

- Translation -

IR62/006

8 May 2019

Subject: Management Discussion and Analysis, 1st Quarter Ending 31 March 2019
 Attention: President
 The Stock Exchange of Thailand

Regarding to JAS Asset Public Company Limited (“the Company”) Board of Meeting No.2/2019 on 8 May 2019, the resolution to certify the Company’s financial statement and performance for the first quarter ending 31 March 2019 which has already been examined by the Company’s auditor can be summarized as follows:

The Company’s performance for the first quarter in 2019 shows a net profit of 0.5 million baht, which was higher than the same period from previous year. Thus, the details of the Company’s performance are explained as follows;

	Q1/2018		Q1/2019		Change	
	MB.	%	MB.	%	MB.	%
Rental and Service Income	163.7	91.9%	155.0	90.3%	-8.7	-5.3%
Total Revenues	178.2	100.0%	171.7	100.0%	-6.5	-3.6%
Cost of Rental and Service	139.4	78.2%	134.8	86.3%	-4.6	-3.3%
Gross Profit	29.7	16.7%	30.1	17.5%	0.4	1.3%
Other Incomes	17.2	9.7%	20.7	12.1%	3.5	20.3%
Earning before Expenses	46.9	26.3%	52.8	30.8%	5.9	12.6%
Sale and Services Expenses	22.4	12.5%	24.3	14.2%	1.9	8.5%
Administrative Expenses	14.7	8.2%	19.0	11.1%	4.3	29.3%
Total Expenses	37.1	20.8%	43.3	25.2%	6.2	16.7%
Earnings Before Interest and tax	9.8	5.5%	9.5	5.5%	-0.3	-3.1%
Finance Cost	13.3	7.5%	14.7	9.4%	1.4	10.5%
Tax	3.0	1.7%	3.3	1.9%	0.3	10.0%
Net Profit attribute to Shareholders (Loss)	0.4	0.2%	0.5	0.3%	0.1	25.0%

Rental and Service Income and Other Income

Rental and Service income for the first quarter in 2019 was 155.5 million Baht lower than the first quarter of 2018 at 5.0%. A declining in rental and service income was because the Company closed down some branches which the performance was not in the target. Currently, as of Q1/2019, the Company owned 49 IT Junction. For the first quarter of 2019 the Company's total revenues was 156.2 million Baht. Moreover, there were other revenues, amount of 22.0 million Baht.

Cost of Rental and Services

The Company's rental and services costs for the first quarter in 2019 was 134.8 million Baht less than the first quarter of 2018 at 3.3%. The decreasing of cost of rental and services was mainly from rental cost reducing from shop closed down.

Gross Profit

The Company had gross profit for the first quarter of 2019 21.2 million Baht which was lower than the same period last year 28.6% due to the reduction of rental and service revenues.

Service and Administrative Expenses

The Company had service and administrative expenses for the first quarter of 2019 equal to 26.0 million Baht, a decreasing from the first quarter in 2018 29.7%. The company reduces its expenses under cost reduction control such as utilities expenses and marketing expenses.

Summary of Financial Statement of Positions

	31 Dec 2018		31 Mar 2019		Change	
	MB.	%	MB.	%	MB.	%
Cash and cash equivalents	21.4	0.9%	23.4	1.0%	2.0	9.3%
Trade and other receivables	56.0	2.3%	62.8	2.6%	6.8	12.2%
Property development costs	156.7	6.5	186.0	7.6%	29.3	18.7%
Other current asset	26.7	1.1%	33.7	1.4%	7.0	26.2%
Total current asset	260.7	10.8%	305.9	12.4%	45.2	17.3%
Investment Property	130.8	5.4%	124.3	5.1%	-6.5	-5.0%
Equipment	518.8	21.5%	518.8	21.1%	0.0	0.0%
Leasehold rights and buildings	1,284.4	53.3%	1,293.1	52.6%	8.7	0.7%
Advance for construction work	132.5	5.5%	134.3	5.5%	1.8	1.3%
Other Non-current asset	82.3	3.4%	80.9	3.3%	1.4	-1.7%
Total Non-current asset	2,148.7	89.2%	2,151.4	87.6%	2.7	0.1%

	31 Dec 2018		31 Mar 2019		Change	
	MB.	%	MB.	%	MB.	%
Total Assets	2,409.5	100.0%	2,457.3	100.0%	47.8	2.0%
Bank overdrafts and short-term loans	60.0	2.5%	90.0	3.7%	30.0	50.0%
Bill of exchange	0.0	0.0%	49.1	2.0%	49.1	n.a.
Trade and other payables	102.7	4.3%	101.4	4.1%	-1.3	-1.3%
Current portion of long-term loans	122.4	5.1%	157.6	6.4%	35.2	28.8%
Current portion of debentures	466.9	19.4%	467.6	19.0%	0.7	0.1%
Long-term loans - net of current portion	562.7	23.4%	498.1	20.3%	-64.6	-11.5%
Deposits received from lessees	125.6	5.2%	114.0	4.6%	-11.6	-9.2%
Total Non-current liabilities	689.4	28.6%	613.5	25.0%	-75.9	-11.0%
Total Liabilities	1,464.6	60.8%	1,514.3	61.6%	49.7	3.4%
Total Shareholders' Equity	944.9	39.2%	943.0	38.4%	-1.9	-0.2%

Assets

As for the period ending 31 March 2019, the Company had total assets equal to 2,457.3 million Baht more than the end of 2018 equal to 2,409.5 million Baht or 2.0% to the increase of Property development costs.

Liabilities and Shareholder's Equity

As for the period ending 31 March 2019, the Company had total liabilities equal to 1,514.3 million Baht increasing from the ending 2018 equal to 1,464.6 million Baht to the Company incurred more short-term loan. Whereas the Company's shareholder's equity stood at 943.0 million Baht, slightly decrease from the end of 2018. The Company's debt to equity ratio was 1.61 times while the interest bearing debt to equity ratio was 1.34 times.

Forward Looking

The Company has a performance according to the plan. In the year 2019, the company is in the process of real estate development for sale of condominium type. The total project value is appropriated 520 million baht. This which is positive for the company's performance in 2019. In addition, for the construction of a new shopping center project of the company has already begun some progress which is expected to generate revenue for the company since the first quarter of 2020 onwards.

The shareholders of the Company resolved to approve the allotment of newly issued ordinary shares to the existing shareholders of the Company in proportion to their shareholding (Right Offering) which expect to subscribe during 27 – 31 May 2019. After the capital raising complete the Company expected to

reduce its interest expense and re-balance its capital structure to fit with business plan in the future and create a return to the shareholders.

Thus, you have been informed for your acknowledgment.

Sincerely Yours,

-Signed-

(Mr. Suphot Sirikulapas)

Chief Executive Officer

Investor Relations Department

JAS Asset Public Company Limited