

# JUBILEE ENTERPRISE

PUBLIC COMPANY LIMITED

No. CS14/2020

August 11<sup>th</sup>, 2020

Subject: Declaration of Operating Results for the 2<sup>nd</sup> quarter ended 30 June 2020

Attn: Director and Manager,  
The Stock Exchange of Thailand

With respect to the financial information for the 2<sup>nd</sup> quarter ended 30 June 2020, as submitted by the Company, which has been audited by the external auditor, considered by the Audit Committee, and approved by the Company's Board of Directors on August 10, 2020, the Company wishes to report further clarifications in summary as follows:

## Summary of the company's operation result

The Company's operating result for the 1<sup>st</sup> half year of 2020, the company has revenue from sales Baht 616.5 million, decrease from the same period of last year at 29.4%. Gross profit margin is equal to 49.6%. Net profit for the 6-month period ended 30 June 2020 is equal to Baht 80.0 million, decreased by Baht 39.5 million or is equal to 33.0% from the same period of last year. Earnings per share is Baht 0.46 per share decreased from last year that showed Baht 0.69 per share.

## Statement of Comprehensive Income

For the three-month period ended 30 June

Unit: Million Baht	2 <sup>nd</sup> Quarter 2020		2 <sup>nd</sup> Quarter 2019		YOY	%
Revenue from sales	251.76	100.00%	487.26	100.00%	(235.50)	-48.3%
Cost of sales	(126.86)	-50.39%	(269.85)	-55.38%	(142.99)	-53.0%
<b>Gross profit</b>	<b>124.91</b>	<b>49.61%</b>	<b>217.41</b>	<b>44.62%</b>	<b>(92.50)</b>	<b>-42.5%</b>
Other income	0.80	0.32%	3.02	0.62%	(2.21)	-73.4%
Distribution costs	(52.77)	-20.96%	(102.28)	-20.99%	(49.51)	-48.4%
Administrative expenses	(24.66)	-9.79%	(35.06)	-7.20%	(10.41)	-29.7%
Finance cost	(2.48)	-0.99%	(0.01)	0.00%	2.48	34110.6%
<b>Profit before income tax</b>	<b>45.80</b>	<b>18.19%</b>	<b>83.08</b>	<b>17.05%</b>	<b>(37.27)</b>	<b>-44.9%</b>
Tax expenses	(10.84)	-4.31%	(16.49)	-3.38%	(5.65)	-34.3%
<b>Net profit for the period</b>	<b>34.96</b>	<b>13.89%</b>	<b>66.59</b>	<b>13.67%</b>	<b>(31.62)</b>	<b>-47.5%</b>

1/4

# JUBILEE ENTERPRISE

PUBLIC COMPANY LIMITED

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- The company has revenue from sales in amount of Baht 251.8 million, decreased from the same period of last year by Baht 235.5 million or is equal to 48.3%. Due to the Company's branches, where located in department stores, were temporarily closed by the command of government since March 22 to May 16, 2020. Furthermore, to response to social distancing policy, the company had postponed the annual event which normally was arranged in June to be arranged in July (3<sup>rd</sup> quarter). These results to dramatically reducing the revenue of this quarter. However, during the lock down period, we had significantly focus on E-Commerce channel and it can generate good turnover, which is a new channel introduced to the market. In addition, when the government had commanded that the department stores are able to operate normally, the Company arranged marketing campaign continually which result in revenue in June come back to a normal market condition. According to temporarily closing of the branches and postponement of annual event, these affected of decreasing in same store sales at 61.1%, however, there is incremental in revenue from new branches that were opened during the second half year of 2019 and the 1<sup>st</sup> quarter 2020 and E-Commerce by 13.4%.
- Gross profit margin increases from the same period of last year from 44.6% to 49.6%. According to the Company has managed costs of production and product mix efficiently. However, the Company had applied and accounted for expenses from rental contracts according to TFRS 16 – Leases, which affect to net profit margin was changed from the same period of last year from 13.7% to 13.9%. Net profit for the period decreased from the same period of last year from Baht 66.6 million to Baht 35.0 million or decreased by 47.5% due to the department stores temporarily closing by the command of government.
- Selling expenses for the 2<sup>nd</sup> quarter 2020, is at 21.0% of revenue from sales, decreases from the same period of last year by Baht 49.5 million or is equal to 48.4% which change in the same direction of revenue. The main reason was resulting from decrease in rental expense due to discount from COVID-19 situation, event expenses, bank fee, and marketing expenses.
- Administrative expenses for the 2<sup>nd</sup> quarter 2020, is Baht 24.66 million represents 9.8% of revenue from sales, decreases from the same period of last year by Baht 10.4 million or is equal to 29.7%. The change was resulting from decreasing in expenses related to staff and depreciation.
- Finance cost for the 2<sup>nd</sup> quarter 2020 is at 1.0% of revenue from sale, which increased by Baht 2.5 million from the same period of last year. This effect from recognition of interest expenses from adoption of TFRS 16 – Leases.

# JUBILEE ENTERPRISE

PUBLIC COMPANY LIMITED

For the six-month period ended 30 June

Unit: Million Baht	6-month 2020		6-month 2019		YOY	%
Revenue from sales	616.52	100.00%	873.23	100.00%	(256.71)	-29.4%
Cost of sales	(310.73)	-50.40%	(471.95)	-54.05%	(161.23)	-34.2%
<b>Gross profit</b>	<b>305.80</b>	<b>49.60%</b>	<b>401.28</b>	<b>45.95%</b>	<b>(95.48)</b>	<b>-23.8%</b>
Other income	1.52	0.25%	5.88	0.67%	(4.36)	-74.1%
Distribution costs	(130.08)	-21.10%	(191.25)	-21.90%	(61.17)	-32.0%
Administrative expenses	(66.57)	-10.80%	(66.86)	-7.66%	(0.29)	-0.4%
Finance cost	(7.00)	-1.14%	(0.01)	0.00%	6.99	48361.3%
<b>Profit before income tax</b>	<b>103.67</b>	<b>16.82%</b>	<b>149.03</b>	<b>17.07%</b>	<b>(45.36)</b>	<b>-30.4%</b>
Tax expenses	(23.65)	-3.84%	(29.57)	-3.39%	(5.91)	-20.0%
<b>Net profit for the period</b>	<b>80.02</b>	<b>12.98%</b>	<b>119.47</b>	<b>13.68%</b>	<b>(39.45)</b>	<b>-33.0%</b>

- The company has revenue from sales in amount of Baht 616.5 million, decreased from the same period of last year by Baht 256.7 million or is equal to 29.4%. The major decreasing incurred in the 2<sup>nd</sup> quarter as it affected from branches closing for almost 2 months and the postponement of the annual event in June as explained previously. However, the Company had launched the new collections such as Prosperous Fortune Collection for Chinese New Year in January and Sweet Sonata Collection for valentine's day during the 1<sup>st</sup> quarter 2020, which could get good feedback from the customer, while the new collections that prepared to launched in 2<sup>nd</sup> quarter was postponed. The change of the 1<sup>st</sup> half year revenue is from decreasing in same store sales at 38.4%, however there is incremental in revenue from new branches and E-Commerce of 9.3%.
- Gross profit margin increases from the same period of last year from 46.0% to 49.6%. According to the Company has managed costs of production and product mix efficiently. However, the net profit margin was changed from the same period of last year from 13.7% to 13.0%, net profit for the period decreased from the same period of last year from Baht 119.5 million to Baht 80.0 million or decreased by 33.0%. Due to lower sale volume as branches were temporary closed and recognition of expenses from rental contracts according to the application of TFRS 16 – Lease.
- Selling expenses for the six-month period 2020, is at 21.1% of revenue from sales, decreases from the same period of last year by Baht 61.2 million or is equal to 32.0%. The main reason was resulting from decrease in marketing expenses such as event expenses, premium expenses and discount from rental expenses that were affected from the command of government about closing department stores temporality.
- Administrative expenses for the six-month period 2020, is Baht 66.6 at 10.8% of revenue from sales, decreases from the same period of last year by Baht 0.3 million or is equal to 0.4%. The change was resulting from expense related to staff cost.

3/4

# JUBILEE ENTERPRISE

PUBLIC COMPANY LIMITED

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- Finance cost for the six-month period 2020, is at 1.1% of revenue from sale, which increased by Baht 7.0 million from the same period of last year. This effect from recognition of interest expenses from adoption of TFRS 16 – Leases, for the year 2020 the Company will have incremental expenses to be accounted for about 3.5% - 4.0% of total SG&A.

Please be informed accordingly.

Sincerely yours,

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

4/4