

- Translation -

Ref. J61/001

22 February 2018

Subject: Management Discussion and Analysis for Yearly Ending 2017  
 To: President  
 The Stock Exchange of Thailand

Pursuant to JAS Asset Public Company Limited (the “Company”) Board of Meeting No.1/2018 on 22 February 2017, the resolution to certify the Company’s financial statements and performance for the yearly ending 31 December 2017 which has already been audited by the Company’s auditor can be summarized as follows:

The Company’s Performance for the yearly end in 2017 showed a Net Profit of 6.8 million baht, higher than 2016 by 1.2 million baht or an increased by 20.8%. This represent net profit margin of 0.91%. The major reasons for the Company’s net profit increasing were the Company can achieve a higher total revenues and gain from fair value adjustment on investment property. Thus, the details of the Company’s performance are explained as follows:

	2016		2017		Change	
	MB	%	MB	%	MB	%
Rental and Service Income	545.2	97.1%	708.0	94.9%	162.8	29.9%
Food and Beverage Income	0.0	0.0%	18.4	2.5%	18.4	n.a.
Other Income	16.0	2.9%	19.9	2.7%	3.9	24.1%
<b>Total Income</b>	<b>561.2</b>	<b>100.0%</b>	<b>746.3</b>	<b>100.0%</b>	<b>185.1</b>	<b>33.0%</b>
Cost of Rental and Services	447.0	79.6%	561.1	75.2%	114.1	25.5%
Cost of Food and Beverage	0.0	0.0%	12.9	1.7%	12.9	n.a.
Gross Profit	98.2	17.5%	152.4	20.4%	54.2	55.2%
Gain from fair value adjustment on investment property	-9.1	-1.6%	6.4	0.9%	15.5	-170.6%
Allowance (reversal of allowance) for impairment of assets	0.8	0.1%	5.6	0.8%	4.8	600.0%

	2016		2017		Change	
	MB	%	MB	%	MB	%
Profit before Expenses	106.0	18.9%	184.3	24.7%	78.3	73.9%
Selling Expenses	43.5	7.7%	80.9	10.8%	37.4	86.0%
Administrative Expenses	39.0	6.9%	54.5	7.3%	15.5	39.8%
<b>EBIT</b>	<b>23.6</b>	<b>4.2%</b>	<b>49.0</b>	<b>6.6%</b>	<b>25.5</b>	<b>108.1%</b>
Finance Cost	25.2	4.5%	53.6	7.2%	28.4	112.4%
<b>Net Profit</b>	<b>5.6</b>	<b>1.0%</b>	<b>6.8</b>	<b>0.9%</b>	<b>1.2</b>	<b>20.8%</b>

### Rental and Services Income and Other Income

Rental and Service income for 2017 was 708.0 million baht higher than 2016 of 162.8 million baht or 29.9%. This is because the Company can recognize revenues from The Jas Urban Srinakarin Community Mall Project whole year in 2017. Moreover, the Company received revenues from start new business in 2017, Food and Beverage and Café shop under brand Casa Lapin. Other revenues increase 4 million Baht from previous year.

### Cost of Rental and Service Income and Gross Profit

The Company incurred rental and service costs for 2017 equal to 561.1 million baht more than 2016 at 25.5%. This was due to an increasing of rental cost, utilities expenses and services cost, food and beverage cost of goods sold 12.9 million baht. The Gross Profit Margin was 152.4 million baht which represent 20.4%.

### Selling and Administrative Expenses

The Company had service and administrative expenses for 2017 totally equal to 135.3 million baht, which was 52.9 million baht or 64.1% higher than 2016. Most of increasing expenses were employee remuneration increased as a result of new business expansion and Café Shop, advertising expenses and sell promotion expenses and maintenances expenses.

### Loss from fair value adjustment on investment property

The Company incurred gain from fair value adjustment on investment property in 2017 which results loss 6.4 million baht. The investment property value in financial statement was based on fair value from Income Approach which was appraised by Independent Appraiser. The Appraisal value is based on history occupancy rate, rental rate and operation plan of the Company.

## Financial Cost

The Company financial cost in 2017 was 53.6 million baht, which was higher than 2016 of 25.2 million baht or 112.4%. Financial cost increased due to the Company incurred more debentures and loan from financial institution.

## Summary of Financial Statement of Position

	31-Dec-16		31-Dec-17		Change	
	MB	%	MB	%	MB	%
<b>Assets</b>						
Cash and cash equivalents	70.1	3.1%	6.0	0.2%	(64.02)	-91.4%
Trade and other receivables	33.5	1.5%	39.0	1.6%	5.4	16.2%
Property Development Cost	96.5	4.3%	243.9	9.8%	147.4	152.8%
Investment Properties	507.3	22.4%	520.4	20.8%	13.1	2.6%
Land and Equipment	126.6	5.6%	151.7	6.1%	25.1	19.8%
Leasehold rights and buildings	1,260.9	55.7%	1,330.8	53.3%	69.9	5.5%
Deposits	134.1	5.9%	136.8	5.5%	2.7	2.0%
<b>Total Assets</b>	<b>2,264.9</b>	<b>100.0%</b>	<b>2,496.2</b>	<b>100.0%</b>	<b>231.3</b>	<b>10.2%</b>
<b>Liabilities and Shareholder's Equity</b>						
Overdrafts and Short Term Loan	13.3	0.6%	76.3	3.1%	63.0	474.8%
Trade and other payables	140.2	6.2%	123.6	5.0%	-16.6	-11.8%
Long-term loan within 1 year payment	73.8	3.3%	115.4	4.6%	41.6	56.4%
Short-term loan	386.5	17.1%	39.6	1.6%	-346.9	-89.7%
Long-term loans - net	760.2	33.6%	644.8	25.8%	-115.4	-15.2%
Debentures	-	0.0%	366.2	14.7%	366.2	n.a.
Deposits received from lessees	147.7	6.5%	138.7	5.6%	-9.1	-6.1%
<b>Total Liabilities</b>	<b>1,539.4</b>	<b>68.0%</b>	<b>1,527.2</b>	<b>61.2%</b>	<b>-12.2</b>	<b>-0.8%</b>
<b>Total Shareholder's Equity</b>	<b>725.5</b>	<b>32.0%</b>	<b>969.0</b>	<b>38.8%</b>	<b>243.5</b>	<b>33.6%</b>

## Assets

As of the period ending 31 December 2017, the Company had total assets equal to 2,496.2 million baht more than the end of 2016 equal to 231.3 million baht or 10.2% percent due to a higher in leasehold right and building and Property Development Cost from "Newera Condominium Project"

### **Liabilities & Shareholder's Equity**

As for the period ending 31 December 2017, the Company had total liabilities equal to 1,527.2 million baht less than 2016 equal to 12.2 million baht or 0.8 percent due to the repayment of short-term loan and long-term loan by replacing with debentures issuance whereas shareholders' equity stood at 969.0 million baht or increased 243.5 million baht from 2016. The increasing in shareholder's equity was because the Company capital increase from General Mandate and share premium increased from increase capital.

The Company debt to equity ratio stood at 1.58 times and the Interest-Bearing Debt ratio was 1.28 times.

### **Forward Looking**

In the year of 2017, the Company has expanded its business toward Property Development for sale – Newera Condominium Project and food and beverage business and Café shop under brand “Casa Lapin”. The Company will open more shop and franchise which will enhance a better return in the future.

Thus, you have been informed for your acknowledgement.

Sincerely Yours,

*- Singed -*

(Mr. Suphot Wanna)  
Chief Executive Officer

Investor Relations Department  
Jas Asset Public Company Limited