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Ref. J62/003

25 February 2019

Subject: Management Discussion and Analysis for Yearly Ending 2018
 To: President
 The Stock Exchange of Thailand

Regarding to JAS Asset Public Company Limited (the “Company”) Board of Meeting No.3/2019 on 25 February 2019, the resolution to certify the Company’s financial statements and performance for the yearly ending 31 December 2018 which has already been audited by the Company’s auditor can be summarized as follows:

The Company’s Performance for the yearly end in 2018 showed a net loss of 17.4 million baht, as compare to 2017 which has net profit of 6.4 million baht or an decreased by 3.3%. The primary reasons for the Company’s incurred a net loss were the rental and services income and sale promotion revenues declined. And the cost of rental and services increase and the financing cost increase. Thus, the details of the Company’s performance are explained as follows:

	2017		2018		Change	
	MB	%	MB	%	MB	%
Rental and Service Income	708.0	94.9%	628.7	86.9%	-79.3	-11.2%
Sales	18.4	2.5%	250.2	8.1%	231.8	1259.8%
Service and Other Income	19.9	2.7%	36.7	5.0%	16.8	84.2%
Total Income	746.3	100.0%	915.6	100.0%	169.3	22.7%
Cost of Rental and Services	561.1	75.2%	565.9	78.2%	4.8	0.9%
Cost of Sales	12.9	1.7%	157.5	4.3%	144.6	1121.1%
Gross Profit	152.4	20.4%	156.16	12.6%	3.8	2.5%
Gain from fair value adjustment on investment property	6.4	0.9%	-3.5	-0.5%	-9.9	-154.7%
Allowance (reversal of allowance) for impairment of assets	5.6	0.8%	-3.6	0.0%	-9.2	-163.6%

	2017		2018		Change	
	MB	%	MB	%	MB	%
Profit before Expenses	184.3	24.7%	185.2	25.6%	0.9	0.5%
Selling Expenses	80.9	10.8%	96.5	13.3%	15.6	19.3%
Administrative Expenses	54.5	7.3%	65.0	9.0%	10.5	19.3%
EBIT	49.0	6.6%	23.7	3.3%	-25.3	-51.6%
Finance Cost	53.6	7.2%	63.0	8.7%	9.4	17.5%
Net Profit	6.4	0.9%	-17.4	-2.4%	-23.8	-371.9%

Retail Industry Overview and Overall of the Company's Performance

During the past 2-3 years, the growth rate of retail sector industry in Thailand is behind other countries in South East Asian. In 2018, retail industry growth only at 3.9% per annual. The Company engages in retail rental space for retailer more than 1,500 client and operate 3 community mall also has some impact on the growth slowdown in retail sector.

However, the Company was able to maintain the occupancy rate of the rental space at a good rate. In addition to diversify its business to alleviate the revenues loss such as open new business in F&B and the development a condominium for sale under brand "Newera" which yield a good margin. The detail of performance can be described as following;

Rental and Services Income and Other Income

Rental and Service income for 2018 was 628.7 million baht lower than 2017 of 79.3 million baht This was because revenues from ITJ decrease from re-zoning IT Junction rental space, rental rate discount and revenues for sale promotion support decline.

The Company's has changed its strategy to push more promotion and activity in the rental area to increase traffic of customer. Also, change the tenant mixed to suit with each location which has been well accepted by client. The Company cooperated with the Number 1 Operator in Thailand to push sale of SIM card and having more sale promotion activities for retailers.

In 2018, the Company incurred revenues from sale of food and beverage, sale of land and property for sale which significantly increase from last year.

Cost of Rental and Service Income, Cost of Sales and Gross Profit

The Company incurred rental and service costs for 2018 equal to 565.9 million baht more than 2017 at 0.9%. This was due to an increasing of cost of food and beverage and property and land which higher than last year of 114.6 million Baht.

The Company's gross profit was 156.2 million baht which represent margin of 12.6%.

Selling and Administrative Expenses

The Company had selling and administrative expenses for 2018 totally equal to 161.5 million baht, which was 26.1 million baht or 3.6% higher than 2017. An increasing of selling and administrative expenses was due to an increasing of selling and administrative from new business such as coffee shop business and employee remuneration.

Earning before Tax and Interest (EBT)

The Company's earning before tax and interest for 2018 was 23.7 million baht, a slightly decline from 2017. This was due to an increasing of cost of rental and services.

Financial Cost

The Company financial cost in 2018 was 63.0 million baht, which was higher than 2017 of 9.4 million baht or 1.3%. Financial cost increased due to the Company incurred cost of fund from debentures and loan increase.

Summary of Financial Statement of Positions

	31-Dec-17		31-Dec-18		Change	
	MB	%	MB	%	MB	%
Assets						
Cash and cash equivalents	6.0	0.2%	21.4	0.9%	15.4	256.7%
Trade and other receivables	39.0	1.6%	56.0	2.4%	17	43.6%
Property Development Cost	243.9	9.8%	156.7	6.8%	-87.2	-35.8%
Investment Properties	520.4	20.8%	518.9	22.6%	-1.5	-0.3%
Land and Equipment	151.7	6.1%	130.8	5.7%	-20.9	-13.8%
Leasehold rights and buildings	1,330.8	53.3%	1,284.4	55.8%	-46.4	-3.5%

	31-Dec-17		31-Dec-18		Change	
	MB	%	MB	%	MB	%
Deposits	136.8	5.5%	132.5	5.8%	-4.3	-3.1%
Total Assets	2,496.2	100.0%	2,409.6	100.0%	-86.6	-3.5%
Liabilities and Shareholder's Equity						
Overdrafts and Short Term Loan	76.3	3.1%	60.0	2.6%	-16.3	-21.4%
Trade and other payables	123.6	5.0%	102.7	4.5%	-20.9	-16.9%
Long-term loan within 1 year payment	115.4	4.6%	122.4	5.3%	7	6.1%
Short-term loan	39.6	1.6%	0.0	0.0%	-39.6	-100.0%
Long-term loans - net	644.8	25.8%	562.7	24.5%	-82.1	-12.7%
Debentures	366.2	14.7%	0.0	0.0%	-366.2	-100.0%
Deposits received from lessees	138.7	5.6%	126.0	5.5%	-12.7	-9.2%
Total Liabilities	1,527.2	61.2%	1,465.0	63.7%	-62.2	-4.1%
Total Shareholder's Equity	969.0	38.8%	945.0	41.1%	-24	-2.5%

Assets

As of the period ending 31 December 2018, the Company had total assets equal to 2,409.6 million baht more than the end of 2017 equal to 86.6 million baht or 3.6 percent due to property development cost decrease due to the divest of land for development.

Liabilities & Shareholder's Equity

As for the period ending 31 December 2018, the Company had total liabilities equal to 1,465.0 million baht less than 2017 equal to 62.2 million baht or 2.7 percent due to the Company repay short term loan. The Company's total shareholder's equity stood at 1.55 million baht as ending of 31 December 2018

The Company debt to equity ratio stood at 1.55 times and the Interest-Bearing Debt ratio was 1.28 times.

Forward Looking

The Company realized that in the year of 2018 still be in the investment period to bring a return in future. We attempt to achieve our business target and cut the redundant cost in the last year. However, the factor that will have an impact on its performance can be described as following;

1. Rental Space Business; the Company recruited a key new tenant into the Community Mall. And re-zoning the shopping mall area to increase traffic in the rental space.
2. The Condominium, a property for sale, under Project “Newera” is on the process of construction and expects to complete and transfer some of unit to the client within this year and to be complete in transfer in 2020.
3. The new community mall which located in a prime area of Industry Park and community will start to increase rental revenues in early of 2020.
4. The Coffee shop under brand “Casa Lapin” increase more sales and expect to break-even as according to the budget.

Thus, you have been informed for your acknowledgement.

Sincerely Yours,

- *Singed* -

(Mr. Suphot Sirikulphat)
Chief Executive Officer

Investor Relations Department
Jas Asset Public Company Limited