

Pranda Jewelry Public Company Limited  
Annual Registration Statement  
Annual Report 2022  
(Form 56-1 One Report)



# *Sustainable Business of Craftsmanship*





## Moving towards our 50<sup>th</sup> Year

### The Aesthetic of Sustainable Craftsmanship

Decades of commitment through the principles of sustainability business  
implanting from the corporate shared values,  
prioritizing importance to all groups of stakeholders and  
adhering to guidelines to ensure each operational procedure  
is applied with the responsibilities and ethics  
from the procurement of raw materials, the respects to human rights  
to the environmental and social responsibilities.



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This Annual Registration Statement/ Annual Report 2022 (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

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







# Sustainable Business of Craftsmanship

Pranda Jewelry Public Company Limited or PRANDA Group is a manufacturer, distributor and retailer of fine jewelry with leading position in exporting Thai gemstone jewelry for the world class jewelry brands as well as its own brands into the international market.

In 2022, PRANDA Group was driven towards its 50th year in business. Throughout the past periods, the Company had significantly overcome global economic crisis by applying continuous improvements from the establishment of production base, expansion of distribution base to running its own retail base. Once the market has been disrupted by technology and transformed to digital society, the Company has constantly adjusted and responded in line with this change by restructuring its business towards production base and omnichannel distribution base, evolving the organization towards sustainability business by being granted as a certified member of Responsible Jewellery Council (RJC) and earning the International Organization for Standardization or ISO 9001.

On the occasion of running into its 50th year in business of PRANDA Group, the Company is striving its business towards sustainable growth along with social and environmental sustainability. In addition, the Company has focused on elevating organizational development to be responsive to global change or transformation which is a significant step and key factor to drive the organization to sustainably accomplish its goals.





# PRANDA Group

started with trust in the heart of  
PRANDA craftsmanship along with  
power of creativity to create  
each jewelry piece of possibility.





## From the beginning... until present to the Sustainable Craftsmanship



1

### The 1<sup>st</sup> Decade:

#### The Founding of the Company (1973 – 1982)

PRANDA Group was founded in 1973 under “Pranda Design” with a strong trust in the heart of craftsmanship. The business started with an export of jewelry from Thailand to UK and then expanded to Europe. Later, our production base was established under the name of “Pranda Jewelry” which was located in Bangkok, Thailand along with the founding of Product Design and Development Center aiming for designing unique and identical jewelry collections. PRANDA became rapidly well-known in the gem and jewelry industry as a jewelry manufacturer recognized with exceptional product quality and unique designs.



2

### The 2<sup>nd</sup> Decade:

#### The Start of Jewelry Design Business (1983 – 1992)

As being widely recognized by our clients, the Company’s production base was then expanded aside from Thailand to Indonesia and Vietnam. In addition, Pranda Jewelry was accepted as a Thai leading jewelry manufacturer which was proficient in fine jewelry craftsmanship guaranteed by various awards. In 1992, the Company launched Prima Gold brand, 24K or 99.9% pure gold jewelry meticulously crafted by high skillful craftsmen with unique, exquisite and timeless design.



5

### The 5<sup>th</sup> Decade:

#### The Sustainable Business of Craftsmanship (2013 – 2021)

The Company has constantly emphasized on building strategic customer base with potential on sustainable growth as well as cooperating with clients in form of strategic partner through long-term planning with key clients to enhance creditworthiness and long-term positive relationships.





3

**The 3<sup>rd</sup> Decade:****The Expansion to International Business**  
(1993 – 2002)

Upon business growth and expansion, the Company continuously gained key clients with long-term business such as jewelry retailers, TV shopping channels, department stores in the US and Europe. For our 3<sup>rd</sup> decade, customer service offices were founded in the US, UK and France to provide services to our key clients, receive suggestions and study local markets.

The Company liquidated distribution base business in France, Germany and the US and has provided direct customer service from production base located in Thailand and Vietnam with continuous control in product quality.



4

**The 4<sup>th</sup> Decade:****The Cooperation and Teamwork**  
(2003 – 2012)

The Company participated in the international jewelry fair to exchange perspectives with experts in the gem and jewelry industry. Subsequently, our joint venture businesses were founded in Germany and India by focusing on efficiency in design and marketing. Throughout past decades, we had been in collaboration with leading jewelry brand designers and international working teams to develop jewelry collections through design innovation and special techniques as well as enhancing our international viewpoints. We also trusted in potentials of teamwork which led us to give priority in continuously improving our employees' quality of life which was the key factor to the success of our mass craftsmanship.

The Company is committed to running its business with responsibilities throughout supply chain and officially granted as a certified member of Responsible Jewellery Council (RJC) as well as International Organization for Standardization or ISO 9001.



## Moving Forward to 50<sup>th</sup> Year in Business Aesthetics of Sustainable Craftsmanship

It is obviously seen that businesses in the New Normal era, a new way of social life occurred after ease of Covid-19 pandemic, especially in the gems and jewelry industry which are focusing on social and environmental responsibilities, are adjusted business operations towards sustainability. The strategies are to respond to the trends of environmental consciousness enforced by new generation of consumers as well as supply chain sustainability which are key factors influencing jewelry purchasing decisions at present and in the future.

On the occasion of running into its 50<sup>th</sup> year in business of PRANDA Group, the Company reflects the strength of its organizational structure by being a responsible jewelry manufacturer to the community, society and the world. The Company is being continuously and constantly trusted by the world-class clients through strong commitment in our vision to achieve sustainable business goals.

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





## 2023 Challenge of Luxury Goods

Although Covid-19 pandemic situation is easing, trends of global economy in 2023 are still uncertain and may possibly be experienced with recession from geopolitical issues and inflation.

Hence, it is predicted that luxury industry is having a potential business growth in which a continuous growth is possibly driven by an accessible jewelry consumer group with high craftsmanship preference. Nonetheless, an affordable jewelry consumer group may be affected by global economic slowdown.

However, the Company is well prepared be responsive, adaptable and flexible to the circumstances which are all uncontrollable factors including the changes in consumer behavior.

- Most consumers give importance to the value of reliable brand, higher product quality, fine and meticulous craftsmanship and product identity which uniquely describes consumer's personality.
- Most consumers give importance to manufacturers running business with environmental responsibilities, business ethics and transparency.



## Directions for Driving the Organization

### 1. Balanced Structure of the Group's Business

Pranda Jewelry Public Company Limited, a manufacturer, distributor and retailer of fine jewelry with leading position in exporting Thai gemstone jewelry with consumer bases covering key regions of the world namely North America, Europe and Asia, is operating its business with balanced business structure and revenue targets between production base and omnichannel distribution base.

#### Production Base

The mass craftsmanship of jewelry combined with state-of-the-art technology and detailed quality control in each process is reflected through consistent quality of the products following industrial manufacturing standards. The Product Design and Development Center is also established to comprehensively meet clients' expectations. In addition, the Company is focusing on building strategic customer base by cooperating with clients in form of strategic partners through long-term planning with key clients together with more effective production cost control to create trust and long-term positive relationships. Currently, PRANDA Group operates 3 production bases located in Bangkok and Nakhon Ratchasima province in Thailand and in Vietnam with more than 2,500 skillful craftsmen.



#### Omnichannel Distribution Base

Jewelry retail business focuses on sales strategy and brand reach by integrating all consumer contact channels and platforms, both offline and online, into single channel to allow consumers to comprehensively reach products and services with more convenience. In addition, for retail channels, the Company emphasizes on business expansion through its own retailers and authorized retailers under international brands namely PRIMA GOLD, PRIMA DIAMOND, PRIMA ART, Merii and Gemondo. Being committed in values and consumer insights, the Company is striving to develop jewelry brands with unique, exquisite and timeless identity.



## 2. Building Organization Culture in Response to Transformation

During the past years, economic and social conditions as well as consumer behaviors which are external and internal factors affecting business operations have been rapidly changed. The Company has adjusted its operations amidst various challenges and foreseen that these challenges will be more tremendously severe in the future. Thus, the Company must be well prepared to respond to upcoming changes and must be able to get these challenges transformed into shared goals.

In response to the transformation, the first most important steps are human or personnel in the organization and organization culture which require all parties to change their mindset. This is to essentially create inspiration in work, enhance potentials of individuals and teams, continue developing work procedures, ideas, perspectives and unleash highest potentials for the benefits on driving towards organizational goals, starting from developing work procedures, elevating data efficiency and comprehensively responding to the clients' requirements.

## 3. Driving ESG Principles to Enhance Business to International Standards and Increase Competitiveness

Nowadays, "Sustainability" is considered the significant context for business organizations which progressively start to see values of ESG. ESG framework is concerned to the needs of clients or stakeholders seeking for business cooperation with organizations that apply practices through principles of Environmental, Social and Governance.

In this regard, Pranda Jewelry Public Company Limited adheres to sustainable development policy following harmonization of economy, society and environment as well as operating our business by being the world's leading jewelry business partners towards achieving mutual growth and success with our valued partners. Our Company is constantly committed to good corporate governance in accordance with Environmental, Social and Governance (ESG) framework.

In addition, the Company is striving to support the United Nations Sustainable Development Goals (SDGs) by essentially focusing 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.

With our strong commitment throughout the past periods to our 50<sup>th</sup> year in business, the Company is well organized to create business growth to foster environment and society along with adhering to corporate governance for sustainable business.



The company has set  
the balanced management structure



**PRANDA**  
GROUP

## Fact Sheet

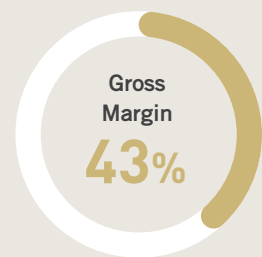
The Company has set the balanced management structure into 2 business units which are Production and Omnichannel Distribution as follows:



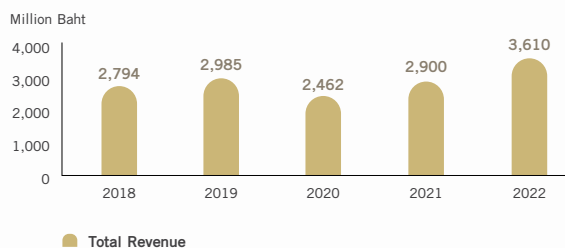
### Production Base



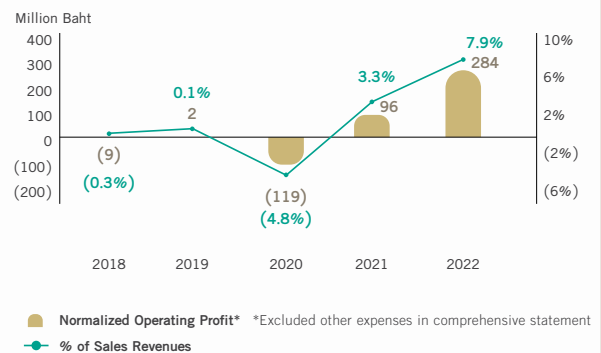
### Omnichannel Distribution Base



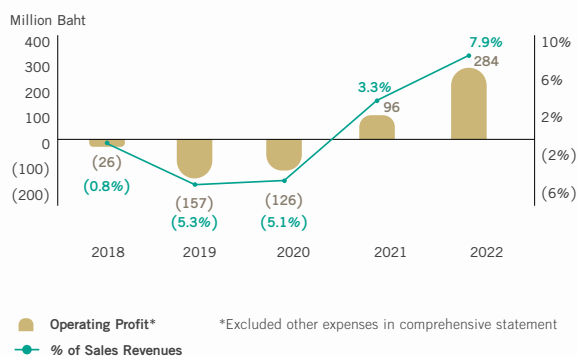
### Total Revenue



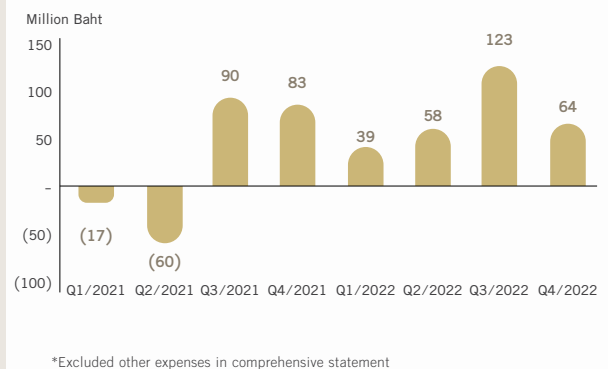
### Normalized Operating Profit



### Operating Profit



### Normalized Operating profit by Quarter\*



## Financial Highlights

Consolidated Financial Statements	2022	2021	2020	2019	2018
<b>FINANCIAL PERFORMANCE</b>					
Sales Revenue (Million Baht)	3,610	2,900	2,462	2,985	2,794
Gross Profit (Million Baht)	920	687	550	784	881
Gross Profit Margin	25.49%	23.69%	22.32%	26.25%	31.54%
EBITDA <sup>1</sup> (Million Baht)	355	186	(27)	(83)	51
EBITDA Margin	9.83%	6.40%	(1.10%)	(2.78%)	1.82%
Operating Profit (Loss) <sup>2</sup> (Million Baht)	284	96	(126)	(157)	(26)
Operating Profit (Loss) Margin <sup>3</sup>	7.87%	3.32%	(5.13%)	(5.26%)	(0.93%)
Profit (Loss) to Equity holders of the Company (Million Baht)	135	138	(95)	(241)	168
Profit (Loss) Margin to Equity holders of the company	3.74%	4.76%	(3.86%)	(8.09%)	6.00%
<b>FINANCIAL POSITION (Million Baht)</b>					
Current Assets	2,207	2,330	2,430	2,651	2,621
Total Assets	3,583	3,789	4,041	4,018	4,054
Current Liabilities	937	1,279	1,464	1,491	1,423
Total Liabilities	1,236	1,652	1,917	1,874	1,774
Total shareholders' equity	2,347	2,137	2,124	2,144	2,280
<b>RATE OF RETURN</b>					
ROA <sup>4</sup>	3.84%	3.41%	(1.33%)	(6.28%)	3.32%
ROCE <sup>5</sup>	7.78%	1.20%	(0.95%)	(5.45%)	(3.05%)
ROE <sup>6</sup>	5.90%	6.33%	(4.22%)	(10.05%)	7.17%
<b>RISKS</b>					
Current Ratio (Times)	2.36	1.82	1.66	1.78	1.84
Quick Ratio <sup>7</sup> (Times)	0.65	0.55	0.56	0.65	0.56
Times Interest Earned <sup>8</sup> (Times)	9.23	8.79	0.04	(2.06)	4.97
Debt to Equity Ratio (Times)	0.53	0.77	0.90	0.87	0.78
<b>DATA PER SHARE</b>					
Book Value Per Share	4.03	3.63	4.43	5.00	5.74
Earnings (Loss) Per Share to Equity holders of the Company	0.23	0.23	(0.19)	(0.52)	0.39
Dividend Per Share <sup>9</sup>	0.21	0.10	-	-	-
<b>Paid-up Shares (Million Shares)</b>	<b>539.03</b>	<b>539.03</b>	<b>491.16</b>	<b>462.40</b>	<b>424.64</b>

**Note :**

<sup>1</sup> EBITDA : Operating Profit before Depreciation and Amortization.

<sup>2</sup> Operating Profit(Loss) : Calculated as sales less cost of sales, selling and administrative expenses.

<sup>3</sup> Operating Profit(Loss) Margin = Operating Profit(Loss) / Net Sales

<sup>4</sup> Return on Assets = Net Profit(Loss) / Total Average Assets

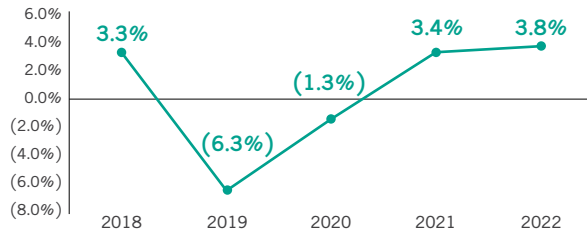
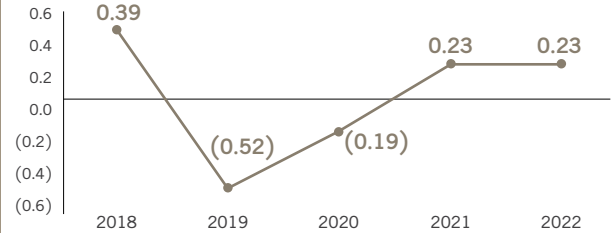
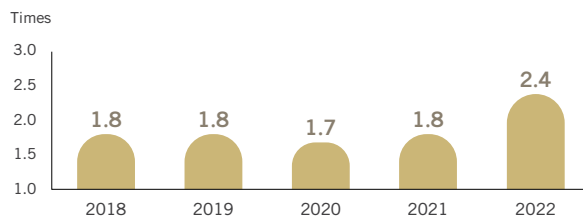
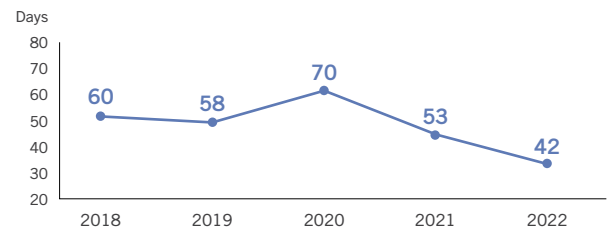
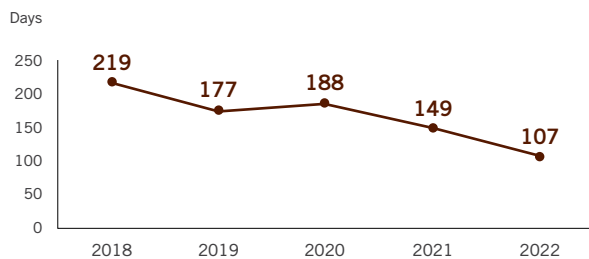
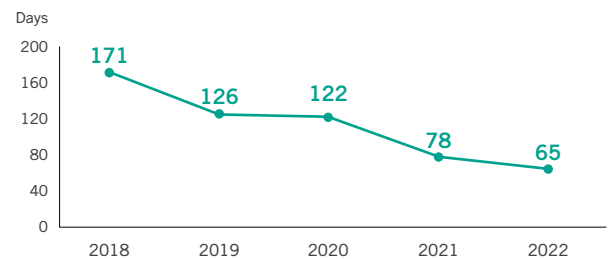
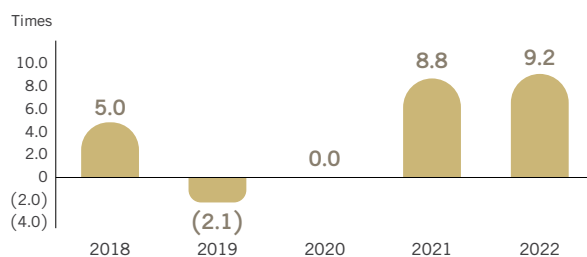
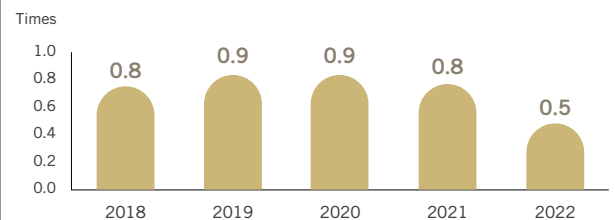
<sup>5</sup> Return on Capital Employed = Net Operating Profit(Loss) After Tax / (Total Assets - Non interest bearing Liabilities)

<sup>6</sup> Return on Equity = Net Profit(Loss) to equity holders / Average Shareholders' Equity of the Company

<sup>7</sup> Quick Ratio = (Cash and Cash at Bank + Marketable Security + Net Account Receivable and Net Notes Receivable) / Current Liability

<sup>8</sup> Times Interest Earned = (Operating Cash Flow + Operating Interest + Tax) / Operating and Investing Interests

<sup>9</sup> For the fiscal year 2022, the Board of Directors approved to propose to the Shareholders' Meeting to consider and approve the dividend payment the rate of 0.21 per share in the form of stock dividends and cash from the company's retain earnings, a net profit of year 2021 and cash dividends paid from the net profit for the year 2022.

**Return on Assets****Earnings(Loss) Per Share to Equity holders of the company****Current Ratio****Account Receivable Days****Inventory Turnover Days – Finished Goods****Cash Cycle****Times Interest Earned****Debt to Equity Ratio**



## Message from Board Chairman

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For 2022, it was still the year of Covid-19 recovery which all practices were gradually getting back to normal including the reopening of many countries for trade and tourism. However, the global economic situations still faced with many challenges from the new wave and variants of Covid-19 pandemic to the Russia-Ukraine war which has caused supply shock and inflation to soar and eventually resulted in an increase of interest rates set by central banks of many countries.

Nonetheless, amidst these challenging economic situations, Pranda Jewelry Public Company Limited has successfully run business towards targets set especially production base unit which was able to operate with its full capacity to continuously fulfill returning purchase orders. This aspect has also been corresponding to global production of luxury industry which has continuously been in trend.

Accordingly, in the past years, the Company started to adjust its business strategy to effectively overcome those challenging factors from downsizing overseas distribution base to respond to changing market conditions, building strategic customer base by focusing on working with clients in form of strategic partners to restructuring of 2 business units which include the followings:

1. **Production Base** – focusing on manufacturing jewelry with mass craftsmanship through the Product Design and Development Center to comprehensively meet clients' expectations.
2. **Omnichannel Distribution Base** – responding to changes in consumer purchasing behavior through seamless connection of brand contact channels, both retail and online, with subsidiaries located in Thailand, Vietnam, India and the United Kingdom.

By following our business strategy along with continuous support and cooperation from all levels of staff in the organization, the business performance of this year significantly achieved our business plans and goals leading to growth in both revenue and operating profit. In addition, there was an increase in retained earnings of the shareholders' equity resulting in sufficient liquidity for future business expansion and dividend payment to shareholders.

The Company still has a stable financial position considering from the continuity of debt repayment resulting in a significant decrease in financial expenses. For 2023 dividend payment, the Board of Directors agreed for dividend payment in forms of dividend stocks and cash. Accordingly, the dividend payment shall be proceeded to the shareholders upon approval at the Annual General Meeting of Shareholders taken place on April 19<sup>th</sup>, 2023.

The year 2023 is considered another challenging year with global economic uncertainty towards recession, possibly caused by geopolitical issues and inflation which are all uncontrollable factors. Therefore, the Company must be responsive, adaptable and resilient to such circumstances. However, the key goals of the Company are still driven towards sustainable business operations by developing production capacity to be in line with rapidly changing global innovation with product quality as priority as well as continuously growing own brand products.

For the corporate sustainability goals, the Company has policy and guidelines in creating a balance of economy, society and environment as well as operating our business by being the world's leading jewelry business partners towards achieving mutual growth and success with our valued partners. The Company is also committed to corporate governance in accordance with Environmental, Social and Governance (ESG) framework.

Finally, on behalf of the Board of Directors, we would like to express our appreciation to the shareholders and all stakeholders who always trust and support the Company. We shall take all supports and encouragement as driving force in building our success to the future swiftly and sustainably.



**Mrs. Rawittha Pongnuchit**

Board Chairman

## Board of Directors and Advisors/ Group Executive Committee



**Mrs. Rawittha Pongnuchit**  
Board Chairman/  
Independent Director/  
Director of the Audit Committee



**Mr. Pramote Tiasuwan**  
Vice Chairman/  
Group Executive Director/  
Finance & Risk Management Director



**Mrs. Sunanta Tiasuwan**  
Director/  
Nomination and Remuneration Director



**Mrs. Pranee Khunprasert**  
Director/  
Chairman of Group Executive Committee/  
Finance & Risk Management Director



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



**Mr. Chamnong Watanagase**  
Independent Director/  
Chairman of Audit Committee/  
Chairman of Nomination and  
Remuneration Committee



**Mrs. Surat Sirijansawang**  
Independent Director/  
Director of the Audit Committee/  
Nomination and Remuneration Director



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



**Mr. Chanat Sorakraikitikul**  
Director/  
Chairman of Finance &  
Risk Management Committee/  
Group Executive Director





**Mr. Prida Tiasuwan**  
Chairman of Advisory Board



**Mrs. Prapee Sorakraikitikul**  
Vice Chairman of Advisory Board



**Mrs. Panidda Tiasuwan**  
Advisor of the Board of Directors



**Mr. Chaisak Sakthanaseth**  
Advisor of the Board of Directors



**Mr. Wiboon Srisurin**  
Advisor of the Board of Directors



**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.

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**Mr. Pramote Tiasuwan**  
Managing Director  
*Production*



**Mrs. Pranee Khunprasert**  
Managing Director  
*Brand, Product & Prototypes (Acting)*



**Ms. Pittaya Tiasuwan**  
Managing Director  
*Supply Chain and Gemstones*



**Mr. Decha Nuntanajaroenkul**  
Managing Director  
*Marketing*



**Mr. Chanat Sorakraikitikul**  
Managing Director  
*Finance & Risk Management*



**Prof. Dr. Channarong Pornrungrroj**  
Managing Director  
*Corporate Sustainable Growth*



**Mr. Pitipong Tiasuwan**  
Managing Director  
*Omnichannel Retailing*

## Managing Director of Subsidiaries and Associated Companies

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**Mr. Chanat Sorakraikitikul**  
Managing Director (Acting)  
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.



## Awards and Recognitions



Pranda Jewelry PCL., one of the founding members of “Global Compact Network Thailand (GCNT)” and being appointed as the Executive Committee

Global Compact Network, founded by the United Nations and established in the USA, is the local network promoting all sectors around the world to be aware and to cohesively and concretely implement sustainable development practices in the country as well as mobilizing a powerful movement and elevating business standards of governance with 4 key areas; human rights, labour, environment and anti-corruption. The Company voluntarily joins the UN Global Compact, the world’s largest network of sustainability, and is committed to running the business towards sustainable development goals with social responsibility through contribution of development on economy, society and environment for continuous harmonization.

### Certified Member from the Responsible Jewellery Council (RJC)

The Company has been a certified member of the Responsible Jewellery Council (RJC), the leading standards set for gems and jewelry production throughout supply chain focusing on social and environmental responsibility with key objective towards setting the international accepted standards in line with RJC 4 practices; ethical, social, human rights and environmental aspects.



### Certificate of Registration for Quality Management System “ISO 9001:2015”

Pranda Jewelry Public Company Limited, both head office and Nakornratchasima branch, has been certified with quality management system, “ISO 9001:2015”. The Company is the first organization in Thailand being certified under the category of jewellery industry which represents quality and efficiency of internal management through effective control of operating procedures as well as detailed operating system to enhance trustworthiness from partners and stakeholders.

### AGM Quality Assessment Project for the year 2022 in the “Excellent” Level

The Company received the score of 97 on the 2022 AGM Quality Assessment Project, considered as the “Excellent” level, from the assessment of Thai Investors Association upon organizing Annual General Meeting through electronic media with satisfactory practices following good corporate governance.



### The Assessment on the Corporate Governance of Thai Listed Companies for the year 2022 in “Excellent” level (Excellent CG Scoring) for the 6th consecutive years



The Company was assessed on the Corporate Governance of Thai Listed Companies 2022 in “Excellent” level (Excellent CG Scoring) for the 6th consecutive years from the Thai Institute of Directors (IOD), in cooperation with the Stock Exchange of Thailand and the Securities and Exchange Commission. Accordingly, the Company has placed high importance towards sustainable business development, respect to the rights and equitable treatment of the shareholders, consideration of stakeholders’ roles, information disclosure and transparency, responsibilities of the Board of Directors as well as consciousness to environment and society, leading to the continuous trust from the shareholders in our business operations.



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

The Company has been certified as a member of CAC since 2017 in which a renewal is required for every 3 years. The Company’s latest renewal has been certified on March 31, 2023.

### Award of Sustainability Model Organization from the Thai Capital Market for supporting disabled persons in the “Outstanding” category for the year 2022

The Company received the award of Sustainability Model Organization from the Thai Capital Market for supporting disabled persons in the “Outstanding” category for the year 2022 from the Securities and Exchange Commission (SEC) to honor organizations in the Thai Capital Market with potential in supporting and promoting vulnerable and disabled persons to be self-reliant.



### Award for the Outstanding Workplace on Labor Relations and Labor Welfare for the year 2022 in the national level for the 11th consecutive years (Head Office)

Pranda Jewelry Public Company Limited (Head Office) received the Award for the Outstanding Workplace on Labor Relations and Labor Welfare for the year 2022 in the national level from the Department of Labor Protection and Welfare, Ministry of Labour, for the 11th consecutive years.

The Company is committed to running business under comprehensive labour relations policy with competitive welfare while giving importance to uplifting the quality of life of employees along with driving the organization towards sustainable growth.

### Award for the Outstanding Workplace on Labor Relations and Labor Welfare for the year 2022 in the national level for the 13th consecutive years (Nakornratchasima branch)

Pranda Jewelry Public Company Limited (Nakornratchasima branch) received the honor award for the Outstanding Workplace on Labor Relations and Labor Welfare for the year 2022 in the national level for the 13<sup>th</sup> consecutive years. The Company takes into consideration the concept of “good performance must come from employees having good quality of life and being able to work happily”. Therefore, the Company gives high importance on uplifting the well being of employees in all aspects covering physical, psychological and social conditions.







Part 1 \_\_\_\_\_ ✦

## **Business Operation and Operating Results**



# 1. Organizational Structure and Business 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 November 11<sup>st</sup>, 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.”**



#### Mission

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



#### Strategies

##### Growth Strategy

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





## Strategies

### Production Business Strategy

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

### Retail Business Strategy

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

### Sustainability Strategy

1. Allocate resources and operations to achieve the balance of sales in 50% ODM and 50% OBM
2. Develop efficient financial management system, rigorously comply with strict financial discipline and improve risk management system within the Group
3. Apply the principles of social responsibility management and strive business towards sustainability encompassing Environmental, Social and Governance (ESG)
4. Strictly follow the principles of good corporate governance, social responsibility and the UN Global Compact and adhere to the principles of Sustainable Development Goals (SDGs)
5. Be a learning organization for continuous improvement

## Corporate Core Values



### Teamwork

We devote our hearts to working as a team like we are the same family.



### 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 2020 – 2022 are described below.

2022

On 28 November 2022, the Meeting of subsidiary's Board of Directors, Pranda Vietnam Co., Ltd. passed a resolution approving the increase in its registered capital of USD 0.5 million. The subsidiary registered the increase in its registered capital on 6 February 2023.

On June 30<sup>th</sup>, 2022, Crystalline Co., Ltd., reduced its registered capital by THB 5.48 million, from THB 7.5 million to THB 2.03 million

2021

On April 20<sup>th</sup>, 2021, the Company paid additional capital of USD 0.5 million or approximately THB 15.7 million to Pranda Vietnam Co., Ltd. a subsidiary in which the Company held 100% of issued and paid shares, in accordance with the resolution in the Meeting of the Board of Directors of the subsidiary, held on November 19<sup>th</sup>, 2020, upon increasing its registered capital.

On April 22<sup>nd</sup>, 2021, the Extraordinary General Meeting of the shareholders of a local subsidiary, Crystalline Co., Ltd., agreed on a resolution upon the reduction of its registered capital by THB 70 million, from THB 100 million to THB 30 million, by reducing the par value of the shares from THB 100 to THB 30 per share to write off deficit. The subsidiary registered the reduction in its registered capital with the Department of Business Development, Ministry of Commerce, on May 5<sup>th</sup>, 2021.

On November 3<sup>rd</sup>, 2021, the Extraordinary General Meeting of the shareholders of a local subsidiary, Crystalline Co., Ltd., agreed on a resolution upon the reduction of its registered capital by THB 22.5 million, from THB 30 million to THB 7.5 million, by reducing the par value of the shares from THB 30 to THB 7.5 per share. The subsidiary registered the reduction in its registered capital with the Department of Business Development, Ministry of Commerce, on December 8<sup>th</sup>, 2021.

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

On May 7<sup>th</sup>, 2021, the Company had the resolution to discontinue operation in a subsidiary company, Pranda North America, Inc. as planned.

2020

On February 13<sup>th</sup>, 2018, at the Board of Directors' Meeting, the resolutions were concluded to dissolve a subsidiary company, Pranda & Kroll GmbH & Co., KG, from February 13<sup>th</sup>, 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 17<sup>th</sup>, 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.

## 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 27<sup>th</sup>, 1984 and listed its common stocks on the Stock Exchange of Thailand on July 6<sup>th</sup>, 1990. The Company was transformed into a public company on June 3<sup>rd</sup>, 1994. At present, the Company has total registered capital for THB 539.026 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.

The Company has set the balanced management structure into 2 business units which are Production and Omnichannel Distribution as follows:



### Production Base

The efficiency in jewelry production based on economies of scale 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 with Product Design and 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 2 business groups namely Production and Omnichannel Distribution as below.

Operated By	Shareholding (%)	2022		2021		2020	
		Million Baht	%	Million Baht	%	Million Baht	%
Production							
Pranda Jewelry PLC.	100	2,650	72.62	2,141	70.36	1,491	58.33
Pranda Jewelry Private Ltd.	51	36	0.99	-	-	-	-
Pranda Vietnam Co., Ltd.	100	12	0.33	11	0.36	16	0.63
Total Revenue from Production		2,698	73.94	2,152	70.72	1,507	58.96
Omnichannel Distribution							
Primagold International Co., Ltd.	100	656	17.98	505	16.60	681	26.64
Pranda North America, Inc.	100	-	-	43	1.41	82	3.21
Pranda UK Limited	100	59	1.61	81	2.66	82	3.25
Pranda Jewelry Private Ltd.	51	136	3.73	62	2.04	27	1.06
Pranda Vietnam Co., Ltd.	100	61	1.67	45	1.48	55	2.15
PT Pranda Marketing Indonesia	55	-	-	12	0.39	27	1.06
Total Revenue from Distribution		912	24.99	748	24.58	955	37.36
Total Revenue from Sales		3,610	98.93	2,900	95.30	2,462	96.32
Pranda Lodging Co., Ltd	83	8	0.22	8	0.26	6	0.23
Other income		31	0.85	135	4.44	88	3.44
Total Other Income		39	1.07	143	4.70	94	3.68
Grand Total		3,649	100	3,043	100	2,556	100

Revenue Structure in Domestic and Overseas

	2022		2021		2020	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from Domestic Market	902	24.72%	787	25.86%	1,318	51.56%
Revenue from Overseas Market	2,708	74.21%	2,113	69.44%	1,144	44.76%
• United States	554	15.18%	581	19.09%	332	12.99%
• Hong Kong	445	12.20%	270	8.87%	90	3.52%
• United Kingdom	389	10.66%	349	11.47%	194	7.59%
• Canada	534	14.63%	352	11.57%	-	0.00%
• Others	786	21.54%	561	18.44%	528	20.66%
Other Revenue	39	1.07%	143	4.70%	94	3.68%
<b>Total</b>	<b>3,649</b>	<b>100.00%</b>	<b>3,043</b>	<b>100.00%</b>	<b>2,556</b>	<b>100.00%</b>

## 1.2.2 Nature of Products

### (1) Product Characteristics

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

#### 1.1 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 "Affordable Fine Jewelry" group based in the United States, Europe and Asia with various distribution channels including department stores, chain stores, websites, TV and catalogs.

#### 1.2 OWN BRAND MANUFACTURING (OBM)

The Company has set Own Brand Manufacturing products with different market positioning to reach target group of high-end jewelry consumers through own retail channels and authorized retailers with focus on the Group's business stability in long run as follows:

- **PRIMA:** Retail store brand of fine jewelry and gold sheet artwork with One-Stop-Service concept including PRIMA GOLD – 99.9% pure gold jewelry, PRIMA DIAMOND – high quality diamond jewelry and PRIMA ART – 99.9% gold sheet artwork with owned retail stores in department stores and online channels located both in Thailand and Vietnam. PRIMA GOLD jewelry is also distributed through authorized retailers in Indonesia, the Philippines, Japan, the United States, the United Arab Emirates, Oman and Egypt as well as PRIMA ART which is distributed through authorized retailers in India.
- **Merii:** High quality silver jewelry with cubic zirconia distributed through owned retail stores in department stores and online channels in Thailand.
- **Gemondo:** E-Commerce business distributed genuine gemstones jewelry through own E-Commerce websites namely Gemondo.com, Gemondo.co.uk and Gemondo.co.th and marketplaces including Amazon in UK and USA and Zalando in Germany and so forth.

### (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:



Primagold International Co., Ltd., a retailer of PRIMA jewelry products, has continuously focused on presenting personalized promotion through Exclusive Collection for a group High Networth consumers and stimulating its sales volume through E-commerce and Social Commerce while launching new collections on Entry Price Point range which allow the Company to continually retain its existing consumers and expand new consumer base.



Vietnam

Vietnam: Pranda Vietnam Co., Ltd. has continuously focused on presenting personalized promotion through Exclusive Collection 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.



India

India: Pranda India Co., Ltd., focuses on distributing 99.9% gold sheet artwork under Prima Art brand through jewelry retailers and key account base. In 2022, the Company fully ran the manufacturing of gold sheet artwork based in India to respond to an increase of purchasing power in India market. In addition, the Company has launched new product design to target Millennial group as well as focusing on sales of larger product size to expand selling opportunities.

The United  
Kingdom

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 2022, 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 2022, although the Covid-19 pandemic situation was at ease, the economic growth in the second half of the year was gradually slowdown. In addition, the Russia-Ukraine war has caused pressure to the economic recovery, the tightening policy of the central banks and higher inflation rate leading people to become more cautious in spending amidst the economic volatility. At the end of 2022 – 2023, in overall, the economic recession has been found in some countries such as the United Kingdom, Eurozone and the United States. However, such recession is considered as mild recession as financial status of private sectors and labor market recovery are still strong. However, the Company still focused on 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.



## 2.2 2022 Industry Competitiveness and 2023 Trends

The gem and jewelry market in 2022 recovered following the world economic recovery during the 3<sup>rd</sup> quarter of the year. Meanwhile, the Russian-Ukraine conflicts, fuel and energy shortage, high inflation rate in many countries and upward interest rates were factors that restrained economic growth and finally affected trade in the last quarter of the year.

Thailand's gem and jewelry exports in 2022 rose by 49.8% from the previous year of 2021 at THB 351,750 million to THB 527,000 million, recorded as the 3<sup>rd</sup> export products at proportion of 5.3% of Thailand's total exports. Thus, the actual export value of gem and jewelry, excluding gold, was THB 279,500 which increased by 29% from a year earlier.

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.

For the business trends in 2023, the global economy likely faces a sluggish growth from economic pressure especially the Russian-Ukraine war and fuel and energy in protracted crises as well as the United States-China economic dichotomy which directly impact global supply chain. In overall, the United States and Europe possibly enter into a recession while China, Japan, India and ASEAN may have potential to grow. Trends also include fluctuating currency and a development of digital communication systems that change the consumption behavior of new generations 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 adjusting the production capacity to meet the needs of new potential customers and respond quickly towards changing circumstances. In addition, the Company focuses on creating trustworthiness and building long-term customer relationships as business partners for mutual growth and being reliable jewelry brands trusted by consumers to eventually achieve continuous and sustainable growth.

### (3) 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.

Nature of production and sales are seasonal, depending on 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 2020 – 2022, the sales volume contributed by the Company and Subsidiaries are described by 4 quarters as follows:

Quarter	2022		2021		2020	
	Million Baht	%	Million Baht	%	Million Baht	%
1	745	21	506	17	599	19
2	877	24	543	19	486	17
3	1,033	29	835	29	620	27
4	955	26	1,016	35	757	37
<b>Total 4 Quarters</b>	<b>3,610</b>	<b>100</b>	<b>2,900</b>	<b>100</b>	<b>2,462</b>	<b>100</b>

## Production Capacity of the Company in the past 3 years:

Production Base	Production Capacity (million pieces)		
	2022	2021	2020
<b>Thailand</b>			
Bangna Factory, Bangkok	1.0	1.0	1.0
Suranaree Industrial Zone	1.9	1.9	1.9
<b>Overseas</b>			
Pranda Vietnam	0.1	0.1	0.1
<b>Total</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>

## Raw Materials

Raw Materials	2022		2021		2020	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Overseas: -</b>						
• Gold	895	46.96%	872	41.76%	566	37.29%
• Parts	102	5.33%	99	4.74%	28	1.84%
• Gemstones	115	6.04%	416	19.92%	296	19.50%
• Others	2	0.10%	66	3.16%	24	1.58%
<b>Total</b>	<b>1,114</b>	<b>58.43%</b>	<b>1,453</b>	<b>69.59%</b>	<b>914</b>	<b>60.21%</b>
<b>Domestic: -</b>						
• Gold	315	16.54%	141	6.75%	292	19.24%
• Silver	126	6.62%	175	8.38%	131	8.63%
• Alloy	4	0.19%	5	0.24%	1	0.07%
• Parts	14	0.73%	20	0.96%	5	0.33%
• Gemstones	267	14.02%	213	10.20%	123	8.10%
• Others	66	3.47%	81	3.88%	52	3.42%
<b>Total</b>	<b>792</b>	<b>41.57%</b>	<b>635</b>	<b>30.41%</b>	<b>604</b>	<b>39.79%</b>
<b>Grand Total</b>	<b>1,906</b>	<b>100.00%</b>	<b>2,088</b>	<b>100.00%</b>	<b>1,518</b>	<b>100.00%</b>

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.

#### (4) Assets used in Business Operations

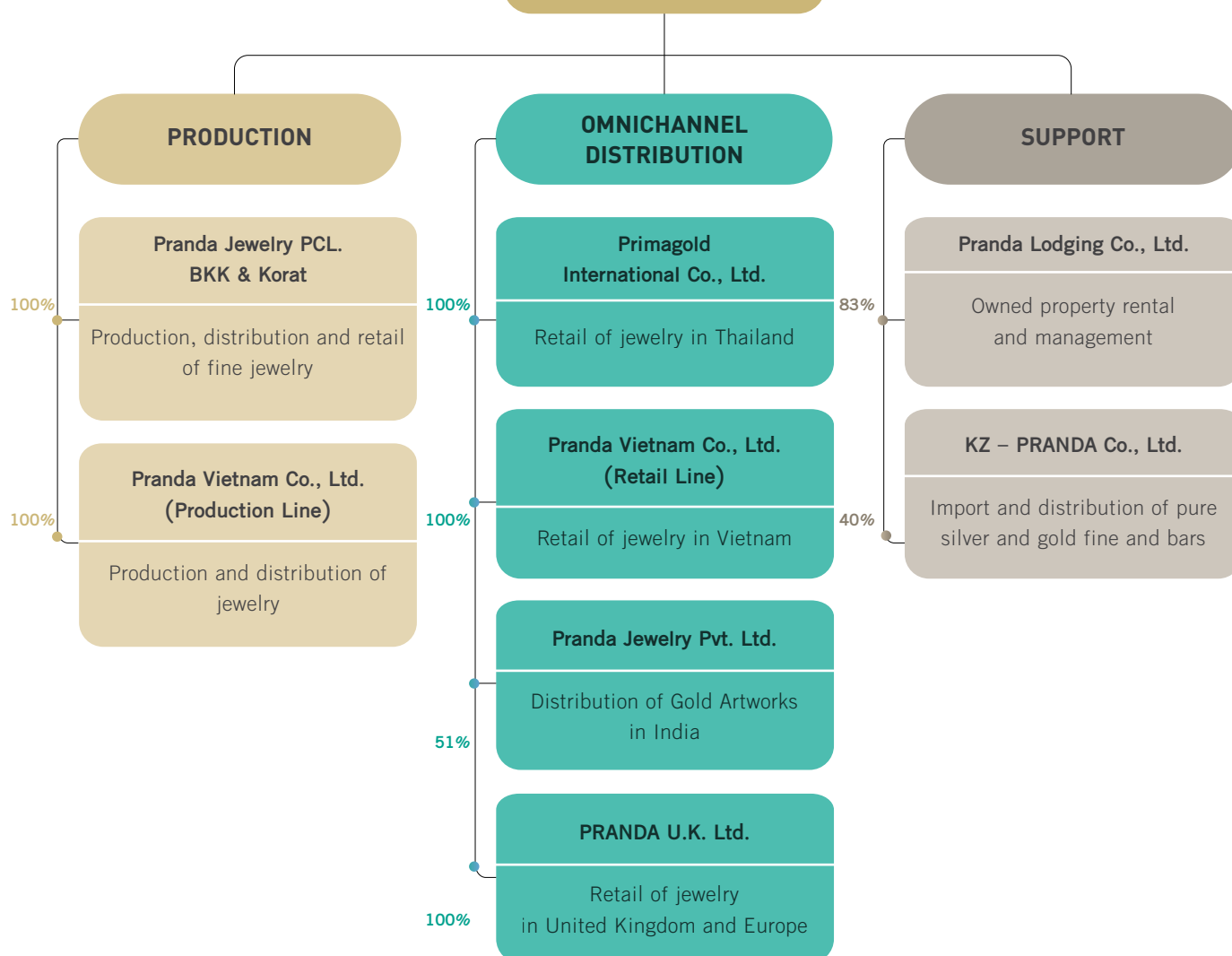
The Company and Subsidiaries own factory and office as assets used in business operations as well as rental rights of the Subsidiaries. More details on assets used in business operations are described in Attachment 4 of Annual Report (Form 56-1 One Report).

## 1.3 Shareholding Structure

### 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 2 groups namely Production Base and Omnichannel Distribution Base with support business units as described in business group shareholding structure.

#### Business Group Structure





Juristic persons in which the Company holds more than 10% shares (as of December 31st, 2022).

Name of Juristic Person / Address	Type of Business	Percentage (%) of Shares Held by the Company	Percentage (%) of Shares Held by Joint Venture	Registered Capital	Paid-up Capital
<b>Crystalline Co., Ltd.</b> 22 Soi Bangna-Trad 28, Bangna-Tai Subdistrict, Bangna District, Bangkok 10260 Tel: +66 2746 9580-5 Fax: +66 2399 4878 Home Page: www.crystalline.com Responsible Person: Mrs. Sunanta Tiasuwan Email: sunanta@pranda.co.th Partners: Mr. Pitipong Tiasuwan	Production and Distribution of Costume Jewelry	96.30	3.70	THB 2 million	THB 2 million
<b>Pranda Vietnam Co., Ltd.</b> No.16 Road 2A, Bien Hoa Industrial Zone II, Dong Nai Province, Vietnam Tel: +84 613 836 627, +84 613 836 739 Fax: +84 613 991 798 Responsible Person: Mr. Santiparp Riyai Email: santiparp@pranda.com.vn	Production, Distribution and Retail of Jewelry	100		USD 2 million	USD 2 million
<b>Primagold International Co., Ltd.</b> 1093/64 Central City Bangna Tower, 12th Floor, Bangna-Trad Road, Bangna-Tai Subdistrict, Bangna District, Bangkok 10260 Tel: +66 2745 6111 Fax: +66 2745 6117 Home Page: www.primagold.co.th Responsible Person: Mrs. Pranee Khunprasert Email: pranee@pranda.co.th	Retail of Jewelry in Thailand	100		THB 200 million	THB 200 million
<b>Pranda North America, Inc.</b> No. 1 Wholesale Way, Cranston, Rhode Island, 02920 USA Tel: +1 401 946 2104 Fax: +1 401 946 2109 Responsible Person: Mr. Chanat Sorakraikitikul Email: art_s@pranda.co.th	Distribution of Jewelry and Costume Jewelry in US and Canada	100		USD 2,000	USD 2,000
<b>H.GRINGOIRE s.a.r.l</b> 53 rue Boissiere, 75116 Paris, France Tel: +33 1 53 01 95 41 +33 6 07 95 99 65 Fax: +33 1 5301 9540 Responsible Person: Mr. Gregor Kroll Email: Gregor.Kroll@pranda-kroll.de	Distribution of Jewelry in France and Europe	100		EUR 5 million	EUR 5 million

Name of Juristic Person / Address	Type of Business	Percentage (%) of Shares Held by the Company	Percentage (%) of Shares Held by Joint Venture	Registered Capital	Paid-up Capital
<b>Pranda UK Limited</b> PO BOX 59 West Molesey Surrey KT8 8AY, United Kingdom Tel: +44 1 0208 783 2023 Fax: +44 1 0208 783 2010 Home Page: www.gemondo.com Responsible Person: Mr. Pitipong Tiasuwan Email: pitipong_t@pranda.co.th	Distribution and Retail of Jewelry in UK and Europe	100		GBP 0.5 million	GBP 0.5 million
<b>Pranda Jewelry Private Limited</b> O2, Commercial Bldg. A-1005,1006, 1007 Plot no. 23-24, Near Minerva Industrial Estate, Mulund (W), Mumbai- 400080. (India) Tel: +91 22 2565 2121, +91 22 2568 2121, +91 22 2569 2121 Responsible Person: Mr. Vinod Tejwani Email: vinod@pranda.co.in Joint Venture: Gunjan Jewelry Private Limited	Distribution of Jewelry in India	51	49	INR 150 million	INR 150 million
<b>P.T.Sumberkreasi Ciptalogam</b> (previously P.T. Pranda SCL Indonesia) J.L.I Gusti Ngurah Rai No.1, Jakarta 13420, Indonesia Tel: +62 21 819 9280-2 Fax: +62 21 819 9223 Responsible Person: Mr. Johnny Salmon Email: Johnny@prandascl.com Partners: 1) Mr. Johnny Salmon 2) Mr. Kenny Salmon 3) Ms. Virsosa Salmon 4) Mrs. Yuen Wan Ha	Production and Distribution of Jewelry	19	25 20 20 16	IDR 4 billion	IDR 4 billion

Name of Juristic Person / Address	Type of Business	Percentage (%) of Shares Held by the Company	Percentage (%) of Shares Held by Joint Venture	Registered Capital	Paid-up Capital
<b>KZ-Pranda Co., Ltd.</b> 75/51 Ocean Tower 2, 24th Floor, Sukhumvit 19 Alley, Sukhumvit Road, Khlong Toei Nuea, Watthana, Bangkok 10110 Tel: +66 2204 1441-3 Fax: +66 2204 1444 Responsible Person: Mr. Heechan Song Email: hcsong@koreazinc.co.kr Partners: 1) Korea Sync Co., Ltd. 2) LG International Singapore Pte. Ltd. 3) Ms. Thitima Sorakraikitikul	Import and distribution of pure silver and gold fine and bars	40	34.50 14.50 11.00	THB 30 million	THB 9 million
<b>Pranda Lodging Co., Ltd.</b> 28 Soi Bangna-Trad 28, Bangna-Tai Subdistrict, Bangna District, Bangkok 10260 Tel: +66 2361 3311, +66 2393 8779 Fax: +66 2361 3088, +66 2398 2143 Responsible Person: Mr. Somsak Srirueangmon Email: somsak_s@pranda.co.th Partners: 1) Pranda Holding Co., Ltd. 2) Forward Freeland Co., Ltd. 3) Mrs. Rathchara Pornrungrroj 4) Mrs. Prapee Sorakraikitikul 5) Mrs. Pittaya Tiasuwan 6) Mrs. Panida Tiasuwan 7) Mr. Pramote Tiasuwan	Rental of Real Estate/ Chattel	83	8.10 7.00 1.08 0.73 0.07 0.01 0.01	THB 15 million	THB 15 million

### 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, 2022 was listed below.

Major Shareholders		Number of Shares	Percentage of Shares
1.	Founding Family	200,736,025	37.24%
	Mr. Prida Tiasuwan	31,746,774	5.89%
	Mrs. Panida Tiasuwan	28,141,449	5.22%
	Ms. Pittaya Tiasuwan	23,947,600	4.44%
	Mrs. Pranee Khunprasert	13,734,146	2.55%
	Mrs. Ratchara Pornrunroj	11,876,049	2.20%
	Mr. Pramote Tiasuwan	11,600,700	2.15%
	Mrs. Prapee Sorakraikitikul	7,400,117	1.37%
	Mrs. Sunanta Tiasuwan	1,380,624	0.26%
	Relatives of founders	43,596,493	8.09%
	Pranda Holding Co., Ltd <sup>/1</sup>	27,292,073	5.06%
2.	Mr. Somchai Padphai	53,342,100	9.90%
3.	Ms. Thitikul Saegiang	18,026,000	3.34%
4.	Mr. Prateep Tangmatitham	16,223,899	3.01%
5.	BANK OF SINGAPORE LIMITED	14,593,973	2.71%
6.	Thai NVDR Company Limited	12,601,138	2.34%
7.	Mr. Pariwat Padphai	11,400,000	2.11%
8.	Mr. Sukrit Surabotsopon	7,811,100	1.45%
9.	Ms. Siripat Amornrattanachaikul	6,496,900	1.21%
10.	Mr. Wichit Laorsathienkul	5,450,000	1.01%
<b>Total</b>		<b>346,681,135</b>	<b>64.32%</b>

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](http://www.pranda.com) and [www.pranda.co.th](http://www.pranda.co.th), section: Investor Relations, topic: Shareholder Information: Major shareholders) before the date of Annual General Meeting 2022.

**Remark:** <sup>/1</sup> Pranda Holding Co., Ltd.'s shareholders are as follows:

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

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

(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

## 1.4 Amount of Registered Capital and Paid-up Capital

### 1.4.1 The Company has a registered capital of THB 539,026,606.

Share value of THB 1 per share and the paid-up capital of THB 539,026,606 divided into common shares of 539,026,606 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

- None -

## 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 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 2020 – 2022 are described below.

Year	Net Profit (Million Baht)	% of dividend payment	Dividend pay-out (Million Baht)	Number (Million Shares)	Dividend per share (baht)
2020	(273.91)	-	-	-	-
2021	119.43	-	-	-	-
Extra dividend from retained earnings, a net profit of year 2012 <sup>/1</sup>	414.27	13.01	53.90	539.03	0.10
Extra dividend from retained earnings, a net profit of year 2012 <sup>/2</sup>	414.27	13.01	53.90	539.03	0.10
2022 <sup>/3</sup>	156.77	34.38	53.90	539.03	0.10

and the dividend paid on ordinary shares of the Company was not over 53,902,661 shares at the par value of THB 1 per share to the Company's shareholders in ratio of 10 original shares to 1 ordinary shares worth not over THB 53,902,661 or equivalent to dividend payout ratio of THB 0.10 per share and additional cash dividend payment in ratio of THB 0.011111 per share (partial withholding tax exemption at 10 percentage of dividend) not over THB 5,989,125 from retained earnings based on net profit of year 2021 with total value not over THB 59,891,786.

In case any shareholders hold a fractional share as a result of dividend stock allocation, the dividend is to be paid by cash instead of dividend stock at THB 0.10 per share.

### Remark:

<sup>/1</sup> The 2020 Annual General Meeting of the Company's shareholders held on 21 April 2021, approved to pay a dividend from retained earnings in respect of earnings derived from net profit of 2012.

<sup>/2</sup> The 2021 Annual General Meeting of the Company's shareholders held on 20 April 2022, approved to pay a dividend from retained earnings in respect of earnings derived from net profit of 2012.

<sup>/3</sup> The Board of Directors shall propose to the Annual General Meeting 2022 which will be held on April 19<sup>th</sup>, 2023 upon consideration of approval on dividend payment.



## 2. Management Discussion and Analysis (MD&A) ———— ✦

### 1) Operating Results and Profitability

#### Overall Performance

Operating result in 2022, The Group has sales revenue Baht 3,610 million increased by 24.48% which is sales from production business unit at Baht 2,698 million increased by 25.37 as economy in Europe and USA which is key customer base grow significantly. Meanwhile, sales revenue in Omnichannel business unit has Baht 912 million increased by 21.93% due to Thailand market recovery as well as sales increased from distribution channel in India which start local production line. As a result, the Group has gross profit margin at 25.48% increased from previous year. While, selling and admin expenses has at Baht 636 million increased align with sales growth. Therefore, overall the Group has operating profit at Baht 284 million or 7.87% increased from previous year which had operating profit at Baht 96 million or 3.31% after including financial costs, gain (loss) on exchange rate, other items, tax expense and non-controlling interests of the subsidiaries resulted in the Group has profit of equity holders of the Company at Baht 135 million.

#### Overall operating result of the year period ended December 31, 2022 compared with the year period ended December 31, 2023

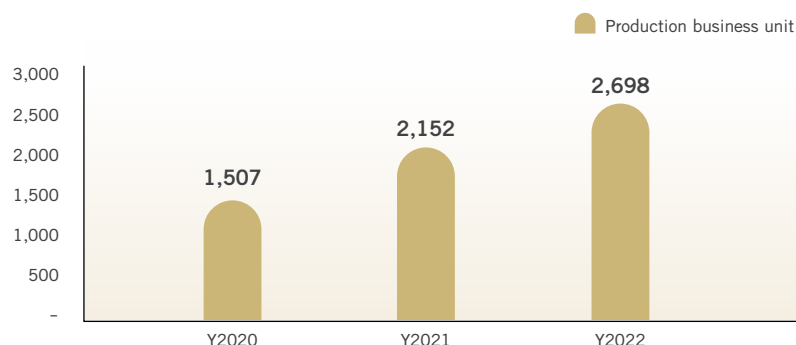
##### • Total revenues

The Group had total revenues in year 2022 and 2021 amounting to Baht 3,649 million and Baht 3,042 million respectively which increased of Baht 607 million or 19.95% due to sales revenue increased.

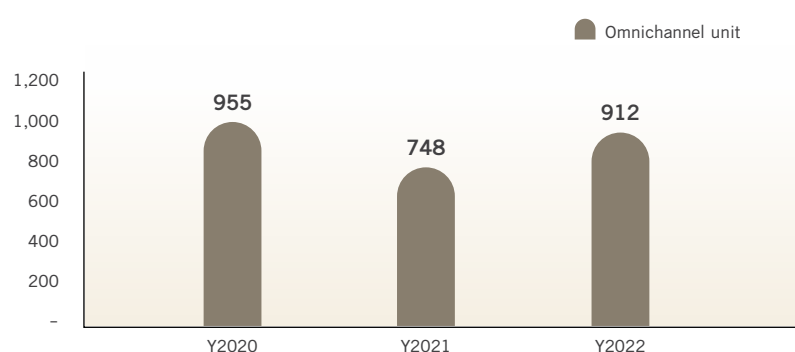
Consolidated	2020		2021		2022		Increase / (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Sales Revenue	2,462	96.32%	2,900	95.33%	3,610	98.93%	710	24.48%
• Production	1,507	58.96%	2,152	70.74%	2,698	73.94%	546	25.37%
• Omni channel	955	37.36%	748	24.59%	912	24.99%	164	21.93%
Other Revenues	94	3.68%	142	4.67%	39	1.07%	(103)	(72.54%)
Total Revenues	2,556	100.00%	3,042	100.00%	3,649	100.00%	607	19.95%

### • Sales revenue

The Group's sales revenue consists of production revenue of Baht 2,698 million, representing 73.94% and Omni channel revenue of Baht 912 million and representing 24.99% due to the increase (decrease) of such income as follows:



Production business unit income increased from Baht 2,152 million to Baht 2,698 million, this is due to key customer's economy in Europe and USA grow significantly resulted in achieved sales order.



Omnichannel business unit income increased from Baht 748 million to Baht 912 million mainly due to Thailand market spending recovery. During the year especially on distribution channel in India start local production line to supply the growing demand in India market.

### • Other income

The Group has revenues from other service Baht 39 million decreased from previous year which had other revenue Baht 142 million because the Group had gain on exchange rate Baht 77 million in previous year.

### • Cost of Sales and Selling and Administrative Expenses

Cost of sales	2022		2021		Increase / (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales revenue	3,610	100.00%	2,900	100.00%	710	24.48%
Cost of sales	2,690	74.52%	2,213	76.31%	477	21.55%
Total Selling & Admin Expenses	636	17.62%	591	20.38%	45	7.61%
• Selling Expenses	287	7.95%	256	8.83%	31	12.11%
• Administrative Expenses*	349	9.67%	335	11.55%	14	4.18%

\* Excluded other expenses in comprehensive statement

#### • Cost of sales

The Group has a cost of sales of Baht 2,690 million which increased by Baht 477 million or 21.55% from previous year. As a result of overall in 2022 has gross profit Baht 920 million or 25.48%.

#### • Selling and administrative expenses

The Group has selling and administrative expenses at Baht 636 million increased by Baht 45 million from the previous year or 7.61% align with sales increased.

#### • Profits

Consolidated	2022		2021		Increase/(Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales revenue	3,610	100.00%	2,900	100.00%	710	24.48%
Cost of sales	2,690	74.52%	2,213	76.31%	477	21.55%
<b>Gross Profit</b>	<b>920</b>	<b>25.48%</b>	<b>687</b>	<b>23.69%</b>	<b>233</b>	<b>33.92%</b>
Selling and Admin expenses*	636	17.62%	591	20.38%	45	7.61%
<b>Operating Profit (Loss)</b>	<b>284</b>	<b>7.87%</b>	<b>96</b>	<b>3.31%</b>	<b>188</b>	<b>195.83%</b>
Financial costs	32	0.89%	36	1.24%	(4)	(11.11%)
Gain (loss) on exchange rate	(86)	(2.38%)	77	2.66%	(163)	(211.69%)
Other items	28	0.78%	58	2.00%	(30)	(51.72%)
<b>Profit (loss) before income tax</b>	<b>194</b>	<b>5.37%</b>	<b>195</b>	<b>6.72%</b>	<b>(1)</b>	<b>(0.51%)</b>
Income tax (expenses)	(52)	(1.44%)	(62)	(2.14%)	(10)	(16.13%)
Non-controlling interests of the subsidiaries (profit)	7	0.19%	(5)	(0.17%)	12	240.00%
<b>Profit(loss) of Equity holders of the Company</b>	<b>135</b>	<b>3.74%</b>	<b>138</b>	<b>4.76%</b>	<b>(3)</b>	<b>(2.17%)</b>

\*Excluded other expenses in comprehensive statement

#### • Gross profit

The Group's gross profit is at Baht 920 million or 25.48% increased from previous year which had gross profit margin at 23.69%.

#### • Net profit (loss) from operations

The Group's profit from operations for the year 2022 is at Baht 284 million increased from previous year which had profit from operation Baht 96 million due to sales increased.

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

The Group's net profit attributable to shareholders of the company amounts to Baht 135 million decreased by Baht 3 million or has gross profit margin at 3.74% of sales due to sales increased as aforementioned above.



- **Return on shareholders' equity**

The return of equity (ROE) in the year 2022 is at 5.90%, decreased from last year's figure which stood at 6.33%, due to net profit attributable to the shareholders of the Group as aforementioned above.

For the fiscal year 2022, the Board of Directors approved to propose to the Shareholders' Meeting to consider and approve the dividend payment the rate of 0.21 per share in the form of stock dividends and cash from the company's retain earnings, a net profit of year 2021 and cash dividends paid from the net profit for the year 2022 in total doesn't exceed the amount Baht 113.79 million and propose shareholders entitled to receive the dividends be determined on 28 April 2023 and the payment of dividends shall be made to the shareholders by 15 May 2023. However, there is uncertainty for the dividend payment which are subjected to the approval of AGM.

## 1. Asset Management Abilities

- **Asset Components**

The table compares the annual financial statements in 2022 and 2021.

Statement of Financial Position	Dec 31, 2022		Dec 31, 2021		Increase/(Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Cash and cash equivalents	243	6.78%	398	10.50%	(155)	(38.94%)
Trade account receivables and other receivables	388	10.83%	328	8.66%	60	18.29%
Inventories, net	1,530	42.70%	1,563	41.25%	(33)	(2.11%)
Other current assets	47	1.31%	41	1.08%	6	14.63%
<b>Total current assets</b>	<b>2,208</b>	<b>61.62%</b>	<b>2,330</b>	<b>61.49%</b>	<b>(122)</b>	<b>(5.24%)</b>
<b>Total non-current assets</b>	<b>1,375</b>	<b>38.38%</b>	<b>1,459</b>	<b>38.51%</b>	<b>(84)</b>	<b>(5.76%)</b>
<b>Total assets</b>	<b>3,583</b>	<b>100.00%</b>	<b>3,789</b>	<b>100.00%</b>	<b>(206)</b>	<b>(5.44%)</b>

- **Asset Quality**

The Group had total assets of Baht 3,583 million decreased compared with the previous year by Baht 206 million, or 5.44%. The decreasing of total assets mainly come from decreasing on cash and cash equivalents due to repayment current liabilities.

- **Impairment of assets**

The Group consider on adequacy of the provision or allowance for impairment of assets as follows:

## • 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)
	Dec. 31, 2022	Dec. 31, 2021	
Not yet due	-	-	-
Overdue			
No more than 3 months	1	-	1
3 – 6 months	-	-	-
6 – 12 months	1	-	1
More than 12 months	50	49	1
<b>Total</b>	<b>52</b>	<b>49</b>	<b>3</b>
Less the allowance for expected credit losses	(52)	(49)	3
<b>Total accounts receivable – net</b>	<b>-</b>	<b>-</b>	<b>-</b>

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		เพิ่มขึ้น (ลดลง)
	Dec. 31, 2022	Dec. 31, 2021	
Not yet due	265	275	(10)
Overdue			
No more than 3 months	113	53	60
3 – 6 months	-	1	(1)
6 – 12 months	5	1	4
More than 12 months	31	28	3
<b>Total</b>	<b>414</b>	<b>358</b>	<b>56</b>
Less the allowance for expected credit losses	(48)	(49)	(1)
<b>Total accounts receivable – net</b>	<b>366</b>	<b>309</b>	<b>57</b>

The Group has net accounts receivable from trade receivables of unrelated parties totaling Baht 366 million increased by Baht 57 million or 18.45% from the previous year due to sales increased.

• **Inventories**

Unit : Million Baht

Inventories	2022	2021	Increase (Decrease)
Finished products	798	937	(139)
Work-in-progress	347	300	47
Raw materials	503	490	13
Plant materials	11	10	1
Goods in-transit	40	-	40
<b>Total</b>	<b>1,699</b>	<b>1,737</b>	<b>(38)</b>
Less the listings of cost reduction adjustment for net capital	(169)	(174)	(5)
<b>Remaining inventories – net</b>	<b>1,530</b>	<b>1,563</b>	<b>(33)</b>

As of December 31, 2022 the Group and its subsidiaries has inventories of Baht 1,530 million, which has decreased from the 2021 year-ended figure by Baht 33 million. 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.

## 2. Liquidity and Capital Adequacy of the Group

### 2.1 Sources and Uses of Funds

• **Cash Flow Components**

The Group's Cash Outflow from Operating Activities for the year ended December 31, 2022 is at Baht 45 million mainly due to Pranda Group has profit from operation after adjustment to reconcile of non-cash transaction Baht 363 million and cash outflow used in trade and other receivable increased by Baht 89 million as well as decreasing on account payable and other payable by Baht 306 million.

Cash Outflow used in Investing Activities for the year ended December 31, 2022 is at Baht 44 million generally due to purchasing fixed assets for operating working capital in Pranda Group.

Cash Outflow used in Financing Activities for the year ended December 31, 2022 is at Baht 146 million mainly came from repayment loan on schedule Baht 70.86 million and cash paid for dividend payment Baht 53.90 million.

From operating, investing and financing activities, the Group's net cash for the fiscal year 2022 has decreased by Baht 155 million, and when combined with cash at beginning of period amount Baht 398 million, forms a total of Baht 243 million in cash at the end of the period.

**The table compares the statement of cash flows for the year 2022 and 2021.**

Unit: Million Baht

Statement of Cash Flows	Dec 31, 2022	Dec 31, 2021
Cash flows from (used in) operating activities	(45)	301
Cash flows from (used in) investing activities	(44)	(31)
Cash flows from (used in) financing activities	(146)	(216)
Translation adjustment	80	(99)
Net cash flows	(155)	(45)
Cash at the beginning of the year	398	443
Cash at the end of the year	243	398

- **Liabilities and Shareholder's equity**

The group's total liabilities and shareholders' equity Baht 3,583 million decreased by Baht 206 million or 5.44% as compared to December 31, 2021, mainly came from repayment loan to financial institutions and trade and other payables.

## **2.2 Capital expenditure**

The Group invested a total of Baht 46 million which is divided into two types of investment, as follows:

- 1) Approximately Baht 31 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 15 million was invested in Omni channel base for renovate shops for customer service and thorough distribution coverage of Prima Gold International, Co., Ltd, Pranda Vietnam, Co., Ltd. and subsidiaries in India.

## **2.3 The ability to service debt and to comply with the terms of the loan**

As of December 31, 2022, local subsidiary company was able to maintain a debt to equity ratio in accordance with the agreement.

## **3. Long term plan and Business operations in 2023**

The Company 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 adjusting the production capacity to meet the needs of new potential customers and respond quickly towards changing circumstances. In addition, the Company focuses on creating trustworthiness and building long-term customer relationships as business partners for mutual growth and being reliable jewelry brands trusted by consumers to eventually achieve continuous and sustainable growth.

## **2) Major factors and influences that may influence future operations or financial status**

In 2023, the global economy likely faces a sluggish growth from economic pressure especially the Russian-Ukraine war and fuel and energy in protracted crises as well as the United States-China economic dichotomy which directly impact global supply chain. In overall, the United States and Europe possibly enter into a recession while China, Japan, India and ASEAN may have potential to grow. Trends also include fluctuating currency and a development of digital communication systems that change the consumption behavior of new generations which can affect the distribution channels of business partners, etc.



### 3) Financial Highlights

Financial Ratios		For the year ended period ending December 31				
		2022	2021	2020	2019	2018
<b>Liquidity ratio</b>						
Current Ratio <sup>1</sup>	(times)	2.36	1.82	1.66	1.78	1.84
Quick Ratio <sup>2</sup>	(times)	0.65	0.55	0.56	0.65	0.56
Cash Flow Ratio <sup>3</sup>	(times)	(0.04)	0.22	0.11	0.03	0.14
Accounts Receivable Turnover Ratio <sup>4</sup>	(times)	8.68	6.82	5.20	6.27	6.07
Average Collection Period <sup>5</sup>	(days)	42	53	70	58	60
Inventory Turnover Ratio <sup>6</sup>	(times)	3.41	2.44	1.94	2.06	1.67
Average Sale Period <sup>7</sup>	(days)	107	149	188	177	219
Creditors Turnover Ratio <sup>8</sup>	(times)	4.33	2.91	2.67	3.33	3.36
Repayment Period <sup>9</sup>	(days)	84	125	137	109	109
Cash Cycle <sup>10</sup>	(days)	65	78	122	126	171
<b>Profitability ratio</b>						
Gross Profit Margin <sup>11</sup>	(%)	25.49	23.69	22.32	26.25	31.54
Operating Loss Margin <sup>12</sup>	(%)	7.87	3.32	(5.13)	(5.26)	(0.93)
Other Profit (Loss) Margin <sup>13</sup>	(%)	(1.62)	3.92	0.92	(0.86)	9.70
Cash to Profitability <sup>14</sup>	(%)	(15.94)	312.33	(124.61)	(32.30)	(881.39)
Net Profit (Loss) Margin <sup>15</sup>	(%)	3.88	4.39	(2.09)	(8.37)	4.33
Return on Equity <sup>16</sup>	(%)	5.90	6.33	(4.22)	(10.05)	7.17
<b>Efficiency ratio</b>						
Return on Assets <sup>17</sup>	(%)	3.84	3.41	(1.33)	(6.28)	3.32
Return on Capital Employed <sup>18</sup>	(%)	7.78	1.20	(0.95)	(5.45)	(3.05)
Return on Non-Current Assets <sup>19</sup>	(%)	16.68	16.38	3.53	(14.26)	16.17
Asset Turnover <sup>20</sup>	(%)	0.99	0.78	0.63	0.75	0.77
<b>Financial policy ratio</b>						
Liabilities to Shareholders' Equity Ratio <sup>21</sup>	(times)	0.53	0.77	0.90	0.87	0.78
Interest Coverage Ratio <sup>22</sup>	(times)	9.23	8.79	0.04	(2.06)	4.97
Debt Service Coverage Ratio (cash basis) <sup>23</sup>	(times)	0.96	0.85	0.00	(0.17)	0.57
Dividend Payout Ratio <sup>24</sup>	(%)	39.93	39.01	-	-	-

**Notes:**

- <sup>1</sup> Current ratio = Current Assets / Current Liabilities
- <sup>2</sup> Quick Ratio = (Cash and Bank Deposits + Marketable Securities + Accounts Receivables and Note Receivables) / Current Liabilities.
- <sup>3</sup> Cash Flow Ratio = Cash Flow from Operating Activities / Average Current Liabilities
- <sup>4</sup> Accounts Receivable Turnover Ratio = Net Sales / (Accounts Receivable before the Loss of Doubtful Accounts + Note Receivables) (Average)
- <sup>5</sup> Average Collection Period = 365 / Accounts Receivable Turnover Ratio
- <sup>6</sup> Inventory Turnover Ratio – Finished Goods = Cost of Sales / Inventory – Finished Goods(Average) \*only the finished product is taken into account; work-in-progress, goods in-transit & raw materials are not included.
- <sup>7</sup> Average Sale Period (Finished Goods) = 365/ Inventory Turnover – Finished Goods
- <sup>8</sup> Creditors Turnover Ratio = Cost of Buying or Selling / (Creditors + Notes Payable) (Average)
- <sup>9</sup> Average Repayment Period = 365 / Creditors Turnover Ratio
- <sup>10</sup> Cash Cycle = Average Debt Collection Period + Average Sales Period (Finished Goods)– Repayment Period
- <sup>11</sup> Gross Profit Margin = Gross Profit / Net Sales
- <sup>12</sup> Operating Profit (Loss) Margin = Profit (Loss) from Operations / Net Sales
- <sup>13</sup> Other Profit (Loss) Margin = Non-Operating Profit (Loss) / Total Revenue
- <sup>14</sup> Cash to Profitability = Cash Flow from Operations / Profit (Loss) from Operations
- <sup>15</sup> Net Profit(Loss) Margin = Net Profit (Loss) / Total Revenues
- <sup>16</sup> Return on Equity = Net Profit (Loss) of Equity holders of the Company / Equity Shares (Average)
- <sup>17</sup> Return on Assets = Net Profit (Loss) / Total Assets (Average)
- <sup>18</sup> Return on Capital Employed = Net Operating Profit (Loss) after Tax / (Total Assets – Non Interest bearing Liabilities)
- <sup>19</sup> Return on Fixed assets = (Net Profit (Loss) + Depreciation and Amortization + Leasehold rights amortization) / Net Fixed assets (Average)
- <sup>20</sup> Asset Turnover = Total Income / Total Assets (Average)
- <sup>21</sup> Liabilities to Shareholders' Equity Ratio = Total Liabilities / Equity Shares
- <sup>22</sup> Interest Coverage Ratio = Profit(Loss) before interest, tax, depreciation and amortization / interest expense
- <sup>23</sup> Debt Service Coverage Ratio = Profit(Loss) before interest, tax, depreciation and amortization / interest expense / (Short term interest bearing debt + Current portion of long-term liabilities with interest bearing debt)
- <sup>24</sup> Dividend Payout Ratio = Dividends / Net Income of Equity holders of the Company

## 3. Risk Management

### 3.1 Risk Management Policy and Plan

For business operation towards over 49 years, the Company recognizes and foresees the importance towards the change of economy, society and lifestyle both local and oversea as well as changing of supplier and business partner. The Company always foresees business opportunities over the risks in business operations.

Therefore, 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.

### 3.2 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.

1. 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.

2. 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. **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, for production business unit, the Company has continued positive relationships with groups of designer brand and affordable fine jewelry brand focusing on selling strategy through online channels both website and marketplace. For omnichannel distribution, the Company has expanded its own brand distribution through online channels both E-commerce and social commerce to respond to the changes of consumer behavior.

## 2. Risks of loss or shortage of specialized personnel

The Company runs its production business with procedures starting from design sketch, prototype to mass craftsmanship which apparently require large number of skillful and experienced artisans. In case the Company has lost those artisans in any cases, the production process can be significantly affected. Nonetheless, the Company has applied measures in mitigating risks in losing these artisans towards motivation in working with the Company in long run by enhancing career advancement with reasonable compensation and benefits for each individual capacity.

### • Social Risks

#### 1. Risks of acceptance from the community and society

The Company has committed to running its business operations by recognizing impacts to the community and society. 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 with target to develop community around the Company at least 15 areas per year.

### • Environmental Risks

#### 1. Risks from consumption of natural resources and energy

The Company has committed and aware of climate change matter as it is an important issue of the world that all sectors shall find solution to reduce its risk which may effect to business as well as way of life of human being and all living beings. The Company has managed and organized the usage of natural resources as below.

1. **Electricity Consumption Management:** Control the usage of electrical energy to maximize efficiency and able to reduce its energy cost.
2. **Water Consumption Management:** reduce the using water from external and increase proportion for using recycle water to prevent impact for human living or using community's water surrounding the Company.
3. **Waste and Pollution Management:** minimize the waste from production process and adhere 3Rs principles to prevent effect which may impact to the environment and surrounding communities.
4. **Greenhouse Gas Management:** reduce greenhouse gas emissions through energy, water, waste and pollution management as well as find renewable energy and alternative energy in order to increasing competitiveness and sustainability of business operation in future.

## 3.3 Risks of investments of securities holders

Risk associated with major shareholders with more than 25% of the Company.

The Company is associated with major shareholder which is the founding family of the Company with number of shares holding as of December 31st, 2022 at 200,736,025 shares equivalent to 37.24% of total paid-up shares. This may result in the rights of such shareholder group towards opposing or disagreeing votes in the annual general meeting in various issues as stated in the articles of association or related laws with number of votes counted not less than one-third of total votes of shareholders participated in the meeting and are eligible to exercise the voting rights.

However, the major shareholder is responsible for business management covering policies and guidelines. Therefore, any actions associated with business operations shall be considered upon the highest benefits for the shareholders as priority.



## 4. Business Sustainability Development ◆

Throughout our business operations until our 50th year in business, Pranda Jewelry Public Company Limited adheres to sustainable development policy following harmonization of economy, society and environment as well as operating our business by being the world's leading jewelry business partners towards achieving mutual growth and success with our valued partners. Our Company is constantly committed to good corporate governance in accordance with Environmental, Social and Governance (ESG) framework.

The Company is well prepared to create business growth to foster environment and society along with adhering to corporate governance for sustainable business.

### 4.1 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 as well as the United Nations Sustainable Development Goals (SDGs) by essentially focusing 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 Sustainability Management Policy includes 3 principles as below.



#### Environmental:

Run business in response to environmental responsibility by managing energy, water, waste and pollution as well as Greenhouse Gas management for better environment to the society.



#### Social:

Run business with social responsibilities by considering human rights, labour rights protection, appropriate workplace environment, occupational health and safety in workplace and continuous development of skills and potentials as well as enhancing job opportunities to be suitable for each individual capacity for the disabled, supporting education for the juvenile for occupational knowledge and skills in Bilateral Education to prepare manpower for skillful jewelry artisans. Being responsible for the customers with quality products and service, the supplier management by transparent procurement as well as the development of society and community by enhancing potentials of society and community are also included.



#### Governance:

Run 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 2022, in order to support the sustainability strategies of the organization as well as the United Nations Sustainable Development Goals 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](http://www.pranda.com), under section "Sustainability", topic "Sustainability Report 2022".

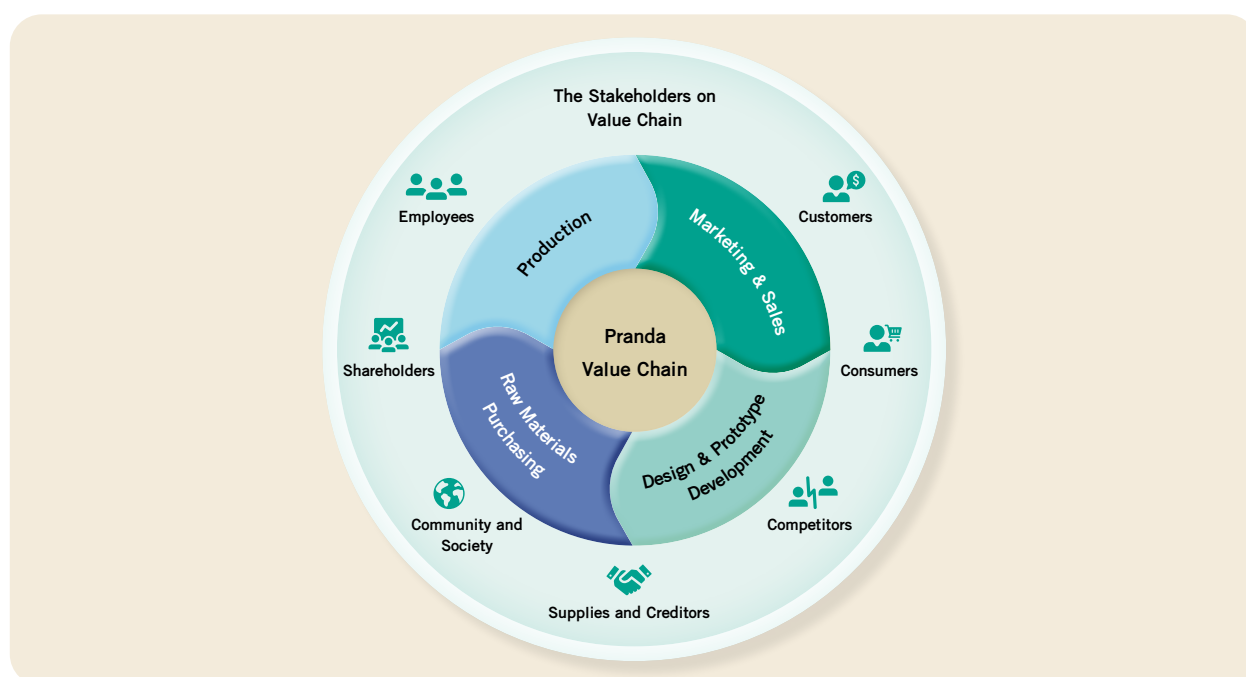
## 4.2 Management of Impacts to the Stakeholders on Value Chain

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, competitors as well as the community and society with appropriate responses.

### 4.2.1 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

- **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.

#### Design & Prototype Development

- **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.

#### Raw Materials Purchasing

- **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).

#### Production

- **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 Jewellery Council and ISO 9001

## 4.2.2 Analysis of the Stakeholders in Value Chain

The Company organized stakeholder engagement activities with key stakeholders who related to business operations which were classified into 6 main groups namely (1) Shareholders and Investors (2) Customers (3) Partners and Creditors (4) Business Competitors (5) Employees and (6) Community and Society. Stakeholder engagement activities are channels which allow the Company to listen to opinions and expectations and to communicate in exchange of perspectives. The Company thus gathered different issues from stakeholders to improve more efficiency in business operations. More information related to expectations and significant issues and responses of the stakeholders is published on the Company's website, [www.pranda.com](http://www.pranda.com), under section "Sustainability", topic "Sustainability Report 2022".



## 4.3 Sustainability Management on Environmental Aspect

### 4.3.1 Policy and Guidelines on Environmental Aspect

The Company is aware of the responsibilities by taking into account the environmental impacts to all stakeholders as well as following related rules and regulations. The Company's business operations, although running with no significant direct impact to environment, has never abandoned such issues which are considerably sensitive to the society. Accordingly, the importance of environmental consciousness and energy conservation is always addressed while the utilization of resources with responsibilities is also implanted. The management in environmental aspect is described as follows:

#### Recycle

The Company established "Waste Bank" to promote garbage sorting by following 3Rs guidelines focusing on Reduce, Reuse and Recycle with management process in international standards to prevent impacts that may occur to environment and surrounding community.

#### Reduce

The Company has managed, operated and controlled energy consumption to the highest efficiency through energy consumption reduction project by using energy saving light bulbs, water consumption reduction project by recycling water from Reverse Osmosis system to mitigate Greenhouse Gas Emission from tap water production, "food waste" reduction project through employee engagement campaign and by promoting the use of biodegradable plastic packaging instead of single use plastic packaging as well as solar project to reduce usage of non-renewable energy. The Company has set short-term target (2021-2024) in mitigating greenhouse gas emission per production unit at 15% (compared to based year 2021) and medium-term target (2030) in mitigating greenhouse gas emission per production unit at 25% (compared to based year 2021).

In 2022, the Company gave importance to Greenhouse Gas mitigation management referred from 2021 data. Upon calculation, the Company had direct greenhouse gas emissions at 494 tonnes carbon dioxide equivalent and indirect greenhouse gas emissions at 4,332 tonnes carbon dioxide equivalent with total 4,826 tonnes (or kilograms) carbon dioxide equivalent. The data is verified by the Centre of Excellence on enVironmental strategy for GREEN business (VGREEN), Faculty of Environment, Kasetsart University and certified by Thailand Greenhouse Gas Management Organization on March 25th, 2022.



With Strong Commitment towards Continuous Environmental Development, the Company is certified with

### “TGO Guidance of the Carbon Footprint for Organization”

25 March 2022

being assessed on the quantity of Greenhouse Gas emissions from the organization activities, categorizing significant causes in Greenhouse Gas emissions with guidelines to reduce Carbon Footprint.



## 4.4 Sustainability Management on Social Aspect

### 4.4.1 Policy and Guidelines on Social Aspect

The Company operates business with social responsibilities, respect to human rights, labour rights protection, appropriate workplace environment, occupational health and safety in workplace and continuous development of skills and potentials as well as enhancing job opportunities for the disabled, supporting education for the juvenile for occupational knowledge and skills in Bilateral Education to prepare manpower for skillful jewelry artisans while being responsible for the customers with quality products and service with international standards, the supplier management by transparent procurement as well as the development of society and community by enhancing potentials of society and community as well as stakeholder engagement activities and communication by focusing on corporate growth, creating values to society and community, building trust and acceptance by community and all groups of stakeholders. The management in social aspect is described below.

The Company treats employees and partners throughout supply chain following human rights principles including equivalent and fair treatment to employees without discrimination, respect to female rights and human resources management while enhancing job opportunities and potentials for the disabled upon providing appropriate task to each individual capacity in order for them to gain income, uplift the quality of life and well-being as well as being able to spend the living in society with pride.

More information on sustainability management and key performance on environmental and social aspect is published on the Company's website, [www.pranda.com](http://www.pranda.com), under section “Sustainability”, topic “Sustainability Report 2022”.



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

## 5. General Information and Other Material Facts

### 5.1 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](http://www.set.or.th/tsd)

Email: SETContactCenter@set.or.th

#### Auditor

##### **EY Office Limited**

(Formerly known as Ernst & Young Office Limited)

33rd Floor, Lake Rajada Office Complex

193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110

Telephone +66 2264 0777

Fax +66 2264 0789-90

[www.ey.com](http://www.ey.com)

#### Legal Advisor

##### **RL Counsel Co., Ltd.**

62/15 Thaniya Soi Suriyawongse Road, Suriyawongse, Bangrak  
Bangkok 10500

Telephone +66 235 3339

Fax +66 2235 3076

[www.rlcounsel.com](http://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



## 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 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 accessibility 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](http://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 fiduciary duty. 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 for the Board of Directors. The Board 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 from the AGM includes 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 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 remunerations 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 which are 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 the Top Executives

The Company sets up policy on appointment of director position in other companies of the Chairman of Group Executive Committee and the top executives for not more 3 listed companies in order to spend sufficient time in running business operations of the Company and shall not be entitled as partnerships 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 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 is responsible for disclosing important information to the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC)
3. Corporate Communications 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 being assigned by the Directors 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 present the securities holding report to the Securities and Exchange Commission (SEC) within due period as required by laws and related regulations upon any changes. In addition, the report must be submitted to the Board of Directors on the same day submitted to the Securities and Exchange Commission (SEC).

### 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 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**

1. The Company gives opportunities to the shareholders to propose the meeting agenda, nomination of candidates for the Director position and enquiries to be 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](http://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 promotes 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 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 conditions and procedures unofficially on the Company's website, [www.pranda.com](http://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:

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. 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.
8. 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.
9. 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.

### Practical Guidelines during Blackout Period

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. In a special situation, the person designated by the Company may sell the Company's securities during blackout period if he/she falls in the situations such as a severe financial difficulty or a requirement to abide with legal requirements or under the judicial order whereas the record specifying the reasons must be prepared and proposed to request the approval from:

- (1) The Chairman of the Board of Directors (in case where the seller is the director or the Company Secretary);
- (2) The Chairman of the Audit Committee (in case where the seller is the Chairman of the Committee);
- (3) The Chairman of Group Executive Committee (in case where the seller is the executives in operations level or employees).

Accordingly, the copy of such record shall be also submitted to the Company Secretary.

5. The Company Secretary shall announce a blackout period to the person designated by the Company for advance acknowledgement.

### Practical Guidelines on Reporting of Securities Holding and Trading

1. Section 59 of the Securities and Exchange Act states that the Directors, managers and persons appointed in management level as declared and auditors of the Company are responsible for composing and disclosing the securities holding report of himself, spouse or unmarried life partner and minors to the Securities and Exchange Commission following criteria and instructions set.
2. According to the Notification of the Securities and Exchange Commission Sor Jor. 38/2018, the Directors, the first four Directors and the Executives in accounting or finance are responsible to report securities holding and trading of himself and the following persons having relationships with such persons to the SEC:
  - (1) Spouse or unmarried life partner
  - (2) Minors
  - (3) Juristic person which such person, including (1) and (2) holding shares together more than 30 percent of total voting rights of such juristic person and such transaction represents the largest percentage of the juristic person.

3. A report of change in securities holding must be reported on Form 59. In case the Directors and the Executives are not yet listed in the information system, the report must be submitted within 7 business days from the date of purchase, sale, transfer or acceptance of transfer of the Company's securities in which the Company has notified the list of the Directors and the Executives following instructions as required by the SEC. For the Directors and the Executives who are listed in the information system, the report must be submitted within 3 business days from the date of purchase, sale, transfer or acceptance of transfer of the Company's securities through online form submission on SEC website as registered in being designated persons. In addition, such report must be submitted to the Board of Directors upon each transaction related to a purchase, sale, transfer or acceptance of transfer of the securities on the same date of which the report is submitted to 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 with practical guidelines as follows:

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 may be or is occurred 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](http://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](http://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](http://www.pranda.com) or email to:

 Department	 Email	 Contact Number
Board of Directors	<a href="mailto:board@pranda.co.th">board@pranda.co.th</a>	0-2769-9923
Corporate Secretary Office	<a href="mailto:cs@pranda.co.th">cs@pranda.co.th</a>	0-2769-9431
Internal Audit Office	<a href="mailto:ia@pranda.co.th">ia@pranda.co.th</a>	0-2769-9905
Investor Relations	<a href="mailto:ir@pranda.co.th">ir@pranda.co.th</a>	0-2769-9431
Corporate Communication	<a href="mailto:corpcomm@pranda.co.th">corpcomm@pranda.co.th</a>	0-2769-9494
Human Resources	<a href="mailto:hr@pranda.co.th">hr@pranda.co.th</a>	0-2769-9961

To protect the rights of whistleblower, 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](http://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 2022, the meeting of the Board of Directors 6/2022 on November 11<sup>th</sup>, 2022, the Directors considered a review on policy, guidelines and corporate governance process and approved for no adjustments and thus to continue practices towards “Corporate Governance & Code of Conduct Manual (8th edited version).

### 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 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 2022 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.

### 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 2022. The Company is considered as 1 of the 296 listed companies rated “Excellent”, out of 750 listed companies in total, and is 1 out of 64 companies categorized in Top Quartile group of the listed companies with market value between THB 1,000 – 2,999 million, out of 238 in total, according to the survey of Corporate Governance of Listed Companies 2022, 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 2022, 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 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 the Independent Directors more than 50%.	The Company follows criteria prescribed by the Securities and Exchange Commission by having Independent Directors at least one-thirds of total directors. Hence, the Board of Directors has performed duties in governing the Company towards fairness, transparency and appropriateness by considering the benefits of the Company as priority.
The Board of Directors is not comprised of the Executive Directors more than 66%.	The Company is comprised of the Executive Directors more than Non-Executive Directors due to most of the Executive Directors are founding directors who possess knowledge and proficiency in the Company's business operations.

## Report on SET CG 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 ([www.pranda.com](http://www.pranda.com)).

Due to the pandemic situation of COVID-19 which spreaded all over the country, the Company realized the importance of health and safety of the shareholders and all related parties. Therefore, the Board of Directors of Pranda Jewelry Public Company Limited had resolutions on organizing the 2021 Annual General Meeting which was taken place on April 20<sup>th</sup>, 2022 through E-AGM in accordance with the Emergency Decree on Meetings via Electronic Means, B.E. 2563 (2020). In order to facilitate

the shareholders upon meeting participation, 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 was 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 were listed for the consideration towards ability and appropriateness as follows:

- Annual Report 2021 (Form 56-1 One Report) with the Company's significant information and business performance of the past fiscal year in QR Code form.
- Details of supporting information for each agenda including the agenda on the appointment of Directors to replace retired Director contained with 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, declaration of intention, E-AGM meeting procedures and voting process.
- The information of the Independent Directors which shareholders can consider as proxies with detailed profile.
- Confirmation of attendance letter to E-AGM.
- The Articles of Association particularly for the Annual General Meeting.
- E-AGM meeting procedures.
- Privacy Notice for the Annual General Meeting.
- 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.

For the Annual General Meeting 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 (1992), 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 issues 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**

In 2022, the Company arranged the Annual General Meeting of Shareholders 2021 via E-AGM at the Auditorium Room, 5th Floor B1 Building, Pranda Jewelry Public Company Limited, 28 Soi Bangna-Trad 28, Bangna Tai, Bangna, Bangkok on Wednesday April 20<sup>th</sup>, 2022 at 14.00 hrs. in pursuant to the Emergency Decree on Meetings via Electronic Means, B.E. 2563 (2020) with facilities provided to shareholders as follows:

- The documents were submitted to the shareholders confirming attendance of E-AGM in person and by proxies. Such documents were required to be filled in with meeting confirmation and sent back to the Company via E-mail or mail.
- Upon meeting attendance confirmation of the shareholders or proxies with verification completed, E-mail with online meeting link and procedures from the service provider would be submitted 2 days before the date of the meeting in order that the meeting attendees would be able to comprehensively study E-AGM manual.
- Meeting attendance and vote casting via electronic form is available for PC, notebook, tablet, web browser (Chrome) through 4G internet connection or fiber optic internet.
- The meeting access would be available 2 hours prior the meeting time. However, live streaming of the meeting would start on the specified time.

- The system login required the shareholders to fill in shareholder's registration number and identification card number.
- E-voting must be conducted for each agenda either "Agree", "Disagree" and "Abstain". In case no voting was made on any agenda, the system will automatically turn the votes into "Agree" (the vote counting will be processed towards "Agree").
- The officers were assigned to provide instructions and respond to inquiries to facilitate the meeting attendees in case encountering any technical issues on E-AGM and E-Voting procedures.

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 while giving 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
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 vote counting procedure was explained prior to the start of the meeting. The officer counted the vote of each agenda through voting system made by shareholders which then displayed on E-Voting window. The Chairman of the meeting notified the voting results of each agenda at last.
5. 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 2021, the shareholders attending by their own presence and by proxies were 43 persons, total 207,797,425 shares, categorized as by own presence at 138,841,710 shares and by proxies at 68,955,715 shares, accounted for 38.55% 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 the 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 2021 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 2021 was prepared 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 clearly and thoroughly by the Corporate Secretary. 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 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](http://www.pranda.com), on April 29<sup>th</sup>, 2022 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 97 from full score of 100 and ranked in "Excellent" category.**

## 2) Equitable Treatment of Shareholders

The Company adheres to equitable treatment of shareholders in accordance with the principles 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 (8th 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 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, transfer or acceptance of transfer of the securities on the same date of which the report is submitted to the Securities and Exchange Commission (SEC).
  - 6.2 In 2022, 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 (8<sup>th</sup> edited version). For 2022, 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 Securities and Exchange Commission via electronic system as well as news published to the press throughout the year. In addition, the Company do not seek benefits for self-interest and other interests from duties.

#### 2. Customers

The Company realizes importance of personal data protection following Personal Data Protection Act and has established code of conduct for fair treatment as well clear roles and responsibilities to the customers. The Company 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 with ISO9001:2015 from GCL International UKAS Accreditation with 3-year certification valid from December 17<sup>th</sup>, 2022 to December 17<sup>th</sup>, 2024.

#### 3. Business Partners 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. 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 2022, 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

For disclosure of the Company's news and important notices, the Company has constantly communicated through different channels and media for the shareholders and stakeholders to comprehensively receive information per below.

1. The Stock Exchange of Thailand (SET)
  - 1) Annual Report (Form 56-1 One Report)
  - 2) Financial Statements
  - 3) Quarterly Performance Report
  - 4) Notification of the Resolutions of the Board of Directors and others
2. The Securities and Exchange Commission (SEC)
3. Ministry of Commerce
4. Press both printing and online
5. Internal Communication Channels
6. The Company's website ([www.pranda.com](http://www.pranda.com)) available in both Thai and English

7. Investor Relations at 0-2769-9999 ext. 431 or e-mail: [ir@pranda.com](mailto:ir@pranda.com)

For 2022, the Company disclosed financial information and management discussion and analysis as well as reporting of information and significant decisions to the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET) and the shareholders in quarterly and annually basis through the SET's electronic system (SETLink) together with information published on the Company's website both Thai and English version.

#### 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.

The Company's financial statements were found with no qualified opinions from the auditors and the Company had no delay records on submission of quarterly and annually financial statements as well as no records on requirements of correction as stated by regulatory agencies.

In addition, publication of the Annual General Meeting invitation letter, documents, minutes of the previous Annual General Meeting and Annual Report (Form 56-1 One Report) is published on the Company's website and available for download.

For 2022, the Company had no cases found by regulatory agencies upon no publication or disclosure of significant information in due period. The Company assigns Investor Relations department to be responsible for communicating as a center of disclosing information and news beneficial to the shareholders, investment analysts and general investors. The department also participated in the Opportunity Day, organized by the Stock Exchange of Thailand, to notify business information and operational performance to the shareholders, investment analysts, investors and press. For 2022, the Company participated in 4 events as below.

1 <sup>st</sup> :	March 11 <sup>th</sup> , 2022
2 <sup>nd</sup> :	May 27 <sup>th</sup> , 2022
3 <sup>rd</sup> :	August 26 <sup>th</sup> , 2022
4 <sup>th</sup> :	November 30 <sup>th</sup> , 2022

Accordingly, the Investor Relations Code of Conduct is published on the Company's website, [www.pranda.com](http://www.pranda.com), both Thai and English version.

#### 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](http://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.

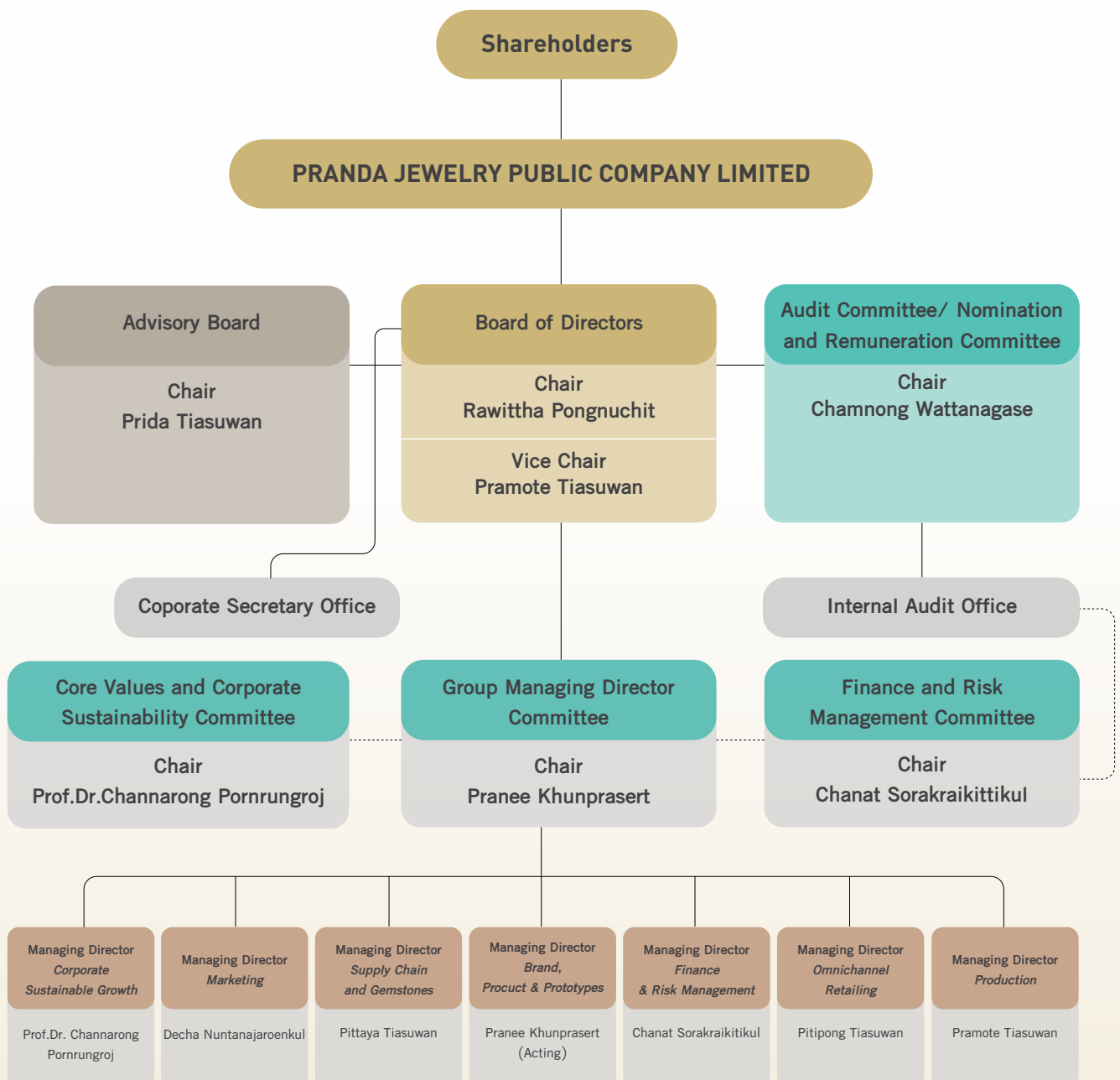
The Company has played a role in the network by having the representative of the Company, Mrs. Sunanta Tiasuwan, the Director, to hold the position of 2<sup>nd</sup> Vice-President and Executive Director of UN Global Network Thailand. The network group has regularly organized seminars and meetings to 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 participate in the development of economy, society and environment to create harmonization as well as motivating actions to drive sustainable development goals in compliance with the ten principles of the UN Global Compact comprising of 4 key areas; human rights, labour, environment and anti-corruption. In addition, the Company declares its intention among private sectors to accelerate business solutions to tackle climate and biodiversity challenges at GCNT Forum 2022 organized by Global Compact Network Thailand (GCNT) and the United Nations (UN).

For 2022, 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.

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

### 7.1 Corporate Governance Structure





## 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 31<sup>st</sup>, 2022, the Board of Directors consists of total 9 members comprising of 3 Independent Directors with 2 female Directors included, accounted for 33.33% of total directors, with proportions not less than one-thirds of the Board of Directors. The Board of Directors is structured with Executive Directors and Non-Executive Directors as below.



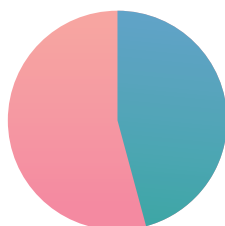
**Executive Directors**  
**Total 5 persons**  
(representing 55.56% of the Board)



**Non-Executive Directors**  
**Total 4 persons**  
(representing 44.44% of the Board)

Proportion of female and male Directors is described below.

**Female Directors**  
**Total 5 persons**  
(representing 55.56%  
of the Board)



**Male Directors**  
**Total 4 persons**  
(representing 44.44%  
of the Board)

The Board of Directors hold Board Diversity characteristics with skills corresponding to the business strategy of the Company. Board Skills Matrix essential and applicable for the business is assessed for the Board of Directors with results as below.

			Skills, Knowledge and Proficiency										
Name-Surname			Business Knowledge of the Company	Corporate Governance	Strategy and Re-structuring	Marketing	International Business	Information Technology	Legal	Social Responsibility and Sustainable Development	Risk and Crisis Management	Accounting and Finance	Internal Audit
1	Mrs.Rawittha	Pongnuchit	●	●					●				●
2	Mr. Pramote	Tiasuwan	●	●	●		●			●	●		
3	Mrs. Sunanta	Tiasuwan	●	●	●		●			●	●	●	
4	Mrs. Pranee	Khunprasert	●	●	●	●	●			●	●		
5	Ms. Pittaya	Tiasuwan	●	●	●	●	●				●		
6	Mr. Chamnong	Watanagase	●	●	●				●		●	●	●
7	Mrs. Surat	Sirijansawang	●										●
8	Mr. Decha	Nuntanajaroenkul	●		●	●	●						
9	Mr. Chanat	Sorakraikitikul	●	●	●	●	●	●		●	●	●	●
Total			9	7	6	4	7	1	2	4	6	3	4

### 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 the Chairman of Group Executive Committee 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 the Chairman of Group Executive Committee 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 of each function without interfering regular duties or business tasks responsible by the Chairman of Group Executive Committee.

**Chairman of Group Executive Committee** 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 <sup>/1</sup>
1. Mrs. Rawittha Pongnuchit	Board Chairman <sup>/3</sup> / Audit Committee	Independent Director	April 21 <sup>st</sup> , 2021
2. Mr. Pramote Tiasuwan	Vice Chairman	Executive Director	April 21 <sup>st</sup> , 2021
3. Mrs. Sunanta Tiasuwan	Director/ Nomination and Remuneration Director	Non-Executive Director	July 16 <sup>th</sup> , 2020
4. Mrs. Pranee Khunprasert	Director/ Chairman of Group Executive Committee	Executive Director	July 16 <sup>th</sup> , 2020
5. Ms. Pittaya Tiasuwan	Director/ Group Executive Director	Executive Director	April 21 <sup>st</sup> , 2022 <sup>/2</sup>
6. Mr. Chamnong Watanagase	Chairman of Audit Committee/ Chairman of Nomination and Remuneration Committee	Independent Director	July 16 <sup>th</sup> , 2020
7. Mrs. Surat Sirijansawang	Director of the Audit Committee/ Nomination and Remuneration Director	Independent Director	April 5 <sup>th</sup> , 2022
8. Mr. Decha Nuntanajaroenkul	Director/ Group Executive Director	Executive Director	April 21 <sup>st</sup> , 2022 <sup>/2</sup>
9. Mr. Chanat Sorakraikitikul	Director/ Chairman of Finance & Risk Management Committee/ Group Executive Director	Executive Director	April 21 <sup>st</sup> , 2022 <sup>/2</sup>

#### Remarks :

<sup>/1</sup> Appointed date is the appointed date of all members of the Board upon tenure prescribed on the Company's Articles of Association.

<sup>/2</sup> On the Annual General Meeting 2021 on April 20<sup>th</sup>, 2022, the resolution was stated on extension of another terms for Ms. Pittaya Tiasuwan and Mr. Decha Nuntanajaroenkul with appointment of new director, Mr. Chanat Sorakraikitikul, effective from April 21<sup>st</sup>, 2022 onwards.

<sup>/3</sup> Appointed as the Board Chairman following the resolution of the Board of Directors' meeting 1/2022 on February 28<sup>th</sup>, 2022, effective from April 21<sup>st</sup>, 2022 onwards.

### 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. Pranee Khunprasert or Mr. Chanat Sorakraikitikul 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.

The Company's Advisory Board consists of

	Name	Position
1.	Mr. Prida Tiasuwan	Chairman of Advisory Board
2.	Mrs. Prapee Sorakraikitikul	Vice Chairman of Advisory Board
3.	Mrs. Panidda Tiasuwan	Advisor of the Board of Directors
4.	Mr. Chaisak Sakthanaseth	Advisor of the Board of Directors
5.	Mr. Wiboon Srisurin	Advisor of the Board of Directors

### 7.2.3 Roles and Responsibilities of the Board of Directors

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 Securities and Exchange Commission (SEC)
- 3) Trading of assets with value over criteria as prescribed by 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 of the 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 11<sup>th</sup>, 2022, 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 Executive Committee consists of 7 members including 5 members from the Board of Directors and other 2 members from personnels who are competent in specialized fields. The terms of the Group Executive Committee are 3 years in which the retired Executive Directors may be re-appointed. The Group Executive Committee comprises the Directors as below

	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 Pornrungraj	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. Accordingly, Thirty-Four Audit Office Co., Ltd. is appointed as Internal Auditor, through outsourcing, to be responsible for audit 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 officers from Internal Audit Office of the Company to be the secretary to the Audit Committee. The Audit Committee comprises the Directors as below.

	Name		Position
1.	Mr. Chamnong	Watanagase <sup>/1</sup>	Chairman
2.	Mrs. Rawittha	Pongnuchit	Director
3.	Mrs. Surat	Sirijansawang	Director

**Remark :**

<sup>/1</sup> The Director in the first 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 total 3 Directors with 2 Independent Directors included holding 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 Directors as below.

	Name		Position
1.	Mr. Chamnong	Watanagase	Chairman
2.	Mrs. Sunanta	Tiasuwan	Director
3.	Mrs. Surat	Sirijansawang	Director

**(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 as below:

	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. Mrs. Sunanta Tiasuwan
2. Mrs. Panida 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). 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 Directors as below.

	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
6.	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 31<sup>st</sup>, 2022, the Company appoints total 7 executives<sup>/1</sup> as defined by the Office of the Securities and Exchange Commission with names and positions listed below.

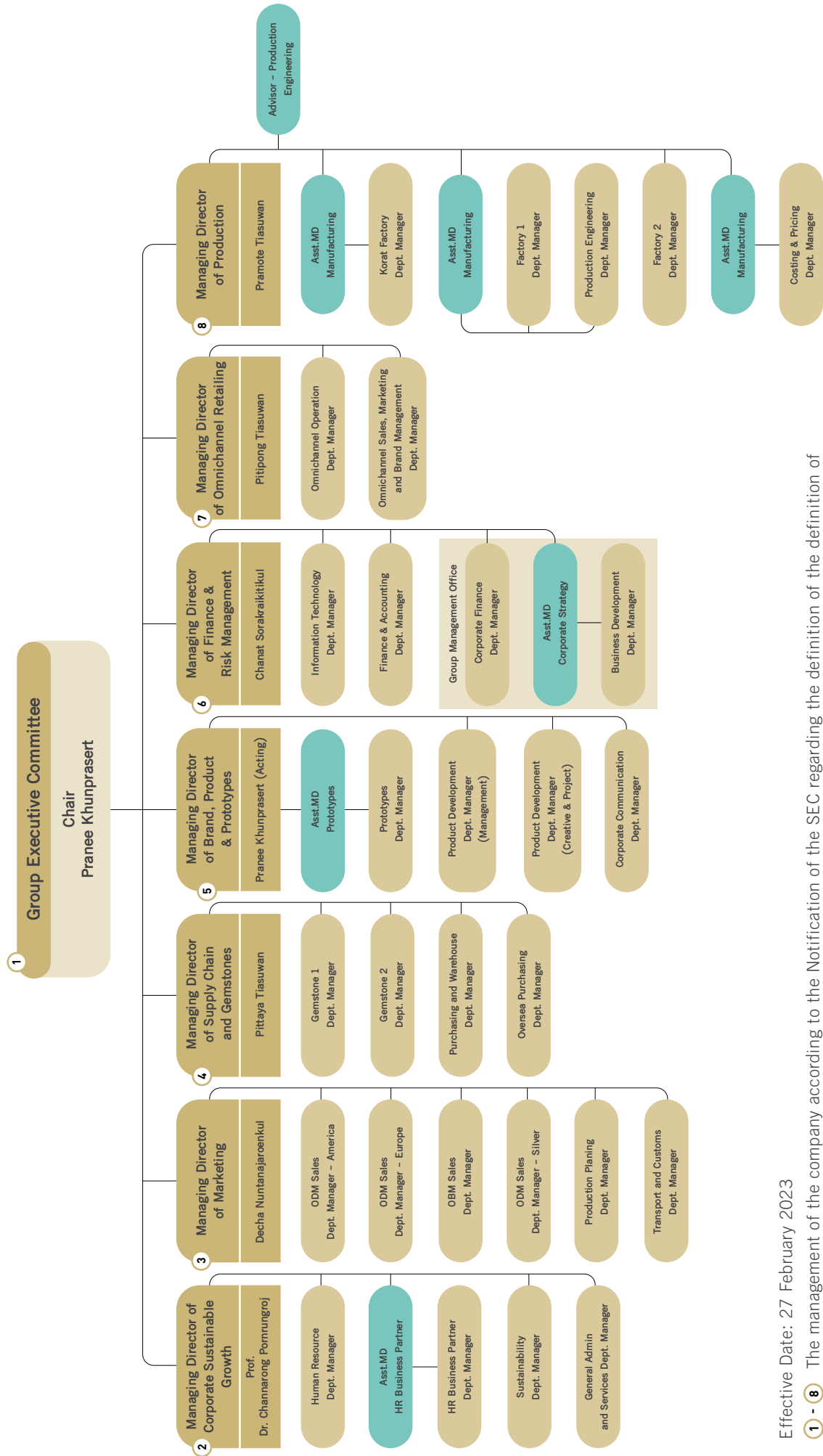
Name		Position
1. Mrs. Pranee	Khunprasert	Chairman of Group Executive Committee / Managing Director – Brand, Product Development & Prototypes (Acting)
2. Mr. Pramote	Tiasuwan	Managing Director – Production
3. Ms. Pittaya	Tiasuwan	Managing Director – Supply Chain and Gemstones
4. Mr. Decha	Nuntanajaroenkul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

**Remark:**

<sup>/1</sup> 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: 27 February 2023

**1 - 8** The management of the company according to the Notification of the SEC regarding the definition of 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 2022, the Company provided incentives including salary and bonus to the Executives total 7 persons worth THB 22.49 million.

#### 2. Other Incentives

The Company provides provident fund to the Executives of the Company with rate of 4 percentage of the salary. In 2022, the Company paid provident fund to the Executives total 7 persons worth THB 0.923 million.

## 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 Objectives and Key Results (OKR) methods to be used as evaluation on performance efficiency towards the Company's goals. The incentives are thus related to performance achieved.

The Company had total of 2,333 employees. In 2022, the Company provided remuneration to the employees total THB 685.11 million including salary, wages, overtime, bonus, diligent allowance, social security fund and provident fund, etc. In addition, similar remuneration provided to the employees of the associates was total THB 137.78 million with total 307 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 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 to the Executives and employees.
4. Nursing Service covering health and sanitation services with doctors and nurses stationed at the first aid room.
5. 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	801	49.53%
Primagold International Co., Ltd.	Included	118	63.10%
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 31<sup>st</sup>, 2022 is listed below.

Total Employees	Manufacturing	Omnichannel Distribution	Others	Total
Operations/Service (persons)	1,569	150	4	1,723
Office (persons)	527	80	3	610
<b>Total (persons)</b>	<b>2,096</b>	<b>230</b>	<b>7</b>	<b>2,333</b>

**Remark:** The Company had 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)

Mrs. Phairin Jeanphun, working as Accounting and Finance Manager from January 1<sup>st</sup>, 2023, 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 Chongsutthanamanee to hold position of Corporate Secretary since December 19<sup>th</sup>, 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 3.

### 3) Head of Internal Audit

Referring to the Internal Audit Committee Meeting 2/2022 on May 13<sup>th</sup>, 2022, the resolution stated the appointment of Thirty-Four Audit Office Co., Ltd. as the Company's internal audit effective from May 13<sup>th</sup>, 2022. Thirty-Four Audit Office Co., Ltd. assigned Thanadol Ruksapol, Ph.D. audit and internal control partner, to be mainly responsible for internal audit of the Company.




The Audit Committee reviewed qualifications of Thirty-Four Audit Office Co., Ltd. and Thanadol Ruksapol, Ph.D. and agreed for the appropriateness towards duties following the independence and experiences in internal audit for over 10 years with training experiences related to internal audit functions including integrated internal audit and techniques for internal audit report to present to the Audit Committee. The Company has assigned the internal audit office to be responsible for coordinating with outsource auditors.

### 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 Securities and Exchange Commission (SEC), Department of Business Development, 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, departments or sections 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 Mrs. Chonlaros Suntiasvaraporn, CPA number 4523 or Mr. Chatchai Kasemsrithanawat, CPA number 5813 or Mr. Pornanan Kitjanawanchai, CPA number 7792 of EY Office Limited.

Audit fee paid by the Company and the Associates to EY Office Limited for the year 2022 is described below.

unit: Thai Baht

	The Company	The Associates
Audit Fee	3,330,000	1,070,000
<b>Total</b>	<b>3,330,000</b>	<b>1,070,000</b>

## 8. Report on key Operating Results Related to Corporate Governance

### 8.1 Conclusion on Performance of the Board in the Past Year

In 2022, the Board of Directors played an important role in determining policies and strategies towards enhancing competitiveness, creating corporate culture and shared values as well as efficiency in corporate governance, adequacy of internal control system and corporate risk management or other opinions beneficial to the business development. In addition, such review included principles of corporate governance, charters of the Board of Directors and other subcommittees for further actions.

#### 8.1.1 Nomination, Development and Performance Assessment of the Directors

For the appointment of the Directors, the Nomination Committee, comprising of 2 Independent Director out of total 3 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.

##### 1) 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 31<sup>st</sup> 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

### 2.1 Selection Criteria of the Directors

The Nomination and Remuneration Committee shall take consideration on the selection of qualified candidates 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.

## 2.2 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 2022, 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) <sup>/1</sup>	Courses from Other Institutions
1. 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
2. Mr. Pramote Tiasuwan	46/2004	DCP	–
	16/2004	DAP	–
	12/2004	FN	–
3. Mrs. Sunanta Tiasuwan	22/2002	DCP	Top Executives Course, Capital Market Academy Class 11 (CMA. 11)
4. Mrs. Pranee Khunprasert	26/2004	DAP	–
5. Ms. Pittaya Tiasuwan	26/2004	DAP	–
6. Mr. Chamnong Watanagase	5/2001	DCP	1. Certificate of Top Executive Program, Course Capital Market Academy Class 6 2. Tactical Training in Hostage Rescues, US Marshal Service, Department of Justice, Baton Rouge, Louisiana, USA, 1990 3. Marketing Coaching, Tack Training International, London, UK, 1991 (5-weeks)
	1/2002	ACP	
	2/2006	DCP Re	
	1/2007	CDC	
	5/2019	BNCP	
7. Mrs. Surat Sirijansawang	–	–	–
8. Mr. Decha Nuntanajoenkul	–	–	–
9. Mr.Chanat Sorakraikittikul	131/2016	–	1. Certificate of TLCA Executive Development Program, Class 6 (EDP 6), Thai Listed Companies Association 2. Certificate of TLCA Leadership Development Program, Class 2 (LDP 2), International Institute for Management Development and Thai Listed Companies Association

Remark <sup>/1</sup>

DCP	:	Director Certification Program	DCP Re	:	DCP Refresher' Course
DAP	:	Director Accreditation Program	CDC	:	Chartered Director Class
FN	:	Financefor Non-Finance Program	BNCP	:	Board Nomination and Compensation Program
ACP	:	Audit Committee 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 Sub-committee at least once a year through the following forms:

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

##### Summary of Self Assessment for the Year 2022

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 98% or “Excellent” level.

Criteria	Score (%)
1. Structure and Qualifications of the Directors	100
2. Meeting Attendance of the Directors	98
3. Roles, Duties and Responsibilities of the Directors	97

- 1.2 The group assessment of the Board of Directors comprises of 6 key criteria with total average score of 93% or “Excellent” level.

Criteria	Score (%)
1. Structure and Qualifications of the Directors	94
2. Roles, Duties and Responsibilities of the Directors	94
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 90% or “Excellent” 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	80

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

1. The Board of Director appoints the Nomination and Remuneration Committee and Non-executive Directors to consider the following processes:
  - 1) 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.

- 2) 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.

2. 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.

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.

In 2022, the assessment of the Chairman of Group Executive Committee comprised of 3 criteria to total average score of 94% or "Excellent" level.

Criteria	Score (%)
1. Assessement based on KPIs	96
2. Assessment on Leadership	
3. Assessment on Budget Management and other Project Management	92
	96

## 8.1.2 Meeting Attendance and Renumeration 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. Mrs. Rawittha Pongnuchit	Board Chairman	5/6	1/1
2. Mr. Pramote Tiasuwan	Vice Chairan	4/6	1/1
3. Mrs. Sunanta Tiasuwan	Director	6/6	1/1
4. Mrs. Pranee Khunprasert	Director	6/6	1/1
5. Mr. Chamnong Watanagase	Independent Director / Chairman of Audit Committee / Chairman of Nomination and Remuneration Committee	6/6	1/1
6. Mrs. Surat Sirijansawang	Independent Director / Audit Committee	3/3	1/1
7. Ms. Pittaya Tiasuwan	Director	5/6	1/1
8. Mr. Decha Nuntanajaroenkul	Director	6/6	1/1
9. Mr. Chanat Sorakraikitikul	Director	3/3	1/1

**2) Remuneration of the Directors****2.1 Financial Remuneration for the period of January 1<sup>st</sup>, 2022 to December 31<sup>st</sup>, 2022.**(A) Remuneration for the Director position<sup>/1</sup> comprises of salary, position allowance and bonus.

Unit: Million Baht

Remuneration of the Directors					
Name		Position	The Board of Directors (Salary and Bonus)	The Audit Committee (Position Allowance and Bonus)	Total
1. Mrs.Rawittha	Pongnuchit <sup>/1</sup>	Independent Director/ Board Chairman/ Audit Committee	0.552	0.528	1.080
2. Mr. Chamnong	Watanagase <sup>/2</sup>	Independent Director / Chairman of Audit Committee / Chairman of Nomination and Remuneration Committee	-	0.620	0.620
3. Mrs. Surat	Sirijansawang <sup>/3</sup>	Independent Director and Audit Committee	-	0.320	0.320
4. Mrs. Sunanta	Tiasuwan	Director / Nomination and Remuneration Director	1.588	-	1.588
<b>Total</b>			<b>2.140</b>	<b>1.468</b>	<b>3.608</b>

**Remark :**<sup>/1</sup> Being appointed as the Board Chairman effective from April 21<sup>st</sup>, 2022 onwards.<sup>/2</sup> Being appointed as the Chairman of Audit Committee/ Chairman of Nomination and Remuneration Committee effective from April 21<sup>st</sup>, 2022 onwards.<sup>/3</sup> Being appointed as the Independent Director/ Audit Committee effective from April 5<sup>th</sup>, 2022 onwards.**2.2 Other Remunerations****1. Provident Fund**

In 2022, the Company contributed THB 0.0695 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](http://www.pranda.com), for the shareholders and others for information.

In 2022, the Company proceeded prevention of conflicts of interest through monitoring of the Executives and the employees of the Company, conducting the annual conflict of interest disclosure statement as well as ensuring the Executives and the employees, both new and existing, being attended the orientation organized by the internal audit office. Accordingly, no transactions that might lead to conflict of interests were found.

#### **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 2022, 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 (1992) 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 2022, the Directors and the Executives of the Company reported securities holding by comparison of increasing (decreasing) at the book-closing date during December 30<sup>th</sup>, 2021 to December 30<sup>th</sup>, 2022 as below.

No.	Name		Number of Shares (Shares)		Number of Shares Increasing (Decreasing) during the Year (Shares)
			December 30 <sup>th</sup> , 2022	December 30 <sup>th</sup> , 2021	
1.	Mrs.Rawittha	Pongnuchit	-	-	-
2.	Ms.Chamnong	Wattanagase	92,200	92,200	-
3.	Mrs.Surat	Sirijansawang	-	-	-
4.	Mrs. Sunanta	Tiasuwan	1,380,624	1,400,624	(20,000)
5.	Mrs. Pranee	Khunprasert	13,734,146	13,734,146	-
6.	Mr. Pramote	Tiasuwan	11,600,700	11,600,700	-
7.	Ms. Pittaya	Tiasuwan	23,947,600	23,947,600	-
8.	Mr. Chanat	Sorakraikitikul	-	-	-
9.	Mr. Decha	Nuntanajaroenkul	685,000	685,000	-
10.	Prof. Dr. Channarong	Pornrungrroj	-	-	-
11.	Mr.Pitipong	Tiasuwan	8,931,250	8,791,250	140,000



### 3) Anti-corruption

The Company declares its intention to participate in the Collective Action Coalition Against Corruption: (CAC) on November 9<sup>th</sup>, 2010 with certification as membership of Thai Private Sector Collective Action Against Corruption on March 9<sup>th</sup>, 2017 and was renewed for membership for the second time on March 31<sup>th</sup>, 2023.

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](http://www.pranda.com), under "Investor Relations" section, "Corporate Governance" topic including the Company's intranet under "Documents/Manual".

In 2022, 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](mailto:pramote@pranda.co.th); [pranee@pranda.co.th](mailto: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 2022, 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 2022, 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 2022. Thus, more information is described in attachment 6 – Report of the Audit Committee.

### Details on Meeting Attendance of the Audit Committee in the Year 2022

Name		Position	Number of Meetings Attended/ Number of Meetings
1. Mr. Chamnong	Watanagase	Chairman	4/4
2. Mrs.Rawittha	Pongnuchit	Director	3/4
3. Mrs.Surat	Sirijansawang	Director	3/3

For 2022, 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 2022, there was a total of 12 meetings of the Group Executive Committee.

### Details on Meeting Attendance of the Group Executive Committee in the Year 2022

Name		Position	Number of Meetings Attended/Number of Meetings
1. Mrs. Pranee	Khunprasert	Chairman	11/12
2. Mr. Pramote	Tiasuwan	Director	10/12
3. Ms. Pittaya	Tiasuwan	Director	12/12
4. Mr. Decha	Nuntanajaroenkul	Director	10/12
5. Mr. Chanat	Sorakraikitikul	Director	12/12
6. Prof. Dr. Channarong	Pornrungrroj	Director	12/12
7. Mr. Pitipong	Tiasuwan	Director	8/12

The performance results and action plans of the Group Executive Committee in the year 2022 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 2022, 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 3 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 2022, there was a total of 5 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 2022

Name		Position	Number of Meetings Attended/ Number of Meetings
1. Mr. Chamnong	Wattanagase <sup>/1</sup>	Chairman	3/3
2. Mrs. Surat	Sirijansawang <sup>/2</sup>	Director	2/2
3. Mrs. Sunanta	Tiasuwan <sup>/3</sup>	Director	5/5
- Mrs. Rawittha	Pongnuchit <sup>/4</sup>	-	2/2
- Mrs. Prapee	Sorakraikitikul <sup>/5</sup>	-	3/3
- Mr. Pramote	Tiasuwan <sup>/5</sup>	-	3/3
- Mrs. Pranee	Tiasuwan <sup>/5</sup>	-	3/3
- Mrs. Panida	Tiasuwan <sup>/5</sup>	-	3/3

#### Remark:

<sup>/1</sup> Mr. Chamnong Watanagase has been appointed as the Chairman of Nomination and Remuneration Committee effective from April 21<sup>st</sup>, 2022 onwards with meeting attendance from the 3<sup>rd</sup> to 5<sup>th</sup> meeting.

<sup>/2</sup> Mrs. Surat Sirijansawang has been appointed as the Nomination and Remuneration Director effective from May 13<sup>th</sup>, 2022 onwards with meeting attendance from the 4<sup>th</sup> to 5<sup>th</sup> meeting.

<sup>/3</sup> Mrs. Sunanta Tiasuwan, for the year 2022, has still been appointed as as the Nomination and Remuneration Director with meeting attendance from the 1<sup>st</sup> to 5<sup>th</sup> meeting.

<sup>/4</sup> Mrs. Rawittha Pongnuchit was appointed as as the Chairman of Nomination and Remuneration Committee from January 1<sup>st</sup>, 2022 until April 20<sup>th</sup>, 2022 with meeting attendance from the 1<sup>st</sup> to 2<sup>nd</sup> meeting.

<sup>/5</sup> Mrs. Prapee Sorakraikitikul, Mr. Pramote Tiasuwan, Mrs. Pranee Khunprasert and Mrs. Panida Tiasuwan were not appointed as the Nomination and Remuneration Director following the resolution of the Board of Directors' meeting 4/2022 from May 13<sup>th</sup>, 2022 onwards with meeting attendance from the 1<sup>st</sup> to 3<sup>rd</sup> meeting.

The performance results and action plans of the Nomination and Remuneration Committee in the year 2022 are described below.

- **Performance Results on Nomination**

In 2022, 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 2022, the remuneration was adjusted approximately in accordance with inflation rate.

For 2022, 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 2022, 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 2022

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

The performance results and action plans of the Finance & Risk Management Committee in the year 2022 are described below.

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 2022, 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 2022, 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 2022

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

The performance results and action plans of the Core Values & Corporate Sustainability Committee in the year 2022 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 2022, 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.



## 9. Internal Control and Related Party Transactions

### 9.1 Internal control

The Board of Directors recognizes importance of the Company upon managing good and effective internal control system with official announcements of internal control policy. The Audit Committee is thus appointed to be responsible for reviewing the Company's internal control and internal audit system to be applicable and effective.

According to the Board of Directors meeting 1/2023 on February 27<sup>th</sup>, 2023, 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 6/2022 as of November 11<sup>th</sup>, 2022. 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's 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 Results (OKRs) 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 March 31<sup>st</sup>, 2023. 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](http://www.pranda.com)

## 5. Monitoring system

The Company had the Board of Directors meeting in the year 2022 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 2022. 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.

During 2022, the Company appointed Thirty-Four Audit Office Co., Ltd. to be responsible as internal audit for the year 2022 to audit and evaluate the sufficiency of internal control system and constantly report to the Audit Committee in quarterly basis. The Audit Committee examined the qualifications of Thirty-Four Audit Office Co., Ltd. and agreed for the appropriateness towards duties following the independence and experiences in internal audit. Hence, consideration and approval on the appointment and removal of the Company's internal audit entity must be approved by the Audit Committee.

## 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<sup>st</sup>, 2022, 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



## 10. Report of the Board of Directors' Responsibilities of Financial report

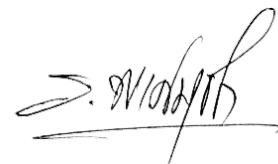
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The Board of Directors is responsible for the consolidated financial statements of Pranda Jewelry Public Company Limited and its subsidiaries as well as the separate financial statements of Pranda Jewelry Public Company Limited including the financial 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, 2022, 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.



Mrs. Rawittha Pongnuchit  
Chairman of the Board of Directors



## 11. Independent Auditor's Report ---

Pranda Jewelry Public Company Limited  
and its subsidiaries  
Report and consolidated financial statements  
31 December 2022

## **Independent Auditor's Report**

To the Shareholders of Pranda Jewelry Public Company Limited

### **Opinion**

I have audited the accompanying consolidated financial statements of Pranda Jewelry Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, 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 2022, 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 including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

#### *Revenue recognition*

Revenue from sales of goods is one of the Company's significant accounts because the amounts of revenue recorded would directly affect the Company's profit or loss for the year. Moreover, the Company is principally engaged in production, distribution and retail of jewelry, the Company has a large number of customers with a variety of different commercial terms. I therefore focused on the Company's recognition of sales revenue.

I have examined the revenue recognition of the Company by assessing and testing the internal controls with respect to revenue cycle by making enquiry of responsible executive, gaining an understanding of the controls and selecting representative sample to test the operation of the designed control. On a sampling basis, I also examined supporting documents for sales transactions occurring during the year and near the end of the accounting period and reviewed credit notes issued to customers after the reporting period. In addition, I performed analytical review procedures on disaggregated data and reviewed journal vouchers to detect possible irregularities in sales transactions.

#### *Inventory*

As discussed in Notes 4.3 and 9 to the financial statements regarding accounting policies and details of inventories respectively, the amount of Company's inventories is a significant component of the financial statements. This poses a risk concerning the existence of these inventories and the estimation of a provision for diminution in the value of inventories. Estimating the net realisable value of inventories is an area of significant management judgement, which may fluctuate due to global market prices and relies on the estimation of sales prices and selling expenses. In addition, slow-moving and obsolete inventories require detailed analysis of age, conditions and physical characteristics.

I have examined the inventories of the Company by the following procedures.

- Assessed and tested the Company's internal controls relevant to the determination of the provision for diminution in the value of inventories and inventory count by making enquiries of responsible executives, gaining an understanding of the controls and testing the operation of the designed controls.
- Assessed the method and the assumptions applied by management in determining the provision for diminution in value of inventories and reviewed the consistency of the application of that basis.
- Tested and analysed the data on inventory turnover and inventory movement to identify product lines with indicators of lower-than-normal inventory turnover.
- Tested and compared details of net amount expected to be realised from the sale of inventory after the date of the financial statements with the cost of inventory for each product line.
- Observed the inventory count of the Company and assessed the appropriate process and procedure to ensure the existence of those inventories.
- Selected representative samples to cut-off movement of items i.e. requisition, purchases, sales during the inventory count and reconciled the inventory balance to the end of the accounting 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.

Chonlaros Suntiasvaraporn  
Certified Public Accountant (Thailand) No. 4523

EY Office Limited  
Bangkok: 27 February 2023

## 12. Financial Statements

### Pranda Jewelry Public Company Limited and its subsidiaries

#### Statement of financial position

As at 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	242,683,792	397,820,060	101,012,515	252,949,905
Trade and other receivables	6, 8	387,822,538	328,009,969	291,503,714	275,041,950
Inventories	9	1,529,887,736	1,563,295,621	1,017,849,404	1,066,890,316
Other current financial assets		13,205,362	5,750,972	-	-
Other current assets		33,820,564	35,525,294	9,863,343	10,639,636
<b>Total current assets</b>		<b>2,207,419,992</b>	<b>2,330,401,916</b>	<b>1,420,228,976</b>	<b>1,605,521,807</b>
<b>Non-current assets</b>					
Restricted bank deposits	10	32,119,577	32,316,565	26,950,656	26,947,658
Other non-current financial assets	11	15,340,680	19,300,680	8,004,376	12,045,723
Investments in subsidiaries	12	-	-	476,618,531	483,251,326
Investment in associated company	13	5,720,616	12,566,435	-	-
Investment properties	15	586,282,859	586,624,349	577,551,607	577,551,607
Property, plant and equipment	16	624,598,901	644,890,549	454,285,878	451,997,416
Other intangible assets	17	46,190,682	55,378,151	42,367,498	51,972,885
Deferred tax assets	27	57,579,640	101,345,174	46,952,342	82,740,168
Other non-current assets		7,498,501	5,976,046	2,424,565	1,696,807
<b>Total non-current assets</b>		<b>1,375,331,456</b>	<b>1,458,397,949</b>	<b>1,635,155,453</b>	<b>1,688,203,590</b>
<b>Total assets</b>		<b>3,582,751,448</b>	<b>3,788,799,865</b>	<b>3,055,384,429</b>	<b>3,293,725,397</b>

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

**Pranda Jewelry Public Company Limited and its subsidiaries****Statement of financial position (continued)****As at 31 December 2022**

(Unit: Baht)

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>Note</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans from financial institutions	18	293,040,259	289,182,825	290,083,154	287,000,000
Trade and other payables	6, 19	529,380,043	831,226,643	210,133,804	541,409,135
Current portion of long-term liabilities					
- Long-term loans	20	16,425,457	87,096,371	-	37,500,000
- Lease liabilities	21	26,359,464	25,475,397	261,017	-
Income tax payable		19,857,680	-	19,701,624	-
Other current financial liabilities		3,180,685	80,071	3,180,685	-
Other current liabilities		49,079,849	46,311,956	33,009,976	28,854,086
<b>Total current liabilities</b>		<b>937,323,437</b>	<b>1,279,373,263</b>	<b>556,370,260</b>	<b>894,763,221</b>
<b>Non-current liabilities</b>					
Long-term liabilities, net current portion					
- Long-term loans	20	2,545,200	-	-	-
- Lease liabilities	21	47,516,973	73,747,411	1,044,983	-
Provision for long-term employee benefits	22	244,536,648	295,334,222	232,098,808	278,160,595
Other non-current liabilities		4,107,415	3,641,530	-	-
<b>Total non-current liabilities</b>		<b>298,706,236</b>	<b>372,723,163</b>	<b>233,143,791</b>	<b>278,160,595</b>
<b>Total liabilities</b>		<b>1,236,029,673</b>	<b>1,652,096,426</b>	<b>789,514,051</b>	<b>1,172,923,816</b>

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

**Pranda Jewelry Public Company Limited and its subsidiaries****Statement of financial position (continued)****As at 31 December 2022**

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
Shareholders' equity					
Share capital					
Registered					
539,026,606 ordinary shares of Baht 1 each					
(2021: 634,769,950 ordinary shares of Baht 1 each)	23	539,026,606	634,769,950	539,026,606	634,769,950
Issued and fully paid up					
539,026,606 ordinary shares of Baht 1 each		539,026,606	539,026,606	539,026,606	539,026,606
Share premium		817,978,957	817,978,957	817,978,957	817,978,957
Capital reserve for share-based payment transactions		3,668,984	3,668,984	3,668,984	3,668,984
Retained earnings					
Appropriated - statutory reserve	24	64,917,738	60,417,738	53,917,738	49,417,738
Unappropriated		956,906,723	828,936,592	941,252,817	796,642,673
Other components of shareholders' equity		4,533,420	(64,134,265)	(89,974,724)	(85,933,377)
Equity attributable to owners of the Company		2,387,032,428	2,185,894,612	2,265,870,378	2,120,801,581
Non-controlling interests of the subsidiaries		(40,310,653)	(49,191,173)	-	-
Total shareholders' equity		2,346,721,775	2,136,703,439	2,265,870,378	2,120,801,581
Total liabilities and shareholders' equity		3,582,751,448	3,788,799,865	3,055,384,429	3,293,725,397

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

Directors



**Pranda Jewelry Public Company Limited and its subsidiaries****Income statement****For the year ended 31 December 2022**

(Unit: Baht)

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>Note</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Revenues</b>					
Sales		3,610,390,148	2,900,539,677	3,033,408,060	2,393,637,178
Other income					
Gain on exchange		-	77,160,312	-	-
Others		38,636,539	65,035,039	43,567,717	35,526,303
<b>Total revenues</b>		<b>3,649,026,687</b>	<b>3,042,735,028</b>	<b>3,076,975,777</b>	<b>2,429,163,481</b>
<b>Expenses</b>					
Cost of sales		2,690,134,431	2,213,384,700	2,486,928,254	1,995,285,655
Selling and distribution expenses		286,899,315	255,491,756	70,817,950	52,248,183
Administrative expenses		349,097,753	335,344,212	261,504,362	234,482,811
Impairment loss on financial assets (reversal)		8,307,191	23,767,265	27,044,672	(93,336,819)
Loss on exchange		86,111,490	-	13,793,868	5,104,148
Impairment loss on investments in subsidiaries	12	-	-	1,465,182	36,017,526
<b>Total expenses</b>		<b>3,420,550,180</b>	<b>2,827,987,933</b>	<b>2,861,554,288</b>	<b>2,229,801,504</b>
<b>Operating profit</b>		<b>228,476,507</b>	<b>214,747,095</b>	<b>215,421,489</b>	<b>199,361,977</b>
Share of profit (loss) from investment in associated company	13.2	(3,245,840)	805,367	-	-
Finance income		955,883	15,901,848	188,276	360,285
Finance cost	25	(32,145,220)	(36,488,374)	(13,379,009)	(18,415,404)
<b>Profit before income tax expenses</b>		<b>194,041,330</b>	<b>194,965,936</b>	<b>202,230,756</b>	<b>181,306,858</b>
Tax expenses	27	(52,338,631)	(61,524,123)	(45,463,430)	(61,874,690)
<b>Profit for the year</b>		<b>141,702,699</b>	<b>133,441,813</b>	<b>156,767,326</b>	<b>119,432,168</b>
<b>Profit (loss) attributable to:</b>					
Equity holders of the Company		135,008,455	138,167,866	156,767,326	119,432,168
Non-controlling interests of the subsidiaries		6,694,244	(4,726,053)		
		<u>141,702,699</u>	<u>133,441,813</u>		
<b>Earnings per share</b>					
Basic earnings per share	29				
Profit attributable to equity holders of the Company		<u>0.2277</u>	<u>0.2297</u>	<u>0.2644</u>	<u>0.1985</u>

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

**Pranda Jewelry Public Company Limited and its subsidiaries****Statement of comprehensive income****For the year ended 31 December 2022**

(Unit: Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Profit for the year</b>		<b>141,702,699</b>	<b>133,441,813</b>	<b>156,767,326</b>	<b>119,432,168</b>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Exchange differences on translation of					
financial statements in foreign currency - net of income tax		75,114,308	(91,284,663)	-	-
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods - net of income tax		75,114,308	(91,284,663)	-	-
<i>Other comprehensive income not to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Gain (loss) on investments in equity designated at fair value					
through other comprehensive income		(4,041,347)	36,489	(4,041,347)	36,489
Actuarial gain		64,205,108	-	57,806,535	-
Less: Income tax effect	27	(12,841,022)	-	(11,561,307)	-
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods - net of income tax		47,322,739	36,489	42,203,881	36,489
<b>Other comprehensive income for the year</b>		<b>122,437,047</b>	<b>(91,248,174)</b>	<b>42,203,881</b>	<b>36,489</b>
<b>Total comprehensive income for the year</b>		<b>264,139,746</b>	<b>42,193,639</b>	<b>198,971,207</b>	<b>119,468,657</b>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		255,040,226	48,996,313	<b>198,971,207</b>	<b>119,468,657</b>
Non-controlling interests of the subsidiaries		9,099,520	(6,802,674)		
		<b>264,139,746</b>	<b>42,193,639</b>		

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

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

Pranda Jewelry Public Company Limited and its subsidiaries  
Statement of changes in shareholders' equity (continued)  
For the year ended 31 December 2022

	Separate financial statements								(Unit: Baht)
	Issued and paid-up share capital	Share premium	Capital reserve for		Retained earnings		Other components of		
			share-based payment transactions	shareholders' equity	Other comprehensive income	Total shareholders' equity			
							share-based payment transactions	shareholders' equity	
Issued and paid-up share capital	Share premium	share-based payment transactions	shareholders' equity	Other comprehensive income	Total shareholders' equity				
Balance as at 1 January 2021	491,155,940	817,978,957	3,126,786	43,417,738	737,112,915	(85,969,866)	2,006,822,470		
Profit for the year	-	-	-	-	119,432,168	-	119,432,168		
Other comprehensive income for the year	-	-	-	-	-	36,489	36,489		
Total comprehensive income for the year	-	-	-	-	119,432,168	36,489	119,468,657		
Ordinary shares issuance from exercised warrants to purchase new ordinary shares	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 32)	-	-	-	-	(53,902,410)	-	(53,902,410)		
Balance as at 31 December 2021	539,026,606	817,978,957	3,668,984	49,417,738	796,642,673	(85,933,377)	2,120,801,581		
Balance as at 1 January 2022	539,026,606	817,978,957	3,668,984	49,417,738	796,642,673	(85,933,377)	2,120,801,581		
Profit for the year	-	-	-	-	156,767,326	-	156,767,326		
Other comprehensive income for the year	-	-	-	-	46,245,228	(4,041,347)	42,203,881		
Total comprehensive income for the year	-	-	-	-	203,012,554	(4,041,347)	198,971,207		
Transferred retained earnings to statutory reserve	-	-	-	4,500,000	(4,500,000)	-	-		
Dividend payment (Note 32)	-	-	-	-	(53,902,410)	-	(53,902,410)		
Balance as at 31 December 2022	539,026,606	817,978,957	3,668,984	53,917,738	941,252,817	(89,974,724)	2,265,870,378		

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

**Pranda Jewelry Public Company Limited and its subsidiaries****Cash flow statement****For the year ended 31 December 2022**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Cash flows from operating activities</b>				
Profit before tax	194,041,330	194,965,936	202,230,756	181,306,858
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	70,486,562	89,369,821	34,147,265	42,737,268
Write-off machinery and equipment	63,331	1,436,702	61,131	65,110
Impairment loss on intangible assets	7,530,000	-	7,530,000	-
Impairment loss on financial assets	8,307,191	5,812,095	27,044,672	165,184,784
Write-off other assets	-	2,662,080	-	2,662,080
Reversal of reduced cost of inventories to net realisable value	(5,071,954)	(14,397,924)	(5,734,600)	(7,663,100)
Share of loss (gain) from investment in associated company	3,245,840	(805,367)	-	-
Gain on revaluation of investment in equity	(1,158,525)	(101,625)	-	-
Loss (gain) from lease termination	275,231	(3,322,310)	-	-
Loss (gain) on sales of equipment and vehicle	(434,773)	208,263	(163,747)	(79,998)
Impairment loss on investments in subsidiaries	-	-	1,465,182	36,017,526
Provision for long-term employee benefits expenses	25,152,378	20,834,902	22,804,805	18,562,137
Gain on convertible debentures redemption	-	(3,353,857)	-	(3,353,857)
Unrealised loss (gain) on exchange	25,801,472	84,024,039	8,034,266	(167,923,162)
Unrealised loss (gain) on revaluation of derivative financial instrument	3,180,685	(5,729,064)	3,180,685	(5,728,119)
Amortisation of deferred financial service fee of long-term loans	189,086	189,085	-	-
Share-based payment transactions	-	542,198	-	542,198
Dividend income from associated company	-	-	(3,599,979)	-
Finance income	(955,883)	(1,875,584)	(188,276)	(361,176)
Finance cost	32,145,220	28,341,186	13,379,009	16,810,678
Profit from operating activities before changes in operating assets and liabilities	362,797,191	398,800,576	310,191,169	278,779,227

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

**Pranda Jewelry Public Company Limited and its subsidiaries****Cash flow statement (continued)****For the year ended 31 December 2022**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Operating assets (increase) decrease				
Trade and other receivables	(88,899,709)	7,395,572	(46,777,708)	169,021,435
Inventories	38,479,839	(57,585,001)	54,775,512	(283,575,801)
Other current financial assets	(6,295,865)	3,521,872	-	-
Other current assets	1,704,730	(303,668)	776,293	(115,197)
Other non-current assets	(1,603,801)	7,580,424	(727,758)	(1,328,436)
Operating liabilities increase (decrease)				
Trade and other payables	(306,485,336)	(10,068,058)	(330,357,579)	24,783,279
Other current liabilities	2,767,893	(10,487,794)	4,155,890	17,808,796
Cash paid for long-term employee benefits	(11,744,844)	(13,581,030)	(11,060,057)	(13,093,276)
Other non-current liabilities	<u>(1,560,439)</u>	<u>(3,461,146)</u>	<u>-</u>	<u>-</u>
Cash flows from (used in) operating activities	(10,840,341)	321,811,747	(19,024,238)	192,280,027
Cash paid for interest expenses	(32,669,517)	(21,785,791)	(13,747,554)	(17,434,559)
Cash paid for corporate income tax	<u>(1,798,221)</u>	<u>811,192</u>	<u>(1,535,286)</u>	<u>(489,503)</u>
<b>Net cash flows from (used in) operating activities</b>	<u>(45,308,079)</u>	<u>300,837,148</u>	<u>(34,307,078)</u>	<u>174,355,965</u>
<b>Cash flows from investing activities</b>				
Decrease (increase) in restricted bank deposits	196,988	(195,877)	(2,998)	(195,858)
Cash receipt from capital decrease in subsidiary	-	-	-	29,050,000
Cash paid for capital increase in subsidiary	-	-	-	(15,675,000)
Acquisition of machinery and equipment	(45,598,453)	(32,480,468)	(30,574,171)	(16,205,818)
Acquisition of other intangible assets	(3,584,432)	(3,377,118)	(2,541,300)	(1,741,691)
Proceeds from sales of equipment and vehicles	434,775	97,336	163,747	80,000
Cash receipt from interest income	955,883	4,433,175	188,276	361,177
Cash receipt from dividend income	<u>3,599,979</u>	<u>-</u>	<u>3,599,979</u>	<u>-</u>
<b>Net cash flows used in investing activities</b>	<u>(43,995,260)</u>	<u>(31,522,952)</u>	<u>(29,166,467)</u>	<u>(4,327,190)</u>

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



**Pranda Jewelry Public Company Limited and its subsidiaries****Cash flow statement (continued)****For the year ended 31 December 2022**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Cash flows from financing activities</b>				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	3,857,434	(28,755,861)	3,083,154	(32,000,000)
Cash receipt from long-term loan	2,666,400	-	-	-
Repayment of bills of exchange	-	(50,000,000)	-	-
Cash paid for convertible debentures redemption	-	(35,000,000)	-	(35,000,000)
Repayment of long-term loans	(70,860,000)	(64,502,195)	(37,500,000)	(30,000,000)
Proceeds from ordinary shares issuance from exercised warrants	-	47,870,666	-	47,870,666
Repayment of liabilities under lease agreements	(28,207,334)	(31,965,428)	(144,589)	-
Cash paid for dividend	<u>(53,902,410)</u>	<u>(53,902,410)</u>	<u>(53,902,410)</u>	<u>(53,902,410)</u>
<b>Net cash used in financing activities</b>	<u>(146,445,910)</u>	<u>(216,255,228)</u>	<u>(88,463,845)</u>	<u>(103,031,744)</u>
<b>Increase (decrease) in translation adjustment</b>	<u>80,612,981</u>	<u>(98,723,356)</u>	<u>-</u>	<u>-</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(155,136,268)</u>	<u>(45,664,388)</u>	<u>(151,937,390)</u>	<u>66,997,031</u>
Cash and cash equivalents at beginning of year	<u>397,820,060</u>	<u>443,484,448</u>	<u>252,949,905</u>	<u>185,952,874</u>
<b>Cash and cash equivalents at end of year</b>	<u><u>242,683,792</u></u>	<u><u>397,820,060</u></u>	<u><u>101,012,515</u></u>	<u><u>252,949,905</u></u>

**Supplemental cash flow information**

## Non-cash transactions

Increase in right-of-use assets	6,701,110	-	1,416,645	-
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The accompanying notes are an integral part of the financial statements.

**Pranda Jewelry Public Company Limited and its subsidiaries****Notes to consolidated financial statements****For the year ended 31 December 2022****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.

**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>2022</u>	<u>2021</u>
			Percent	Percent
<u>Held by the Company</u>				
Primagold International Co., Ltd.	Distribution of jewelry	Thailand	100	100
Pranda North America, Inc.	Ceased its operation in 2022	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	Manufacture and distribution of jewelry	India	51	51

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2022</u> Percent	<u>2021</u> Percent
<u>Held by the subsidiary</u>				
PDU (UK) Limited (Held by Pranda UK Limited)	Ceased its operation in 2016	United Kingdom	100	100

The unaudited financial statements of an oversea subsidiary, Pranda UK Ltd., which were included in the consolidated financial statements of the Group, were prepared by the management based on the internal financial information as at 31 December 2022.

- 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**

#### **3.1 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 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 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.

#### **3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2023**

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 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards

The management of the Group 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.

**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 and associates**

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

Investments in subsidiaries 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 on building 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 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.

#### **4.8 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.

**4.9 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.

**4.10 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.

#### 4.11 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.

#### 4.12 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.

#### **4.13 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.

#### **4.14 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.

#### **4.15 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

....

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.

#### **4.16 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.

Dividends on listed equity investments are recognised as other income in profit or loss.

### ***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 150 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.

#### 4.17 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.

#### 4.18 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.

#### **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 allowance for diminution in value of inventory, the management exercises judgment in estimating the net realisable value of inventory which is based on estimates of expected selling price which take into account events occurring after the end of the period and less of estimates of selling expenses. In estimating provision for loss of obsolete and deteriorated inventories is determined based on analysis of age, conditions and physical characteristics 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.

### **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
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	383	252	Normal business price close to those charged to other customers
Purchases of goods and raw materials	-	-	207	243	With reference to market price
Guarantee fee income	-	-	4	5	At 1 percent per annum
Service income	-	-	6	6	Agreed between the parties
Service expenses	-	-	1	3	Agreed between the parties
<u>Transactions with associated company</u>					
Purchases of raw materials	89	159	89	159	With reference to market price
Service income	-	1	-	1	Agreed between the parties
<u>Transactions with the Company's directors/ related companies</u>					
Sales of goods	40	11	3	9	Normal business price close to those charged to other customers
Purchases of goods	84	31	-	-	With reference to market price
Service income	1	1	1	1	Agreed between the parties

As at 31 December 2022 and 2021, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b><u>Trade accounts receivable - related parties (Note 8)</u></b>				
Subsidiaries	-	-	557	545
Related companies (related by common directors)	52	49	51	48
Total	52	49	608	593
Less: Allowance for expected credit losses	(52)	(49)	(607)	(576)
Total trade accounts receivable - related parties, net	-	-	1	17
<b><u>Other receivables - related parties (Note 8)</u></b>				
Subsidiaries	-	-	41	62
Less: Allowance for expected credit losses	-	-	(38)	(45)
Total other receivables - related parties, net	-	-	3	17
<b><u>Accrued interest income - related parties (Note 8)</u></b>				
Subsidiaries	-	-	7	7
Less: Allowance for expected credit losses	-	-	(7)	(7)
Total accrued interest income - related parties, net	-	-	-	-
<b><u>Trade and other payables - related parties (Note 19)</u></b>				
Subsidiaries	1	-	7	42
Total trade and other payables - related parties	1	-	7	42

The Company has recorded allowance for expected credit losses for its trade and other receivables - related parties in the income statement of the separate financial statements for the year 2022, a total of Baht 19 million (2021: The Company had reversed allowance for expected credit losses of Baht 18 million).



**Loans to related parties**

As at 31 December 2022 and 2021, the balances of loans between the Company and those related parties and the movement are as follows:

		(Unit: Million Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b><u>Short-term loans to related parties</u></b>					
Subsidiaries		-	-	27	28
Less: Allowance for expected credit losses		-	-	(27)	(28)
Total short-term loans to related parties, net		-	-	-	-
<b><u>Long-term loans to related parties</u></b>					
Subsidiaries		-	-	505	536
Less: Allowance for expected credit losses		-	-	(505)	(536)
Total long-term loans to related parties, net		-	-	-	-

During the year 2022, movements of loans to related parties were as follow:

		(Unit: Million Baht)			
		Separate financial statements			
		Balance as at	Increase	Unrealised	Balance as at
		31 December	(decrease)	loss on	31 December
Short-term loans	Related by	2021	during the year	exchange rate	2022
H.GRINGOIRE s.a.r.l.	Subsidiary	28	-	(1)	27
Total short-term loans		28	-	(1)	27

The short-term loan to an overseas subsidiary, H.GRINGOIRE s.a.r.l. of EUR 0.7 million (2021: EUR 0.7 million), or approximately Baht 27 million, 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			
Long-term loans	Related by	Balance as at	Increase	Unrealised	Balance as at
		31 December	(decrease)	loss on	31 December
		2021	during the year	exchange rate	2022
Pranda UK Ltd.	Subsidiary	346	-	(26)	320
H.GRINGOIRE s.a.r.l.	Subsidiary	190	-	(5)	185
Total long-term loans		536	-	(31)	505

The long-term loans to an overseas subsidiary, Pranda UK Ltd., of GBP 7.8 million (2021: GBP 7.8 million), or approximately Baht 320 million were unsecured and carries interest at 7.5 percent per annum.

The long-term loans to an overseas subsidiary, H.GRINGOIRE s.a.r.l., of EUR 4.9 million and USD 0.2 million (2021: EUR 4.9 million and USD 0.2 million), totaling of Baht 185 million 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.

(Unit: Thousand Baht)

		Separate financial statements	
		<u>2022</u>	<u>2021</u>
Beginning balance		564,061	538,346
Effect from foreign exchange		(32,432)	42,292
Effect from loss of control in subsidiary		-	(16,577)
Ending balance		531,629	564,061

**Directors and management's benefits**

During the year ended 31 December 2022 and 2021, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Short-term employee benefits	29	44	26	30
Post-employment benefits	1	1	1	1
Total	<u>30</u>	<u>45</u>	<u>27</u>	<u>31</u>

**Guarantee obligations with related parties**

The Company has outstanding guarantee obligations with its related parties, as described in Note 33.2.1 to the financial statements.

**7. Cash and cash equivalents**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cash	3,724	4,214	1,634	1,759
Bank deposits	<u>238,960</u>	<u>393,606</u>	<u>99,379</u>	<u>251,191</u>
Total	<u>242,684</u>	<u>397,820</u>	<u>101,013</u>	<u>252,950</u>

As at 31 December 2022, bank deposits carried interests between 0.13 to 0.55 percent per annum (2021: between 0.01 to 4.90 percent per annum).

**8. Trade and other receivables**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	328	6	2,570	10,796
Past due				
Up to 3 months	589	209	10,378	20,792
3 - 6 months	-	-	3,719	23,857
6 - 12 months	532	177	17,836	58,573
Over 12 months	50,348	48,696	573,578	478,893
Total	51,797	49,088	608,081	592,911
Less: Allowance for expected credit losses	(51,779)	(49,082)	(607,258)	(576,398)
Total trade accounts receivable - related parties, net (Note 6)	18	6	823	16,513
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	264,652	274,596	172,239	186,948
Past due				
Up to 3 months	112,653	53,542	112,098	53,254
3 - 6 months	370	1,227	242	1,144
6 - 12 months	5,195	1,083	5,140	316
Over 12 months	30,803	28,031	28,275	25,984
Total	413,673	358,479	317,994	267,646
Less: Allowance for expected credit losses	(47,802)	(48,937)	(46,368)	(41,956)
Total trade accounts receivable - unrelated parties, net	365,871	309,542	271,626	225,690
Total trade accounts receivable, net	365,889	309,548	272,449	242,203
<u>Other receivables</u>				
Other receivables - related parties (Note 6)	242	296	41,020	61,920
Other receivables - unrelated parties	22,251	20,722	16,756	16,120
Accrued interest income - related parties (Note 6)	-	-	6,826	7,027
Accrued interest income - unrelated parties	7,405	5,923	7,385	5,896
Accrued income	2,384	292	2,384	292
Total	32,282	27,233	74,371	91,255
Less: Allowance for expected credit losses	(10,348)	(8,771)	(55,316)	(58,416)
Total other receivables, net	21,934	18,462	19,055	32,839
Total trade and other receivables, net	387,823	328,010	291,504	275,042

The normal credit term is 15 to 90 days.

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Beginning balance	98,019	91,135	618,354	615,810
Allowance for expected credit losses	8,307	-	27,045	35,283
Amount written off	-	(5,269)	-	(5,269)
Effect from foreign exchange	(6,745)	12,153	8,227	(27,470)
Ending balance	<u>99,581</u>	<u>98,019</u>	<u>653,626</u>	<u>618,354</u>

## 9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Finished goods	797,609	936,788	(71,836)	(84,555)	725,773	852,233
Work in process	347,154	300,259	-	-	347,154	300,259
Raw materials	503,331	490,117	(97,417)	(89,762)	405,914	400,355
Factory supplies	11,468	10,106	-	(7)	11,468	10,099
Goods in transit	39,579	350	-	-	39,579	350
Total	<u>1,699,141</u>	<u>1,737,620</u>	<u>(169,253)</u>	<u>(174,324)</u>	<u>1,529,888</u>	<u>1,563,296</u>

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Finished goods	352,387	460,752	(66,253)	(80,071)	286,134	380,681
Work in process	346,186	295,377	-	-	346,186	295,377
Raw materials	474,396	472,380	(97,417)	(89,334)	376,979	383,046
Factory supplies	8,529	7,436	-	-	8,529	7,436
Goods in transit	21	350	-	-	21	350
Total	<u>1,181,519</u>	<u>1,236,295</u>	<u>(163,670)</u>	<u>(169,405)</u>	<u>1,017,849</u>	<u>1,066,890</u>

During the current year, the Group has reduced cost of inventories by Baht 9 million (2021 Baht 2 million) (The Company only: Baht 8 million 2021: Baht 2 million), to reflect the net realisable value. This was included in expenses during the year. In addition, the Group reversed the write-down of cost of inventories by Baht 14 million (2021: Baht 16 million) (The Company only: Baht 14 million 2021: Baht 10 million), and reduced the amount of inventories recognised as expenses during the year.

As at 31 December 2022, the Company has pledged most of the Company's inventories to secure credit facilities from commercial banks amounting to Baht 477 million (2021: Baht 477 million). In addition, a local subsidiary, Primagold International Co., Ltd., has pledged inventories of Baht 219 million (2021: Baht 219 million) to secure credit facilities from a commercial bank as described in Note 18 and Note 20 to the financial statements.

#### 10. Restricted bank deposits

The outstanding balances represented the Company's deposits with banks pledged to secure the credit facilities, and the subsidiary, Pranda Lodging Co., Ltd.,'s deposits with banks, pledged to secure the bank overdraft.

#### 11. Other non-current financial assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>Debt instruments at amortised cost</u>				
Deposit	7,337	7,255	-	-
Total debt instruments at amortised cost	7,337	7,255	-	-
<u>Debt instruments at FVOCI</u>				
Listed equity instruments	8,004	12,046	8,004	12,046
Total debt instruments at FVOCI	8,004	12,046	8,004	12,046
Total other non-current financial assets	15,341	19,301	8,004	12,046

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

(Unit: Thousand Baht)

Company's name	Paid-up capital		Currency	Shareholding percentage		Cost	
	2022	2021		2022	2021	2022	2021
				(Percent)	(Percent)		
Pranda North America, Inc.	2.0	2.0	Thousand USD	100	100	120,283	120,283
H.GRINGOIRE s.a.r.l.	5.0	5.0	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	2.0	Million USD	100	100	63,855	63,855
Primagold International Co., Ltd.	200.0	200.0	Million Baht	100	100	200,000	200,000
Crystalline Co., Ltd.	2.0	7.5	Million Baht	96	96	71,592	76,760
Pranda Lodging Co., Ltd.	15.0	15.0	Million Baht	83	83	12,075	12,075
Pranda Jewelry Private Limited	150.0	150.0	Million Indian Rupee	51	51	213,439	213,439
Total						1,054,640	1,059,808
Less: Allowance for impairment of investments						(578,021)	(576,557)
Investments in subsidiaries, net						476,619	483,251

During 2022 and 2021, no dividend income was received from its investments in subsidiaries.

During the year, the Company recorded the impairment loss on investment in subsidiaries of Baht 1 million in the separate income statement of 2022 (2021: Baht 36 million).

#### Subsidiary - Pranda Vietnam Company Limited

On 28 November 2022, the Meeting of subsidiary's Board of Directors passed a resolution approving the increase in its registered capital of USD 0.5 million. The subsidiary registered the increase in its registered capital on 6 February 2023.

#### Subsidiary - Crystalline Company Limited

On 27 May 2022, the Extraordinary General Meeting of the shareholders of a local subsidiary, Crystalline Co.,Ltd., passed a resolution approving the reduction of Baht 5.48 million in its registered share capital, from Baht 7.5 million (1 million ordinary shares with a par value of Baht 7.5 per share) to Baht 2.03 million (0.27 million ordinary shares with a par value of Baht 7.5 per share). The subsidiary registered the reduction in registered share capital with the Department of Business Development, Ministry of Commerce, on 30 June 2022.

**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		Gain (loss) allocated to non-controlling interests during the year	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(Percent)	(Percent)				
Pranda Jewelry Private Limited	49	49	(81)	(88)	6	(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	
	<u>2022</u>	<u>2021</u>
Current assets	54	28
Non-current assets	55	48
Current liabilities	(184)	(172)
Non-current liabilities	(3)	-

Summarised information about comprehensive income

	(Unit: Million Baht)	
	For the year ended 31 December	
	Pranda Jewelry Private Limited	
	<u>2022</u>	<u>2021</u>
Revenue	172	62
Gain (loss)	13	(5)
Total comprehensive income	13	(5)

Summarised information about cash flow

	(Unit: Million Baht)	
	For the year ended 31 December	
	Pranda Jewelry Private Limited	
	<u>2022</u>	<u>2021</u>
Cash flow from operating activities	16	9
Cash flow used in investing activities	(12)	(9)
Cash flow from (used in) financing activities	3	(8)
Net increase (decrease) in cash and cash equivalents	7	(8)

**13. Investments in associated company****13.1 Details of associated company**

			(Unit: Thousand Baht)			
			Consolidated financial statements			
Company's name	Nature of business	Country of incorporation	Shareholding		Carrying amounts	
			Percentage		based on equity method	
			<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</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					2,121	8,966
Total carrying amounts based on equity method					5,721	12,566

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements							
			Shareholding percentage		Cost		Allowance for impairment of investment		Carrying amounts based on cost method - net	
			2022	2021	2022	2021	2022	2021	2022	2021
			(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 and dividend received

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

(Unit: Thousand Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Share of profit (loss) from investment in associated company during the year		Dividend received during the year	
	2022	2021	2022	2021
KZ-Pranda Co., Ltd.	(3,246)	805	3,600	-

### 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 (loss) for the years ended	
	as at		as at		as at		ended		the years ended	
	31 December		31 December		31 December		31 December		31 December	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
KZ-Pranda Co., Ltd.	9	9	14	68	-	36	749	1,720	(8)	2

## 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 2022 and 2021 are presented below.

	(Unit: Thousand Baht)	
	Consolidated / Separate	
	financial statements	
	<u>2022</u>	<u>2021</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 2022 and 2021 is presented below.

	(Unit: Thousand Baht)					
	Consolidated financial statements			Separate financial statements		
	Land held for development	Land and building for rent	Total	Land held for development	Land and building for rent	Total
<u>31 December 2022:</u>						
Cost	576,952	65,962	642,914	576,952	9,476	586,428
<u>Less:</u> Accumulated depreciation	-	(56,631)	(56,631)	-	(8,876)	(8,876)
Net book value	<u>576,952</u>	<u>9,331</u>	<u>586,283</u>	<u>576,952</u>	<u>600</u>	<u>577,552</u>
<u>31 December 2021:</u>						
Cost	576,952	65,962	642,914	576,952	9,476	586,428
<u>Less:</u> Accumulated depreciation	-	(56,290)	(56,290)	-	(8,876)	(8,876)
Net book value	<u>576,952</u>	<u>9,672</u>	<u>586,624</u>	<u>576,952</u>	<u>600</u>	<u>577,552</u>

A reconciliation of the net book value of investment properties for the years 2022 and 2021 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Net book value at beginning of year	586,624	586,966	577,552	577,552
Depreciation during the year	(341)	(342)	-	-
Net book value at end of year	<u>586,283</u>	<u>586,624</u>	<u>577,552</u>	<u>577,552</u>

The fair value of the investment properties stated below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land held for development	1,175,000	1,175,000	1,175,000	1,175,000
Land and building for rent	91,975	91,975	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 2022 of approximately Baht 577 million (2021: Baht 577 million) as collateral against credit facilities which the Company received from a commercial bank.

#### 16. Property, plant and equipment

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Net book value:				
Property, plant and equipment	543,617	543,140	452,462	451,997
Right-of-use assets (Note 21.1 a))	80,982	101,751	1,824	-
Total	<u>624,599</u>	<u>644,891</u>	<u>454,286</u>	<u>451,997</u>

**16. Property, plant and equipment (continued)**

Movements of property, plant and equipment for the years ended 31 December 2022 and 2021 are summarised below.

Consolidated financial statements										(Unit: Thousand Baht)



## 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
<b>Allowance for impairment loss:</b>							
31 December 2021	-	-	-	-	-	11,833	11,833
31 December 2022	-	-	-	-	-	11,833	11,833
<b>Net book value:</b>							
31 December 2021	94,669	6,925	365,452	96	2,433	60,938	543,140
31 December 2022	94,669	6,710	344,223	96	10,464	71,143	543,617
<b>Depreciation for the year</b>							
2021 (Baht 17 million included in manufacturing cost, and the balance in selling and administrative expenses)							48,893
2022 (Baht 13 million included in manufacturing cost, and the balance in selling and administrative expenses)							44,336

## 16. Property, plant and equipment (continued)

Separate financial statements								(Unit: Thousand Baht)
	Land	Land improvements	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total
<b>Cost:</b>								
1 January 2021	94,669	16,968	692,181	241,998	338,964	22,094	976	1,407,850
Additions	-	-	1,221	919	6,192	-	7,874	16,206
Disposals/write-off	-	-	-	(1,201)	(3,977)	-	-	(5,178)
Transfers	-	1,110	6,696	-	861	-	(8,667)	-
31 December 2021	94,669	18,078	700,098	241,716	342,040	22,094	183	1,418,878
Additions	-	-	205	10,034	8,737	-	10,882	29,858
Disposals/write-off	-	-	-	(32)	(4,238)	(1,450)	-	(5,720)
Transfers	-	366	2,109	-	2,497	-	(4,972)	-
31 December 2022	94,669	18,444	702,412	251,718	349,036	20,644	6,093	1,443,016
<b>Accumulated depreciation:</b>								
1 January 2021	-	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
Depreciation for the year	-	581	18,801	2,049	7,892	9	-	29,332
Depreciation on disposals/write-off	-	-	-	(32)	(4,177)	(1,450)	-	(5,659)
31 December 2022	-	11,734	407,876	241,390	297,090	20,631	-	978,721

**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
<b>Allowance for impairment loss:</b>							<b>Total</b>
31 December 2021	-	-	-	-	11,833	-	11,833
31 December 2022	-	-	-	-	11,833	-	11,833
<b>Net book value:</b>							
31 December 2021	94,669	6,925	311,023	2,343	36,832	22	451,997
31 December 2022	94,669	6,710	294,536	10,328	40,113	13	452,462
<b>Depreciation for the year</b>							
2021 (Baht 16 million included in manufacturing cost, and the balance in selling and administrative expenses)							33,501
2022 (Baht 13 million included in manufacturing cost, and the balance in selling and administrative expenses)							29,332

As at 31 December 2022, 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 995 million (2021: Baht 976 million) (The Company only: Baht 779 million, 2021: Baht 765 million).

The Group has mortgaged its property, plant and equipment with a total net book value as at 31 December 2022 amounting to approximately Baht 335 million (2021: Baht 383 million) as collateral against credit facilities received from commercial banks (The Company only: Baht 321 million, 2021: Baht 335 million).

## 17. Intangible assets

The net book value of intangible assets as at 31 December 2022 and 2021 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Computer software	Trademark	Total	Computer software	Trademark	Total
<b>Cost:</b>						
1 January 2021	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
Additions	3,584	-	3,584	2,541	-	2,541
Translation adjustment	(172)	-	(172)	-	-	-
31 December 2022	66,423	41,242	107,665	50,087	41,242	91,329
<b>Accumulated amortisation:</b>						
1 January 2021	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
Amortisation during the year	5,217	-	5,217	4,617	-	4,617
Translation adjustment	(148)	-	(148)	-	-	-
31 December 2022	50,642	-	50,642	38,130	-	38,130
<b>Allowance for impairment loss:</b>						
31 December 2021	-	3,302	3,302	-	3,302	3,302
31 December 2022	-	10,832	10,832	-	10,832	10,832
<b>Net book value:</b>						
31 December 2021	17,438	37,940	55,378	14,033	37,940	51,973
31 December 2022	15,781	30,410	46,191	11,957	30,410	42,367

**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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Bank overdrafts	9.10	9.10	2,924	2,183	-	-
Short-term loans from						
financial institutions	3.55 - 3.80	2.50 - 2.75	290,116	287,000	290,083	287,000
Total			293,040	289,183	290,083	287,000

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, and investment properties and guaranteed by 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 inventories of this subsidiary company.

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

**19. Trade and other payables**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Trade and other payables - related parties (Note 6)	1,460	118	7,491	41,657
Trade payables - unrelated parties	466,584	773,541	174,821	479,654
Other payables - unrelated parties	7,661	10,727	2,379	2,312
Accrued expenses	53,675	46,841	25,443	17,786
Total trade and other payables	529,380	831,227	210,134	541,409

## 20. Long-term loans

The outstanding balances of long-term loans as at 31 December 2022 and 2021 are as follows:

(Unit: Thousand Baht)

Loan	Interest rate (percent per annum)	Repayment schedule	Consolidated		Separate	
			financial statements		financial statements	
			<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
1	MLR - 0.50	Quarterly installment as from September 2019 to May 2022	-	37,500	-	37,500
2	MLR - 1.25	Monthly installment as from July 2016 to June 2023	16,520	49,880	-	-
3	8.25	Monthly installment as from March 2022 to February 2027 (Indian Rupee loan)	2,545	-	-	-
Total			19,065	87,380	-	37,500
Less: Deferred financial service fee			(95)	(284)	-	-
Long-term loans - net of deferred financial service fee			18,970	87,096	-	37,500
Less: Current portion, net			(16,425)	(87,096)	-	(37,500)
Long-term loans - net of current portion, net			2,545	-	-	-

Movement of the long - term loan account during the year ended 31 December 2022 and 2021 are summarised below:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Beginning balance	87,096	150,958	37,500	67,500
Add: Addition of long-term loans	2,666	-	-	-
Amortisation of deferred financial service fee	189	189	-	-
Less: Repayment	(70,860)	(64,502)	(37,500)	(30,000)
Translation adjustment	(121)	451	-	-
Ending balance	18,970	87,096	-	37,500

### 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 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. During the current year, the Company repaid the full amount of long-term loan.

### 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 agreement. As a result, the lender had the right to call the loans on demand and the subsidiary had 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 some conditions from the lender and as at 31 December 2022, the subsidiary was able to maintain a debt to equity ratio in accordance with the agreement. Therefore, in 2022 the subsidiary classified the loan in accordance with terms specified in the agreement.

In addition, during the current year, an overseas subsidiary, Pranda Jewelry Private Limited, entered into a loan agreement with a financial institution for a credit facility of INR 6.1 million, or approximately Baht 2.6 million.



## . Leases

### .1 The Group as a lessee

The Group has lease contracts for various items of assets used in its operations. Leases generally have lease terms between 5 - 30 years.

#### a) Right-of-use assets

Movement of right-of-use assets for the years ended 31 December 2022 and 2021 are summarised below:

	(Unit: Thousand Baht)				
	Consolidated financial statements				Separate financial statements
	Buildings and building improvements				
	Land	improvements	Motor vehicles	Total	Motor vehicles
1 January 2021	4,101	162,785	-	166,886	-
Adjustment from lease termination					
- net book value as at termination date	-	(37,938)	-	(37,938)	-
Depreciation for the year	-	(26,548)	-	(26,548)	-
Effect from loss of control in subsidiary	-	(3,197)	-	(3,197)	-
Translation adjustment	460	2,088	-	2,548	-
31 December 2021	4,561	97,190	-	101,751	-
Additions	-	4,762	2,860	7,622	2,021
Adjustment from lease termination		(6,056)	-	(6,056)	
- net book value as at termination date	-				-
Depreciation for the year	-	(21,605)	(347)	(22,665)	(197)
Translation adjustment	152	178	-	330	-
31 December 2022	4,713	74,469	2,513	80,982	1,824

**b) Lease liabilities**

Movement of lease liabilities for the years ended 31 December 2022 and 2021 are summarised below:

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Lease payments on lease contract	79,117	107,412	1,590	-
Less: Deferred interest expenses	(5,241)	(8,189)	(284)	-
Total	73,876	99,223	1,306	-
Less: Portion due within one year	(26,359)	(25,476)	(261)	-
Lease liabilities - net of current portion	47,517	73,747	1,045	-

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

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Depreciation expense of right-of-use assets	20,593	26,548	197	-
Interest expense on lease liabilities	3,899	5,883	39	-
Expense relating to leases of low-value assets	2,598	1,222	226	275

**d) Others**

The Group had total cash outflows for leases for the year ended 31 December 2022 of Baht 30.8 million (2021: 33.2 million) (The Company only: Baht 0.4 million, 2021: 0.3 million), including the cash outflow related to leases of low-value assets.

## 22. Provision for long-term employee benefits

Movement in the provision for long-term employee benefit account during the year ended 31 December 2022 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Post-employment		Other long-term			
	benefits from		Other long-term			
	employee's retirement		employee benefits plan		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Defined benefit obligation at beginning of year	285,977	279,509	9,357	10,182	295,334	289,691
Included in statement of income:						
Current service cost	15,346	15,712	943	929	16,289	16,641
Past service cost	-	-	3,572	-	3,572	-
Interest cost	4,171	4,054	137	140	4,308	4,194
Actuarial (gain) loss arising from						
Demographic assumptions changes	-	-	528	-	528	-
Financial assumptions changes	-	-	(507)	-	(507)	-
Experience adjustments	-	-	963	-	963	-
Included in other comprehensive income:						
Actuarial (gain) loss arising from						
Demographic assumptions changes	12,536	-	-	-	12,536	-
Financial assumptions changes	(38,956)	-	-	-	(38,956)	-
Experience adjustments	(37,785)	-	-	-	(37,785)	-
Effect from loss of control in subsidiary	-	(1,611)	-	-	-	(1,611)
Benefits paid during the year	(10,456)	(11,687)	(1,289)	(1,894)	(11,745)	(13,581)
Provision for long-term employee benefits						
at end of year	230,833	285,977	13,704	9,357	244,537	295,334

(Unit: Thousand Baht)

	Separate financial statements					
	Post-employment		Other long-term		Total	
	benefits from		employee benefits plan			
	employee's retirement		employee benefits plan			
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Defined benefit obligation at beginning of year</b>	269,639	263,430	8,522	9,262	278,161	272,692
Included in statement of income:						
Current service cost	13,558	13,836	765	757	14,323	14,593
Past service cost	-	-	3,453	-	3,453	-
Interest cost	3,938	3,840	127	129	4,065	3,969
Actuarial (gain) loss arising from						
Demographic assumptions changes	-	-	529	-	529	-
Financial assumptions changes	-	-	(482)	-	(482)	-
Experience adjustments	-	-	917	-	917	-
Included in other comprehensive income:						
Actuarial (gain) loss arising from						
Demographic assumptions changes	12,574	-	-	-	12,574	-
Financial assumptions changes	(36,372)	-	-	-	(36,372)	-
Experience adjustments	(34,009)	-	-	-	(34,009)	-
Benefits paid during the year	(10,037)	(11,467)	(1,023)	(1,626)	(11,060)	(13,093)
<b>Provision for long-term employee benefits</b>						
<b>at end of year</b>	<u>219,291</u>	<u>269,639</u>	<u>12,808</u>	<u>8,522</u>	<u>232,099</u>	<u>278,161</u>

The Group expects to pay Baht 13 million of long-term employee benefits during the next year (2021: Baht 11 million) (The Company only: Baht 12 million, 2021: Baht 12 million).

As at 31 December 2022, the weighted average duration of the liabilities for long-term employee benefit is 10 - 15 years (2021: 10 - 18 years) (The Company only: 14 years, 2021: 10 years).

Key actuarial assumptions used for the valuation are as follows:

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(Percent per annum)	(Percent per annum)	(Percent per annum)	(Percent per annum)
Discount rate	2.75 - 3.33	1.50	3.15	1.50
Salary increase rate	5.00	5.00	5.00	5.00
Turnover rate	1.43 - 22.92	-	1.43 - 22.92	-

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 2022 and 2021 are summarised below:

(Unit: million Baht)

	As at 31 December 2022			
	Consolidated financial statements		Separate financial statements	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(11)	12	(11)	11
Salary increase rate	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
	24	(21)	23	(20)
Turnover rate	Increase 20%	Decrease 20%	Increase 20%	Decrease 20%
	(0.3)	0.4	(0.3)	0.3

(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
Salary increase rate	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
	40	(27)	38	(25)

## 23. Share capital

On 20 April 2022, the Annual General Meeting of the Company's shareholders passed a resolution to reduce 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. The Company registered the decrease in its registered share capital with the Ministry of Commerce on 3 May 2022.

**24. Statutory reserve**

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

**25. Finance cost**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Interest expenses on borrowings	15,672	20,444	13,340	16,810
Interest expenses on lease liabilities	3,899	4,319	39	-
Interest paid from collateral	3,718	4,105	-	-
Other expenses	8,856	7,620	-	1,605
Total	<u>32,145</u>	<u>36,488</u>	<u>13,379</u>	<u>18,415</u>

**26. Expenses by nature**

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Salaries and wages and other employee benefits	822,894	807,013	685,110	636,773
Depreciation and amortisation	70,487	89,370	34,147	43,737
Raw materials and consumables used				
and purchase of finished goods	1,998,262	1,520,979	1,845,380	1,635,570
Changes in inventories of finished goods				
and work in process	79,565	76,614	43,738	(222,874)
Reversal of reduced cost of inventories to				
net realisable value	(5,072)	(14,398)	(5,735)	(7,663)
Impairment loss on financial assets (reversal)	8,307	23,767	27,045	(93,337)
Commission and sales promotion expenses	34,520	68,933	13,704	8,678

## 27. Income tax

Tax expenses for the years ended 31 December 2022 and 2021 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Current income tax:</b>				
Current income tax charge for the year	21,576	2,401	21,237	490
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	30,763	59,123	24,226	61,385
<b>Tax expense reported in profit or loss</b>	<u>52,339</u>	<u>61,524</u>	<u>45,463</u>	<u>61,875</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2022 and 2021 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Deferred tax relating to actuarial gain	<u>12,841</u>	<u>-</u>	<u>11,561</u>	<u>-</u>



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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Accounting gain before tax	<u>194,041</u>	<u>194,966</u>	<u>202,231</u>	<u>181,307</u>
Applicable tax rate	15% - 30%	15% - 30%	20%	20%
Accounting gain before tax multiplied by income tax rate	50,299	8,913	40,446	36,261
Temporary differences which were not utilised and recognised as deferred tax assets during the year	8,458	44,400	4,483	15,123
Temporary differences in previous year which were recognised as deferred tax assets during the year	(1,695)	2,166	(104)	2,162
Effects of:				
Non-deductible expenses	546	2,776	517	2,759
Additional expense deductions allowed	(1,902)	2,326	(1,871)	2,300
Others	(3,367)	943	1,992	3,270
Total	<u>(4,723)</u>	<u>6,045</u>	<u>638</u>	<u>8,329</u>
Tax expenses reported in profit or loss	<u>52,339</u>	<u>61,524</u>	<u>45,463</u>	<u>61,875</u>

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

(Unit: Thousand Baht)		
Consolidated financial statements		
	<u>2022</u>	<u>2021</u>
<b>Deferred tax assets</b>		
Reduce cost of inventories to net realisable value	900	660
Provision for long-term employee benefits	48,908	59,294
Difference between tax and accounting of revenue recognition	707	312
Unrealised loss on fair value measurement of derivative financial instruments	636	-
Unused tax loss	8,128	41,022
Total	59,279	101,288
<b>Deferred tax liabilities</b>		
Right-of-use assets	1,680	-
Deferred financial service fee	19	57
Total	1,699	57
<b>Total deferred tax assets, net</b>	<b>57,580</b>	<b>101,345</b>

(Unit: Thousand Baht)		
Separate financial statements		
	<u>2022</u>	<u>2021</u>
<b>Deferred tax assets</b>		
Provision for long-term employee benefits	46,420	55,632
Unused tax loss	-	27,108
Unrealised loss on fair value measurement of derivative financial instruments	636	-
Total	47,056	82,740
<b>Deferred tax liabilities</b>		
Right-of-use assets	104	-
<b>Total deferred tax assets, net</b>	<b>46,952</b>	<b>82,740</b>

As at 31 December 2022, the Company has deductible temporary differences totaling Baht 2,140 million (2021: Baht 2,212 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 2022, the subsidiaries have deductible temporary differences and unused tax losses totaling Baht 1,260 million (2021: Baht 1,266 million), on which deferred tax assets have not been recognised as the subsidiaries believe their future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses. In addition, some subsidiaries had the unused tax losses totaling to approximately Baht 259 million which will expire by 2027.

## **28. Promotional privileges**

- 28.1 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.
- 28.2 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.

## 29. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year, after adjusting the distribution of stock dividend, as described in Note 37 to the financial statements. The number of ordinary shares of prior year has been adjusted as if the distribution of stock dividend had occurred at the beginning of the earliest period reported.

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

Consolidated financial statements					
For the years ended 31 December					
Gain for the year		Weighted average number of ordinary shares		Earnings per share	
<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021*</u>	<u>2022</u>	<u>2021*</u>
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
135,008	138,168	592,929	601,588	0.2277	0.2297

### Basic earnings per share

Profit attributable to equity holders of  
the Company

\*Recalculation due to the distribution of stock dividend

Separate financial statements					
For the years ended 31 December					
Gain for the year		Weighted average number of ordinary shares		Earnings per share	
<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021*</u>	<u>2022</u>	<u>2021*</u>
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
156,767	119,432	592,929	601,588	0.2644	0.1985

### Basic earnings per share

Profit attributable to equity holders of  
the Company

\*Recalculation due to the distribution of stock dividend

### 30. 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.

During the current year, the Group has not changed the organisation of their reportable segments and no operating segments have been aggregated to form the above reportable operating 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 2022 and 2021.

	Production		Distribution		Retail		Others		Total Segments		Eliminations		(Unit: Million Baht)	
	2022		2022		2022		2022		2022		2022		2022	
	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021
<b>For the years ended 31 December</b>														
<b>Revenues</b>														
Revenues from external customers	2,698	2,152	136	114	776	634	-	-	3,610	2,900	-	-	3,610	2,900
Revenues from intersegment	382	249	-	1	208	105	-	-	590	355	(590)	(355)	-	-
<b>Total revenues</b>	<b>3,080</b>	<b>2,401</b>	<b>136</b>	<b>115</b>	<b>984</b>	<b>739</b>	<b>-</b>	<b>-</b>	<b>4,200</b>	<b>3,255</b>	<b>(590)</b>	<b>(355)</b>	<b>3,610</b>	<b>2,900</b>
<b>Results</b>														
Segment profit (loss)	252	172	19	(7)	59	(4)	(7)	(7)	323	154	30	26	353	180
<b>Unallocated revenues and expenses</b>														
Gain (loss) on exchange													(86)	77
Other income													39	65
Depreciation and amortisation													(70)	(84)
Impairment loss on financial assets													(8)	(24)
Share of profit (loss) from investment in associated company													(3)	1
Finance income													1	16
Finance cost													(32)	(36)
Profit before income tax expenses													194	195
Tax expenses													(52)	(62)
<b>Profit for the year</b>													<b>142</b>	<b>133</b>

**Geographic information**

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

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2022</u>	<u>2021</u>
<b>Revenue from external customers</b>		
Thailand	902,130	787,148
United States of America	554,063	581,034
Hongkong	445,294	269,824
England	388,674	349,015
Canada	534,249	352,349
Others	785,980	561,170
Total	<u>3,610,390</u>	<u>2,900,540</u>

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2022</u>	<u>2021</u>
<b>Non-current assets (other than financial instruments and deferred tax assets)</b>		
Thailand	1,224,823	1,289,705
Others	92,929	67,348
Total	<u>1,317,752</u>	<u>1,357,053</u>

**Major customers**

For the year 2022, the Group has revenue from two major customers in totaling amount of Baht 851 million, arising from sales by the production segment (2021: Baht 907 million derived from three major customers, arising from sales by the production segment).



**31. 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 2022, the Company contributed Baht 13 million to the fund (2021: Baht 13 million).

**32. Dividend**

On 20 April 2022, 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 under promotional privileges which is exemption of corporate income tax of Baht 0.10 per share, or a total of Baht 53.9 million to its shareholders. Such dividend was paid on 17 May 2022.

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 under promotional privileges which is exemption of corporate income tax 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.

**33. Commitments and contingent liabilities****33.1 Capital commitments**

As at 31 December 2022, the Group had capital commitments of Baht 9.2 million (The Company only: 6.4 million) relating to acquisition of computer software and building improvements.

**33.2 Guarantees**

33.2.1 The Company has issued guarantees to secure bank overdrafts and credit facilities of its subsidiaries. As at 31 December 2022, there were outstanding guarantees of Baht 253 million and USD 14.5 million (2021: Baht 250 million and USD 14.5 million), totaling of Baht 753 million (2021: Baht 734 million).

33.2.2 As at 31 December 2022, there were outstanding bank guarantees of Baht 6.3 million (2021: Baht 6 million) issued by banks on behalf of the Company to guarantee production of goods, electricity use, among others.

33.2.3 As at 31 December 2022, the Group has outstanding standby-letters of credit of USD 12.7 million, or approximately Baht 439 million (2021: USD 28.5 million, or approximately Baht 951 million) (The Company only: USD 2.2 million, totaling Baht 77 million (2021: USD 17 million or approximately Baht 567 million)).

### **33.3 Litigation**

#### **33.3.1 Litigation of an overseas subsidiary**

In December 2015, an overseas subsidiary company in France was sued for model infringement and unfair competition by two Swiss-incorporated companies, claiming compensation of EUR 1.02 million, or approximately Baht 40 million.

In March 2018, the Trial Court in France issued a judgment finding the subsidiary guilty of unfair competition, while dismissing the lawsuit relating to model infringement. The Court ordered the subsidiary to pay Euro 50,000, or approximately Baht 2 million, in compensatory damages to the two Swiss-incorporated companies. The subsidiary paid for the damages in September 2018. However, these two companies incorporated in Switzerland submitted an appeal to the Appeal Court in France, seeking to prohibit the subsidiary from engaging any further commercial activities and demanding the destruction of jewelry, production equipment and drawings related to disputed models. They also requested the publication of the judgment.

During the current year, the Appeal Court upheld the judgment of the Trial Court. Therefore, the management of the subsidiary believes that the lawsuit will be concluded and no damage will affect the subsidiary. The subsidiary has therefore not recorded any provision in its accounts.

### 33.3.2 Tax assessments of an overseas subsidiary

In 2017, the Indian tax authority assessed sales tax of approximately INR 31 million, for the years 2010 - 2011, against the subsidiary company in India. The subsidiary subsequently appealed this assessment.

On 30 October 2017, the Deputy Commissioner rejected the subsidiary's appeal against the official assessment and ordered the subsidiary to pay the tax and interest to the Indian tax authority. Subsequently, on 7 December 2017, the subsidiary filed an appeal with the Tribunal, seeking to revoke this assessment on the basis of a legal advisory's opinion that explained the tax assessments. Subsequently, in 2022, the Court of Appeal ruled that the assessment on sales tax for the years 2010 - 2011 amounting to INR 31 million is cancelled.

Furthermore, in 2018, the Indian tax authority assessed sales tax of approximately INR 1 million for the years 2014 - 2016 against the subsidiary.

In 2019, the Indian tax authority assessed sales tax of approximately INR 43.8 million for the years 2012 - 2013 against the subsidiary.

In 2020, the Indian tax authority assessed sales tax of approximately INR 88.4 million for the years 2011 - 2012 against the subsidiary.

In 2021, the Indian tax authority assessed sales tax of approximately INR 38.3 million, for the years 2016 - 2017, and approximately INR 3.6 million, for the years 2017 – 2018, against the subsidiary.

The management of the subsidiary has appealed to the Tribunal to revoke the assessments during the years 2018 - 2021. Currently, those are appeals under consideration by the Tribunal. However, the subsidiary pledge cash to guarantee for those sales tax assessments of approximately INR 9.1 million.

The management of the subsidiary believes that it will be able to file appeals requesting cancellation of the remaining of sales tax assessments during the years 2018 - 2021, and there will be no material impacts on the subsidiary. The subsidiary has therefore not recorded any provisions for these tax assessments.

**34. Fair value hierarchy**

As at 31 December 2022 and 2021, 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 2022			
	Level 1	Level 2	Total
<b>Assets measured at fair value</b>			
Investments in equity designed at fair value through profit or loss	4	-	4
Investments in equity designed at fair value through other comprehensive income	8	-	8
<b>Liabilities measured at fair value</b>			
Forward contract	-	3	3
<b>Assets for which fair value are disclosed</b>			
Investment properties	-	1,267	1,267

(Unit: Million Baht)

Consolidated Financial Statements			
As at 31 December 2021			
	Level 1	Level 2	Total
<b>Assets measured at fair value</b>			
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
<b>Assets for which fair value are disclosed</b>			
Investment properties	-	1,267	1,267

(Unit: Million Baht)

Separate Financial Statements			
As at 31 December 2022			
	Level 1	Level 2	Total
<b>Assets measured at fair value</b>			
Investments in equity designed at fair value through other comprehensive income	8	-	8
<b>Assets for which fair value are disclosed</b>			
Investment properties	-	1,214	1,214

(Unit: Million Baht)

Separate Financial Statements			
As at 31 December 2021			
	Level 1	Level 2	Total
<b>Assets measured at fair value</b>			
Investments in equity designed at fair value through other comprehensive income	12	-	12
<b>Liabilities measured at fair value</b>			
Forward contract	-	3	3
<b>Assets for which fair value are disclosed</b>			
Investment properties	-	1,214	1,214

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

The fair value of derivatives has been determined using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies and yield curves of the respective currencies.

## 35. Financial instruments

### 35.1 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 4 - 7 months.

## 35.2 Financial risk management objectives and policies

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

### **Credit risk**

The Group is exposed to credit risk primarily with respect to trade accounts receivable, loans and deposits with banks and financial institutions. 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.

#### ***Deposits with banks and financial institutions***

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

#### ***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 receivables 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.

## Market risk

There are two types of market risk comprising foreign currency risk and interest rate 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		Financial		Financial		Financial		as at 31 December	
	assets		liabilities		assets		liabilities			
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	(Baht per 1 foreign currency unit)									
US dollar	12	10	12	20	25	23	4	14	34.51	33.37
Euro	-	-	-	-	8	8	-	-	36.77	37.84
Pound Sterling	-	-	-	-	12	12	-	-	41.59	45.02

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 2022 and 2021. 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.

Consolidated financial statements				
Currency	2022		2021	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
US dollar	113	(113)	(3,523)	3,523
Euro	3	(3)	20	(20)
Pound Sterling	18	(18)	9	(9)
Separate financial statements				
Currency	2022		2021	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
US dollar	7,373	(7,373)	3,025	(3,025)
Euro	2,810	(2,810)	2,908	(2,908)
Pound Sterling	4,940	(4,940)	5,190	(5,190)

### **Interest rate risk**

The Group's exposure to interest rate risk relate primarily to bank overdrafts, short-term and long-term loans which are subject to interest. Most of the financial assets and liabilities are short-term and bear floating interest rates or fixed interest rates which are close to the market rate. Therefore, the interest rate risk is to be low. The interest rates were disclosed in the relevant notes to the financial statements.

### **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. Therefore, the liquidity risk is to be low.



The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2022 and 2021 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

Consolidated financial statements					
As at 31 December 2022					
	On demand	Less than 1 year	1 - 5 years	> 5 years	Total
<b>Non-derivatives</b>					
Bank overdrafts and short-term loans from financial institutions	-	302,662	-	-	302,662
Trade and other payables	-	529,380	-	-	529,380
Long-term loans	-	16,655	2,545	-	19,200
Lease liabilities	-	28,660	55,756	-	84,416
<b>Total non-derivatives</b>	-	877,357	58,301	-	935,658
<b>Derivatives</b>					
Cash outflows	-	3,181	-	-	3,181
<b>Total derivatives</b>	-	3,181	-	-	3,181

(Unit: Thousand Baht)

Consolidated financial statements					
As at 31 December 2021					
	On demand	Less than 1 year	1 - 5 years	> 5 years	Total
<b>Non-derivatives</b>					
Bank overdrafts and short-term loans from financial institutions	-	289,183	-	-	289,183
Trade and other payables	-	831,227	-	-	831,227
Long-term loans	-	87,096	-	-	87,096
Lease liabilities	-	25,475	73,747	-	99,222
<b>Total non-derivatives</b>	-	1,232,981	73,747	-	1,306,728

(Unit: Thousand Baht)

Separate financial statements					
As at 31 December 2022					
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
<b>Non-derivatives</b>					
Bank overdrafts and short-term loans from financial institutions	-	299,104	-	-	299,104
Trade and other payables	-	210,134	-	-	210,134
<b>Total non-derivatives</b>	-	509,238	-	-	509,238
<b>Derivatives</b>					
Cash outflows	-	3,181	-	-	3,181
<b>Total derivatives</b>	-	3,181	-	-	3,181

(Unit: Thousand Baht)

Separate financial statements					
As at 31 December 2021					
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
<b>Non-derivatives</b>					
Bank overdrafts and 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
<b>Total non-derivatives</b>	-	865,909	-	-	865,909

### 35.3 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.

### 36. 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 2022, the Group's debt-to-equity ratio was 0.53:1 (2021: 0.77:1) and the Company's debt-to-equity ratio was 0.35:1 (2021: 0.55:1).

### 37. Events after the reporting period

On 27 February 2023, the meeting of the Company's Board of Directors passed a resolution to propose to the 2023 Annual General Meeting of shareholders to consider and approve matters as follows:

a) A resolution was passed to propose a dividend payment at the rate of Baht 0.211111 per share in the form of stock dividends and cash in the total not exceeding of Baht 113,794,447. The details are as follows:

- Distribute the share dividend of the Company to its shareholders at a ratio of 10 ordinary shares for 1 dividend share, not exceeding 53,902,661 shares at a par value of Baht 1 each, or equivalent to a dividend rate of Baht 0.10 per share. In addition, pay a cash dividend of Baht 0.011111 per share, which is a reserve for withholding tax at a rate of 10 percent of the dividend payment, not exceeding Baht 5,989,125. The total amount of dividend is not to exceed Baht 59,891,786. The dividend payment is paid from retained earnings for the year 2021.

In the event that any shareholders has a fraction of existing shares after the share dividend allocation of less than 10 shares, the Company shall pay a cash dividend instead of a share dividend at Baht 0.10 per share.

- Pay cash dividend in respect of the 2022 earnings at the rate of Baht 0.10 per share, totaling approximately Baht 53.9 million.
- b) A resolution was passed to propose an increase in the Company's registered capital of Baht 53.9 million, from Baht 539.0 million to Baht 592.9 million, by issuing 53,902,661 new ordinary shares at a par value of Baht 1 each to support the share dividend, and the amendment of the Memorandum of Association to be consistent with the capital increase.
- c) A resolution was passed to propose the allotment of the newly issued ordinary shares of the Company to support the share dividend.

These resolutions will be further proposed for the shareholders' approval in the Annual General Meeting of the shareholders for the year 2023.

### 38. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 27 February 2023.

## 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

For more information about directors and executives, please visit our website.



<https://www.pranda.com/th/our-leadership/>

## The Person Assigned to take the Highest Responsibility in Accounting and Finance.



**Mr. Chanat Sorakraikitikul**  
(Authorized director to bind the company)

Age	43 Years
Position	<ul style="list-style-type: none"> <li>• Director (Appointed 21 April 2022)</li> <li>• Chair of Finance &amp; Risk Management Committee</li> <li>• Managing Director – Finance &amp; Risk Management</li> </ul>
Education	<ul style="list-style-type: none"> <li>• Bachelor of Arts in Business Administration, Babson College, USA</li> <li>• Master of Arts in Accounting, University of Virginia, USA</li> </ul>
Training attended with regard to roles and responsibilities of corporate directors	<ul style="list-style-type: none"> <li>• Certificate of TLCA Executive Development Program, Class 6 (EDP 6), Thai Listed Companies Association</li> <li>• Certificate of TLCA Leadership Development Program, Class 2 (LDP 2), International Institute for Management Development and Thai Listed Companies Association</li> <li>• Certificate of Director Accreditation Program (DAP), Class 131/2016 Thai Institute of Directors (IOD)</li> </ul>
Work Experience	<ul style="list-style-type: none"> <li>• Vice President – Forever Living Products, Vietnam</li> <li>• Senior Auditor – Ernst &amp; Young, USA</li> <li>• Independent Director, JWD InfoLogistics Public Company Limited</li> </ul>
Directorship	<p><b>Other listed companies</b></p> <ul style="list-style-type: none"> <li>• Vice Chairman/ Independent Director/ Chairman of Audit Committee/ Nomination and Remuneration Committee, Cpanel Public Company Limited</li> <li>• Independent Director/ Audit Committee, Winnergy Medical Public Company Limited</li> </ul> <p><b>Non-listed businesses</b></p> <ul style="list-style-type: none"> <li>• Director of Pranda Group, 3 companies</li> <li>• Chairman of Executive Committee of Pranda Group, 2 company</li> <li>• Executive Director of Pranda Group, 3 companies</li> </ul>
% of Shareholding as of 30 December 2022	PDJ 685,000 shares or 0.13% of paid up shares
Family Relationship among Directors and Executives	Son of Mrs. Prapee Sorakraikitikul

## The Person Assigned to take Direct Responsibility for Accounting Supervision.



**Mrs. Phairin Jeanphun**

Age	50 Years
Position	<ul style="list-style-type: none"> <li>• Finance and Accounting Manager</li> </ul>
Education	<ul style="list-style-type: none"> <li>• Bachelor's degree in Accounting, Southeast Bangkok College</li> </ul>
Work Experience	<ul style="list-style-type: none"> <li>• Responsible for financing and accounting fields more than 33 years</li> </ul>
Directorship	<p><b>Other listed companies</b></p> <p>– None –</p> <p><b>Non-listed businesses</b></p> <p>– None –</p>
% of Shareholding as of 30 December 2022	PDJ 100,000 shares or 0.02 % of paid up shares
Family Relationship among Directors and Executives	– None –

## The Company's Secretary



### Mr. Dusit Chongsutthanamanee

Age	50 Years
Position	<ul style="list-style-type: none"> <li>• Finance &amp; Risk Management Director</li> <li>• Corporate Secretary</li> </ul>
Education	<ul style="list-style-type: none"> <li>• B.Eng. (Second Class Honor), Mahanakorn University of Technology</li> <li>• MBA in Finance, Kasetsart University</li> </ul>
Training attended with regard to roles and responsibilities of corporate directors	<ul style="list-style-type: none"> <li>• Company Secretary Program (CSP) 74/2016, Thailand Institute of Directors (IOD)</li> <li>• Director Accreditation Program (DAP), Class 137/2017, Thai Institute of Directors (IOD)</li> </ul>
Work Experience	<ul style="list-style-type: none"> <li>• Financial Advisor, FPM Consultant Company Limited</li> <li>• Lecturer of "Certificate of Business Advisor", Kasetsart University</li> <li>• Lecturer of "Certificate of Intelligent Investor", Kasetsart University</li> <li>• Lecturer of "Concise Business Advisor", FPM Consultant Company Limited</li> <li>• Lecturer of "Concise Intelligent Investor", FPM Consultant Company Limited</li> </ul>
Directorship	<p><b>Other listed companies</b></p> <ul style="list-style-type: none"> <li>• Vice Chairman , DOD Biotech Public Company Limited</li> <li>• Chairman of Audit Committee, DOD Biotech Public Company Limited</li> <li>• Chairman of Nomination and Remuneration Committee, DOD Biotech Public Company Limited</li> </ul> <p><b>Non – listed companies</b></p> <ul style="list-style-type: none"> <li>• Executive Director, Siri Assets Company Limited</li> <li>• Director, Kin Author Company Limited</li> </ul>
% of Shareholding as of 30 December 2022	- 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 Chongsutthananamee 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 (2008), 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.

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
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

## Details of Directors and Executives

The list of the Board of Directors and Executives		PDJ	Subsidiary Companies								Associated Companies	Related Companies		
			Country			Foreign						Country	Country	
			PMG	CTL	PLG	PNA	HGG	PUK	PDV	PDI	KZ-PRANDA			P.Holding
1. Mrs. Rawitha	Pongnuchit	X												
2. Mr. Pramote	Tiasuwan	▶ + /// + ◆	/ + ///	/ + ///				/	//		/		/	/
3. Mrs. Sunanta	Tiasuwan	/	/ + ///	/ + ///	/ + ///	//	/	/	/	/ + ///			/	/
4. Mrs. Pranee	Khunprasert	● + ◆ + /	X + ●	/ + ///				//	//		/			
5. Ms. Pittaya	Tiasuwan	/ + /// + ◆	/ + ///	/ + ///		//					/			
6. Mr. Chamnong	Watanagase	✱ + /												
7. Mrs. Surat	Sirijansawang	/												
8. Mr. Decha	Nuntanajaroenkul	/ + /// + ◆			//	●	X + ●							
9.Mr. Chanat	Sorakraikitikul	/ + /// + O + ◆	/ + /// + ▲		//		//	●	/ + ●		/			
10. Prof.Dr. Channarong	Pornrungrroj	// + ■ + ◆												
11. Mr.Pitipong	Tiasuwan	// + ◆	//				/ + /// + ▲							

## Note:

X = Chairman ▶ = Vice Chairman / = Director /// = Executive Director ● = Chairman of Executive Committee \* = Chairman of Audit Committee/ Chairman of Nomination & Remuneration Committee ○ = Chairman of Finance & Risk Management Committee

■ = Chairman of Core Values and Corporate Sustainability Committee ◆ = Managing Director of Each Function ♦ = Managing Director of Each Function (Acting)

▲ = Managing Director (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 = Crystalline 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, Primagold 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	
10.	Mr. Pitipong	Tiasuwan		Executive Director

## Attachment 3: Details of the Heads of the Internal Audit and Compliance Units

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### 1) Head of Internal Audit Office

Referring to the Internal Audit Committee Meeting 2/2022 on May 13<sup>th</sup>, 2022, the resolution stated the appointment of Thirty-Four Audit Office Co., Ltd. as the Company's internal audit effective from May 13<sup>th</sup>, 2022. Thirty-Four Audit Office Co., Ltd. assigned Thanadol Ruksapol, Ph.D., audit and internal control partner, to be mainly responsible for internal audit of the Company.

### 2) Head of Company Compliance Department

Mr. Dusit Chongsutthanamane, Corporate Secretary, is appointed as Head of Company Compliance Department. Hence, the profiles of Head of Company Compliance Department are described in "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.wah	Owned by Subsidiary (Pranda Lodging Co., Ltd.)		8,731
Total Investment Properties					586,283

##### Remark:

The Company registered investment properties of the Company on net book value as of December 31<sup>st</sup>, 2022 total THB 577 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 31<sup>st</sup>, 2022 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	<b>Land and Land Improvement</b> 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
	<b>Building</b> 28 Soi Bangna-Trad 28 Bangna Bangna Bangkok 10260				60,438	

Location	Address	Structure and Size	Proprietary	Obligations to Loan Guarantee	Net Value after Depreciation (Thousand Baht)	Objectives in Property Holdings
Bangkok	<b>Land and Land Improvement</b> 24 Soi Bangna-Trad 28 Bangna-Tai Bangna Bangkok 10260	2,182 sq.wah	Owned by the Company	Subject to Mortgage as shown in remark	17,364	Factory, 5-storey Head Office Building
	<b>Building</b> 24, 38 Soi Bangna-Trad 28 Bangna-Tai Bangna Bangkok 10260				201,521	
	<b>Land and Land Improvement</b> 25, 27, 29 Soi La Salle 51 Bangna-Tai 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	9,340	Lodging and Club Building, Building for Metal Melting
	<b>Building</b> 25, 27, 29 Soi La Salle 51 Bangna-Tai Bangna Bangkok 10260				2,500	
	<b>Land and Land Improvement</b> Parcel Number 5958,308,5430, 5431 Bangna-Tai Bangna Bangkok 10260	Area 1,075 sq.wah	Owned by the Company	None	37,811	Building for Metal Melting
	<b>Building Improvement</b> Parcel Number 5958,308,5430, 5431 Bangna-Tai Bangna Bangkok 10260				13,621	
	<b>Condominium</b> Number 1093/64, 68-70 Bangna-North Bangna Bangkok 10260	Area 831.05 sq.m	Owned by Primagold International Co.,Ltd		16,584	Office
	<b>Land</b> 22 Bangna-Tai Bangna Bangkok 10260	Area 724 sq.wah			5,891	
Upcountry	<b>Building Improvement</b> 22 Bangna-Tai Bangna Bangkok 10260		Owned by the Company	Subject to Mortgage as shown in remark	27	Office Building and Factory
	<b>Land and Land Improvement</b> 332-333 Moo 6 Ratchasima-Chokchai Road, Nong Ra Wiang, Muang, Nakhon Ratchasima 30000	Area 3,200 sq.wah			8,300	
	<b>Building</b> 332-333 Moo 6 Ratchasima-Chokchai Road, Nong Ra Wiang, Muang, Nakhon Ratchasima 30000				5,513	

Location	Address	Structure and Size	Proprietary	Obligations to Loan Guarantee	Net Value after Depreciation (Thousand Baht)	Objectives in Property Holdings
Upcountry	<b>Land and Land Improvement</b> 330 Moo 6 Ratchasima-Chokchai Road, Nong Ra Wiang, Muang, Nakhon Ratchasima 30000	Area 3,200 sq.wah	Owned by the Company	None	11,636	Factory
	<b>Building</b> 330 Moo 6 Ratchasima -Chokchai Road, Nong Ra Wiang, Muang, Nakhon Ratchasima 30000				10,917	
	<b>Land</b> 331 Moo 6 Ratchasima -Chokchai Road, Nong Ra Wiang, Muang, Nakhon Ratchasima 30000	Area 1,600 sq.wah		Subject to Mortgage as shown in remark	1,603	
Overseas	<b>Building</b> No. 16 Road 2A, Bien Hoa Industrail Zone II, Dong Nai, Vietnam	10,637 sq.m	Owned by Subsidiary (Pranda Vietnam Co., Ltd.)	None	2,483	Factory
	<b>Building</b> O2, 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	30,712	
<b>Total Land, Land Improvement and Building</b>					<b>445,694</b>	

**Remark:** The Group registered land, property and equipment on net book value as of December 31<sup>st</sup>, 2022 total THB 335 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 31<sup>st</sup>, 2022.

Assets	Proprietary	Obligations to Loan Guarantee	Net Value after Depreciation (Thousand Baht)
1. Machinery	The Company and Subsidiaries	None	10,464
2. Furniture and Fixture and Office Suppliers	The Company and Subsidiaries	None	71,143
3. Vehicles	The Company and Subsidiaries	None	191
4. Assets during installation and construction	The Company and Subsidiaries	None	16,121
5. Improvements on rental assets	Subsidiaries	None	4
<b>Total</b>			<b>97,923</b>

## 1.4 Intangible Assets

As of December 31<sup>st</sup>, 2022, the Company own computer software and trademark of the Company and Subsidiaries with total book value of THB 46.19 million (2021: THB 55.37 million)

### Trademark of the Company and Subsidiaries:

Trademark	Owner	Classification	Registration Number / Country of Origin	Protection Period
	Pranda Jewelry Public Company Limited	Class 14,26	Registration Number Kor300730/Thai	Valid until 23 <sup>rd</sup> July 2028
		Class 14	Registration Number 24812/Brunei	Valid until 3 <sup>rd</sup> November 2028
		Class 14	Registration Number 86975/Morocco	Valid until 13 <sup>th</sup> June 2023
		Class 14	Registration Number IDM000382274/Indonesia	Valid until 17 <sup>th</sup> June 2031
		Class 14,35	Registration Number 6417317/Japan	Valid until 16 <sup>th</sup> July 2031
PRIMA GOLD	Pranda Jewelry Public Company Limited	Class 35	Registration Number 47617339/China	Valid until 27 <sup>th</sup> February 2031
	Pranda Jewelry Public Company Limited	Class 14	Registration Number Kor231480/Thailand	Valid until 27 <sup>th</sup> January 2025
PRIMA & ART	Pranda Jewelry Public Company Limited	Class 14	Registration Number Kor215081/Thailand	Valid until 9 <sup>th</sup> May 2024
	Pranda Jewelry Public Company Limited	Class 14	Registration Number 409257/Vietnam	Valid until 26 <sup>th</sup> June 2028
	Pranda Jewelry Public Company Limited	Class 14	Registration Number IDM000493501/Indonesia	Valid until 9 <sup>th</sup> May 2023
	Pranda Jewelry Public Company Limited	Class 14	Registration Number 407934/Vietnam	Valid until 8 <sup>th</sup> August 2029
	Pranda Jewelry Public Company Limited	Class 14	Registration Number 409258/Vietnam	Valid until 26 <sup>th</sup> June 2028
	H.GRINGOIRE, SARL	Class 14	Registration Number 4333328/France	Valid until 14 <sup>th</sup> December 2026
	Pranda Jewelry Public Company Limited	Class 14	Registration Number 17000750/China	Valid until 20 <sup>th</sup> July 2026
	Pranda Jewelry PVT. LTD	Class 14	Registration Number 1641833/India	Valid until 16 <sup>th</sup> January 2028

Trademark	Owner	Classification	Registration Number / Country of Origin	Protection Period
	Pranda Jewelry Public Company Limited	Class 14	Registration Number 381257/Vietnam	Valid until 2 <sup>nd</sup> April 2028
	Pranda Jewelry Public Company Limited	Class 14	Registration Number Kor323733/Thailand	Valid until 20 <sup>th</sup> October 2029
	Pranda Jewelry Public Company Limited	Class 14	Registration Number 14090515/China	Valid until 13 <sup>th</sup> July 2026
	Pranda Jewelry Public Company Limited	Class 14	Registration Number IDM000351667/Indonesia	Valid until 23 <sup>rd</sup> December 2030
	Pranda Jewelry Public Company Limited	Class 14	Registration Number 4-0353137-000/Vietnam	Valid until 16 <sup>th</sup> April 2028
	Pranda Jewelry PVT. LTD	Class 14	Registration Number 1664181/India	Valid until 13 <sup>th</sup> March 2028
	Pranda Jewelry Public Company Limited	Class 14	Registration Number 171112325/Thailand	Valid until 11 <sup>th</sup> November 2025
	Pranda Jewelry Public Company Limited	Class 35	Registration Number 171112935/Thailand	Valid until 11 <sup>th</sup> November 2025
	Pranda Jewelry Public Company Limited	Class 14,35	Registration Number 16513973/China	Valid until 6 <sup>th</sup> May 2026
	Pranda Jewelry Public Company Limited	Class 14,16,35	Registration Number 005243365/EU	Valid until 7 <sup>th</sup> August 2026
	Pranda Jewelry Public Company Limited	Class 14	Registration Number 211105316/Thailand	Valid until 17 <sup>th</sup> July 2023
	Pranda Jewelry Public Company Limited	Class 16	Registration Number Kor410411/Thailand	Valid until 17 <sup>th</sup> July 2023
	Pranda Jewelry Public Company Limited	Class 35	Registration Number Bor64760/Thailand	Valid until 17 <sup>th</sup> July 2023
	Pranda Jewelry Public Company Limited	Class 25	Registration Number 181119175/Thailand	Valid until 1 <sup>st</sup> March 2027
	Pranda Jewelry Public Company Limited	Class 14	Registration Number Kor283231 /Thailand	Valid until 12 <sup>th</sup> June 2027
	Pranda Jewelry Public Company Limited	Class 25	Registration Number 5950559/Japan	Valid until 2 <sup>nd</sup> June 2027



Trademark	Owner	Classification	Registration Number / Country of Origin	Protection Period
DISAYA	Pranda Jewelry Public Company Limited	Class 14	Registration Number 171136705/Thailand	Valid until 22 <sup>nd</sup> December 2025
	Pranda Jewelry Public Company Limited	Class 25	Registration Number 171114635/Thailand	Valid until 22 <sup>nd</sup> December 2025
	Pranda Jewelry Public Company Limited	Class 25	Registration Number 21870985 and 21870986/China	Valid until 20 <sup>th</sup> July 2028
	Pranda Jewelry Public Company Limited	Class 14	Registration Number 171114635/Thailand	Valid until 30 <sup>th</sup> November 2027
	Pranda Jewelry Public Company Limited	Class 14	Registration Number 211104426/Thailand	Valid until 17 <sup>th</sup> November 2029
	Pranda Jewelry Public Company Limited	Class 35	Registration Number 221112432/Thailand	Valid until 17 <sup>th</sup> November 2029
	Pranda Jewelry Public Company Limited	Class 14	Registration Number 211104403/Thailand	Valid until 17 <sup>th</sup> November 2029
	Pranda Jewelry Public Company Limited	Class 35	Registration Number 211108850/Thailand	Valid until 17 <sup>th</sup> November 2029
	Pranda Jewelry Public Company Limited	Class 14	Registration Number Kor258256/Thailand	Valid until 16 <sup>th</sup> May 2026
Siam Charmulet	Pranda Jewelry Public Company Limited	Class 14	Registration Number 181109638/Thailand	Valid until 26 <sup>th</sup> July 2026
esse	Pranda Jewelry Public Company Limited	Class 14	Registration Number 4812812 /China	Valid until 27 <sup>th</sup> December 2028
	Pranda Jewelry Public Company Limited	Class 14	Registration Number 1439268/Australia	Valid until 27 <sup>th</sup> July 2031
	Pranda Jewelry Public Company Limited	Class 14	Registration Number 4041811/EU	Valid until 23 <sup>rd</sup> September 2024
ARIVA	Pranda Jewelry Public Company Limited	Class 14	Registration Number 4180265/United States	Valid until 24th July 2032
	Pranda Jewelry PVT. LTD	Class 14	Registration Number 1664180/India	Valid until 13 <sup>rd</sup> Mar 2028
	Pranda Jewelry PVT. LTD	Class 14	Registration Number 1664182/India	Valid until 13 <sup>rd</sup> Mar 2028
	Pranda Jewelry PVT. LTD	Class 14	Registration Number 1664179/India	Valid until 13 <sup>rd</sup> Mar 2028



## 2) Investment Policy in Subsidiaries and Associates

As of December 31<sup>st</sup>, 2022, 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.

Company's name	Paid-up capital		Currency	Shareholding percentage		Cost	
	2022	2021		2022	2021	2022	2021
Pranda North America, Inc.	2.0	2.0	Thousand USD	100	100	120,283	120,283
H.GRINGOIRE s.a.r.l.	5.0	5.0	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	2.0	Million USD	100	100	63,855	63,855
Primagold International Co., Ltd.	200.0	200.0	Million Baht	100	100	200,000	200,000
Crystalline Co., Ltd.	2.0	7.5	Million Baht	96	96	71,592	76,760
Pranda Lodging Co., Ltd.	15.0	15.0	Million Baht	83	83	12,075	12,075
Pranda Jewelry Private Limited	150.0	150.0	Million Indian Rupee	51	51	213,439	213,439
Total						1,054,640	1,059,808
Less: Allowance for impairment of investments						(578,021)	(576,557)
Investments in subsidiaries, net						476,619	483,251

During 2022 and 2021, 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 2022 at THB 1 million (2021: THB 36 million).

### Investment in Associates

Company's name	Nature of business	Country of incorporation	Consolidated financial statements			
			Shareholding Percentage		Carrying amounts based on equity method	
			2022 (Percent)	2021 (Percent)	2022	2021
KZ-Pranda Co., Ltd.	Import and distribution of raw materials – precious metals	Thailand	40	40		
– Cost					3,600	3,600
– Accumulated share of profit					2,121	8,966
Total carrying amounts based on equity method					5,721	12,566

## Attachment 5: Corporate Governance Policy, Code of Conduct and Charters of the Board of Directors 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, 8<sup>th</sup> updated version on November 12<sup>th</sup>, 2021, including the 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/>

## Attachment 6: Report of the Audit Committee

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The Audit Committee of Pranda Jewelry Public Company Limited as of December 31<sup>st</sup>, 2022 comprises of 3 Directors namely Mr. Chamnong Watanagase, Chair of Audit Committee, Mrs. Rawittha Pongnuchit and Mrs. Surat Sirijansawang 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 2022, the Audit Committee conducted a total of 4 meetings of which the Directors completely attended the meetings with internal auditors and external auditors with absence of the Management at least once a year, 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 2022 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 March 31<sup>st</sup>, 2023. 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.

#### 5. Appointment of the External Auditors and Audit Fees for 2022

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 2022.

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. Chamnong Watanagase)  
Chair of Audit Committee





**For other inquiries, please contact**

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