

Pranda Jewelry Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2015

1. General information

Pranda Jewelry Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the manufacture and distribution of jewelry. The registered office of the Company is at 28 Soi Bangna-Trad 28, Bangna Subdistrict, Bangna District, Bangkok. The Company has factories located in Bangkok and Nakhonratchasima.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Pranda Jewelry Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2015 Percent	2014 Percent
<u>Held by the Company</u>				
Primagold International Co., Ltd.	Distribution of jewelry	Thailand	100	100
Crystalline Co., Ltd.	Manufacture and distribution of jewelry	Thailand	96	96
Pranda Lodging Co., Ltd.	Dormitory rental	Thailand	83	83
Pranda North America, Inc.	Distribution of jewelry	U.S.A.	100	100
H.GRINGOIRE s.a.r.l.	Distribution of jewelry	France	100	100
Pranda UK Ltd.	Distribution of jewelry	United Kingdom	100	100

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2015 Percent	2014 Percent
Pranda Singapore Pte. Limited	Holding company	Singapore	100	100
Pranda Vietnam Co., Ltd.	Manufacture and distribution of jewelry	Vietnam	100	100
Pranda & Kroll GmbH & Co. KG	Distribution of jewelry	Germany	75	75
Pranda Jewelry Private Limited	Distribution of jewelry	India	51	51
Pranda Trading (Shenzhen) Limited	Ceased its operation in 2015	China	100	100
Guangzhou Pangda Zhubao Shoushi Youxian Gongsi	Ceased its operation in 2013	China	100	100
<u>Held by the subsidiaries</u>				
Pranda Acceptance Sdn. Bhd. (Held by Pranda Singapore Pte. Limited)	Ceased its operation in 2000	Malaysia	100	100
KSV Brand GmbH (Held by Pranda & Kroll GmbH & Co. KG)	Ceased its operation in 2013	Germany	75	75
PDU (UK) Limited (Held by Pranda UK Limited)	Distribution of jewelry through website	United Kingdom	100	100
<u>Controlled by the subsidiary</u>				
PT Pranda Marketing Indonesia (controlled and had equity interest of 55 percent by Primagold International Co., Ltd.)	Retail jewelry	Indonesia	55	55

On 31 March 2013, Primagold International Co., Ltd. entered into an agreement with the shareholders of PT Pranda Marketing Indonesia, assigning control over the financial and operating policies of PT Pranda Marketing Indonesia to Primagold International Co., Ltd., through the majority of the Board of Directors of that company including voting power and granting an equity interest of 55 percent in this company, effective from 31 March 2013. However, the subsidiary is not a shareholder and without transferring any consideration to the shareholders of PT Pranda Marketing Indonesia but has power to control and owns more than half of the voting power. Therefore, the Company considered this company as the subsidiary of the group.

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, on the date which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statement of changes in shareholders’ equity.
 - f) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
 - g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements, which present investments in subsidiaries and associates under the cost method.

3. New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

(a) Financial reporting standards that became effective in the current year

The Company has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements. However, some of these standards involve changes to key principles, which are summarised below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the former standard allowed the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company and its subsidiaries already recognise actuarial gains and losses immediately in other comprehensive income.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the content of TAS 27 *Consolidated and Separate Financial Statements* dealing with consolidated financial statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over investees and determining which entities have to be included in preparation of the consolidated financial statements.

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

TFRS 11 Joint Arrangements

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

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

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact on the financial statements of the Company and its subsidiaries.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

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

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

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

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Rental and service income

Rental income is recognised based on an accrual basis on straight-line basis over the lease term. Service revenue is recognised when services have been rendered taking into account the stage of completion.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

4.4 Inventories

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

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

4.5 Investments

- a) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- b) Investments in debt securities expected to be held to maturity are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.
- c) Investment in associated company are accounted for in the consolidated financial statements using the equity method.
- d) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method.
- e) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment loss (if any).

The fair value of marketable securities is based on the latest bid price of the last working day of the period.

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

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

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

4.6 Investment properties

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

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

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

4.7 Property, plant and equipment/Depreciation

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

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

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

Depreciation is included in determining income.

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

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

4.8 Leasehold rights

Leasehold rights are stated at cost less accumulated amortisation. Amortisation is calculated by reference to cost on a straight-line basis over the period of the lease (25-30 years). Amortisation is included in determining income.

4.9 Business combination

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

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

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

4.10 Borrowing costs

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

4.11 Intangible assets

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

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

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

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

4.12 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

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

4.13 Long-term leases

Leases of equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the useful life of the asset.

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

4.14 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

4.15 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

4.16 Employee benefits

Short-term employee benefits

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

Post-employment benefits and other long-term employee benefits

Defined contribution plans

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

Defined benefit plans and other long-term employee benefits

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law of each country. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan. In addition, the Company and local subsidiaries provide other long-term employee benefit plan.

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit and loss.

4.17 Provisions

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

4.18 Income tax

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

Current tax

Current income tax of the Company and its subsidiaries (in Thailand) is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Income tax of overseas subsidiaries are provided in accordance with tax legislation and tax rates mandated by the tax laws of those countries.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.19 Fair value measurement

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

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

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

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

5. Significant accounting judgements and estimates

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

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Property, plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plan and other long-term employee benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Tax assessment by the Revenue Department

The Company has contingent liabilities as a result of tax assessment by the Revenue Department and believes that no loss will result. In determining tax assessment, the Company's management has used judgement to asses of the result of the tax assessment.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Impairment of investments in subsidiaries

Impairment testing on investments in subsidiaries requires management to make estimates of the cash flows to be generated by the subsidiaries and to determine an appropriate discount rate to calculate the present value of those cash flows.

6. Related party transactions

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

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2015	2014	2015	2014	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	1,068	1,296	Normal business price close to those charged to other customers
Purchases of goods and raw materials	-	-	203	257	With reference to market price
Loan interest income	-	-	20	16	Per loan agreement
Interest income on overdue payment	-	-	1	1	Interest rate at 7.5 percent per annum
Guarantee fee income	-	-	4	3	1 percent per annum
Service income	-	-	41	36	Agreed between the parties
Management income	-	-	12	13	Agreed between the parties
Service expenses	-	-	4	2	Agreed between the parties
Commission payments	-	-	2	3	Agreed between the parties
<u>Transactions with associated company</u>					
Purchases of raw materials	157	242	157	242	With reference to market price
<u>Transactions with related companies</u>					
Sales of goods	7	9	5	7	Normal business price close to those charged to other customers
Purchase of goods	56	59	3	1	With reference to market price
Loan interest income	1	1	-	-	Per loan agreement
Service expenses	3	7	-	3	Agreed between the parties
Service income	1	1	1	1	Agreed between the parties
<u>Transactions with management and directors</u>					
Commission payments	-	1	-	1	Agreed between the parties

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

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

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

Loans to related parties

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

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

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

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

(Unit: Million Baht)

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

Short-term loans to related parties

Consolidated financial statements

A local subsidiary (Pranda Lodging Co., Ltd.) granted short-term loans of Baht 18 million (2014: Baht 13 million), to a related company, A-List Corporate Co., Ltd., and these loans are subject to interest at the rate of 7 percent per annum, secured by the director of this related company and repayable on demand. In addition, the subsidiary granted short-term loan of Baht 3 million (2014: Baht 3 million), to a related company, Supree Holding Co., Ltd, and this loan is subject to interest at the rate of 7 percent per annum, unsecured and repayable on demand.

A local subsidiary (Crystalline Co., Ltd.) granted short-term loan of Baht 7 million, to a related company, A-list Corporate Co., Ltd., and this loan is subject to interest at the rate of 8 percent per annum, unsecured and repayable on demand. During the year 2015, the subsidiary has been repaid this loan.

Separate financial statements

In 2015, the Company granted a short-term loan to a subsidiary, Pranda & Kroll GmbH & Co. KG, of EUR 0.2 million or approximately Baht 6 million. This loan is subject to interest at a rate of 7.5 percent per annum. This loan is unsecured and principal and interest were to be paid within one year.

Long-term loans to related parties

Consolidated financial statements

A local subsidiary granted a long-term loan of USD 2 million, or approximately Baht 72 million (2014: USD 1 million or approximately Baht 33 million), to PT Pranda Marketing Indonesia, a subsidiary company. The loan is subject to interest at the rate of 7.5 percent per annum, has a term of 5 years (maturity in 2016), and is secured by the pledge of some shares of this company.

The loan agreement grants the subsidiary the option to have PT Pranda Marketing Indonesia, makes loan repayment in cash, or to convert part or all of the unpaid loan to the newly issued shares of the company, provided these do not exceed up to 55 percent of total shares. The conversion ratio is set at the par value of that company's shares.

Separate financial statements

The long-term loan of GBP 3.8 million (2014: GBP 3.8 million), granted to a subsidiary, Pranda UK Ltd., is unsecured and was repayable quarterly within 10 years, from March 2010 to December 2019. Subsequently, in December 2014, the Company amended the long-term loan agreement such that the loan is repayable within 6 years, by quarterly from March 2015 to December 2020. The loan is unsecured and interest is payable quarterly at a rate of 7.5 percent per annum. During the year 2015, this subsidiary has not yet paid loan principal of GBP 0.1 million, or approximately Baht 5 million, payable in accordance with the agreement, since the subsidiary has requested that the principal payment be rescheduled.

The long-term loan of EUR 0.7 million (2014: EUR 0.6 million), granted to a subsidiary, Pranda & Kroll GmbH & Co. KG, is unsecured and repayable quarterly within 3 years, from March 2015 to April 2017. Interest is payable quarterly at a rate of 7.5 percent per annum. During the year 2015, this subsidiary has not yet paid the loan principal of EUR 0.1 million, or approximately Baht 5 million, payable in accordance with the agreement, since the subsidiary has requested that the principal payment be rescheduled.

Loan from related party

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

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

Pranda Jewelry Private Limited, its subsidiary, had short-term loan amounting to Indian Rupee 1 million (or equivalent to Baht 1 million) from its director. This loan is unsecured and has no interest charge.

Directors and management's benefits

During the years ended 31 December 2015 and 2014, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

(Unit: Million Baht)

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

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 35.3.1 to the financial statements.

7. Cash and cash equivalents

(Unit: Thousand Baht)

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

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

8. Trade and other receivables

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

In 2014, the Company entered into a settlement agreement with an overseas trade debtor to settle debts totaling USD 5.3 million by means of cash payments totaling USD 0.75 million, paid in accordance with the repayment schedule under the agreement, the issue of a promissory note for USD 1.55 million by the debtor, and the issue of a promissory note for USD 3 million by another overseas company. The total balance of promissory notes, amounting to USD 4.55 million, is presented in other receivables as non-current assets, as described in Note 14 to the financial statements.

During the second-quarter of 2015, the Company received cash payment of USD 0.75 million or approximately Baht 25 million. As a result, as at 31 December 2015, there was no outstanding balance receivable from this overseas trade debtor, included in trade accounts receivable - unrelated parties (2014: USD 0.75 million or approximately Baht 25 million).

9. Inventories

(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2015	2014	2015	2014	2015	2014
Finished goods	1,328,036	1,318,166	(116,074)	(120,076)	1,211,962	1,198,090
Work in process	204,405	183,724	-	-	204,405	183,724
Raw materials	536,670	558,392	(117,369)	(110,137)	419,301	448,255
Factory supplies	14,103	14,586	-	-	14,103	14,586
Goods in transit	3,327	797	-	-	3,327	797
Total	2,086,541	2,075,665	(233,443)	(230,213)	1,853,098	1,845,452

(Unit: Thousand Baht)

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

During the current year, the Company and its subsidiaries reduced cost of inventories by Baht 11 million (The Company only: Baht 7 million) (2014: Consolidated financial statement: Baht 4 million), to reflect the net realisable value. This was included in cost of sales. In addition, the Company and its subsidiaries reversed the write-down of cost of inventories by Baht 8 million (The Company only: Baht 2 million and 2014: Baht 9 million), and reduced the amount of inventories recognised as expenses during the year.

10. Restricted bank deposits

The outstanding balances represented the subsidiaries' deposits with banks, pledged to secure the credit facilities for forward exchange contracts and bank overdraft, and the letters of guarantee issued by banks on behalf of subsidiaries for electricity use.

11. Investment in convertible debentures issued by subsidiary

In 2009, an Indian subsidiary, Pranda Jewelry Private Limited, issued and offered to the Company 69,000 units of fully compulsorily convertible debentures, unsubordinated and unsecured, with a par value of 1,000 Indian rupees each, or a total of 69 million Indian rupees. All debentures are to be converted into fully paid up equity shares of the subsidiary on a mutually agreed date after 31 December 2012 and mature on 31 December 2016. The conversion ratio will be calculated in accordance with related regulations in India.

Under the debentures agreement, the subsidiary will pay interest on a quarterly basis at rates of 7.5 to 15 percent per annum. Moreover, the subsidiary has the right, under the agreement, to buy back the converted equity shares from the Company on or after the conversion date. In any case, if the subsidiary is unable to buy back such shares from the Company, the Company will offer some of the converted equity shares to the minority shareholder of the subsidiary in order to maintain the holding structure of the Company and the minority shareholder of the subsidiary.

As at 31 December 2014, the Company had 69,000 units of convertible debentures outstanding, with a par value of 1,000 Indian rupees each, totaling of 69 million Indian rupees or approximately of Baht 32 million, with an interest rate of 7.5 percent per annum.

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

12. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Paid-up capital		Currency	Shareholding percentage		Cost	
	2015	2014		2015	2014	2015	2014
				(Percent)	(Percent)		
Pranda North America, Inc.	2	2	Thousand USD	100	100	120,283	120,283
H.GRINGOIRE s.a.r.l.	5	5	Million EUR	100	100	344,423	344,423
Pranda UK Ltd.	0.5	0.5	Million GBP	100	100	28,973	28,973
Pranda Vietnam Co., Ltd.	1.5	1.5	Million USD	100	100	48,180	48,180
Pranda Singapore Pte. Limited	3	3	Million SGD	100	100	53,681	53,681
Primagold International Co., Ltd.	200	200	Million Baht	100	100	200,000	200,000
Crystalline Co., Ltd.	100	100	Million Baht	96	96	96,000	96,000
Pranda Lodging Co., Ltd.	50	50	Million Baht	83	83	41,125	41,125
Guangzhou Pangda Zhubao							
Shoushi Youxian Gongsi	3.35	3.35	Million USD	100	100	112,523	112,523
Pranda & Kroll GmbH & Co. KG	14.96	14.96	Million EUR	75	75	575,303	573,303
Pranda Jewelry Private Limited	150	1	Million Indian Rupee	51	51	44,255	436
Pranda Trading (Shenzhen) Limited	0.55	0.55	Million USD	100	100	17,437	17,437
Total						1,680,183	1,636,364
Less: Allowance for impairment of investments						(802,100)	(802,100)
Investments in subsidiaries, net						878,083	834,264

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

During the year 2014, the Company has recorded allowance for impairment loss on investments in subsidiaries in the separate income statement for the year 2014, a total of Baht 124 million.

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

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

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

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

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

Subsidiary - Pranda Trading (Shenzhen) Limited

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

Subsidiary - Pranda Jewelry Private Limited

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

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

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

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

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

Summarised information about financial position

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

Summarised information about comprehensive income

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

Summarised information about cash flow

(Unit: Million Baht)

For the year ended 31 December

Pranda & Kroll GmbH & Co. KG

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

13. Investments in associated company

13.1 Details of associated company:

(Unit: Thousand Baht)

Consolidated financial statements

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

(Unit: Thousand Baht)

Separate financial statements

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

13.2 Share of profit

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

(Unit: Thousand Baht)

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

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

13.3 Financial information of associated company

Financial information of the associated company is summarised below.

(Unit: Million Baht)

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

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

14. Other receivables

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

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

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

(Unit: Thousand Baht)

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

15. Other long-term investments

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

(Unit: Thousand Baht)

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

(Unit: Thousand Baht)

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

16. Investment properties

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

(Unit: Thousand Baht)

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

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

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

In November 2014, the Company arranged for an independent professional valuer to appraise the value of investment properties which are land held for development for future projects. The basis of the revaluation was “Market approach”. The results showed the fair value of land held for development which is higher than its net book value. The Company recorded the reversal previously recognised allowance for loss on impairment totaled Baht 188 million in the consolidated and separate income statement for the year 2014.

The fair value of the investment properties stated below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land held for development	823,500	823,500	823,500	823,500
Land and building for rent	62,790	62,790	142,730	142,730

The fair values of the land held for development, land and building for rent have been determined based on valuations performed by an accredited independent valuer using the market approach.

The Company and its subsidiaries have mortgaged their investment properties with a total net book value as at 31 December 2015, amounting to approximately Baht 673 million (2014: Baht 673 million) as collateral against credit facilities received from commercial banks (The Company only: Baht 676 million, 2014: Baht 676 million).

17. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements								
	Land	Land improvements	Buildings and building improvements	Leasehold improvements	Machinery and equipment	Furniture, Fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total
Cost:									
1 January 2014	95,679	11,300	437,756	40,623	238,301	449,414	33,804	321,494	1,628,371
Additions	-	87	-	310	8,246	28,876	795	91,308	129,622
Disposals	-	-	(2,897)	(5,154)	(12,167)	(18,715)	(2,612)	-	(41,545)
Capitalised interest	-	-	-	-	-	-	-	5,465	5,465
Transfers	-	4,102	55,118	-	194	63,126	-	(122,540)	-
Translation adjustment	-	-	160	(1,195)	(1,089)	(2,236)	(607)	(825)	(5,792)
31 December 2014	95,679	15,489	490,137	34,584	233,485	520,465	31,380	294,902	1,716,121
Additions	-	70	10,373	379	2,293	20,980	5,687	64,715	104,517
Disposals	(432)	-	(5,963)	-	(829)	(13,939)	(2,002)	(172)	(23,337)
Transfers	-	-	294,967	-	511	29,470	-	(324,948)	-
Translation adjustment	-	-	5,985	747	1,183	3,518	271	412	12,116
31 December 2015	95,247	15,559	795,499	35,730	236,643	560,494	35,336	34,909	1,809,417

17. Property, plant and equipment (continued)

(Unit: Thousand Baht)

Consolidated financial statements

	Land	Land improvements	Buildings and building improvements	Leasehold improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total
Accumulated depreciation:									
1 January 2014	-	7,166	306,309	31,268	185,747	354,850	25,400	-	910,740
Depreciation for the year	-	456	14,583	1,369	18,940	34,363	3,413	-	73,124
Depreciation on disposals	-	-	(2,111)	(5,121)	(9,566)	(17,690)	(1,597)	-	(36,085)
Translation adjustment	-	-	82	(729)	(488)	(2,214)	(289)	-	(3,638)
31 December 2014	-	7,622	318,863	26,787	194,633	369,309	26,927	-	944,141
Depreciation for the year	-	515	21,482	1,157	15,845	42,816	3,285	-	85,100
Depreciation on disposals	-	-	(4,102)	-	(829)	(13,310)	(1,928)	-	(20,169)
Translation adjustment	-	-	3,175	477	1,037	2,664	214	-	7,567
31 December 2015	-	8,137	339,418	28,421	210,686	401,479	28,498	-	1,016,639
Allowance for impairment loss:									
31 December 2014	-	-	-	-	-	11,833	-	-	11,833
31 December 2015	-	-	-	-	-	11,833	-	-	11,833
Net book value:									
31 December 2014	95,679	7,867	171,274	7,797	38,852	139,323	4,453	294,902	760,147
31 December 2015	95,247	7,422	456,081	7,309	25,957	147,182	6,838	34,909	780,945
Depreciation for the year									
2014 (Baht 36 million included in manufacturing cost, and the balance in selling and administrative expenses)									73,124
2015 (Baht 35 million included in manufacturing cost, and the balance in selling and administrative expenses)									85,100

17. Property, plant and equipment (continued)

(Unit: Thousand Baht)

	Separate financial statements							Total
	Land	Land improvements	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	
Cost:								
1 January 2014	88,570	11,300	350,109	211,888	261,004	19,815	279,371	1,222,057
Additions	-	87	-	8,171	7,655	-	90,797	106,710
Disposals	-	-	(777)	(6,640)	(10,837)	(2)	-	(18,256)
Transfers	-	4,103	20,683	193	62,617	-	(87,596)	-
Capitalised interest	-	-	-	-	-	-	5,465	5,465
31 December 2014	88,570	15,490	370,015	213,612	320,439	19,813	288,037	1,315,976
Additions	-	70	10,373	2,275	6,205	5,064	62,194	86,181
Disposals	(432)	-	(5,963)	(814)	(7,033)	(1,259)	(172)	(15,673)
Transfers	-	-	294,967	511	27,044	-	(322,522)	-
31 December 2015	88,138	15,560	669,392	215,584	346,655	23,618	27,537	1,386,484
Accumulated depreciation:								
1 January 2014	-	7,166	256,284	165,703	215,853	15,255	-	660,261
Depreciation for the year	-	456	9,995	17,779	12,731	2,048	-	43,009
Depreciation on disposals	-	-	(207)	(6,530)	(10,705)	(2)	-	(17,444)
31 December 2014	-	7,622	266,072	176,952	217,879	17,301	-	685,826
Depreciation for the year	-	515	17,329	15,260	22,393	1,987	-	57,484
Depreciation on disposals	-	-	(4,102)	(814)	(6,677)	(1,259)	-	(12,852)
31 December 2015	-	8,137	279,299	191,398	233,595	18,029	-	730,458

17. Property, plant and equipment (continued)

(Unit: Thousand Baht)

	Separate financial statements							Total
	Land	Land improvements	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	
Allowance for impairment loss:								
31 December 2014	-	-	-	-	11,833	-	-	11,833
31 December 2015	-	-	-	-	11,833	-	-	11,833
Net book value:								
31 December 2014	88,570	7,868	103,943	36,660	90,727	2,512	288,037	618,317
31 December 2015	88,138	7,423	390,093	24,186	101,227	5,589	27,537	644,193
Depreciation for the year								
2014 (Baht 32 million included in manufacturing cost, and the balance in selling and administrative expenses)								43,009
2015 (Baht 32 million included in manufacturing cost, and the balance in selling and administrative expenses)								57,484

As at 31 December 2015, certain plant and equipment items of the Company and its subsidiaries have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 789 million (2014: Baht 684 million) (The Company only: Baht 576 million, 2014: Baht 520 million).

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

18. Leasehold rights

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

19. Intangible assets

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

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Computer software	Brand names	Total	Computer software	Brand names	Total
Cost:						
As at 1 January 2014	63,966	3,352	67,318	30,071	3,352	33,423
Additions	1,501	50	1,551	1,426	50	1,476
Translation adjustment	(1,734)	-	(1,734)	-	-	-
As at 31 December 2014	63,733	3,402	67,135	31,497	3,402	34,899
Additions	5,792	-	5,792	4,518	-	4,518
Disposals	(1,358)	-	(1,358)	-	-	-
Translation adjustment	822	-	822	-	-	-
As at 31 December 2015	68,989	3,402	72,391	36,015	3,402	39,417
Accumulated amortisation:						
As at 1 January 2014	31,653	-	31,653	13,507	-	13,507
Amortisation during the year	4,992	-	4,992	1,769	-	1,769
Translation adjustment	(1,291)	-	(1,291)	-	-	-
As at 31 December 2014	35,354	-	35,354	15,276	-	15,276
Amortisation during the year	4,578	-	4,578	1,694	-	1,694
Amortisation on disposals	(1,199)	-	(1,199)	-	-	-
Translation adjustment	500	-	500	-	-	-
As at 31 December 2015	39,233	-	39,233	16,970	-	16,970
Net book value:						
31 December 2014	28,379	3,402	31,781	16,221	3,402	19,623
31 December 2015	29,758	3,402	33,158	19,044	3,402	22,447

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

(Unit: Thousand Baht)

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

Bank overdrafts and some part of short-term loans from financial institutions of the Company are secured by the mortgage of the Company's land with structures thereon, and investment properties.

Bank overdrafts and short-term loans from financial institutions of a local subsidiary company are guaranteed by the Company, and directors of the Company and that subsidiary company.

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

Short-term loan from financial institutions of an overseas subsidiary is guaranteed by the assets of the subsidiary's director.

21. Trade and other payables

(Unit: Thousand Baht)

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

22 Short-term loans from unrelated individuals

As at 31 December 2014, short-term loans from unrelated individuals of the Company comprise short-term loans from individuals totaling Baht 30 million in the form of bills of exchange. The loans are carrying the interest rate at 4 percent per annum and unsecured. The Company made the repayment of these loans in 2015.

23. Long-term loans

(Unit: Thousand Baht)

Loan	Interest rate (percent per annum)	Repayment schedule	Consolidated		Separate	
			financial statements	financial statements	financial statements	financial statements
			2015	2014	2015	2014
1	MLR - 1	Quarterly installment as from April 2016 to July 2022	400,000	-	400,000	-
2	MLR - 1	Quarterly installment as from November 2012 to February 2019	154,400	199,200	154,400	199,200
3	MLR - 1	Quarterly installment as from October 2013 to October 2017	120,350	155,750	120,350	155,750
4	MLR	Monthly installment as from January 2007 to December 2017	1,813	2,723	-	-
5	MLR + 0.5	Monthly installment as from July 2009 to December 2015	-	1,818	-	-
6	MLR	Monthly installment as from October 2009 to June 2016	3,072	8,630	-	-
7	13.50	Monthly installment as from September 2013 to August 2028 (Indian Rupee loan)	15,000	14,547	-	-
Total			694,635	382,668	674,750	354,950
Less: Deferred financial service fee			(771)	-	(771)	-
Total loans, net			693,864	382,668	673,979	354,950
Less: Current portion of long-term loans			(678,442)	(88,701)	(673,979)	(80,200)
Long-term loans, net of current portion			15,422	293,967	-	274,750

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

The long-term loans of the Company are secured by the mortgage of land with structures, and investment properties, and by the guarantee of the Company's directors. The loan agreements contain covenants as specified in the agreements that, among other things, require the Company to maintain certain debt to equity ratio and debt service coverage ratio (DSCR) prescribed in the agreements.

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

Long-term loans of a local subsidiary company were granted by local commercial banks. Such loans were secured by the mortgage of its office condominium units, investment properties and some of its leasehold rights, and by the guarantees of the Company and directors of the subsidiary. The loan agreements contain covenants as specified in the agreements that, among other things, require the subsidiary to maintain certain debt to equity, ratio at the rate prescribed in the agreements.

Long-term loan of overseas subsidiary company, Pranda Jewelry Private Limited, was granted by an Indian financial institution. Such loan is secured by the mortgage of a building of this subsidiary.

24. Provision for long-term employee benefits

Provision for long-term employee benefits was as follows:

(Unit: Thousand Baht)

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

(Unit: Thousand Baht)

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

Long-term employee benefit expenses included in the statements of income consist of the following:

(Unit: Thousand Baht)

	Consolidated financial statements					
	Post-employment benefits from employee's retirement		Other long-term employee benefits plan		Total	
	2015	2014	2015	2014	2015	2014
	Cost of sales	7,822	7,662	826	777	8,648
Selling and administrative expenses	6,618	4,652	767	(1,081)	7,385	3,571
Total expense recognised in statement of income	14,440	12,314	1,593	(304)	16,033	12,010

(Unit: Thousand Baht)

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

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

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

Key actuarial assumptions used for the valuation are as follows:

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

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

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

25. Share capital

On 21 April 2015, the Annual General Meeting of the shareholders of the Company passed a resolution to approve a decrease in the Company's registered share capital from Baht 410,000,000 (410,000,000 ordinary shares of Baht 1 each) to Baht 409,529,000 (409,529,000 ordinary shares of Baht 1 each) by cancelling 471,000 registered ordinary shares with a par value of Baht 1 each that are unissued due to the non-exercise of warrants. The Company registered the decrease in its registered share capital with the Ministry of Commerce on 29 April 2015.

26. Statutory reserve

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

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

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

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

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

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

28. Expenses by nature

Significant expenses classified by nature are as follows:

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

29. Income tax

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

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

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

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

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Accounting profit (loss) before tax	(70,625)	89,389	58,588	138,790
Applicable tax rate	15% - 40%	15% - 40%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	(32,298)	19,402	11,718	27,758
Adjustment in respect of current income tax of previous year	(104)	-	-	-
Reversals previously unrecognised deferred tax assets on impairment loss of assets	-	(37,603)	-	(37,603)
Deferred tax assets which were not recognised during the year	58,799	51,633	7,023	36,920
Decrease in deferred tax assets	17,884	-	-	-
Effect of elimination entries on the consolidated financial statements	(932)	(4,416)	-	-
Effects of:				
Promotional privileges (Note 30)	(26,824)	(33,250)	(28,571)	(35,679)
Non-deductible expenses	2,256	6,735	2,040	1,014
Additional expense deductions allowed	(1,082)	(1,048)	(957)	(978)
Others	214	739	284	739
Total	(25,436)	(26,824)	(27,204)	(34,904)
Tax expenses (income) reported in the statements of income	<u>17,913</u>	<u>2,192</u>	<u>(8,463)</u>	<u>(7,829)</u>

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

(Unit: Thousand Baht)

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

(Unit: Thousand Baht)

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

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

As at 31 December 2015, the subsidiaries have deductible temporary differences and unused tax losses totaling Baht 1,699 million (2014: Baht 1,375 million), on which deferred tax assets have not been recognised as the subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

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

30. Promotional privileges

30.1 The Company has received promotional privileges from the Board of Investment for the manufacture of jewelry for its factory located in Suranaree Industries Estate Zone in Nakorn Rachasima province, pursuant to the promotion certificate No. 1616(2)/2553 issued on 14 June 2010. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax on income derived from the promoted operations for a period of 8 years from the date the promoted operations commenced generating revenues (4 January 2011) and a 50% reduction of corporate income tax on income derived from the promoted operations for a period of 5 years after the tax-exemption period ends.

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

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

30.2 A subsidiary company (Pranda Vietnam Company Limited) was granted tax privileges by the Government of Vietnam for the manufacture of gold and silver jewelry. Subject to certain imposed conditions, the privileges include a reduction of corporate income tax from 22 % to 15 % on income derived from the promoted operations for a period of 40 years from the date the promoted operations commenced generating revenues.

31. Earnings per share

Basic earnings per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year which are net from treasury shares holding by the Company as discussed in notes 27.

Diluted earnings per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

The warrants to purchase the Company's ordinary shares under Employee Stock Option Plan (ESOP) were due for the last exercise date on 27 February 2014. As a result, there was no effect of dilutive potential ordinary shares during the current year.

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

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

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

32. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operation decision maker has been identified as Board of Executive Directors.

For management purposes, the Company and its subsidiaries are organised into business units based on its business activities and have three reportable segments as follows:

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

Other segments are dormitory rental in Thailand, investment and dormant companies.

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

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

Inter-segment revenues are eliminated on consolidation.

The following tables present revenues and profit (loss) information regarding the Company's and its subsidiaries' operating segments for the years ended 31 December 2015 and 2014.

	(Unit: Million Baht)													
	Production		Distribution		Retail		Others		Total Segments		Eliminations		Consolidated	
For the years ended 31 December	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues														
Revenues from external customers	936	1,255	977	1,227	908	813	-	-	2,821	3,295	-	-	2,821	3,295
Revenues from intersegment	1,064	1,273	14	10	174	227	-	2	1,252	1,512	(1,252)	(1,512)	-	-
Total revenues	<u>2,000</u>	<u>2,528</u>	<u>991</u>	<u>1,237</u>	<u>1,082</u>	<u>1,040</u>	<u>-</u>	<u>2</u>	<u>4,073</u>	<u>4,807</u>	<u>(1,252)</u>	<u>(1,512)</u>	<u>2,821</u>	<u>3,295</u>
Results														
Segment profit (loss)	(6)	97	(169)	(112)	64	65	(9)	(29)	(120)	21	95	55	(25)	76
Unallocated revenues and expenses														
Interest income													4	8
Gain (loss) on exchange rate													53	(74)
Other income													46	37
Depreciation and amortisation													(94)	(83)
Reversal impairment loss on investment properties													-	188
Share of profit from investment in associated company													9	-
Finance cost													(64)	(63)
Profit (loss) before income tax expenses													(71)	89
Tax income (expenses)													(18)	(2)
Profit (loss) for the year													<u>(89)</u>	<u>87</u>

Geographic information

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

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

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

Major customers

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

33. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly, at the rate of 3 to 5 percent of basic salary. The fund, which is managed by TMB Bank Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2015, the Company contributed Baht 10 million to the fund (2014: Baht 11 million).

34. Dividends

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

35. Commitments and contingent liabilities

35.1 Capital commitments

As at 31 December 2015, the Company had capital commitments totaling of approximately Baht 10 million (2014: Baht 21 million), relating to acquisition of computer software, building construction and building improvements.

35.2 Operating lease commitments

The Company and its subsidiaries have entered into several operating lease and service agreements in respect of the lease of office building space, factories, department store space, motor vehicles, and equipment. The terms of the agreements are generally between 1 and 30 years.

Future minimum lease payments required under these operating leases contracts were as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	As at 31 December		As at 31 December	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Payable:				
In up to 1 year	38	37	-	-
In over 1 and up to 5 years	56	56	-	-
In over 5 years	13	18	-	-

35.3 Guarantees

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

35.4 Long-term service commitments

An overseas subsidiary company has entered into a license agreement with an overseas company for the use of a trademark. Under the conditions of the license agreement, the subsidiary is to pay a monthly license fee as stipulated in the agreement. The agreement period has started from January 2014 to December 2018. The fees for the current year amounting to Baht 5 million (2014: Baht 4 million) were recognised as expenses.

35.5 Litigations

35.5.1 Tax assessment by the Revenue Department

In 2012, the Company received a corporate income tax assessment letter from the Revenue Department covering the years 2004 - 2006 and 2008 - 2010, assessing tax totaling approximately Baht 18 million (including surcharges). However, the Company submitted a letter of appeal to the Tax Appeal Committee seeking to have the assessment revoked. In November 2014, the Tax Appeal Committee rejected the Company's appeal to revoke this assessment by the official, and ordered the Company to pay the tax and surcharges to the Revenue Department. The Company, therefore petitioned the Central Tax Court to revoke this tax assessment on 25 December 2014 and provided a bank guarantee of approximately Baht 21 million (2014: Baht 18 million) issued by a bank on behalf of the Company to the Revenue Department in relation to the tax assessment.

Later, on 9 December 2015, the Central Tax Court announced its judgement in the Company's favour, revoking all of the assessment made by the Revenue Department and the Tax Appeal Committee's decision. The Revenue Department was entitled to lodge an appeal to the Supreme Court, Department of Taxation within 30 days but requested an extension of this deadline to 8 March 2016, which was granted by the Court.

The management of the Company believes that the Company will have no corporate income tax obligations as a result of this assessment by the Revenue Department, and no significant losses will be incurred. Therefore, the Company has not recorded any provision for this tax assessment.

35.5.2 Litigation of an overseas subsidiary

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

36. Other information

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

- 1) To propose the issue and offer of up to Baht 500 million of debentures with tenors of no more than 5 years, for approval at the Annual General Meeting of the shareholders.
- 2) To approve the issue and offer of up to Baht 300 million of short-term bills of exchange with maturities of not more than 270 days.

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

37. Fair value hierarchy

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

	(Unit: Million Baht)			
	Consolidated Financial Statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Held for trade investments				
Equity instruments	90	-	-	90
Assets for which fair value are disclosed				
Investment property	-	886	-	886
				(Unit: Million Baht)
				Separate Financial Statements
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Held for trade investments				
Equity instruments	90	-	-	90
Assets for which fair value are disclosed				
Investment property	-	966	-	966

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

38. Financial instruments

38.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, loans, investments, and short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade and other receivables and loans. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentrations of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables and loans as stated in the statement of financial position.

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relate primarily to bank deposits, investments, loans to related parties, trade and other payables, bank overdrafts, short-term loans and long-term loans which are subject to interest. Most of the financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

Significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2015

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

(1) MLR, MLR - 0.5, MLR - 1, 13.50

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2014

	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	69	-	-	111	162	342	0.05 - 2.50
Current investments - deposits with financial institutions	9	-	-	-	-	9	3.00 - 9.50
Trade and other receivables	15	-	-	-	549	564	1.32, 8.00
Short-term loans to related parties	23	-	-	-	-	23	7.00, 8.00
Restricted bank deposits	4	-	-	5	-	9	1.70 - 2.65
Other long-term investments	-	10	-	-	14	24	2.80
Other receivables	-	-	-	-	111	111	-
Total	120	10	-	116	836	1,082	
Financial liabilities							
Bank overdrafts and short-term loans from financial institutions	685	-	-	4	-	689	2.00 - 12.75
Trade and other payables	122	-	-	-	431	553	2.30 - 3.40
Short-term loan from related party	-	-	-	-	1	1	-
Short-term loans from unrelated parties	30	-	-	-	-	30	4.00
Long-term loans	-	2	13	368	-	383	(1)
Total	837	2	13	372	432	1,656	

(1) MLR, MLR-1, MLR+0.5, 13.50

(Unit: Million Baht)

Separate financial statements as at 31 December 2015

	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	80	-	-	71	43	194	0.125 - 0.5, 1.25
Trade and other receivables	-	-	-	-	1,003	1,003	-
Amounts due from related parties	-	-	-	-	39	39	-
Long-term loans to related parties	35	195	-	-	-	230	7.50
Other long-term investments	-	10	-	-	102	112	2.80
Other receivables	-	-	-	-	32	32	-
Total	115	205	-	71	1,219	1,610	
Financial liabilities							
Bank overdrafts and short-term loans from financial institutions	362	-	-	-	-	362	3.60 - 3.90
Trade and other payables	-	-	-	-	333	333	2.30 - 3.40
Long-term loans	-	-	-	675	-	675	MLR-0.5, MLR-1
Total	362	-	-	675	333	1,370	

(Unit: Million Baht)

Separate financial statements as at 31 December 2014

	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	65	-	-	63	13	141	0.125 - 0.65, 2.00
Trade and other receivables	-	-	-	-	972	972	-
Amounts due from related parties	-	-	-	-	39	39	-
Long-term loans to related parties	9	209	-	-	-	218	7.50
Investment in convertible debentures issued by subsidiary	-	32	-	-	-	32	7.50
Other long-term investments	-	10	-	-	13	23	2.80
Other receivables	-	-	-	-	111	111	-
Total	74	251	-	63	1,148	1,536	
Financial liabilities							
Bank overdrafts and short-term loans from financial institutions	513	-	-	-	-	513	3.35 - 4.40
Trade and other payables	6	-	-	-	299	305	2.30 - 3.40
Short-term loans from unrelated parties	30	-	-	-	-	30	4.00
Long-term loans	-	-	-	355	-	355	MLR-1
Total	549	-	-	355	299	1,203	

Foreign currency risk

The Company and its subsidiaries' exposure to foreign currency risk arise mainly from trading transactions and borrowings that are denominated in foreign currencies. The Company and its subsidiaries seek to reduce this risk by entering into forward exchange contracts when they consider appropriate. Generally, the forward contracts mature within one year.

The balances of financial assets and liabilities denominated in foreign currencies are summarised below.

(Unit: Million)

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

Foreign exchange contracts outstanding are summarised below.

Consolidated financial statements as at 31 December 2015

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

Consolidated financial statements as at 31 December 2014

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

Separate financial statements as at 31 December 2015

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

Separate financial statements as at 31 December 2014

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

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

38.2 Fair values of financial instruments

Since the majority of the Company's and its subsidiaries' financial instruments are short-term in nature or loans bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

39. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2015, the Group's debt-to-equity ratio was 0.78:1 (2014: 0.66:1) and the Company's debt-to-equity ratio was 0.49:1 (2014: 0.42:1).

40. Events after the reporting period

40.1 Short-term loan to a related company

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

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

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

41. Approval of financial statements

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