

Sor Lor 026/2022

May 13, 2022

Subject : Management's Discussion and Analysis for the first Quarter 2022

To : The President
The Stock Exchange of Thailand (SET)

Pranda Jewelry Public Company Limited would like to notify the operating result stated in consolidated financial statements for the first Quarter period ended March 31, 2022 which compared to the same period of 2021.

For the operating result of first Quarter ended March 31, 2022 compared with the same period of 2021. There is a loss on equity holders of the company at the amount of Baht 4.83 million compared to the same period of previous year that the company has profit on equity holders at Baht 50.87 million or decreased by 109.48%. The Statement of Comprehensive Income in brief is presented as followed:

	Unit: Million Baht		
	January - March		
	2022	2021	Change (%)
Sales revenue	744.63	505.87	47.20%
Cost of sales	557.67	368.24	51.44%
Gross profit	186.96	137.63	35.84%
Gross profit margin	25.11%	27.21%	(2.10%)
Selling and administrative expenses	148.17	154.58	(4.15%)
Operating profit (Loss)	38.79	(16.95)	328.85%
Finance cost	6.66	10.77	(38.16%)
Gain (Loss) on exchange rate	(28.34)	41.93	(167.59%)
Other items (expenses)	(10.06)	44.40	(88.92%)
Tax income (expenses)	1.77	(10.50)	116.86%
Non-controlling interests of the subsidiaries (loss)	0.33	(2.76)	111.96%
Profit (Loss) on equity holders of the Company	(4.83)	50.87	(109.48%)

Pranda Group has revenue of Baht 744.63 million compared to the same period of previous year Baht at 505.87 million or increased by 47.20%.

The increase in revenue is mainly due to sale from production business, which account for 69% of total revenue, increased by 71% compared with same period of previous year as key customer's economy in Europe and USA grow significantly resulted in achieved sales order.

While revenue in Omni-channel business, which account for 31% of total revenue, increased by 12% compared with same period of previous year mainly due to Thailand and Vietnam market spending recovery while, previous year had been affected by COVID-19 epidemic situation. Also, India recover and start local production line to supply the growing demand in India market.

As a result of overall in first quarter 2022, the company has gross profit of Baht 186.96 million or 25.11% lower than same period of previous year which was at 27.21% because production business unit contribute higher revenue portion than same period of previous year as mentioned above.

In first quarter 2022, Pranda Group has selling and administration expense decreased from previous year due to restructuring operation which not generate profit. Although, in first quarter 2022, Pranda Group has some selling and administration expense increased align with sales growth as aforementioned above. Therefore, total selling and administration expense has at Baht 148.17 million decreased 4.15% compared with same period of previous year.

As aforementioned earlier, Pranda Group has operating profit in first quarter 2022 at Baht 38.79 million compared with previous year which had loss at Baht (16.95) million.

Pranda Group has finance cost at Baht 6.66 million compared to the same period of previous year at Baht 10.77 million or decreased by 38.16% which mainly due to loan outstanding balance as at March 31, 2022 lower than the same period of previous year.

In first Quarter, Pranda Group has loss on exchange rate at the amount of Baht 28.34 million compared to the same period of previous year which had gain on exchange rate at Baht 41.93 million due to unrealized loss on exchange rate of Euro currency of working capital in subsidiary in foreign country.

Other (expenses) items has at Baht (10.06) million compared to the same period of previous year at Baht 44.40 million or decreased by 88.92% mainly came from first quarter in 2022 Pranda Group has unrealized loss on market price of raw material which increased as at ended of quarter compared with previous year which had profit.

Pranda Group has tax income Baht 1.77 million while the same period of previous year had tax expense Baht 10.50 million due to less tax payment as Pranda Group has less taxable profit.

In summary, Pranda Group has made loss on equity holders of the company at Baht 4.83 million compared with the same period of previous year which had made profit Baht 50.87 million.

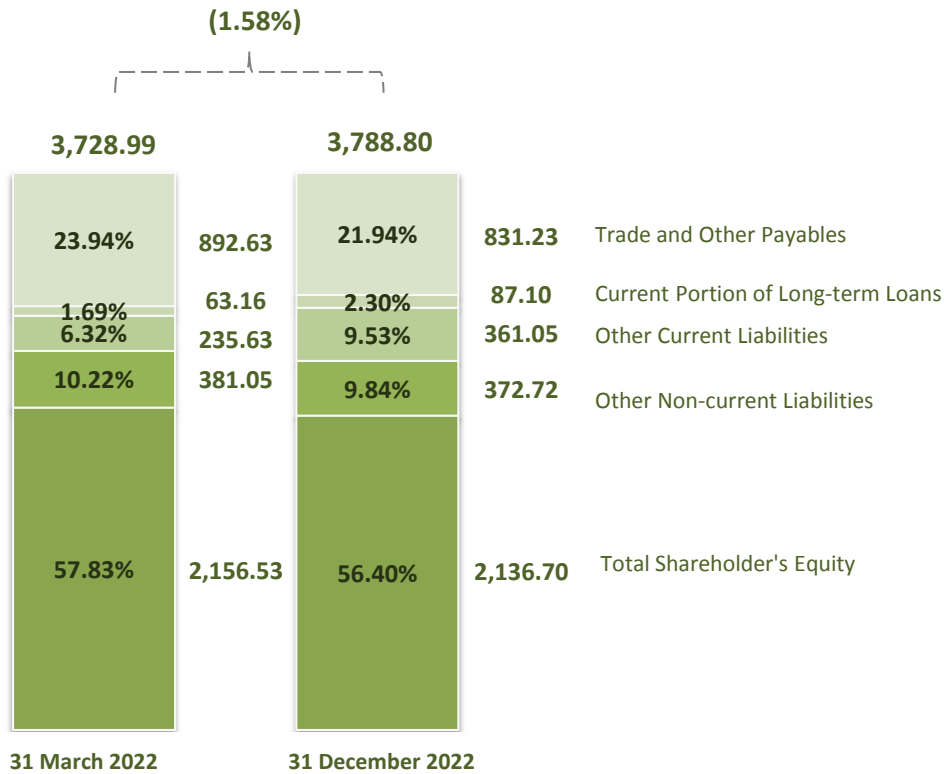
For statement of financial position as at March 31, 2022, changes as compared to December 31, 2021 as followed:

	Total Assets		Unit : Million Baht	
	(1.58%)			
	3,728.99	3,788.80		
Cash and cash equivalents	9.29%	346.49	10.50%	397.82
Trade and other receivables	8.60%	320.84	8.66%	328.01
Inventories	42.26%	1,575.76	41.26%	1,563.30
Other current asset	0.87%	32.32	1.09%	41.28
Investment Properties	15.73%	586.54	15.48%	586.62
Property, plant and equipment	17.03%	635.11	17.02%	644.89
Other non-current asset	6.22%	231.93	5.99%	226.88
	31 March 2022		31 December 2021	

The group's total asset as of March 31, 2022 has at Baht 3,728.99 million which decreased by Baht 59.80 million or 1.58% as compared to December 31, 2021. The decreasing of total assets mainly come from decreasing on cash and cash equivalents due to repayment loans.

Total Liabilities and Shareholders' Equity

Unit : Million Baht



The group's total liabilities and shareholders' equity as of March 31, 2022 has at Baht 3,728.99 million decreased by Baht 59.80 million or 1.58% as compared to December 31, 2021, mainly came from repayment loans from financial institutions. While, trade and other payables increased because the group purchase raw material for support order from customers that will deliver in next quarter.

Cash flow statement for the period ended March 31, 2022, Pranda Group has cash and cash equivalents at Baht (51.33) million while same period of previous year had cash and cash equivalents at Baht (38.75) million as details follow:

	Unit: Million Baht	
	January – March	
	2022	2021
Cash Flow from Operating Activities	65.01	86.05
Cash Flow from Investing Activities	(4.31)	(7.52)
Cash Flow from Financing Activities	(132.52)	(81.23)
Increase in Translation Adjustment	20.49	(36.05)
Net Cash Flow	(51.33)	(38.75)

The Company's Cash Inflow from Operating Activities period ended March 31, 2022 is at Baht 65.01 million mainly due to Pranda Group has profit from operation after adjustment to reconcile of non-cash transaction Baht 68.47 million and cash outflow used in inventory increased by Baht 8.10 million, trade and other receivable increased by Baht 29.37 million, other current liabilities decreased by Baht 15.77 million as well as cash increased due to increasing on account payable and other payable by Baht 50.11 million.

Net Cash Outflow used in Investing Activities period ended March 31, 2022 is at 4.31 million generally due to purchasing fixed assets for operating working capital in Pranda Group.

Net Cash Outflow used in Financing Activities period ended March 31, 2022 is at Baht 132.52 million mainly came from repayment loan on schedule Baht 128.02 million

Translation adjustment for the period ended March 31, 2022 at Baht 20.49 million mainly came from depreciation on Baht compared with US dollars, Pound Sterling and Euro by 1.06%, 1.58% and 2.98% respectively which resulted in unrealized gain on exchange rate from translation adjustment of subsidiary.

Please be informed accordingly.

Yours Sincerely

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Chairman of Finance & Risk Management Committee

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