

JUBILEE ENTERPRISE

PUBLIC COMPANY LIMITED

No. CS07/2022

August 11th, 2022

Subject: Declaration of Operating Results for the 2nd quarter ended 30 June 2022

Attn: Director and Manager,
The Stock Exchange of Thailand

With respect to the financial information for the 2nd quarter ended 30 June 2022, as submitted by the Company, which has been reviewed by the external auditor, considered by the Audit Committee, and approved by the Company's Board of Directors on August 10, 2022, the Company wishes to report further clarifications in summary as follows:

Summary of the Company's operating results

The operating results for three-month and six-month periods ended 30 June 2022, the Company reported revenue from sales of Baht 439.1 million and Baht 887.1 million which increased by Baht 168.6 million and Baht 211.3 million or equal to 62.3% and 31.3% from the same period of last year, respectively. Comprehensive income for the period increased by Baht 49.7 million and Baht 75.3 million or equal to 187.0% and 85.7% compared to the same period of last year, resulted in Bath 0.96 per share for six-month earnings per share.

Statement of Comprehensive Income

For the three-month period ended 30 June

Unit: Million Baht	2 nd Quarter 2022		2 nd Quarter 2021		Change	
Revenue from sales	439.07	100.00%	270.51	100.00%	168.56	62.31%
Cost of sales	(215.97)	(49.19%)	(141.51)	(52.31%)	74.46	52.62%
Gross profit	223.10	50.81%	129.00	47.69%	94.10	72.95%
Other income	1.40	0.31%	2.69	1.00%	(1.29)	(48.02%)
Selling expenses	(89.85)	(20.46%)	(65.57)	(24.24%)	24.28	37.02%
Administrative expenses	(37.46)	(8.53%)	(30.29)	(11.20%)	7.17	23.66%
Finance cost	(1.15)	(0.26%)	(1.08)	(0.40%)	0.07	6.21%
Profit before income tax	96.04	21.87%	34.75	12.85%	61.29	176.36%
Tax expenses	(19.84)	(4.52%)	(8.20)	(3.03%)	11.64	141.93%
Net profit for the period	76.20	17.35%	26.55	9.82%	49.65	186.99%
Total other comprehensive loss - net of tax	0.00	0.00%	0.00	0.00%	0.00	0.00%
Total comprehensive income for the period	76.20	17.35%	26.55	9.82%	49.65	186.99%

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- Overall situation in the 2nd quarter of 2022, though the effect of Covid-19 pandemic has decreased, infected cases were regularly occurred through the period. Moreover, consumers' expenditure level is not high due to decreased in wealth effected from increasing in consumer products' price which resulted from the economics recession. However, people behaviors have been adjusting back to their normal lives, celebrating their special occasions by organizing events or hanging out with their family and friends, therefore the Company could organize more marketing activities in this period than in last year. The Company generated revenue from sales amounting to Baht 439.1 million, increased by Baht 168.6 million or equal to 62.3% compared to the same period of last year, mainly growth from same stores sales by 47.8% and new stores' sales which growth by 1.2% due to the effective marketing strategies used in responding to customers' needs. In this period, the Company renovated Central Plaza Rama II branch from counter to Jubilee Diamond Boutique Store in order to upgrade customers' buying experiences. Moreover, the Company organized the marketing activities targeting big cities in Thailand, started with Khonkaen, Rayong and Nakornsrihammarat, the Company also launched new collection "The Promise Oval Diamond" in May. In addition, there are sales contribution from big annual marketing events arranged in June. The first event was "Jubilee 93rd Anniversary World Class Journey from Antwerp to Bangkok" held at the Athenee hotel to celebrated the Company's 93rd anniversary along with launching 9 new collections, 7 collections from Jubilee's design and other 2 collections from Forevermark. The second event was "The Biggest Midyear Grand Sale" held at the St.Regis hotel from 30 June to 3 July 2022 which received overwhelming responds from the customers. While in the 2nd quarter of 2021, Thailand's economics were slowdown due to increase in the degree of severity of Covid-19 pandemic through the period, therefore the Company couldn't organize any event.
- Gross profit margin increased from the same period of last year from 47.7% to 50.8% despite the increased in cost of diamond which is the main raw material, the Company could maintain the gross profit margin not less than 45% as target set due to the Company's effective cost management and product mix strategy. Resulted in net profit for the period of Baht 76.2 million increased from the same period of last year by Baht 49.7 million or equal to 187.0%.
- Selling expenses for the 2nd quarter of 2022 were Baht 89.9 million or 20.5% of revenue from sales which increased by Baht 24.3 million or equal to 37.0% from the same period of last year mainly due to employees' expenses, events and marketing activities' expenses and bank fee. While in 2021, the selling expenses were Baht 65.6 million or 24.2% of revenue from sales.
- Administrative expenses for the 2nd quarter of 2022 were Baht 37.5 million or 8.5% of revenue from sales which increased by Baht 7.2 million or equal to 23.7% from the same period of last year mainly due to employees' expenses and loss from exchange rate. While in 2021, the administrative expenses were Baht 30.3 million or 11.2% of revenue from sales.
- Finance cost is the total interest expenses recognized from the adoption of TFRS 16 – "Leases", which was Baht 1.2 million or 0.3% of revenue from sales in the 2nd quarter of 2022. While in 2021, it was Baht 1.1 million or 0.4% of revenue from sales.

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For the six-month period ended 30 June

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Unit: Million Baht	6-month 2022		6-month 2021		Change	
Revenue from sales	887.11	100.00%	675.82	100.00%	211.29	31.26%
Cost of sales	(440.85)	(49.69%)	(354.45)	(52.45%)	86.40	24.37%
Gross profit	446.26	50.31%	321.37	47.55%	124.89	38.86%
Other income	3.32	0.37%	3.66	0.54%	(0.34)	(9.40%)
Selling expenses	(167.02)	(18.83%)	(144.97)	(21.45%)	22.05	15.21%
Administrative expenses	(70.65)	(7.96%)	(65.23)	(9.65%)	5.42	8.31%
Finance cost	(2.29)	(0.26%)	(2.42)	(0.36%)	(0.13)	(5.37%)
Profit before income tax	209.62	23.63%	112.41	16.63%	97.21	86.48%
Tax expenses	(42.92)	(4.84%)	(24.51)	(3.63%)	18.41	75.13%
Net profit for the period	166.70	18.79%	87.90	13.00%	78.80	89.65%
Total other comprehensive loss - net of tax	(3.51)	(0.39%)	0.00	0.00%	3.51	0.0%
Total comprehensive income for the period	163.19	18.40%	87.90	13.00%	75.29	85.66%

- Overall situation in the 2nd quarter of 2022, though the Covid-19 pandemic had been spreading, the degree of spreading was controllable due to increase in vaccination rate, resulted in positive trends. Also, in the 1st quarter, economics were recovered and the government launched "Shop Dee Mee Kuen" campaign, resulted in increased in consumers expenditure. Moreover, the Company always promptly adjusted to the economic situation by adjusting the strategies, launching new marketing promotions and activities based on customers voices such as new collections, organizing the events and developing social media's contents. Therefore, the company could generate revenue from sales amounting to Baht 887.1 million, increased by Baht 211.3 million or equal to 31.3% from the same period of last year mainly from growth in same stores sales by 25.0%, marketing events by 5.5%, and new stores' sales by 1.0%. This was due to effective strategies, marketing promotions and activities which received overwhelming responds from the customers.
- Gross profit margin increased from the same period of last year from 47.6% to 50.3%, mainly due to increase in revenue from sales from marketing promotions and activities. Moreover, effective cost management made the Company successfully maintain the gross profit margin not less than 45% as target set. Also, the Company effectively managed sales proportion from each products category resulted in net profit margin for the period of 18.8% which increased from the same period of last year from Baht 87.9 million to Baht 166.7 million or equal to 89.7%. However, the Company had recognized net taxable expenses of Baht 3.5 million in the 1st quarter of 2022 due to the remeasurement of defined benefit plans, resulted to the comprehensive income for the period showed at Baht 163.2 million.

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- Selling expenses for the six-month period ended 30 June 2022 were Baht 167.0 million or equal to 18.8% of revenue from sales which increased by Baht 22.0 million or equal to 15.2% from the same period of last year mainly due to employees' expenses, events and marketing activities' expenses and bank fee. While in 2021, the selling expenses were Baht 145.0 million or equal to 21.5% of revenue from sales.
- Administrative expenses for the six-month period ended 30 June 2022 were Baht 70.6 million or 8.0% of revenue from sales which increased by Baht 5.4 million or equal to 8.3% due to increase in employees' expenses. While in 2021, the administrative expenses were Baht 65.2 million or 9.7% of revenue from sales.
- Finance cost is the total interest expenses recognized from the adoption of TFRS 16 – "Leases", which was Baht 2.3 million or 0.3% of revenue from sales for the six-month period ended 30 June 2022, decreased from the same period of last year by 5.4%. While in 2021, it was Baht 2.4 million or 0.4% of revenue from sales.

Significant financial ratio

- Current Ratio is 3.80 times
- Inventory Day is 280 days
- Accounts Payable Day is 133 days
(Normal Credit term of Account Payable is from 1-4 months)
- Accounts Receivable Day is 22 days
(Normal Credit term of Account Receivable is from 20 days to 1 month)

Please be informed accordingly.

Sincerely yours,

(Unyarat Pornprakit)
Director and Chief Executive Officer
Jubilee Enterprise Public Company Limited

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