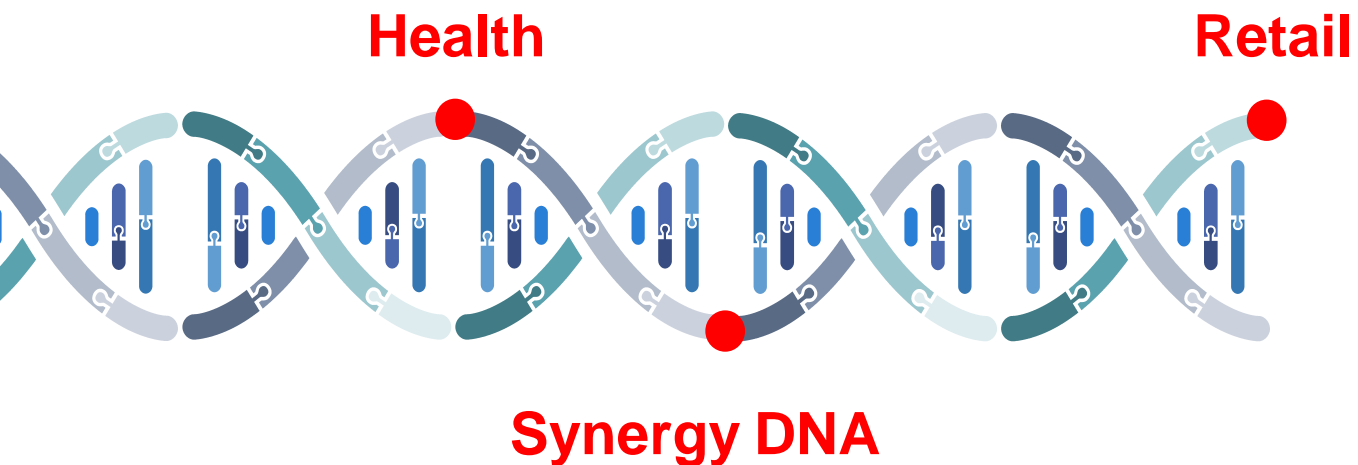




# JAS Asset

## Management Discussion and Analysis Q2/2021



Re: J64/008

10 August 2021

Subject Management Discussion and Analysis for the second quarter ended 30 June 2021

Attention President  
The Stock Exchange of Thailand

According to the resolution of the Board of Directors of JAS Asset Public Company Limited (“the Company”) No. 3/2021, on 10 August 2021. Resolved to approving the financial statements and operating results of the Company for the second quarter ended June 30, 2021. This has been reviewed by the auditor of the company and with the following results.

The Company's operating results for the second quarter of 2021 for the Company's financial statements The company had a net profit of 22.2 million baht, an increase of 372.3 percent from the second quarter of 2020, and the Company's operating results for the six-month period, a net profit of 43.2 million baht, a 102.8 percent increase from the same period last year. The company's net profit grew as a result of cost control, a reduction of loss in fair value in investment properties and lower operational expenses. Despite the fact that several department shops and rental spaces had to close their doors due to government policy at the end of the second quarter, the company was nevertheless able to react and have a successful quarter. The following are the specifics:

### Performance Summary

	Q2/2020	Q2/2021	Change		6M/2020	6M/2021	Change	
			Value	%			Value	%
Rental income	63.3	69.4	6.1	9.6%	161.1	145.2	-15.9	-9.9%
Revenue from contracts with customers	32.3	26.8	-5.5	-17.0%	99.7	76.1	-23.6	-23.7%
<b>Total income</b>	<b>95.7</b>	<b>96.2</b>	<b>0.5</b>	<b>0.5%</b>	<b>260.8</b>	<b>221.3</b>	<b>-39.5</b>	<b>-15.1%</b>
Rental cost	14.8	7.1	-7.7	-52.0%	23.5	15.0	-8.5	-36.2%
Cost of Sales	23.3	20.4	-2.9	-12.4%	68.3	52.2	-16.1	-23.6%
Loss in FV of Investment Properties	-24.3	-9.0	15.3	63.1%	-79.3	-32.8	46.5	58.6%
<b>Gross profit</b>	<b>57.5</b>	<b>68.7</b>	<b>11.2</b>	<b>19.5%</b>	<b>169.0</b>	<b>154.1</b>	<b>-14.9</b>	<b>-8.8%</b>

	Q2/2020	Q2/2021	Change		6M/2020	6M/2021	Change	
			Value	%			Value	%
Other income	1.9	6.0	4.1	215.8%	5.9	11.3	5.4	91.5%
Selling and distribution expenses	10.3	12.7	2.4	23.3%	25.0	28.1	3.1	12.4%
Administrative expenses	14.0	13.1	-0.9	-6.4%	26.4	25.3	-1.1	-4.2%
Operating profit	<b>13.8</b>	<b>39.9</b>	<b>26.1</b>	<b>189.1%</b>	<b>47.5</b>	<b>79.2</b>	<b>31.7</b>	<b>66.7%</b>
Financial Revenue	0	0.3	0.3	n.a.	0	0.6	0.6	n.a.
Financial cost	12.3	16.0	3.7	30.1%	27.9	32.8	4.9	17.6%
<b>Net Profit</b>	<b>4.7</b>	<b>22.2</b>	<b>17.5</b>	<b>372.3%</b>	<b>21.3</b>	<b>43.2</b>	<b>21.9</b>	<b>102.8%</b>

### Rental and Service income

Rental income during the second quarter of 2021 (3-month period) was 69.4 million baht, 9.6 percent decreased from the second quarter of 2020. Total revenues for the three-month period was 96.2 million baht, increase 0.5 percent from the same period the previous year due to rental revenues increase from new shopping mall Jas Village Amata and Jas Green Village Khubon (in some area that have been already rent out to key tenant)

In terms of operating results for the first six months of 2021, the Company's rental income was 145.2 million baht, a decrease of 9.9 percent from the same period the previous year, while total income was 221.3 million baht, a decrease of 15.1 percent from the same period the previous year. This was because the closure of IT Junction branches that do not performed as

according to its target and a decline of sale of condominium.

### Cost of Sales and Service

For the second quarter, the company has rental costs year 2021 is equal to 7.1 million baht, a decrease by 52.0 percentage from the second quarter of 2020, while the cost of rent for the 6-month period of 2021 is equal to 15.0 million baht, a decrease of 36.2 percent from the same period of the previous year. This was due to the Company's decision to reduce the number of IT Junction branches.

### Gross Profit

The company made a profit in the second quarter year 2021 is equal to 68.7 million baht, representing a gross profit margin of 71.4 percent, an increase from the same quarter last year. When considering the gross profit for the six-month period of 2021, it is equal to 154.1 million baht, representing

a gross profit of 69.6 percent, which increased from the same period the previous year. This is as a result of cost effective management.

### **Selling expenses and administrative expenses**

The company had selling and distribution expenses of 12.7 million baht in the second quarter of 2021, a increase of 23.3 percent from the second quarter of 2020, and 6 month services expenses of 28.1 million baht or increased 12.4 percentage from the same period last year. An increase of selling expenses is come from sale promotion expenses in new shopping mall.

And administrative expenses equal to 13.1 million baht in the second quarter of 2021, a decrease of 6.4 percent from the second quarter of 2020, and equal to 25.3 million baht in the six-month period of 2021, a decrease of 4.2 percent.

### **Loss in Fair Value of Investment Properties**

During the first 6 months of 2021, the Company incurs loss in fair value of Investment Properties 32.8 million baht which lower than same period last of 79.3 million baht.

### **Assets**

The Company had total assets of 3,475.2 million baht at the end of June 30, 2021, an increase from the end of 2020 of 237.6 million baht or 7.3 percent due to an increase in investment properties, which was the value of the real estate that the Company has provided rental space in the rental area and shopping center.

### **Liabilities and Shareholders' Equity**

The Company had total liabilities of 1,815.6 million baht at the end of June 30, 2021, an decrease from the end of 2020 of 48.2 million baht or 2.5 percent, due to a decrease of short term loan from related parties. While shareholders' equity is equal to 1,623.7 million baht, giving the Company a debt to equity ratio of 1.14 times and an interest-bearing debt to equity ratio of 0.52 .times, which decline from the end of 2020.

### **Forward Looking**

The previous quarter, 2/2021, was considered a difficult period in the Company's business since the government began to issue lockdown measures to control the spread of COVID-19. The Company's shopping center, on the other hand, is a Community Mall, which is an open mall. Although some are affected, supermarkets that rent out space can continue to operate in accordance with

government policies. Furthermore, the company has taken steps to reduce operating costs during this period and negotiating a rent reduction with the landlord, as well as maintaining sufficient cash flow for work and caring for employees in order to maintain morale and morale to continue their operations.

The company still intends to open a new shopping center, JAS Green Village Kubon, in Q4/2021, which will generate additional revenue streams in the future.

Please be informed accordingly.

Yours Faithfully,

*- Signed -*

(Mr. Suphot Sirikulapas)  
Chief Executive Officer

Mr. Panya Chutisiriwong  
Investor Relations  
JAS Asset Public Company Limited

JAS Green Village, Kubon Community Mall Project

