53,902,410)	-	-	-	-	(53,902,410)	-	(53,902,410)
Balance as at 31 December 2021	539,026,606	817,978,957	3,668,984	-	60,417,738	828,936,592	21,799,112	(85,933,377)	(64,134,265)	2,185,894,612	(49,191,173)	2,136,703,439

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

Panda Jewelry Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ends 31 December 2021

	Separate financial statements						(Unit: Baht)	
	Issued and paid-up share capital	Share premium	Capital reserve for share-based payment transactions	Retained earnings		Total shareholders' equity		
				Appropriated - statutory reserve	Unappropriated			Other components of equity
					Deficit on changes in investments			
Balance as at 1 January 2020	462,395,601	818,137,989	2,005,997	43,417,738	1,011,024,279	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	-	-	-	-	(2,933,546)	(276,844,910)		
Ordinary shares issuance from exercised warrants to purchase new ordinary shares (Note 26)	24,314,017	-	-	-	-	24,314,017		
Transferred convertible debenture to ordinary shares and share premium (Note 27)	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	2,006,822,470		
Balance as at 1 January 2021	491,155,940	817,978,957	3,126,786	43,417,738	737,112,915	-		
Profit for the year	-	-	-	-	119,432,168	2,006,822,470		
Other comprehensive income for the year	-	-	-	-	36,489	119,432,168		
Total comprehensive income for the year	-	-	-	-	36,489	36,489		
Ordinary shares issuance from exercised warrants to purchase new ordinary shares (Note 26)	47,870,666	-	-	-	-	47,870,666		
Share-based payment transactions	-	-	542,198	-	-	542,198		
Transferred retained earnings to statutory reserve	-	-	-	6,000,000	(6,000,000)	-		
Dividend payment (Note 37)	-	-	-	-	(53,902,410)	(53,902,410)		
Balance as at 31 December 2021	539,026,606	817,978,957	3,668,984	49,417,738	(85,933,377)	2,120,801,581		

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

Panda Jewelry Public Company Limited and its subsidiaries

Cash flow statement

For the year ends 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from operating activities				
Profit (loss) before tax	194,965,936	(149,790,947)	181,306,858	(245,740,349)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	84,329,892	99,262,845	37,697,826	39,847,485
Write-off machinery and equipment	1,436,702	338,668	65,110	336,139
Write-off other intangible assets	5,039,929	-	5,039,442	-
Impairment loss on financial assets (reversal)	5,812,095	12,586,838	165,184,784	59,201,180
Write-off bad debts	-	1,024,589	-	217,559,146
Write-off other assets	2,662,080	644,500	2,662,080	644,500
Reduce cost to net realisable value of inventories (reversal)	(14,397,924)	861,942	(7,663,100)	1,878,500
Share of gain from investment in associated company	(805,367)	(1,671,160)	-	-
Loss on liquidation of subsidiaries	-	71,886,717	-	-
Loss (gain) on revaluation of investment in equity	(101,625)	914,625	-	-
Gain from lease modification	(3,322,310)	(1,920,611)	-	-
Loss (gain) on sales of machinery	208,263	-	(79,998)	-
Impairment loss on equipments	-	3,323,402	-	-
Impairment loss on intangible assets	-	2,160,000	-	2,160,000
Impairment loss on investments in subsidiaries	-	-	36,017,526	21,223,974
Provision for long-term employee benefits expenses	20,834,902	20,910,918	18,562,137	18,567,533
Gain on convertible debentures redemption	(3,353,857)	-	(3,353,857)	-
Unrealised loss (gain) on exchange	84,024,039	(8,064,515)	(167,923,162)	(5,794,013)
Unrealised loss (gain) on revaluation of derivative financial instrument	(5,729,064)	5,729,064	(5,728,119)	5,729,064
Amortisation of deferred financial service fee of long-term loans	189,085	250,286	-	-
Amortisation of transaction costs of convertible debentures	-	750,625	-	750,625
Share-based payment transactions	542,198	1,120,789	542,198	1,120,789
Finance income	(1,875,584)	(5,872,730)	(361,176)	(920,764)
Finance cost	28,341,186	45,425,083	16,810,678	26,099,583
Profit from operating activities before changes in operating assets and liabilities	398,800,576	99,870,928	278,779,227	142,663,392
Operating assets (increase) decrease				
Trade and other receivables	7,395,572	26,496,718	169,021,435	(104,995,577)
Short-term loans from related parties	-	(4,622,793)	-	-
Inventories	(57,585,001)	44,574,827	(283,575,801)	(7,085,087)
Other current financial assets	3,521,872	(6,096,771)	-	-
Other current assets	(303,668)	2,856,879	(115,197)	(1,020,667)
Other non-current assets	7,580,424	(10,498)	(1,328,436)	(5,000)
Operating liabilities increase (decrease)				
Trade and other payables	(10,068,058)	73,712,373	24,783,279	(57,845,904)
Other current liabilities	(10,487,794)	(10,091,102)	17,808,796	(12,968,850)
Cash paid for long-term employee benefits	(13,581,030)	(14,821,089)	(13,093,276)	(14,696,901)
Other non-current liabilities	(3,461,146)	1,521,559	-	-
Cash flows from (used in) operating activities	321,811,747	213,391,031	192,280,027	(55,954,594)
Cash paid for interest expenses	(21,785,791)	(34,004,465)	(17,434,559)	(24,372,503)
Cash paid for corporate income tax	811,192	(21,890,768)	(489,503)	(21,648,455)
Net cash flows from (used in) operating activities	300,837,148	157,495,798	174,355,965	(101,975,552)

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

Panda Jewelry Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ends 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from investing activities				
Increase in restricted bank deposits	(195,877)	(275,682)	(195,858)	(275,616)
Cash receipt from capital decrease in subsidiary	-	-	29,050,000	-
Cash paid for capital increase in subsidiary	-	-	(15,675,000)	-
Decrease in short-term loans to related parties	-	8,568	-	-
Acquisition of property, plant and equipment	(32,480,468)	(18,977,746)	(16,205,818)	(5,083,317)
Acquisition of other intangible assets	(3,377,118)	(43,879,612)	(1,741,691)	(43,132,711)
Proceeds from sales of machinery	97,336	-	80,000	-
Cash paid for investment in equity designated at fair value through profit or loss	-	(3,414,600)	-	-
Cash receipt from interest income	4,433,175	4,794,589	361,177	3,888,438
Net cash flows used in investing activities	(31,522,952)	(61,744,483)	(4,327,190)	(44,603,206)
Cash flows from financing activities				
Decrease in bank overdrafts and short-term loans from financial institutions	(28,755,861)	(151,399,243)	(32,000,000)	(72,400,000)
Cash receipt from bills of exchange	-	48,479,652	-	-
Repayment of bills of exchange	(50,000,000)	(50,000,000)	-	-
Cash paid for convertible debentures redemption	(35,000,000)	-	(35,000,000)	-
Cash receipt from short-term loans from related party	-	30,000,000	-	-
Repayment of long-term loans	(64,502,195)	(17,036,963)	(30,000,000)	(7,500,000)
Proceeds from ordinary shares issuance from exercised warrants	47,870,666	24,314,018	47,870,666	24,314,018
Repayment of liabilities under lease agreements	(31,965,428)	(37,376,836)	-	(274,542)
Cash paid for dividend	(53,902,410)	-	(53,902,410)	-
Net cash used in financing activities	(216,255,228)	(153,019,372)	(103,031,744)	(55,860,524)
Decrease in translation adjustment	(98,723,356)	(46,995,547)	-	-
Net increase (decrease) in cash and cash equivalents	(45,664,388)	(104,263,604)	66,997,031	(202,439,282)
Cash and cash equivalents at beginning of year	443,484,448	547,748,052	185,952,874	388,392,156
Cash and cash equivalents at end of year	397,820,060	443,484,448	252,949,905	185,952,874
Supplemental cash flow information				
Non-cash transactions				
Transferred convertible debentures to ordinary shares and share premium	-	4,287,290	-	4,287,290

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

Panda Jewelry Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ends 31 December 2021

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 is adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company operates. The Company’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>2021</u>	<u>2020</u>
			Percent	Percent
<u>Held by the Company</u>				
Primagold International Co., Ltd.	Distribution of jewelry	Thailand	100	100
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
Crystalline Co., Ltd.	Ceased its operation in 2018	Thailand	96	96
Pranda Lodging Co., Ltd.	Dormitory rental	Thailand	83	83
Pranda Jewelry Private Limited	Distribution of jewelry	India	51	51
<u>Held by the subsidiaries</u>				
PDU (UK) Limited	Ceased its operation in 2016	United Kingdom	100	100
(Held by Pranda UK Limited)				

The unaudited financial statements of an overseas subsidiary, Pranda UK Ltd., which were included in the consolidated financial statements of the Group, were prepared by the management based on the financial information as at 31 December 2021.

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.

On 27 April 2021, the meeting of the Company's Board of Directors of PMG, passed a resolution approving withdrawing control over PMI on 12 July 2021. PMG agreed to settle fully amount of loan including accrued interest from PMI with inventories of Prima brand amounting to Baht 3 million. In this regard, PMG already received ownership of inventories from PMI.

- 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 year

During the year, the Group has adopted the 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 adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

Furthermore, the Group elected to adopt the amendments to TFRS 16 Leases relating to COVID-19 related rent concessions. These amendments provide a practical expedient that permits a lessee to not assess whether rent concessions are lease modifications. The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the conditions are met, i.e., the change in lease payments results in a revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease preceding the change; any reduction in lease payments affects only payments originally due on or before 30 June 2022; and there is no substantive change to other terms and conditions of the lease.

The Group applies the practical expedient to all rent concessions that meet the above conditions and the effects of the application of this expedient, due to resulting changes in payments under leases are recognised in profit or loss for the year ended 31 December 2021, amounting to Baht 8.7 million (2020: 10.6 million) (the Company only: Nil). There was no impact on the opening balance of retained earnings.

b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. 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, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Significant accounting policies

4.1 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.

4.2 Cash and cash equivalents

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

4.3 Inventories

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

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

4.4 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.

4.5 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.

4.6 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.

4.7 Business combination

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

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

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

4.8 Borrowing costs

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

4.9 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 the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

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

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

4.10 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

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, and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located 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.

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.

4.11 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 associates, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

4.12 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

4.13 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 assets, 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.

4.14 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 date of the plan amendment or curtailment and the date that the Company recognises restructuring-related costs.

4.15 Convertible debentures

Disclosure and Presentation of Financial Instruments requires the entity to make the decision at the time the instrument is initially recognised according to the substance of the contract and the definitions of financial liability and equity instrument.

The convertible debentures are presented at amortised cost until the conversion or maturity of the debentures. The options are presented at fair value until exercise of conversion right to ordinary shares.

Expenses for issuance debentures were deducted from convertible debentures and amortised over the life of the debentures.

4.16 Share-based payment

Issues and offerings of equity instruments of the Company to various parties (including employees) are recognised as share-based payment transactions, unless the issuance is clearly for a purpose other than payment for goods or services supplied to the Company.

The Company records the excess of the fair value of the shares at the transfer date over the transfer price as an expense in profit or loss, and as surplus on for share-based payment transactions in shareholder's equity.

4.17 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.

4.18 Income tax

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

Current tax

Current income tax of the 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.

4.19 Financial instruments

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 or for which at contract inception the Group expected payment by the customer less than one year, 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 including interest income 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 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 as credit impaired or 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.

ECLs are calculated 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.

4.20 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 including interest income 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.

4.21 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.

5. Significant accounting judgements and estimates

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

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.

6. 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		Separate		
	financial statements		financial statements		Transfer pricing policy
	2021	2020	2021	2020	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	252	529	Normal business price close to those charged to other customers
Purchases of goods and raw materials	-	-	243	278	With reference to market price
Loan interest income	-	-	26	25	Per loan agreement
Guarantee fee income	-	-	5	5	At 1 percent per annum
Service income	-	-	6	6	Agreed between the parties
Service expenses	-	-	3	2	Agreed between the parties
<u>Transactions with associated company</u>					
Purchases of raw materials	159	115	159	115	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	11	20	9	20	Normal business price close to those charged to other customers
Purchases of goods	31	17	-	6	With reference to market price
Loan interest income	-	3	-	-	Per loan agreement
Service income	1	2	1	1	Agreed between the parties

As at 31 December 2021 and 2020, the balances of the accounts between the Company and those related parties are as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
<u>Trade accounts receivable - related parties (Note 8)</u>				
Subsidiaries	-	-	545	645
Related companies (related by common directors)	49	50	48	49
Total	49	50	593	694
Less: Allowance for expected credit losses	(49)	(50)	(576)	(583)
Total trade accounts receivable - related parties, net	-	-	17	111
<u>Other receivables - related parties (Note 8)</u>				
Subsidiaries	-	-	62	57
Related companies (related by common directors)	-	3	-	2
Subsidiary and related company's directors	-	12	-	12
Total	-	15	62	71
Less: Allowance for expected credit losses	-	(2)	(45)	(54)
Total other receivables - related parties, net	-	13	17	17
<u>Accrued interest income - related parties (Note 8)</u>				
Subsidiaries	-	-	7	10
Related company (related by common directors)	-	3	-	-
Total	-	3	7	10
Less: Allowance for expected credit losses	-	-	(7)	(10)
Total accrued interest income - related parties, net	-	3	-	-
<u>Trade and other payables - related parties (Note 20)</u>				
Subsidiaries	-	-	42	38
Related companies (related by common directors)	-	5	-	-
Total trade and other payables - related parties	-	5	42	38

The Company has reverse 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 2021, a total of Baht 18 million (2020: The Company has recorded allowance for expected credit losses of Baht 207 million).

Loans to related parties

As at 31 December 2021 and 2020, the balances of loans between the Company and those related parties and the movement are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<u>Short-term loans to related parties</u>				
Subsidiaries	-	-	28	42
Related companies (related by common directors)	-	15	-	-
Total	-	15	28	42
Less: Allowance for expected credit losses	-	-	(28)	(42)
Total short-term loans to related parties, net	-	15	-	-
<u>Long-term loans to related parties</u>				
<u>Subsidiaries</u>				
Long-term loans	-	-	536	496
Less: Allowance for expected credit losses	-	-	(536)	(496)
Total long-term loans to related parties, net	-	-	-	-

During the year 2021, movements of loans to related parties were as follow:

(Unit: Million Baht)

		Separate financial statements				
		Balance as at 31 December	Increase (decrease) during the year	Unrealised gain on exchange rate	Effect from loss of control in subsidiary	Balance as at 31 December 2021
Short-term loans	Related by	2020				
H. GRINGOIRE s.a.r.l.	Subsidiary	27	-	1	-	28
PT Pranda Marketing Indonesia	Subsidiary	15	-	1	(16)	-
Total short-term loans		42	-	2	(16)	28

The short-term loan to an overseas subsidiary, H.GRINGOIRE s.a.r.l., was 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 loan and accrued interest income to subsidiary because of the uncertainty in receiving repayment.

(Unit: Million Baht)

		Separate financial statements			
		Balance as at 31 December 2020	Increase (decrease) during the year	Unrealised gain on exchange rate	Balance as at 31 December 2021
Long-term loans	Related by				
Pranda UK Ltd.	Subsidiary	311	-	35	346
H. GRINGOIRE s.a.r.l.	Subsidiary	185	-	5	190
Total long-term loans		496	-	40	536

The long-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	
	2021	2020
Beginning balance	538,346	507,582
Allowance for expected credit losses	42,292	75,142
Amount written off	-	(44,378)
Effect from loss of control in subsidiary	(16,577)	-
Ending balance	564,061	538,346

Directors and management's benefits

During the year ended 31 December 2021 and 2020, the Group had employee benefit expenses of their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Short-term employee benefits	44	38	30	26
Post-employment benefits	1	9	1	9
Total	45	47	31	35

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

On 31 March 2013, a local subsidiary, Primagold International Co., Ltd., ("PMG") granted a long-term loan to PT Pranda Marketing Indonesia ("PMI"), amounting to USD 2 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 require PMI to make 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 addition, PMG entered into an agreement with the shareholders of PMI, assigning control over the financial and operating policies of PMI to PMG, 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 the subsidiary of the Group.

On 27 April 2021, the meeting of the Company's Board of Directors of PMG, passed a resolution approving withdrawing control over PMI on 12 July 2021. PMG agreed to settle fully amount of loan including accrued interest from PMI with inventories of Prima brand amounting to Baht 3 million. In this regard, PMG already received ownership of inventories from PMI. The details of transactions are below.

)Unit: Thousand Baht(
	As at 12 July 2021
Long-term loan	63,770
Add: Accrued interest income	36,357
Less: Allowance for expected credit losses	(85,257)
Total long-term loan, net	14,870
Less: Inventories	(3,119)
Effect from loss of control in subsidiary	11,751

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash	4,214	23,403	1,759	765
Bank deposits	393,606	420,081	251,191	185,188
Total	397,820	443,484	252,950	185,953

As at 31 December 2021, bank deposits carried interests between 0.01 to 4.90 percent per annum (2020: between 0.01 to 3.25 percent per annum).

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	6	3,054	10,796	32,258
Past due				
Up to 3 months	209	37	20,792	39,193
3 - 6 months	-	49	23,857	21,313
6 - 12 months	177	2,184	58,573	59,258
Over 12 months	48,696	44,725	478,893	542,288
Total	49,088	50,049	592,911	694,310
Less: Allowance for expected credit losses	(49,082)	(49,735)	(576,398)	(582,879)
Total trade accounts receivable - related parties, net (Note 6)	6	314	16,513	111,431
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	274,596	238,489	186,948	171,348
Past due				
Up to 3 months	53,542	137,743	53,254	109,691
3 - 6 months	1,227	5,200	1,144	690
6 - 12 months	1,083	10,106	316	2,568
Over 12 months	28,031	22,992	25,984	20,072
Total	358,479	414,530	267,646	304,369
Less: Allowance for expected credit losses	(48,937)	(41,400)	(41,956)	(32,931)
Total trade accounts receivable - unrelated parties, net	309,542	373,130	225,690	271,438
Total trade accounts receivable, net	309,548	373,444	242,203	382,869
<u>Other receivables</u>				
Other receivables - related parties (Note 6)	296	14,801	61,920	71,174
Other receivables - unrelated parties	20,722	3,058	16,120	316
Accrued interest income - related parties (Note 6)	-	3,167	7,027	10,416
Accrued interest income - unrelated parties	5,923	1,029	5,896	997
Accrued income	292	-	292	-
Total	27,233	22,055	91,255	82,903
Less: Allowance for expected credit losses	(8,771)	(4,434)	(58,416)	(65,284)
Total other receivables, net	18,462	17,621	32,839	17,619
Total trade and other receivables, net	328,010	391,065	275,042	400,488

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Beginning balance	95,569	72,192	681,094	626,677
Allowance for expected credit losses	16,490	24,402	945	227,599
Amount written off	(5,269)	(1,025)	(5,269)	(173,182)
Ending balance	<u>106,790</u>	<u>95,569</u>	<u>676,770</u>	<u>681,094</u>

9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Finished goods	936,788	1,084,724	(84,555)	(125,146)	852,233	959,578
Work in process	300,259	226,821	-	-	300,259	226,821
Raw materials	490,117	423,229	(89,762)	(93,075)	400,355	330,154
Factory supplies	10,106	12,253	(7)	(8)	10,099	12,245
Goods in transit	350	3,210	-	-	350	3,210
Total	<u>1,737,620</u>	<u>1,750,237</u>	<u>(174,324)</u>	<u>(218,229)</u>	<u>1,563,296</u>	<u>1,532,008</u>

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Finished goods	460,752	308,365	(80,071)	(84,421)	380,681	223,944
Work in process	295,377	224,889	-	-	295,377	224,889
Raw materials	472,380	409,524	(89,334)	(92,647)	383,046	316,877
Factory supplies	7,436	9,163	-	-	7,436	9,163
Goods in transit	350	778	-	-	350	778
Total	<u>1,236,295</u>	<u>952,719</u>	<u>(169,405)</u>	<u>(177,068)</u>	<u>1,066,890</u>	<u>775,651</u>

During the current year, the Group has not reduced cost of inventories (2020: The Group reduced cost of inventories by Baht 8 million) (The Company only: Baht 10 million 2020: Baht 4 million), to reflect the net realisable value. In addition, the Group reversed the write-down of cost of inventories by Baht 14 million (2020: Baht 7 million) (The Company only: Baht 2 million 2020: Baht 2 million), and reduced the amount of inventories recognised as expenses during the year.

As at 31 December 2021, 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 to secure credit facilities from an overseas commercial bank as described in Note 18 and Note 22 to the financial statements.

10. 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.

11. Other non-current financial assets

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2564	2563	2564	2563
<u>Debt instruments at amortised cost</u>				
Deposit	7,255	9,257	-	-
Total debt instruments at amortised cost - net	7,255	9,257	-	-
<u>Debt instruments at FVOCI</u>				
Listed equity instruments	12,046	12,009	12,046	12,009
Total debt instruments at FVOCI	12,046	12,009	12,046	12,009
Total other non-current financial assets - net	19,301	21,266	12,046	12,009

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

12. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Paid-up capital		Currency	Shareholding percentage		Cost	
	2021	2020		2021	2020	2021	2020
				(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.	2.0	1.5	Million USD	100	100	63,855	48,180
Primagold International Co., Ltd.	200	200	Million Baht	100	100	200,000	200,000
Crystalline Co., Ltd.	7.5	100	Million Baht	96	96	76,760	96,000
Pranda Lodging Co., Ltd.	15	50	Million Baht	83	83	12,075	41,125
Pranda Jewelry Private Limited	150	150	Million Indian Rupee	51	51	213,439	213,439
Total						1,059,808	1,092,423
Less: Allowance for impairment of investments						(576,557)	(540,539)
Investments in subsidiaries, net						483,251	551,884

During 2021 and 2020, 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 36 million in the income statement of 2021 (2020: Baht 21 million).

Subsidiary - Pranda Vietnam Company Limited

On 20 April 2021, the Company paid USD 0.5 million or approximately Baht 15.7 million for additional capital of the Pranda Vietnam Co., Ltd. a subsidiary in which the Company has 100% interest, in accordance with the resolution to increase its registered share capital of the Meeting of Board of Directors of subsidiary held on 19 November 2020.

Subsidiary - Crystalline Company Limited

On 22 April 2021, the Extraordinary General Meeting of the shareholders of a local subsidiary, Crystalline Co.,Ltd., passed a resolution approving the reduction of Baht 70 million in its registered share capital, from Baht 100 million to Baht 30 million, by reducing the par value of the shares from Baht 100 to Baht 30 per share, in order to write off deficit.

The subsidiary registered the reduction in registered share capital with the Department of Business Development, Ministry of Commerce, on 5 May 2021.

On 3 November 2021, the Extraordinary General Meeting of the shareholders of a local subsidiary, Crystalline Co.,Ltd., passed a resolution approving the reduction of its registered share capital by Baht 22.5 million, from Baht 30 million to Baht 7.5 million by reducing the par value of the shares from Baht 30 to Baht 7.5 per share. The subsidiary registered the reduction in registered share capital with the Department of Business Development, Ministry of Commerce, on 8 December 2021.

Subsidiary - Pranda Lodging Company Limited

On 25 May 2021, the Extraordinary General Meeting of the shareholders of a local subsidiary, Pranda Lodging Company Limited, passed a resolution approving the reduction of Baht 35 million in its registered share capital, from Baht 50 million (5 million ordinary shares with a par value of Baht 10 per share) to Baht 15 million (1.5 million ordinary shares with a par value of Baht 10 per share). The subsidiary registered the reduction in registered share capital with the Department of Business Development, Ministry of Commerce, on 29 June 2021.

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 Jewelry Private Limited

On 27 December 2018, an Indian subsidiary, Pranda Jewelry Private Limited, issued and offered to the Company 34,000,000 units of fully compulsorily convertible debentures, unsubordinated and unsecured, with a par value of Indian Rupee 10 each, or a total of Indian Rupee 340 million. All Debentures are to be converted into fully paid up equity shares of the subsidiary on the expiry of 5 years from the date of issue of debenture. The conversion ratio will be calculated in accordance with related regulations in India.

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

However, the Company has considered to record this transaction for investments in subsidiaries because the debentures held by the investors shall automatically be converted into equity shares on the conversion date.

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

(Unit: Million Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Loss allocated to non-controlling interests during the year	
	2021	2020	2021	2020	2021	2020
	(Percent)	(Percent)				
Pranda Jewelry Private Limited	49	49	(88)	(85)	(3)	(5)

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

Summarised information about financial position

(Unit: Million Baht)

	Pranda Jewelry Private Limited	
	2021	2020
Current assets	28	37
Current liabilities	172	152

Summarised information about comprehensive income

(Unit: Million Baht)

	For the year ended 31 December	
	Pranda Jewelry Private Limited	
	2021	2020
Revenue	62	27
Loss	(5)	(10)
Total comprehensive income	(5)	(10)

Summarised information about cash flow

(Unit: Million Baht)

	For the year ended 31 December	
	Pranda Jewelry Private Limited	
	<u>2021</u>	<u>2020</u>
Cash flow from operating activities	9	4
Cash flow used in investing activities	(9)	-
Cash flow used in financing activities	(8)	(1)
Net increase (decrease) in cash and cash equivalents	(8)	3

13. Investments in associated company

13.1 Details of associated company:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements			
			Shareholding		Carrying amounts	
			Percentage		based on equity method	
			<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
			(Percent)	(Percent)		
KZ-Pranda Co., Ltd.	Import and distribution of raw materials - precious metals	Thailand				
- Cost			40	40	3,600	3,600
- Accumulated share of profit					8,966	8,161
Total carrying amounts based on equity method					12,566	11,761

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements							
			Shareholding				Allowance for impairment of		Carrying amounts	
			percentage		Cost		investment		based on cost method - net	
			<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
			(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)	-	-

13.2 Share of comprehensive income

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

(Unit: Thousand Baht)

Company's name	Consolidated financial statements	
	Share of profit from investment in associated company during the year	
	<u>2021</u>	<u>2020</u>
KZ-Pranda Co., Ltd.	805	1,671

13.3 Summarised financial information about material associated company

Financial information of the associated company is summarised below.

(Unit: Million Baht)

Company's name	Paid-up capital		Total assets		Total liabilities		Total revenues for the years ended		Profit for the years ended	
	as at		as at		as at		ended		the years ended	
	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
KZ-Pranda Co., Ltd.	9	9	68	85	36	56	1,720	1,246	2	4

14. Other receivables

Other receivable is the promissory note totaling USD 1.55 million that were issued by overseas company. This promissory note is repayable in 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 2021 and 2020 are presented below.

(Unit: Thousand Baht)

	Consolidated / Separate financial statements	
	<u>2021</u>	<u>2020</u>
Promissory note	46,595	46,595
Less: Allowance for expected credit losses	(46,595)	(46,595)
Other receivable, net	-	-

15. Investment properties

The net book value of investment properties as at 31 December 2021 and 2020 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
31 December 2021:						
Cost	576,952	65,962	642,914	576,952	9,476	576,428
<u>Less:</u> Accumulated depreciation	-	(56,290)	(56,290)	-	(8,876)	(8,876)
Net book value	576,952	9,672	586,624	576,952	600	577,552
31 December 2020:						
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	576,952	10,014	586,966	576,952	600	577,552

A reconciliation of the net book value of investment properties for the years 2021 and 2020 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Net book value at beginning of year	586,966	587,308	577,552	577,552
Depreciation during the year	(342)	(342)	-	-
Net book value at end of year	586,624	586,966	577,552	577,552

The fair value of the investment properties stated below:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land held for development	1,175,000	1,175,000	1,175,000	1,175,000
Land and building for rent	91,975	109,851	38,805	38,805

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 with a total net book value as at 31 December 2021 of approximately Baht 577 million (2020: Baht 577 million) as collateral against credit facilities which the Company received from a commercial bank (The Company only: Baht 577 million, 2020: Baht 577 million).

16. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Net book value:				
Property, plant and equipment	543,140	555,107	451,997	469,358
Right-of-use assets (Note 24.1 a))	101,751	166,886	-	-
Total	<u>644,891</u>	<u>721,993</u>	<u>451,997</u>	<u>469,358</u>

16. Property, plant and equipment (continued)

Movements of property, plant and equipment for the years ended 31 December 2021 and 2020 are summarised below.

(Unit: Thousand Baht)

Consolidated financial statements									
	Land	Land improvements	Buildings and building improvements	Leasehold improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total
Cost:	94,669	16,968	809,247	19,943	252,216	555,858	29,428	4,360	1,782,689
	-	-	-	8	660	10,886	-	4,376	15,930
	-	-	-	-	(7)	(3,373)	-	(278)	(3,658)
	-	-	1,085	8,813	-	(5,404)	-	(4,494)	-
	-	-	(996)	(23)	87	(363)	(29)	-	(1,324)
	94,669	16,968	809,336	28,741	252,956	557,604	29,399	3,964	1,793,637
	-	-	1,221	-	919	13,778	-	16,897	32,815
	-	-	-	(10,061)	(6,320)	(44,529)	-	-	(60,910)
	-	1,110	6,696	-	-	861	-	(8,667)	-
	-	-	-	(9,395)	-	(741)	(387)	-	(10,523)
-	-	7,741	1,445	1,653	6,395	351	-	17,585	
94,669	18,078	824,994	10,730	249,208	533,368	29,363	12,194	1,772,604	
Accumulated depreciation:	-	10,097	411,936	18,092	241,873	464,853	27,972	-	1,174,823
	-	496	22,002	369	5,166	23,535	841	-	52,409
	-	-	-	-	(7)	(3,313)	-	-	(3,320)
	-	-	(19)	7,008	-	(6,989)	-	-	-
	-	-	(759)	506	81	(336)	(30)	-	(538)
	-	10,593	433,160	25,975	247,113	477,750	28,783	-	1,223,374
	-	560	21,991	309	4,361	21,435	237	-	48,893
	-	-	-	(6,811)	(6,194)	(42,464)	-	-	(55,469)
	-	-	-	(9,259)	-	(755)	(370)	-	(10,384)
	-	-	4,391	420	1,495	4,631	280	-	11,217
-	11,153	459,542	10,634	246,775	460,597	28,930	-	1,217,631	

16. Property, plant and equipment (continued)

(Unit: Thousand Baht)

	Consolidated financial statements						
	Land	Land improvements	Buildings and building improvements	Leasehold improvements	Machinery and equipment	Furniture, fixtures and office equipment	Assets under installation and under construction
							Total
Allowance for impairment loss:							
31 December 2020	-	-	-	2,635	-	12,521	-
31 December 2021	-	-	-	-	-	11,833	-
Net book value:							
31 December 2020	94,669	6,375	376,176	131	5,843	67,333	3,964
31 December 2021	94,669	6,925	365,452	96	2,433	60,938	12,194
Depreciation for the year							
2020 (Baht 19 million included in manufacturing cost, and the balance in selling and administrative expenses)							52,409
2021 (Baht 17 million included in manufacturing cost, and the balance in selling and administrative expenses)							48,893

16. 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
	Land	improvements	improvements	equipment	office equipment	vehicles	Total
Cost:							
1 January 2020	94,669	16,968	691,077	241,345	335,657	22,094	1,404,615
Additions	-	-	-	660	3,710	-	5,083
Disposals/write-off	-	-	-	(7)	(1,563)	-	(1,848)
Transfers	-	-	1,104	-	1,160	-	-
31 December 2020	94,669	16,968	692,181	241,998	338,964	22,094	1,407,850
Additions	-	-	1,221	919	6,192	-	16,206
Disposals/write-off	-	-	-	(1,201)	(3,977)	-	(5,178)
Transfers	-	1,110	6,696	-	861	-	-
31 December 2021	94,669	18,078	700,098	241,716	342,040	22,094	1,418,878
Accumulated depreciation:							
1 January 2020	-	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
Depreciation for the year	-	560	18,682	4,683	9,538	38	33,501
Depreciation on disposals/write-off	-	-	-	(1,201)	(3,911)	-	(5,112)
31 December 2021	-	11,153	389,075	239,373	293,375	22,072	955,048

16. 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 2020	-	-	-	-	11,833	-	11,833
31 December 2021	-	-	-	-	11,833	-	11,833
Net book value:							
31 December 2020	94,669	6,375	321,788	6,107	39,383	60	469,358
31 December 2021	94,669	6,925	311,023	2,343	36,832	22	451,997
Depreciation for the year							
2020 (Baht 17 million included in manufacturing cost, and the balance in selling and administrative expenses)							36,322
2021 (Baht 16 million included in manufacturing cost, and the balance in selling and administrative expenses)							33,501

As at 31 December 2021, 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 976 million (2020: Baht 984 million) (The Company only: Baht 765 million, 2020: Baht 728 million).

The Group has mortgaged its property, plant and equipment with a total net book value as at 31 December 2021 amounting to approximately Baht 383 million (2020: Baht 398 million) as collateral against credit facilities received from commercial banks (The Company only: Baht 335 million, 2020: Baht 350 million).

17. Intangible assets

The net book value of intangible assets as at 31 December 2021 and 2020 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Computer software	Trademark	Total	Computer software	Trademark	Total
Cost:						
1 January 2020	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
Disposals/write-off	(18)	-	(18)	-	-	-
Translation adjustment	669	-	669	-	-	-
31 December 2020	80,477	41,242	121,719	50,843	41,242	92,085
Additions	3,377	-	3,377	1,742	-	1,742
Disposals/Write-off	(20,720)	-	(20,720)	(5,039)	-	(5,039)
Effect from loss of control in subsidiary	(1,961)	-	(1,961)	-	-	-
Translation adjustment	1,838	-	1,838	-	-	-
31 December 2021	63,011	41,242	104,253	47,546	41,242	88,788
Accumulated amortisation:						
1 January 2020	49,852	-	49,852	25,791	-	25,791
Amortisation during the year	4,796	-	4,796	3,525	-	3,525
Amortisation on disposals/write-off	(18)	-	(18)	-	-	-
Translation adjustment	655	-	655	-	-	-
31 December 2020	55,285	-	55,285	29,316	-	29,316
Amortisation during the year	5,225	-	5,225	4,197	-	4,197
Amortisation on disposals/write-off	(15,680)	-	(15,680)	-	-	-
Effect from loss of control in subsidiary	(1,013)	-	(1,013)	-	-	-
Translation adjustment	1,756	-	1,756	-	-	-
31 December 2021	45,573	-	45,573	33,513	-	33,513
Allowance for impairment loss:						
31 December 2020	-	3,302	3,302	-	3,302	3,302
31 December 2021	-	3,302	3,302	-	3,302	3,302
Net book value:						
31 December 2020	25,192	37,940	63,132	21,527	37,940	59,467

31 December 2021	<u>17,438</u>	<u>37,940</u>	<u>55,378</u>	<u>14,033</u>	<u>37,940</u>	<u>51,973</u>
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18. Bank overdrafts and short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate		Consolidated		Separate	
	(percent per annum)		financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Bank overdrafts	9.10	-	2,183	-	-	-
Short-term loans from						
financial institutions	2.50 - 2.75	5.25 - 5.50	<u>287,000</u>	<u>319,000</u>	<u>287,000</u>	<u>319,000</u>
Total			<u>289,183</u>	<u>319,000</u>	<u>287,000</u>	<u>319,000</u>

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.

Short-term loans from financial institutions of a local subsidiary company, Primagold International Co., Ltd., are guaranteed by the Company and some assets of a local subsidiary company.

Bank overdrafts of a local subsidiary company, Pranda Lodging Co., Ltd., are secured by fixed deposits pledged with the bank.

During the year, an overseas subsidiary, Pranda Jewelry Private Limited, entered into a bank overdraft agreement with a financial institution for a credit facility of INR 21 million, or approximately Baht 9.45 million. Such bank overdrafts are secured by the mortgage of a building of this subsidiary, as described in Note 16 to the financial statements.

19. Bills of exchange

(Unit: Thousand Baht)

	Consolidated financial statements	
	<u>2021</u>	<u>2020</u>
Beginning balance	49,606	49,035
Add: Issuance of bills of exchange	-	50,000
Amortisation of prepaid interest expenses	394	2,091
Less: Repayment	(50,000)	(50,000)
Prepaid interest expenses	-	(1,520)
Ending balance	<u>-</u>	<u>49,606</u>

20. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Trade and other payables - related parties (Note 6)	118	5,300	41,657	37,881
Trade payables - unrelated parties	773,541	740,031	479,654	430,474
Other payables - unrelated parties	10,727	7,252	2,312	2,166
Accrued expenses	46,841	60,982	17,786	25,132
Total trade and other payables	<u>831,227</u>	<u>813,565</u>	<u>541,409</u>	<u>495,653</u>

21. Restructured long-term loan

In 2020, 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

Movements in the long-term loan account are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	<u>2021</u>	<u>2020</u>
Beginning balance	22,288	-
Add: Restructured long-term loan	-	22,288
Less: Effect from loss of control in subsidiary	(22,288)	-
Ending balance	<u>-</u>	<u>22,288</u>

22. Long-term loans

The outstanding balances of long-term loans as at 31 December 2021 and 2020 are as follows:

(Unit: Thousand Baht)

Loan	Interest rate (percent per annum)	Repayment schedule	Consolidated financial statements		Separate financial statements	
			2021	2020	2021	2020
1	MLR - 0.50	Quarterly installment as from September 2019 to September 2022	37,500	67,500	37,500	67,500
2	MLR - 1.25	Monthly installment as from July 2016 to June 2023	49,880	74,900	-	-
3	14.60	Monthly installment as from September 2013 to January 2029 (Indian Rupee loan)	-	9,031	-	-
Total			87,380	151,431	37,500	67,500
Less: Deferred financial service fee			(284)	(473)	-	-
Long-term loans - net of deferred financial service fee			87,096	150,958	37,500	67,500
Less: Current portion, net			(87,096)	(142,787)	(37,500)	(67,500)
Long-term loans - net of current portion, net			-	8,171	-	-

Movement of the long - term loan account during the year ended 31 December 2021 and 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Beginning balance	150,958	169,258	67,500	75,000
Add: Addition of long-term loans	-	26,424	-	-
Amortisation of deferred financial service fee	189	250	-	-
Less: Repayment	(64,502)	(17,037)	(30,000)	(7,500)
Transfer to restructured long-term loan	-	(22,288)	-	-
Translation adjustment	451	(5,649)	-	-
Ending balance	87,096	150,958	37,500	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.

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 2021, the subsidiary was unable to maintain a debt to equity ratio in accordance with the agreements. As a result, the lender has the right to call the loans on demand and the subsidiary has classified the full balance as current portion of long-term loans in the statement of financial position as at 31 December 2021. Subsequently in February 2022, the subsidiary obtained a letter granting a waiver for such condition from the lender.

23. Convertible debentures/Options

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.

In 2020, Advance Opportunities Fund I exercised the conversion 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 has 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 2021	34,465
Less: Redemption of convertible debenture	(35,000)
Add: Amortised - transaction cost	535
Balance as at 31 December 2021	-
(Unit: Thousand Baht)	
Nominal value of options as at 1 January 2021	3,889
Less: Redemption of convertible debenture	(3,889)
Balance as at 31 December 2021	-

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.

24. Leases

24.1 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 land, buildings and buildings improvements for the year ended 31 December 2021 and 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements		
	Land	Buildings and building improvements	Total
1 January 2020	4,444	216,911	221,355
Adjustments from the lease modification - net book value as at modification date	-	(12,755)	(12,755)
Depreciation for the year	(343)	(41,371)	(41,714)
31 December 2020	4,101	162,785	166,886
Adjustments from the lease modification - net book value as at modification date	-	(37,938)	(37,938)
Depreciation for the year	(260)	(26,288)	(26,548)
Effect from loss of control in subsidiary	-	(3,197)	(3,197)
Translation adjustment	460	2,088	2,548
31 December 2021	4,301	97,450	101,751

b) Lease liabilities

Movement of lease liabilities for the year ended 31 December 2021 and 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements	
	2021	2020
Lease payments on lease contract	107,412	183,396
Less: Deferred interest expenses	(8,189)	(22,469)
Total	99,223	160,927
Less: Portion due within one year	(25,476)	(31,520)
Lease liabilities - net of current portion	73,747	129,407

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Depreciation expense of right-of-use assets	26,548	41,714	-	-
Interest expense on lease liabilities	5,883	8,273	-	49
Expense relating to leases of low-value assets	1,222	2,116	275	377

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2021 of Baht 33.2 million (2020: 47.8 million) (The Company only: Baht 0.2 million, 2020: 0.7 million), including the cash outflow related to leases of low-value assets.

25. Provision for long-term employee benefits

Movement in the provision for long-term employee benefit account during the year ended 31 December 2021 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Post-employment		Other long-term		Total	
	benefits from		employee benefits plan			
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Defined benefit obligation at beginning of year	279,509	271,498	10,182	11,684	289,691	283,182
Included in statement of income:						
Current service cost	15,712	15,848	929	927	16,641	16,775
Interest cost	4,054	3,988	140	147	4,194	4,135
Included in other comprehensive income:						
Actuarial (gain) loss arising from						
Demographic assumptions changes	-	(5)	-	-	-	(5)
Financial assumptions changes	-	420	-	-	-	420
Experience adjustments	-	5	-	-	-	5
Effect from loss of control in subsidiary	(1,611)	-	-	-	(1,611)	-
Benefits paid during the year	(11,687)	(12,245)	(1,894)	(2,576)	(13,581)	(14,821)
Provision for long-term employee benefits						
at end of year	<u>285,977</u>	<u>279,509</u>	<u>9,357</u>	<u>10,182</u>	<u>295,334</u>	<u>289,691</u>

(Unit: Thousand Baht)

	Separate financial statements					
	Post-employment					
	benefits from		Other long-term			
	employee's retirement		employee benefits plan		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Defined benefit obligation at beginning of year	263,430	257,989	9,262	10,832	272,692	268,821
Included in statement of income:						
Current service cost	13,836	13,976	757	747	14,593	14,723
Interest cost	3,840	3,710	129	135	3,969	3,845
Benefits paid during the year	(11,467)	(12,245)	(1,626)	(2,452)	(13,093)	(14,697)
Provision for long-term employee benefits						
at end of year	269,639	263,430	8,522	9,262	278,161	272,692

The Group expects to pay Baht 11 million of long-term employee benefits during the next year (2020: Baht 11 million) (The Company only: Baht 12 million, 2020: Baht 10 million).

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit is 10 - 18 years (2020: 10 - 18 years) (The Company only: 10 years, 2020: 10 years).

Key actuarial assumptions used for the valuation are as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(Percent per annum)	(Percent per annum)	(Percent per annum)	(Percent per annum)
Discount rate	1.50	1.50 - 7.00	1.50	1.50
Salary increase rate	5.00	5.00 - 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 2021 and 2020 are summarised below:

(Unit: million Baht)

	As at 31 December 2021			
	Consolidated financial statements		Separate financial statements	
	Increase 0.5 - 1%	Decrease 0.5 - 1%	Increase 0.5%	Decrease 0.5%
Discount rate	(11)	21	(10)	20
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Salary increase rate	40	(27)	38	(25)

(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)

26. Warrants to purchase new ordinary shares of the Company

26.1 Warrants to purchase new ordinary shares to existing shareholders

On 8 February 2018, the Company issued the warrants to purchase ordinary shares of the Company No.4 (PDJ-W4) to the existing shareholders at the total number of 51,190,390 units 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. 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 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.

Presented below is a summary of movement in the number of warrants as at 31 December 2021.

	Unit
Outstanding as at 1 January 2021	51,190,390
Exercised during the year	(47,870,666)
Expired during the year	(3,319,724)
Outstanding as at 31 December 2021	-

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

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

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

Warrants issuing date	14 August 2018
Term of warrants	3 years from the issuance date
Warrants expiring date	14 August 2021
Amount of warrants (Units)	20,476,450
Exercise ratio	One unit of the Warrants for one ordinary share
Exercise price	Baht 4 per share unless the exercise ratio is otherwise adjusted pursuant to the conditions concerning the right adjustment.
Exercise period	Once a year on the date of each anniversary of the issuance of the Warrants.
First Exercise date	14 August 2019
Last Exercise date	14 August 2021
Proportion for Exercise	<p>The First Exercise: To exercise the accrued right not exceeding 25 percent of the Warrants which allocated to each holder by the Company.</p> <p>The Second Exercise: To exercise the accrued right not exceeding 50 percent of the Warrants which allocated to each holder by the Company (inclusive of first and second exercises).</p> <p>The Third Exercise: To exercise the accrued right not exceeding 100 percent of the Warrants which allocated to each holder by the Company. (inclusive of first to third exercises)</p>

The average estimated fair value of each warrant granted is Baht 0.153. This was calculated by applying the Black-Scholes-Merton formula. The model inputs were the share price at price determination date of Baht 2.803, exercise price of Baht 4, expected volatility of 28.065 percent, contractual life of three years, and a risk-free interest rate of 1.578 - 1.961 percent.

PDJ ESOP-2 totaling 20,476,450 units was expired on 14 August 2021 without any exercisable.

27. 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 2021 and 2020 are as follows:

(Unit: Thousand Baht)

	Issued and paid-up share capital		Share premium	
	2021	2020	2021	2020
Balance as at 1 January	491,156	462,396	817,979	818,138
Increase in capital from exercising of the warrants to purchase ordinary shares to existing shareholders	47,871	24,314	-	-
Increase (decrease) in capital from exercising of the rights of the convertible debenture	-	4,446	-	(159)
Total	47,871	28,760	-	(159)
Balance as at 31 December	539,027	491,156	817,979	817,979

28. Statutory reserve

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

29. Sales**Disaggregated revenue information**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Type of goods services:				
Sale of finished goods	2,900,540	2,202,164	2,393,637	1,759,596
Sale of raw materials	-	260,134	-	260,134
Total sales	<u>2,900,540</u>	<u>2,462,298</u>	<u>2,393,637</u>	<u>2,019,730</u>
Timing of revenue recognition:				
Revenue recognised at a point in time	2,900,540	2,462,298	2,393,637	2,019,730
Total sales	<u>2,900,540</u>	<u>2,462,298</u>	<u>2,393,637</u>	<u>2,019,730</u>

30. Finance cost

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Interest expenses on borrowings	20,444	32,361	16,810	24,286
Interest expenses on lease liabilities	4,319	5,358	-	49
Interest paid from collateral	4,105	4,009	-	-
Other expenses	7,620	10,931	1,605	2,525
Total	<u>36,488</u>	<u>52,659</u>	<u>18,415</u>	<u>26,860</u>

31. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Salaries and wages and other employee benefits	807,013	598,271	636,773	356,424
Depreciation and amortisation	84,330	99,263	37,698	39,847
Raw materials and consumables used				
and purchase of finished goods	1,520,979	1,324,237	1,635,570	1,257,441
Changes in inventories of finished goods				
and work in process	76,614	(10,032)	(222,874)	(68,878)
Reduction of inventory to net realisable value (reversal)	(14,398)	862	(7,663)	1,878
Impairment loss on financial assets (reversal)	23,767	-	(93,337)	271,718
Commission and sales promotion expenses	68,933	66,351	8,678	7,659
Rental expenses from operating lease agreements	39,972	21,146	264	393

32. Income tax

Tax expenses (income) for the years ended 31 December 2021 and 2020 are made up as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current income tax:				
Current income tax charge for the year	2,401	2,164	490	1,871
Adjustment in respect of income tax of previous year	-	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	59,123	(98,444)	61,385	26,300
Tax expense (income) reported in profit or loss	<u>61,524</u>	<u>(96,280)</u>	<u>61,875</u>	<u>28,171</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2021 and 2020 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Deferred tax relating to actuarial loss	-	(99)	-	-

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Accounting gain (loss) before tax	194,966	(149,791)	181,307	(245,740)
Applicable tax rate	15% - 30%	15% - 30%	20%	20%
Accounting loss before tax multiplied by income tax rate	8,913	(33,030)	36,261	(49,148)
Adjustment in respect of current income tax of previous year	-	3,643	-	-
Temporary differences which were not utilised and not recognised as deferred tax assets during the year	44,400	37	15,123	27,438
Temporary differences in previous year which were recognised as deferred tax assets during the year	2,166	(115,807)	2,162	(1,182)
Effect of elimination entries on the consolidated financial statements	-	(1,305)	-	-
Effects of:				
Promotional privileges (Note 33)	-	(1,871)	-	(1,871)
Non-deductible expenses	2,776	49,404	2,759	50,554
Additional expense deductions allowed	2,326	(1,444)	2,300	(1,469)
Others	943	4,093	3,270	3,849
Total	6,045	50,182	8,329	51,063
Tax expenses (income) reported in profit or loss	61,524	(96,280)	61,875	28,171

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

(Unit: Thousand Baht)

	Consolidated financial statements	
	<u>2021</u>	<u>2020</u>
Deferred tax assets		
Allowance for expected credit losses	-	1,054
Reduce cost of inventories to net realisable value	660	600
Provision for long-term employee benefits	59,294	58,113
Difference between tax and accounting of revenue recognition	312	583
Loss on unrealised fair value measurement of derivative financial instruments	-	1,146
Unused tax loss	41,022	99,443
Total	101,288	160,939
Deferred tax liabilities		
Deferred financial service fee	57	136
Total deferred tax assets, net	101,345	160,803

(Unit: Thousand Baht)

	Separate financial statements	
	<u>2021</u>	<u>2020</u>
Deferred tax assets		
Allowance for expected credit losses	-	1,054
Provision for long-term employee benefits	55,632	54,538
Unused tax loss	27,108	87,429
Loss on unrealised fair value measurement of derivative financial instruments	-	1,146
Allowance for impairment of investments in subsidiaries	-	-
Total	82,740	144,167
Deferred tax liabilities		
Deferred financial service fee	-	42
Total deferred tax assets, net	82,740	144,125

As at 31 December 2021, the Company has deductible temporary differences totaling Baht 2,212 million (2020: Baht 2,246 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 2021, the subsidiaries have deductible temporary differences and unused tax losses totaling Baht 1,266 million (2020: Baht 751 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 229 million which will expire by 2024.

33. Promotional privileges

33.1 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 2021 and 2020, divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

	Promoted operations		Non-promoted operations		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Sales						
Domestic sales	-	185,818	462,287	840,634	462,287	1,026,452
Export sales	-	112,254	1,931,350	881,024	1,931,350	993,278
Total sales	-	298,072	2,393,637	1,721,658	2,393,637	2,019,730

33.2 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.

34. 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 2020 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					
	Weighted average					
	Gain (loss) for the year		number of ordinary shares		Gain (loss) per share	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
(Thousand	(Thousand	(Thousand	(Thousand	(Baht)	(Baht)	
Baht)	Baht)	shares)	shares)			
Basic earnings per share						
Gain (loss) attributable to equity holders of						
the Company	<u>138,168</u>	<u>(95,103)</u>	<u>547,686</u>	<u>507,687</u>	<u>0.2523</u>	<u>(0.1873)</u>
	Separate financial statements					
	For the years ended 31 December					
	Weighted average					
	Gain (loss) for the year		number of ordinary shares		Gain (loss) per share	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
(Thousand	(Thousand	(Thousand	(Thousand	(Baht)	(Baht)	
Baht)	Baht)	shares)	shares)			
Basic earnings per share						
Gain (loss) attributable to equity holders of						
the Company	<u>119,432</u>	<u>(273,911)</u>	<u>547,686</u>	<u>507,687</u>	<u>0.2181</u>	<u>(0.5395)</u>

In 2020, no calculation of diluted earnings per share since the effect of diluted earnings per share is antidilutive.

35. 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 2021 and 2020.

(Unit: Million Baht)

	Production		Distribution		Retail		Others		Total Segments		Eliminations		Consolidated	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
For the years ended 31 December														
Revenues														
Revenues from external customers	2,152	1,507	114	129	634	826	-	-	2,900	2,462	-	-	2,900	2,462
Revenues from intersegment	249	525	1	4	105	272	-	-	355	801	(355)	(801)	-	-
Total revenues	2,401	2,032	115	133	739	1,098	-	-	3,255	3,263	(355)	(801)	2,900	2,462
Results														
Segment profit (loss)	172	40	(7)	(48)	(4)	(27)	(7)	(9)	154	(44)	26	16	180	(28)
Unallocated revenues and expenses														
Gain on exchange													77	59
Other income													65	34
Depreciation and amortization													(84)	(99)
Impairment loss on financial assets													(24)	-
Loss on liquidation of subsidiaries													-	(72)
Share of profit from investment in associated company													1	2
Finance income													16	6
Finance cost													(36)	(52)
Gain (loss) before income tax expenses													195	(150)
Tax incomes (expenses)													(62)	96
Gain (loss) for the year													133	(54)

Geographic information

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

(Unit: Thousand Baht)

	Consolidated financial statements	
	<u>2021</u>	<u>2020</u>
Revenue from external customers		
Thailand	787,148	1,317,725
United States of America	1,027,506	331,867
Germany	18,761	23,035
Others	1,067,125	789,671
Total	2,900,540	2,462,298

(Unit: Thousand Baht)

	Consolidated financial statements	
	<u>2021</u>	<u>2020</u>
Non-current assets (other than financial instruments and deferred tax assets)		
Thailand	1,289,705	1,382,078
Others	67,348	64,715
Total	1,357,053	1,446,793

Major customers

For the year 2021, the Group has revenue from three major customers in totaling amount of Baht 907 million, arising from sales by the production segment (2020: Baht 202 million derived from one major customer, arising from sales by the production segment).

36. 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 TMBThanachart Bank Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2021, the Company contributed Baht 13 million to the fund (2020: Baht 11 million).

37. Dividend

On 21 April 2021, the Annual General Meeting of the Company's shareholders passed a resolution to pay a dividend 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 at the rate of Baht 0.10 per share, or a total of Baht 53.9 million to its shareholders. Such dividend was paid on 19 May 2021.

38. Commitments and contingent liabilities

38.1 Capital commitments

As at 31 December 2021, an overseas subsidiary company had capital commitments of Baht 0.9 million relating to acquisition of building construction and building improvements (The Company only: Nil).

As at 31 December 2021, an overseas subsidiary company had capital commitments of Baht 2.5 million relating to acquisition of computer software (The Company only: Nil).

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 2021, there were outstanding guarantees of Baht 250 million and USD 14.5 million (2020: Baht 250 million and USD 14.5 million), totaling of Baht 734 million (2020: Baht 685 million).

38.2.2 As at 31 December 2021, there were outstanding bank guarantees of Baht 6.1 million (2020: Baht 6.8 million) issued by banks on behalf of the Group to guarantee purchase of goods, electricity use, among others. (The Company only: Baht 6 million (2020: Baht 6.6 million)).

38.2.3 As at 31 December 2021, the Group has outstanding standby-letters of credit of USD 28.5 million, or approximately Baht 951 million (2020: USD 30.3 million, or approximately Baht 909 million) (The Company only: USD 17 million, totaling Baht 567 million (2020: USD 17 million or approximately Baht 510 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 2021, 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 authority assessed sales tax of approximately INR 31 million or approximately Baht 14 million (including interest), for 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 authority. 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 for 10 percent of the assessed sales 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 authority assessed sales tax of approximately INR 1 million or approximately Baht 0.4 million (including penalty and interest), for the years 2014 - 2016 against the subsidiary in India. The management of the subsidiary appealed this assessment and the appeal is currently under the consideration of the Tribunal.

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

In 2020, the Indian tax authority assessed sales tax of approximately INR 88.4 million or approximately Baht 35.4 million (including interest), for the years 2011 - 2012 against the subsidiary in India. However, the subsidiary placed a bond for 10 percent of the assessed sales tax amounting to INR 3.3 million or approximately Baht 1.5 million. The management of the subsidiary appealed this assessment and the appeal is currently under the consideration of the Tribunal.

In the first quarter of current year, the Indian tax authority assessed sales tax of approximately INR 38.3 million or approximately Baht 16.1 million, for the years 2016 - 2017 against the subsidiary in India. However, the subsidiary placed a bond for 10 percent of the assessed sales tax amounting to INR 1.9 million or approximately Baht 0.9 million. The subsidiary's management is in the process of filing the appeal to revoke this assessment.

In the fourth quarter of current year, the Indian tax authority assessed sales tax of approximately INR 3.6 million or approximately Baht 1.6 million, for the years 2017 - 2018 against the subsidiary in India. However, the subsidiary placed a bond for 10 percent of the assessed sales tax amounting to INR 0.4 million or approximately Baht 0.1 million. The subsidiary's management is in the process of filing the appeal to revoke this assessment.

The management of the subsidiary believes that it will be able to file appeals requesting cancellation of assessments and there will be no material impacts on the subsidiary. The subsidiary has therefore not recorded any provision for these tax assessments.

39. Fair value hierarchy

As at 31 December 2021 and 2020, 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 2021		
	Level 1	Level 2	Total
Assets measured at fair value			
Investments in equity designed at fair value through profit or loss	3	-	3
Investments in equity designed at fair value through other comprehensive income	12	-	12
Assets for which fair value are disclosed			
Investment property	-	1,267	1,267

(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)

	Separate Financial Statements		
	As at 31 December 2021		
	Level 1	Level 2	Total
Assets measured at fair value			
Investments in equity designed at fair value through other comprehensive income	12	-	12
Assets for which fair value are disclosed			
Investment property	-	1,214	1,214

(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

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	
	<u>2021</u>	<u>2020</u>
Derivative liabilities		
Derivatives liabilities not designated as hedging instruments		
Forward contract	-	5,729
Total derivative liabilities	<u>-</u>	<u>5,729</u>

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, contract assets, 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. In addition, the Group does not have high concentrations of credit risk since it has a large customer base in various industries. The Group's maximum exposure relating to credit risk is the book value of trade and other receivables and loans to as presented in the financial position statements.

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 loans that are denominated in foreign currencies. Mostly 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	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(Baht per 1 foreign currency unit)									
US dollar	10	12	20	23	23	33	14	13	33.37	29.99
Euro	-	-	-	-	8	9	-	-	37.84	36.82
Pound Sterling	-	-	-	-	12	10	-	-	45.02	40.56

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 2021 and 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			
	2021		2020	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
US dollar	(3,523)	3,523	(3,327)	3,327
Euro	20	(20)	3	(3)
Pound Sterling	9	(9)	61	(61)

Currency	Separate financial statements			
	2021		2020	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
US dollar	3,025	(3,025)	5,929	(5,929)
Euro	2,908	(2,908)	4,065	(4,065)
Pound Sterling	5,190	(5,190)	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.

As at 31 December 2021 and 2020, 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 2021				
Fixed interest rates				
Within	1-5	Over	Floating	Non-interest

	1 year	years	5 years	interest rate	bearing	Total	Interest rate (Percent per annum)
Financial assets							
Cash and cash equivalents	2	-	-	168	228	398	0.01 - 4.90
Trade and other receivables	-	-	-	-	328	328	8.00
Other current financial assets	3	-	-	-	3	6	1.35
Restricted bank deposits	32	-	-	-	-	32	0.13 - 1.35
Other non-current financial assets	-	-	7	-	12	19	7.50
Total	37	-	7	168	571	783	
Financial liabilities							
Bank overdrafts and short-term							
loans from financial institutions	287	-	-	2	-	289	2.50 - 9.10
Trade and other payables	667	-	-	-	164	831	0.60 - 2.00
Long-term loans	-	-	-	87	-	87	(A)
Total	954	-	-	89	164	1,208	

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

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2020							
	Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Interest rate (Percent per annum)
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	(A)
Convertible debentures	-	34	-	-	-	34	1.00
Total	991	57	6	142	194	1,390	

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

(Unit: Million Baht)

Separate financial statements as at 31 December 2021					
Fixed interest rates					
Within	1-5	Over	Floating	Non-interest	

	1 year	years	5 years	interest rate	bearing	Total	Interest rate (Percent per annum)
Financial assets							
Cash and cash equivalents	-	-	-	74	179	253	0.13 - 0.40
Trade and other receivables	-	-	-	-	275	275	-
Restricted bank deposits	27	-	-	-	-	27	0.50
Other non-current financial assets	-	-	-	-	12	12	-
Total	27	-	-	74	466	567	
Financial liabilities							
Short-term loans from financial institutions	287	-	-	-	-	287	2.50 - 2.75
Trade and other payables	387	-	-	-	154	541	0.60 - 2.00
Long-term loans	-	-	-	38	-	38	MLR - 0.50
Total	674	-	-	38	154	866	

(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	

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 2021, with all other variables held constant.

Currency	Consolidated financial statements			
	2021		2020	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
Baht	662	(662)	836	(836)
US dollar	153	(153)	280	(280)
Indonesian Rupiah	(17)	17	33	(33)
Indian Rupee	-	-	18	(18)

Currency	Separate financial statements			
	2021		2020	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
Baht	364	(364)	562	(562)

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 2021 and 2020 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	Consolidated financial statements				
	As at 31 December 2021				
	On demand	Less than 1 year	1 - 5 years	> 5 years	Total
Non-derivatives					
Short-term loans from financial institutions	-	287,183	-	-	287,183
Trade and other payables	-	831,227	-	-	831,227
Long-term loans	-	87,096	-	-	87,096
Lease liabilities	-	25,475	73,747	-	99,222
Total non-derivatives	-	1,230,981	73,747	-	1,304,728
Derivatives					
Cash outflows	-	-	-	-	-
Total derivatives	-	-	-	-	-

(Unit: Thousand Baht)

	Consolidated financial statements				
	As at 31 December 2020				
	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				
	As at 31 December 2021				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Short-term loans from financial institutions	-	287,000	-	-	287,000
Trade and other payables	-	541,409	-	-	541,409
Long-term loans	-	37,500	-	-	37,500
Total non-derivatives	-	865,909	-	-	865,909
Derivatives					
Cash outflows	-	-	-	-	-
Total derivatives	-	-	-	-	-

(Unit: Thousand Baht)

	Separate financial statements				
	As at 31 December 2020				
	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 2021, the Group's debt-to-equity ratio was 0.77:1 (2020: 0.90:1) and the Company's debt-to-equity ratio was 0.55:1 (2020: 0.60:1).

42. Events after the reporting period

On 28 February 2022, the Board of Directors of the Company passed the following significant resolutions:

- a) To propose to a meeting of shareholders for consideration and approval on the reduction of the Company's registered share capital from Baht 634,769,950 to Baht 539,026,606 by cancellation of 95,743,344 unissued ordinary shares with a par value of Baht 1 each, and the amendment of the Memorandum of Association to be consistent with the capital decrease.
- b) To propose to a Meeting of the shareholders for consideration and approval on dividend payment of Baht 0.10 per share, or a total of Baht 53.9 million, to the shareholders in respect of 2012 earnings derived from net profit from corporate income tax exemption under promotional privileges received from the Board of Investment.

The Company will register the increase in registered capital and pay dividend after obtaining the approval from 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 28 February 2022.

PART 4

Certification of Information Attachments:

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Mr. Prida Tiasuwan Age 72 Years

(Founding director)

Board Chairman

(Appointed 6 July 1990)

Attachment 1:

Details of Directors, Executives, Controlling Persons, the Person Assigned to take the Highest Responsibility in Accounting and Finance, the Person Assigned to take Direct Responsibility for Accounting Supervision, the Company's Secretary

Education

- Higher National Diploma in Business Studies - Thames Valley University, England
- Distinguished Senior Executive Program in Government and Business at Harvard University, U.S.A.
- Honorary Doctorate of Arts Management, South East Bangkok College, Thailand

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, 4 companies
- Chairman of Executive Committee of Pranda Group, 2 companies
- Director of Pranda Group, 4 companies
- Executive Director of Pranda Group, 1 company
- Director & Treasurer May 1992 Memorial Foundation
- Director of CIBJO - The World Jewellery Confederation

% of Shareholding as of 30 December 2021

PDJ 31,746,774 shares or 5.89% of paid up shares

Family Relationship among Directors and Executives

Husband of Mrs. Sunanta Tiasuwan

**Mr. Pramote Tiasuwan** Age 70 Years

(Founding director and Authorized director to bind the company)

- Vice Chairman (Appointed 24 July 2020)
- Managing Director of production (Acting)
- 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
- Executive Director of Pranda Group, 3 companies

% of Shareholding as of 30 December 2021

PDJ 11,600,700 shares or 2.15 % of paid up shares

Family Relationship among Directors and Executives

Younger brother of Mr. Prida Tiasuwan

Mrs. Praptee Sorakraikitikul Age 74 Years

(Founding director and Authorized director to bind the company)

- 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, 3 companies
- Chairman of Executive Committee of Pranda Group, 1 company
- Director of Pranda Group in 2 companies
- Executive Director of Pranda Group, 3 companies
- Director of the Thai Mozambique Trade Association
- Board of directors of Gem and Jewelry Promotion Foundation
- Director of Thai - Vietnam Business Council
- Director of the Thai AEO Importer & Exporter Association
- Chairman of Committee on Trade Association of Gem, Jewelry and Precious

% of Shareholding as of 30 December 2021

PDJ 8,336,317 shares or 1.55% of paid up shares

Family Relationship among Directors and Executives

Elder sister of Mr. Prida Tiasuwan

**Mrs. Sunanta Tiasuwan** Age 71 Years

(Founding director and Authorized director to bind the company)

- Director [Appointed 6 July 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 Listed and Authorized Companies Association
- 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

- Director of Pranda Group, 7 companies
- Executive Director of Pranda Group, 5 companies
- Director of Bridge view Company Limited
- Vice President of Global Compact Network Thailand

% of Shareholding as of 30 December 2021

PDJ 1,400,624 shares or 0.26 % of paid up shares

Family Relationship among Directors and Executives

Wife of Mr. Prida Tiasuwan

Mrs. Pranee Khunprasert Age 68 Years

(Founding director and Authorized director to bind the company)

- Director [Appointed 6 July 1990]
- Chairman of Group Managing Director
- Managing Director of Production Development & Prototypes (Acting)
- 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)

Directorship**Other listed companies**

- None -

Non-listed businesses

- Chairman of Executive Committee of Pranda Group, 1 company
- Chairman of Executive Director of Pranda Group, 1 company
- Director of Pranda Group, 1 company
- Executive Director of Pranda Group, 3 companies

% of Shareholding as of 30 December 2021

PDJ 13,734,146 shares or 2.55% of paid up shares

Family Relationship among Directors and Executives

Younger sister of Mr. Prida Tiasuwan

**Mrs. Panidda Tiasuwan** Age 77 Years

(Founder)

- 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)

Directorship

Other listed companies

- None -

Non-listed businesses

- Chairman of Board of Pranda Group, 1 company

% of Shareholding as of 30 December 2021

PDJ 28,045,249 shares or 5.20% of paid up shares

Family Relationship among Directors and Executives

Elder sister of Mr. Prida Tiasuwan

Ms. Pittaya Tiasuwan Age 66 Years

(Founding director and Authorized director to bind the company)

- Director [Appointed 6 July 1990]
- Managing Director of Supply Chain and Gemstones
- 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)

Directorship

Other listed companies

- None -

Non-listed businesses

- Director of Pranda Group, 3 companies
- Executive Director of Pranda Group, 3 companies

% of Shareholding as of 30 December 2021

PDJ 23,947,600 shares or 4.44% of paid up shares

Family Relationship among Directors and Executives

Younger sister of Mr. Prida Tiasuwan



Mrs. Rawittha Pongnuchit Age 71 Years

- Independent Director((Appointed 14 August 2012)
- Chairman of Audit Committee
- Chairman of Nomination and Remuneration Committee (Appointed as the Chairman of the Audit Committee and Chairman of the Nomination and Remuneration Committee, resulting in effect from 1 January 2022 onwards)

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

- Vice 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.
- 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 2021

- None -

Family Relationship among Directors and Executives

- None -

**Mr. Chamnong Watanagase** Age 69 Years

- Independent Director (Appointed 25 March 2014)
- 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 Thammasat University Graduate Study Program (1978 - 80)

Training attended with regard to roles and responsibilities of corporate director

- Director Certification Program (DCP) Class 5 (2001), Audit Committee Program, Class 1 (2002), DCP Refresher Course 2/2006, Chartered Director, Class 1 (2007), Board Nomination & Compensation Program Class 8/2009, 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 2021

PDJ 92,200 shares or 0.02% of paid up shares

Family Relationship among Directors and Executives

- None -

**Mr. Decha Nuntanajaroenkul** Age 61 Years

(Authorized director to bind the company)

- Director (Appointed 23 April 2019)
- Managing Director of 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.

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

- Chairman of Executive Committee of Pranda Group, 2 companies
- Executive Director of Pranda Group, 1 company

% of Shareholding as of 30 December 2021

- None -

Family Relationship among Directors and Executives

- None -

Mr. Chanat Sorakraikitikul Age 42 Years

- Chairman of Finance & Risk Management Committee
- Managing Director of Finance & Risk Management Committee

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

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

Non-listed businesses

- Director of Pranda Group, 3 companies
- Chairman of Executive Committee of Pranda Group, 1 company
- Executive Director of Pranda Group, 4 companies

% of Shareholding as of 30 December 2021

PDJ 685,000 shares or 0.13% of paid up shares

Family Relationship among Directors and Executives

Son of Mrs. Prapee Sorakraikitikul

**Prof. Dr. Channarong Pronrungraj** Age 65 Years

- Chairman of Core Values & Corporate Sustainability Committee
- Managing Director of Corporate Value & Sustainability

Education

- Ed.D. (Art) 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 2021

- None -

Family Relationship among Directors and Executives

- None -

Mr. Pitipong Tiasuwan Age 39 Years

- Managing Director of Omnichannel Retailing
[Appointed 1 January 2022]

Education

- Master of Science (M.S.) Administration, Boston College
- Bachelor degree, Business Management BA Honours, University of Westminster

Training attended with regard to roles and responsibilities of corporate directors

- None -

Work Experience

- Manager E-Channel of Pranda Jewelry Public Company Limited

Directorship

Other listed companies

- None -

Non-listed businesses

- Executive Director of Pranda Group, 1 company

% of Shareholding as of 30 December 2021

PDJ 8,874,250 shares or 1.65% of paid up shares

Family Relationship among Directors and Executives

Son of Mr. Prida Tiasuwan and Mrs. Sunanta Tiasuwan



Mr. Thaness Panjakrid Age 59 Years

- Finance and Accounting Manager

Education

- Bachelor's degree in Costing, Chulalongkorn University
- Master of Public Administration, National Institute of Development Administration (NIDA)

Training attended with regard to roles and responsibilities of corporate directors

- None -

Work Experience

- Responsible for financing and accounting fields more than 34 years

Directorship

Other listed companies

- None -

Non-listed businesses

- None -

% of Shareholding as of 30 December 2021

- None -

Family Relationship among Directors and Executives

- None -

Mr. Dusit Chongsutthanamane 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

- Vice Chairman, DOD Biotech Public Company Limited
- 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 2021

- None -

Family Relationship among Directors and Executives

- None

Roles and responsibilities of Corporate Secretary

The Board of Directors has resolved the appointment of Mr. Dusit Chongsutthanamane as the corporate secretary since December 19, 2008. The corporate secretary must perform duties as specified in Section 89/15 and Section 89/16 of the Securities and Exchange Act (No. 4) BE 2551, which is effective on August 31, 2008 with responsibility carefulness and honesty including having to comply with the law, objectives, company regulations, Board resolution as well as the resolution of the shareholders. The duties and responsibilities according to the laws of the corporate secretary are as follows:

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. Keep the conflict of interest reports which are reported by directors or managements and send a copy of the conflict of interest reports under Section 89/4 to the Chairman of the Board and the Chairman of the Audit Committee within 7 working days from the date that the company received those reports.
3. To carry out the other tasks as stipulated by the Capital Market Supervisory Board.
4. 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.
5. To prepare the draft of company policies, such as the Corporate Governance Policy, and so on.
6. To coordinate with all department in its organization to comply with the resolution of the Board of Directors and the resolutions of the shareholders' meeting.
7. To coordinate with the governmental supervisory units such as the Stock Exchange of Thailand, the Securities and Exchange Commission, and the Ministry of Commerce and take care of information disclosure and information reports to the supervising agencies and public to be accurate, complete according to the law.
8. 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.
9. 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.
10. 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.
11. To provide orientation and give advice to the newly appointed directors
12. Other functions is assigned by the company

In addition, the corporate secretary has other duties as the company or the Board of Directors assigned as follows

1. 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.
2. To provide the advice to the Directors of the Company to prepare the transactions of related transactions of the Directors, and to submit the report to the Chairman of the Board and the Chairman of the Audit Committee.
3. To perform the Board of Directors meeting and shareholders' meeting

Attachment 1

Details of Directors and Executives

The list of the Board of Directors	PDJ	Subsidiary Companies								Associated Companies		Related Companies	
		Country			Foreign					Companies	Country		
		PMG	CTL	PLG	PNA	HGG	PUK	PDV	PDI	Country KZ-PRANDA	P.Holding	Freeland Forward	
1. Mr. Prida Tiasuwan	X	/	X + ●		/ + //	X	/	X	X + ●		X + ●	/	
2. Mr. Pramote Tiasuwan	➤ + // + ◆		/ + //	/ + //				/	//		/	/	
3. Mrs. Prapee Sorakraikitikul	/		/ + //	/ + //	X + ●		X	➤		X + //	/		
4. Mrs. Sunanta Tiasuwan	/	/ + //	/ + //		/ + //	//	/	/	/	/ + //		/	
5. Mrs. Pranee Khunprasert	● + ◆ + /	X + ●	/ + //					//	//		/		
6. Mrs. Rawittha Pongnuchit	* + /												
7. Mr. Chamnong Watanagase	/												
8. Ms. Pittaya Tiasuwan	/ + //	/ + //		/ + //		//					/		
9. Mr. Decha Nuntanajaroenkul	/ + //				//	●	●						
10. Mrs. Panidda Tiasuwan				X							/		
11. Mr. Chanat Sorakraikitikul	// + ◉ + ◆	/ + //			//		//	●	/ + //		/		
12. Prof.Dr. Channarong Pornrungraj	// + ◻ + ◆												
13. Mr.Pitipong Tiasuwan	// + ◆						//						

Note :

X = Chairman ➤ = Vice Chairman / = Director // = Executive Director * = Chairman of Audit Committee ● = Chairman of Executive Committee
 ○ = Chairman of Finance & Risk Management Committee □ = Chairman of Core Values & Corporate Sustainability Committee ◆ = Managing Director of Each Function
 ◇ = Managing Director of each function (Acting)

PDJ = Pranda Jewelry PCL. PNA = Pranda North America, Inc. PDI = Pranda Jewelry Pvt Ltd.
 PMG = Primagold International Co., Ltd. HGG = H.Gringoire s.a.r.l. KZ – PRANDA = KZ-Pranda Co., Ltd.
 CTL = Crystaline Co., Ltd. PUK = Pranda UK Ltd. P.Holding = Pranda Holding Co., Ltd.
 PLG = Pranda Lodging Co., Ltd. PDV = Pranda Vietnam Co., Ltd. Forward Freeland = Forward Freeland Co., Ltd.

Attachment 2:

Details of the Directors of Subsidiaries

The subsidiary company has more than 10% of total revenue according to the total income statement of 2021, Prima Gold International Co., Ltd., which has the list of directors and executive directors as follows.

Names of Directors	Directors	Executive Directors
1. Mrs.Pranee Khunprasert	Chairman of the Board	Chairman of Executive
2. Mr.Prida Tiasuwan	Director	
3. Mrs.Sunanta Tiasuwan	Director	Executive Director
4. Ms.Pittaya Tiasuwan	Director	Executive Director
5. Mr.Chanat Sorakraikitikul	Director	Executive Director
6. Ms. Suchada Wangsiri	Director	
7. Ms.Ornnarinrat Somboonsak	Director	
8. Mrs.Watsana Haesup	Director	
9. Mrs.Thanyatat Makhum	Director	

Attachment 3:

Details of the Heads of the Internal Audit and Compliance Units

Head of Internal Audit Office

In the process of recruiting.

Head of Company Compliance Department

Mr. Dusit Chongsutthanamane, Corporate Secretary, is appointed as Head of Company Compliance Department. Please see detail at attachment 1.



Attachment 4:**Assets for Business Undertaking and Details of Asset Appraisal****1) Fixed Assets****1.1 Investment Properties**

Location	Address	Size	Proprietary	Obligations to Loan Guarantee	Net Book Value (Thousand Baht)
Bangkok	Parcel Number 37 Parcel File Number 166	4,000 sq.m	Owned by the Company	Subject to Mortgage as shown in remark	570,852
	Parcel Number 5830 Parcel File Number 31604	300 sq.m	Owned by the Company	Subject to Mortgage as shown in remark	6,100
	Parcel Number 6960 Parcel File Number 20491	34 sq.m	Owned by the Company	-	600
	Condominium Number 1093/64, 68-70 Bangna Bangna Bangkok 10260	831.05 sq.m	Owned by Primagold International Co., Ltd.	-	-
	Property and Plant 333/1-3 Suranari Industrial Estate Nong Ra Wiang, Muang Na Nakhon Ratchasima 30000	2,420 sq.w ah	Owned by Subsidiary (Pranda Lodging Co., Ltd.)	-	9,072
	Total Investment Properties				586,624

Remark: The Company registered investment properties of the Company on net book value as of December 31st, 2021 total THB 586 million as mortgage for loan guarantee exercised by the commercial bank.

1.2 Property, plant and equipment shown as cost price after accumulated depreciation and impairment of assets (if any) as of December 31st, 2021 with details described below.

Location	Address	Structure and Size	Proprietary	Obligations to Loan Guarantee	Net Value after Depreciation (Thousand Baht)	Objectives in Property Holdings
Bangkok	<u>Land and Land Improvement</u> 28 Soi Bangna-Trad 28 Bangna Bangna Bangkok 10260	Consisting of Building, Office and Factory total 2,200 sq.wah	Owned by the Company	Subject to Mortgage as shown in remark	9,433	Head Office
	<u>Building</u> 28 Soi Bangna-Trad 28 Bangna Bangna Bangkok 10260				65,026	
	<u>Land and Land Improvement</u> 24 Soi Bangna-Trad 28 Bangna Bangna Bangkok 10260	2,182 sq.wah	Owned by the Company	Subject to Mortgage as shown in remark	18,413	Factory, 5-storey Head Office Building
	<u>Building</u> 24, 38 Soi Bangna-Trad 28 Bangna Bangna Bangkok 10260				210,894	
	<u>Land and Land Improvement</u> 25, 27, 29 Soi La Salle 51 Bangna Bangna Bangkok 10260	Consisting of Building, Lodging and Club Building total 2,100 sq.wah	Owned by the Company	Subject to Mortgage as shown in remark	8,529	Lodging and Club Building, Building for Metal Melting
	<u>Building</u> 25, 27, 29 Soi La Salle 51 Bangna Bangna Bangkok 10260				3,022	
	<u>Land and Land Improvement</u> Parcel Number 5958,308,5430,5431 Bangna Bangna Bangkok 10260	Area 1,075 sq.wah	Owned by the Company	None	38,222	Building for Metal Melting
	<u>Building Improvement</u> Parcel Number 5958,308,5430,5431 Bangna Bangna Bangkok 10260				13,538	Building for Metal Melting
	<u>Condominium</u> Number 1093/64, 68-70 Bangna Bangna Bangkok 10260	Area 831.05 sq.m	Owned by Primagold International Co., Ltd.		18,804	Office
	<u>Land</u> 22 Bangna Bangna Bangkok 10260	Area 724 sq.wah	Owned by the Company	Subject to Mortgage as shown in remark	5,760	Office Building and Factory
	<u>Building Improvement</u> 22 Bangna Bangna Bangkok 10260				31	

Location	Address	Structure and Size	Proprietary	Obligations to Loan Guarantee	Net Value after Depreciation (Thousand Baht)	Objectives in Property Holdings
Up country	<u>Land and Land Improvement</u>	Area	Owned by	Subject to	8,650	Factory
	332-333 Moo 6 Ratchasima-Chokchai Road, Nong Ra Wiang, Muang, Nakhon Ratchasima 30000	3,200 sq.wah	the Company	Mortgage as shown in remark		
	<u>Building</u> 332-333 Moo 6 Building 332-333 Moo 6 Nong Ra Wiang, Muang, Nakhon Ratchasima 30000				6,213	
	<u>Land and Land Improvement</u>	Area	Owned by	None	11,648	Factory
	330 Moo 6 Ratchasima-Chokchai Road, Nong Ra Wiang, Muang, Nakhon Ratchasima 30000	3,200 sq.wah	the Company			
	<u>Building</u> 330 Moo 6 Ratchasima-Chokchai Road, Nong Ra Wiang, Muang, Nakhon Ratchasima 30000				12,293	
	<u>Land</u> 331 Moo 6 Ratchasima-Chokchai Road, Nong Ra Wiang, Muang, Nakhon Ratchasima 30000	Area		Subject to	1,605	
	<u>Building</u> 331 Moo 6 Ratchasima-Chokchai Road, Nong Ra Wiang, Muang, Nakhon Ratchasima 30000	1,600 sq.wah		Mortgage as shown in remark		
Overseas	<u>Building</u> No. 16 Road 2A, Bien Hoa Industrail Zone II, Dong Nai, Vietnam	10,637 sq.m	Owned by Subsidiary (Pranda Vietnam Co., Ltd.)	None	2,955	Factory
	<u>Building</u> 02, Commercial Bldg. A-1005,1006, 1007 Plot no. 23-24, Near Minerva Industrial Estate, Mulund (W), Mumbai-400080. (India)	522 sq.m	Owned by Subsidiary (Pranda Jewelry Private Limited)	None	32,761	
Total Land, Land Improvement and Building					467,046	

Remark: The Group registered land, property and equipment on net book value as of December 31st, 2021 total THB 383 million as mortgage for loan guarantee exercised by the commercial bank.



1.3 Machinery, furniture and office supplies, vehicles and assets during installation and construction as well as improvements on rental assets of the Company and Subsidiaries as of December 31st, 2021.







Assets	Proprietary	Obligations to Loan Guarantee	Net Value after Depreciation (Thousand Baht)
1. Machinery	The Company and Subsidiaries	None	2,433
2. Furniture and Fixture and Office Suppliers	The Company and Subsidiaries	None	60,938
3. Vehicles	The Company and Subsidiaries	None	433
4. Assets during installation and construction	The Company and Subsidiaries	None	12,194
5. Improvements on rental assets	Subsidiaries	None	96
Total			76,094
Total Assets - Net			543,140

1.4 Intangible Assets

As of December 31st, 2021, the Company own computer software and trademark of the Company and Subsidiaries with total book value of THB 55.37 million (2020: THB 63.13 million)

Trademark of the Company and Subsidiaries:

Trademark เครื่องหมายการค้า	Owner	Classification	Registration Number / Country of Origin	Protection Period
	Pranda Jewelry Public Company Limited	Class 14,26	Registration Number Kor300730/Thai	Valid until 23 rd July 2028
		Class 14	Registration Number 24812/Brunei	Valid until 3 rd November 2028
		Class 14	Registration Number 86975/Morocco	Valid until 13 th June 2023
		Class 14	Registration Number 4-1997-126758/ Philippines	Valid until 30 th October 2024
		Class 14	Registration Number IDM000382274/ Indonesia	Valid until 17 th June 2031
		Class 14,35	Registration Number 6417317/Japan	Valid until 16 th July 2031
PRIMA GOLD	Pranda Jewelry Public Company Limited	Class 35	Registration Number 47617339/Chine	Valid until 27 th February 2574
	Pranda Jewelry Public Company Limited	Class 14	Registration Number Kor231480/Thailand	Valid until 27 th January 2025
PRIMA & ART	Pranda Jewelry Public Company Limited	Class 14	Registration Number Kor215081/Thailand	Valid until 9 th May 2024
	Pranda Jewelry Public Company Limited	Class 14	Registration Number IDM000493501/ Indonesia	Valid until 9 th May 2023

Trademark เครื่องหมายการค้า	Owner	Classification	Registration Number / Country of Origin	Protection Period
	H.GRINGOIRE, SARL	Class 14	Registration Number 4333328/France	Valid until 14 th December 2026
	Pranda Jewelry Public Company Limited	Class 14	Registration Number 17000750/China	Valid until 20 th July 2026
	Pranda Jewelry PVT. LTD	Class 14	Registration Number 1641833/India	Valid until 16 th January 2028
	Pranda Jewelry Public Company Limited	Class 14	Registration Number Kor323733/Thailand	Valid until 20 th October 2029
	Pranda Jewelry Public Company Limited	Class 14	Registration Number 14090515/China	Valid until 13 th July 2026
	Pranda Jewelry Public Company Limited	Class 14	Registration Number IDM000351667/ Indonesia	Valid until 23 rd December 2030
	Pranda Jewelry Public Company Limited	Class 14	Registration Number 4-0353137-000/ Vietnam	Valid until 16 th April 2028
GEMONDO	Pranda Jewelry Public Company Limited	Class 14	Registration Number 171112325/Thailand	Valid until 11 th November 2025
	Pranda Jewelry Public Company Limited	Class 35	Registration Number 171112935/Thailand	Valid until 11 th November 2025
	Pranda Jewelry Public Company Limited	Class 14,35	Registration Number 16513973/China	Valid until 6 th May 2026
	Pranda Jewelry Public Company Limited	Class 14,16,35	Registration Number 005243365/EU	Valid until 7 th August 2026
	Pranda Jewelry Public Company Limited	Class 25	Registration Number 181119175/Thailand	Valid until 1 st March 2027
	Pranda Jewelry Public Company Limited	Class 14	Registration Number Kor283231 /Thailand	Valid until 12 th June 2027
	Pranda Jewelry Public Company Limited	Class 25	Registration Number 5950559/Japan	Valid until 2 nd June 2027
DISAYA	Pranda Jewelry Public Company Limited	Class 14	Registration Number 171136705/Thailand	
	Pranda Jewelry Public Company Limited	Class 25	Registration Number 171114635/Thailand	
	Pranda Jewelry Public Company Limited	Class 25	Registration Number 21870985 and 21870986/China	Valid until 20 th July 2028
	Pranda Jewelry Public Company Limited	Class 14	Registration Number 171114635/Thailand	Valid until 30 th November 2027
	Pranda Jewelry Public Company Limited	Class 14	Registration Number 211104426/Thailand	Valid until 17 th November 2029

Trademark เครื่องหมายการค้า	Owner	Classification	Registration Number / Country of Origin	Protection Period
	Pranda Jewelry Public Company Limited	Class 14	Registration Number 211104403/Thailand	Valid until 17 th November 2029
	Pranda Jewelry Public Company Limited	Class 35	Registration Number 211108850/Thailand	Valid until 17 th November 2029
	Pranda Jewelry Public Company Limited	Class 14	Registration Number Kor258256/Thailand	Valid until 16 th May 2026
Siam Charmulet	Pranda Jewelry Public Company Limited	Class 14	Registration Number 181109638/Thailand	Valid until 26 th July 2026
	Pranda Jewelry Public Company Limited	Class 14	Registration Number 812812 /China	Valid until 27 th December 2028
	Pranda Jewelry Public Company Limited	Class 14	Registration Number 1439268/Australia	Valid until 27 th July 2031
	Pranda Jewelry Public Company Limited	Class 14	Registration Number 4041811/EU	Valid until 23 rd September 2024

2) Investment Policy in Subsidiaries and Associates

As of December 31st, 2021, the Company owned investment in its Subsidiaries in terms of production, distribution and retail of fine jewelry and lodging business in country as well as investment in the Associates which run the business of import and distribution of raw materials - precious metals per details below.

Investment in the Subsidiaries as shown in Separate Financial Statements are described below.

(Unit: Thousand Baht)

Company	Paid-up Capital		Currency	Shareholding Percentage		Cost	
	2021	2020		2021 (Percent)	2020 (Percent)	2021	2020
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.	2.0	1.5	Million USD	100	100	63,855	48,180
Primagold International Co., Ltd.	200	200	Million Baht	100	100	200,000	200,000
Crystalline Co., Ltd.	7.5	100	Million Baht	96	96	76,760	96,000
Pranda Lodging Co., Ltd.	15	50	Million Baht	83	83	12,075	41,125
Pranda Jewelry Private Limited	150	150	Million Indian Rupee	51	51	213,439	213,439
Total						1,059,808	1,092,423
Less: Allowance for impairment of investments						(540,539)	(540,539)
Investments in Subsidiaries, net						519,269	551,884

During 2021 and 2020, no dividend income was received from its investments in Subsidiaries.

During the current year, the Company recorded the impairment loss on investment in the Subsidiaries in separate financial statements for year 2021 at THB 36 million (2020: THB 21 million).

Investment in Associates

(Unit: Thousand Baht)

Company	Nature of Business	Country of Incorporation	Consolidated Financial Statements		Carrying amounts	
			Shareholding Percentage	Shareholding Percentage	based on equity method	based on equity method
			2021 (Percent)	2020 (Percent)	2021	2020
KZ-Pranda Co., Ltd.	import and distribution of raw materials – precious metals	Thailand				
- Cost			40	40	40	3,600
- Accumulated Share of Loss					8,966	8,161
Total carrying amounts based on equity method					12,566	11,761

Attachment 5:

Corporate Governance Policy Code of Conduct and Charters of the Board of Director and Sub-committee.

The Board of Directors recognizes the importance of Good Corporate Governance and Code of Conduct in which policy and performance assessment following Corporate Governance have been reviewed by the Board of Directors towards 5 categories as follows:

- 1) Rights of Shareholders
- 2) Equitable Treatment of Shareholders
- 3) Roles of Stakeholders
- 4) Disclosure of Information and Transparency
- 5) Responsibilities of the Board of Directors

Accordingly, the Board of Directors applies principles of Good Corporate Governance Code (CG Code) 2017, declared by the Office of the Securities and Exchange Commission (SEC), into corporate governance consisting of 1) Establish Clear Leadership Role and Responsibilities of the Board 2) Define Objectives that Promote Sustainable Value Creation 3) Strengthen Board Effectiveness 4) Ensure Effective CEO and People Management 5) Nurture Innovation and Responsible Business 6) Strengthen Effective Risk Management and Internal Control 7) Ensure Disclosure and Financial Integrity and 8) Ensure Engagement and Communication with Shareholders.

Corporate Governance & Code of Conduct Manual, 8th updated version on November 12th, 2021, is published on the Company's website at

 [https://pranda.com/investor-relations/corporate-governance/.](https://pranda.com/investor-relations/corporate-governance/)

Accordingly, Charter of the Board of Directors and Charter of the Subcommittee are published on the Company's website at

 [https://pranda.com/investor-relations/corporate-governance/charter/.](https://pranda.com/investor-relations/corporate-governance/charter/)



Attachment 6:

Attachment 6: Report of the Audit Committee

The Audit Committee of Pranda Jewelry Public Company Limited comprises of 3 Directors namely Mr. Verachai Tantikul, Chair of Audit Committee, Mrs. Rawittha Pongnuchit and Mr. Chamnong Watanagase as Audit Committee. The Audit Committee performs duties in compliance with Audit Committee Charter as approved by the Board of Directors and followed the terms prescribed by the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

In 2021, the Audit Committee conducted a total of 4 meetings of which the Directors completely attended the meetings as well as Head of Internal Audit Department, internal auditors and external auditors, with absence of the Management, to independently discuss on performance results, significant issues of Internal Audit Department and opinions of external auditors upon financial statement audits.

Key conclusion of roles and responsibilities of the Audit Committee is described below.

1. Review of Financial Reports

The Audit Committee reviewed both the separate and consolidated financial statements quarterly and annually for the year 2021 with independent external auditors upon discussion towards key aspects stated on the auditor's report to ensure that the financial reports were conducted with accuracy and reliability following the accounting standards and financial reporting standards as well as considering any concerns from adjustments of such standards.

2. Review of Connected Transactions

The Audit Committee considered and reviewed the connected transactions or any transactions which might lead to conflict of interests between the Company and subsidiaries and associates as prescribed by the Stock Exchange of Thailand (SET) and the Office of the Securities and Exchange Commission (SEC). The Audit Committee advised that the transactions were complied with business normality, fairness, reasonability with highest benefits brought to the business and shareholders as priority.

3. Review of Compliance, Corporate Governance, Risk Management and Internal Control System

The Audit Committee reviewed the business operations to ensure good corporate governance and compliance to laws and related regulations were adhered to. The Audit Committee advised that the Company's compliance with the Office of the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET) and other relevant laws related to the business are adequate and completely carried out.

The Company has been renewed for the membership of the Thai Private Sector Collective Action Against Corruption (CAC) on February 7, 2020. The Audit Committee is, therefore, confident that the Company has effective measures towards protection and finding of anti-corruption practices.

Hence, the Audit Committee recognized importance on risk issues of the Company by considering and reviewing risk factors affecting business operations and corporate objectives. The Audit Committee also agreed on the results of the assessment of the adequacy on the internal control system as prescribed by SEC in which the Company is essentially run with appropriate and adequate internal control system towards business operations.

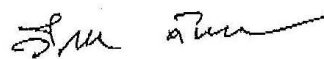
4. Control of Internal Auditing

The Audit Committee has controlled and monitored internal auditing towards compliance with international internal auditing standards, approval of audit annual plan and performance results of the Internal Audit Office to continuously follow up for improvement. In addition, the Audit Committee provided suggestions to the Internal Audit Office and the Management to improve business operations with adequate internal control system as well as considering and providing support for the manpower and development of personnel of the Internal Audit Office.

5. Appointment of the External Auditors and Audit Fees for 2021

The Audit Committee has considered the selection of external auditors based on performance, experiences, independency and appropriateness of remuneration by proposing to the Board of Directions for further consideration and approval on the Annual General Meeting towards the appointment of external auditors from EY Office Limited along with approval on audit fees for the year 2021.

The Audit Committee has performed duties and responsibilities in accordance with Audit Committee Charter by utilizing knowledge, carefulness, independency as well as opinions with creativity. The Audit Committee provided opinions that the Company has prepared financial reports towards accuracy and reliability, conformity with financial reporting standards, adequate information disclosure on connected transactions which may lead to conflict of interests, good corporate governance, risk management process and effective internal control system as well as compliance with laws and regulations related to business operations.



(Mr. Verachai Tantikul)
Chair of Audit Committee



**For other inquiries, please contact
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