

Ref: J61/011

12 November 2018

Subject: Management Discussion and Analysis, 3rd Quarter Ending 30 September 2018
To: President
The Stock Exchange of Thailand

Regarding to JAS Asset Public Company Limited (the “Company”) Board of Director Meeting No.5/2018 on 12 November 2018, the resolution to certify the Company’s financial statements and performance for the third quarter ending 30 September 2018 which has already been examined by the Company’s auditor can be summarized as follows:

The Company’s performance for the 3rd quarter in 2018 showed a net loss of 23.2 million baht, an increase 17.0 million baht from the same period last year. The Company’s performance for the 9-month period for 2018 showed a net loss of 37.4 million baht higher than the 9-month period for 2017 by 815.2 percent. The reason for the Company’s net loss was due to lower income from rental and service, an increasing in food and beverage cost and property development cost incurred. Thus, the details of the Company’s performance are explained as follows:

Rental and Service Income and Other Income

Rental and service income for the 3rd quarter in 2018 totaling was 154.9 million baht less than the 3rd quarter of 2017 at 25 million baht or 13.9. Total revenues were 170.9 million baht which lower 7.8% as compare to the same period last year.

For 9-month period in 2018, the rental and service income was 477.6 million baht which decrease from the same period of 2017 of 11.1%. Total revenues were 518.3 million baht decline from the same period last year at 5.5%. However, this year the Company has more income from food and beverage sold and property sell income.

Cost of Rental and Service Income

The Company incurred rental and service costs for the 3rd quarter of 2018 equal to 142.0 million baht less than the 3rd quarter of 2017 at 1.5 percent. While, for 9-months period of 2018 the rental and services costs was 426.6 million baht which slightly increased from the same period last year 1.39 million baht or 0.3 percent.

Gross Profit

The Company had gross profit for the 3rd quarter of 2018 equal to 20.2 million baht which represent gross profit margin at 11.8%. For 9-months period of 2018, the gross profit was 68.8 million baht which represent gross profit margin at 13.3 and lower than the same period last year.

Service and Administrative Expenses

The Company had service and administrative expenses for the 3rd quarter of 2018 totally equal to 41.6 million baht, which was 22.0% higher than the 3rd quarter of 2017. For 9 months period of 2018 the service and administrative expense was 116.0 million baht which increased 19.8% from the same period last year. Most of increasing expenses were due to expenses incurred in sales promotions and staff remuneration increase from business segment expansion.

Summary of Financial Statement of Position

	As of 30 Sep 2018		As of 31 Dec 2017		Change	
	MB.	%	MB.	%	MB.	%
Assets						
Cash and cash equivalents	17.7	0.7%	6	0.2%	11.7	195.0%
Trade and other receivables	50.3	2.0%	38.9	1.6%	11.4	29.3%
Property development costs	271.8	10.7%	243.9	9.8%	27.9	11.4%
Investment property	522.4	20.6%	520.3	20.8%	2.1	0.4%
Leasehold rights and buildings	1,302.20	51.3%	1,330.80	53.3%	-28.6	-2.1%
Deposits	134.5	5.3%	136.8	5.5%	-2.3	-1.7%
Deferred Tax Asset	28.7	1.1%	9.3	0.4%	19.4	208.6%
Total Assets	2,536.50	100.0%	2,496.20	100.0%	40.3	1.6%
Liabilities and Shareholder's Equity						
Short term loan from Financial Inst.	90.1	3.6%	76.3	3.1%	13.8	18.1%
Trade and other payables	99	3.9%	123.6	5.0%	-24.6	-19.9%

	As of 30 Sep 2018		As of 31 Dec 2017		Change	
	MB.	%	MB.	%	MB.	%
Current portion of long-term loans	121.5	4.8%	115.3	4.6%	6.2	5.4%
Short-term loans	79.5	3.1%	39.6	1.6%	39.9	100.8%
Debentures – Current Portion	268	10.6%	-	-	-	
Long-term loans - net	554.7	21.9%	644.8	25.8%	-90.1	-14.0%
Debentures – net	198.3	7.8%	366.2	14.7%	-167.9	-45.8%
Deposits received from lessees	128.6	5.1%	139.2	5.6%	-10.6	-7.6%
Total Liabilities	1,609.7	63.5%	1,527.2	61.2%	82.5	5.4%
Total Shareholder's Equity	915.6	36.1%	953.0	38.2%	-37.4	-3.9%

Assets

As of the period ending 30 September 2018, the Company had total assets equal to 2,536.4 million baht more than the end of 2017 equal to 40.3 million baht or 1.6 percent due to a higher in cash and cash equivalent, trade receivable, property development costs from property for sell and deferred tax asset.

Liabilities & Shareholder's Equity

As for the period ending 30 September 2018, the Company had total liabilities equal to 1,609.7 million baht more than 2017 equal to 82.5 million baht or 5.4 percent due to short term loan increase. Whereas, shareholders' equity stood at 915.6 million baht.. The Company debt to equity ratio stood at 1.74 times and interest bearing debt to equity ratio was 1.49 times.

Forward Looking

The Company is well aware of the situation of the performance was not in line with the target. The performance of the Company will be improved in Q4/2018. Both revenues and cost will be management in such a way to improve overall performance. On revenues side the Company is on process of working together with leading telecommunication operator to expand SIM card distribution and other services. On the cost side the Company considers to close down underperform branches and cutting all redundancy cost.

Thus, you have been informed for your acknowledgement.

Sincerely Yours,

- *Singed* -

(Mr. Suphot Wanna)

Chief Executive Officer

Investor Relation Department

JAS Asset Public Company Limited