

Sor Lor 019/2024

May 15, 2024

Subject : Management's Discussion and Analysis for the first Quarter 2024

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, 2024 which compared to the same period of 2023.

For the operating result of first Quarter ended March 31, 2024 compared with the same period of 2023. There is a loss on equity holders of the company at the amount of Baht (38.59) million compared to the same period of previous year that the company has loss on equity holders at Baht (25.58) million or increased by 50.86%. The Statement of Comprehensive Income in brief is presented as followed:

	Unit: Million Baht		
	January - March		
	2024	2023	Change (%)
Revenue from Sales	1,113.09	692.31	60.78%
Cost of sales	949.58	531.50	78.66%
Gross profit	163.51	160.81	1.68%
Gross profit margin	14.69%	23.23%	(36.76%)
Selling and administrative expenses	164.25	163.06	0.73%
Operating profit (Loss)	(0.74)	(2.25)	67.11%
Finance cost	11.10	6.85	62.04%
Gain (Loss) on exchange rate	13.12	2.31	467.97%
Other items (expenses)	7.39	10.54	(29.89%)
Unrealized gain (loss) on market price of raw material	(24.84)	(24.70)	0.57%
Tax income (expenses)	(16.89)	(0.40)	(4,122.50%)
Non-controlling interests of the subsidiaries (loss)	5.53	4.23	30.73%
Profit (Loss) on equity holders of the Company	(38.59)	(25.58)	50.86%

Pranda Group has revenue of Baht 1,113.09 million compared to the same period of previous year Baht at 692.31 million or increased by 60.78%.

The mainly factor come from sale from production business, which account for 77% of total revenue, increased by 82% compared with same period of previous year due to receive project order from domestic organization in first quarter 2024.

Revenue from production business include sales of raw material - gold Baht 306.42 million. Excluding this revenue, sales and gross profit would be as follows:

	Consolidated financial statements 2024	Unit : million Baht Separate financial statements 2024
Sales of raw materials - gold	306.42	306.42
Net Sales	806.67	634.16
Gross profit margin	20.19%	10.14%

While revenue in Omni-channel business, which account for 23% of total revenue, increased by 17% compared with same period of previous year mainly due to distribution channel in India have continued to grow. Regarding on Thailand market, sales close to same period of previous year.

In first quarter 2024, the company has gross profit of Baht 163.51 million lower than same period of previous year which was at 23.23% mainly come from sales in production business has high gold jewelry order resulted in low gross profit margin than same period of previous year. Therefore, Pranda Group has overall gross profit margin at 14.69%. Excluding sales of gold raw material as aforementioned earlier, the company's gross profit margin would be 20.19%.

As aforementioned earlier, Pranda Group has operating loss in first quarter 2024 at Baht (0.74) million compared with previous year which had loss at Baht (2.25) million.

Pranda Group has finance cost at Baht 11.10 million compared with same period of previous year which was at Baht 6.85 million or increased by 62.04% due to high interest rate compared with same period of previous year.

Pranda Group has gain on exchange rate at the amount of Baht 13.12 million compared to the same period of previous year which had gain on exchange rate at Baht 2.31 million mostly is account receivable in US Dollar currency with high fluctuate and appreciated during first quarter 2024 more than 2023 compared with Baht currency resulted in gain on exchange rate in US Dollar currency in first quarter 2024 higher than 2023.

Other items has at Baht 7.39 million compared to the same period of previous year which had other items at Baht 10.54 million or decreased by 29.89% mainly came from received compensation income from supplier in first quarter in 2023.

Pranda Group has tax expense Baht 16.89 million in first quarter 2024 higher than same period of previous year mainly due to deferred tax expense Baht 16.82 million. This is due to the recognition of non-deductible tax expenses related to exchange rate adjustment of account receivable in foreign currency in the first quarter 2024, resulting in higher taxable income compared to the same period of previous year.

In summary, Pranda Group has made loss on equity holders of the company at Baht (38.59) million compared with the same period of previous year which had made loss Baht (25.58) million.

For statement of financial position as at March 31, 2024, changes as compared to December 31, 2023 as followed:

Total Assets

Unit : Million Baht

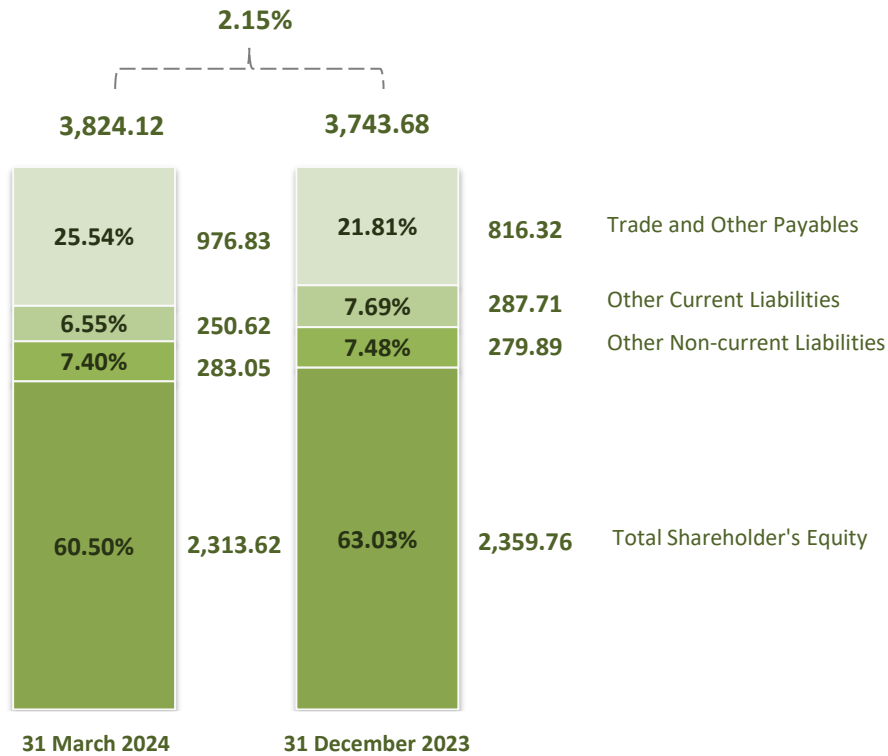
2.15%

	3,824.12		3,743.68	
	10.85%		11.67%	
Cash and cash equivalents	414.76		436.92	
Trade and other receivables	10.28%	393.20	9.36%	350.47
Inventories	41.16%	1,574.15	40.06%	1,499.54
Other current asset	1.59%	60.90	1.38%	51.73
Investment Properties	15.45%	590.89	15.79%	591.11
Property, plant and equipment	15.59%	596.17	15.95%	597.21
Other non-current asset	5.07%	194.05	5.79%	216.70
	31 March 2024		31 December 2023	

The group's total asset as of March 31, 2024 has at Baht 3,824.12 million increased by Baht 82.44 million or 2.15% as compared to December 31, 2023. The increasing of total assets mainly come increasing on work in process in production which is being produced to deliver to customer in the next quarter.

Total Liabilities and Shareholders' Equity

Unit : Million Baht



The group's total liabilities and shareholders' equity as of March 31, 2024 has at Baht 3,824.12 million increased by Baht 80.44 million or 2.15% as compared to December 31, 2023 mainly came from trade and other payables increased due to purchasing material used in production line in order to deliver order to customer in next quarter.

Cash flow statement for the period ended March 31, 2024, Pranda Group has cash and cash equivalents at Baht (22.16) million while same period of previous year had cash and cash equivalents at Baht 54.80 million as details follow:

	Unit: Million Baht	
	January – March	
	2024	2023
Cash Flow from Operating Activities	63.21	10.57
Cash Flow from Investing Activities	(11.32)	(6.16)
Cash Flow from Financing Activities	(61.93)	53.02
Increase in Translation Adjustment	(12.12)	(2.63)
Net Cash Flow	<u>(22.16)</u>	<u>54.80</u>

The Company's Cash Inflow from Operating Activities period ended March 31, 2024 is at Baht 63.21 million mainly due to Pranda Group has profit from operation after adjustment to reconcile of non-cash transaction Baht 42.69 million and cash increased as account payable and other payable increased Baht 127.46 million and cash used in inventory increased Baht 65.88 million.

Net Cash Outflow used in Investing Activities period ended March 31, 2024 is at (11.32) 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, 2024 is at Baht (61.93) million mainly came from repayment short-term and long-term loans Baht 54.70 million.

Please be informed accordingly.

Yours Sincerely

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