

Management Discussion and Analysis 2021

JAS Asset



Ref: J65/001

22 February 2022

Subject: Management Discussion and Analysis 2021
 To: The President
 The Stock Exchange of Thailand

According to the resolution of the Board of Directors Meeting of JAS Asset Public Company Limited (“the Company”) No. 1/2022 on February 22, 2022, it was agreed to approve the Company's financial statements and operating results as of December 31, 2021, which had been audited by the Company's auditors. The results can be summarized as follows:

The operating results for the fiscal year 2021 of the Company for the Company's financial statements the company's net profit is 161.4 million baht. This is the result of the company launching new projects and reduces operating costs that are reduced and reduced costs. The details of the Company's operating results the details are as follows:

	2020		2021		Change	
	MB.	%	MB.	%	MB.	%
Rental income	320.7	61.5%	271.7	62.7%	-49.0	-15%
Income from contracts with customers	191.7	36.7%	111.9	25.8%	-79.8	-42%
other income	9.2	1.8%	49.9	11.5%	40.7	442%
Total income	521.6	100.0%	433.5	100.0%	-88.1	-17%
Rental cost	45.0	8.6%	28.3	6.5%	-16.7	-37%
Cost of sales	140.7	27.0%	85.6	19.7%	-55.1	-39%
Gross profit	326.8	62.6%	269.7	62.2%	-57.1	-17%
Profit (Loss) Fair Value Adjustment of Investment Property	-97.3	-18.6%	65.6	15.2%	162.9	-168%
Reverse the allowance for impairment of assets.	3.4	0.6%	0.0	0.0%	-3.4	-100%
Profit before expenses	242.1	46.4%	385.1	88.8%	143.0	59%
Selling and distribution expenses	63.7	12.2%	56.2	13.0%	-7.5	-12%

	2020		2021		Change	
	MB.	%	MB.	%	MB.	%
Administrative expenses	60.0	11.5%	66.3	15.3%	6.3	10%
Operating profit (EBIT)	118.4	22.7%	262.7	60.6%	144.3	122%
Financial income	1.9	0.4%	1.3	0.3%	-0.6	-32%
Financial cost	61.8	11.8%	66.1	15.2%	4.3	7%
Profit (loss) before income tax expenses	58.5	11.2%	197.9	45.6%	139.4	239%
Profit (loss) before income tax expenses	-2.1	-0.4%	-36.5	-8.4%	-34.4	1680%
Net profit	56.4	10.8%	161.4	37.2%	105.0	186%

Overview of the Retail Industry and an overview of the Company's operations

The spread of COVID-19 has continued in the years following 2021, which is why the overall economy has grown slowly. It is estimated that in 2021, the overall economy as measured by the country's gross domestic product will grow around 0.5 - 1.0 percent. Because the tourism situation has not improved Overall consumption has slowed, thus the retail industry in which the Company operates has been slow to grow. Following the government's relaxation of the lockdown measures in Q4/21, the company's occupancy rate may be close to normal.

However, the business in which the company operates focus on managing leased spaces for retailers selling mobile phones and accessories and develops a Community Mall-type shopping center. Even though the company is affected by the overall situation in 2021, however, the company can still alter and prop up the situation to keep the rental rate stable. And the company's new shopping mall, the JAS Green Village project, Kubon, which will generate rental revenue in the future. In addition, the company has also launched the Senera Senior Wellness Home for the Elderly, which is expected to begin booking and revenue recognition within 2022.

As a result of business strategic adjustments, the company can have good performance and has the highest profit in history in the past 2021

However, if analyzing the numbers of the company's performance can be described as follows:

Rental and service income and other income

Rental and service income in the year 2021 is equal to 271.7 million baht, a decrease from the year 2020 equal to 49 million baht. However, the Company's rental revenue was reduced because of the gradual closure of its IT Junction branch, whose operating performance fell short of expectations. The Company, on the other hand, opened a new community mall, JAS Green Village, Kubon, on Kubon Road in Klong Samwa District., Bangkok, which is a source of many communities, has enhanced the company's rental income.

Cost of rent, service charge, cost of sales and gross profit

The company's cost of rent and cost of sales in 2021 are 113.9 million baht, a 38.7 percent decrease from the previous year due to lower rental expenses from branch closures. Reducing the size of the rented space in the IT Junction business if operational results did not reach the objective, as well as negotiating a rent reduction with the landlord in 2021, The Company's gross profit in 2021 was 269.7 million baht, a decrease of 57.1 million baht or 17 percent, representing a gross profit margin of 62.2% from total revenue.

Profit (Loss) Fair Value Adjustment of Investment Property

In 2021, the Company has a profit adjustment in the fair value of investment properties 65.6 million baht.

Selling expenses and administrative expenses

The company had selling expenses and administrative expenses in the year 2021, totaling 122.4 million baht, a decrease from the year 2020 equal to 1.3 million baht or a decrease of 1.1 percent. This is the same level as in the year before 2021, with the expense of shutting branches reduced.

Operating profit

The Company's operating profit in 2021 was 262.7 million baht, an increase of 144.3 million baht from 2020, or an increase of 121.9 percent, resulting from the fair value adjustment of investment properties.

Financial cost

The company's total financial cost in 2021 was 66.1 million baht, an increase from 2020 of 4.3 million baht or 7 percent because the company had financial costs from debentures that increased from the issuance of shares at the end of 2020.

Financial Position Summary

	31 Dec 2020		31 Dec 2021		Change	
	MB.	%	MB.	%	MB.	%
Asset						
Cash and cash equivalents	6.6	0.2%	22.3	0.6%	15.7	240.5%
Trade accounts and other receivables	41.0	1.3%	105.8	2.8%	64.8	158.1%
Real estate development costs	91.1	2.8%	86.0	2.3%	-5.1	-5.6%
Prepaid income tax	17.2	0.5%	12.9	0.3%	-4.3	-25.2%
Other current assets	10.4	0.3%	15.6	0.4%	5.2	49.4%
Total current assets	166.3	5.1%	242.6	6.4%	76.3	45.9%
Deposit	110.1	3.4%	56.4	1.5%	-53.7	-48.8%
Investment property	2,904.4	89.7%	3,461.7	91.2%	557.3	19.2%
Land and equipment	31.8	1.0%	30.8	0.8%	-1.0	-3.1%
Intangible assets	2.4	0.1%	1.3	0.0%	-1.1	-44.6%
Deferred tax assets	20.7	0.6%	0.0	0.0%	-20.7	-100.0%
Other non-current assets	1.9	0.1%	1.7	0.0%	-0.2	-10.8%
Total non-current assets	3,071.3	94.9%	3,552.0	93.6%	480.7	15.6%
Total assets	3,237.6	100.0%	3,794.6	100.0%	557.0	17.2%
Liabilities and Equity						
Overdrafts and short-term loans	118.6	3.7%	124.4	3.3%	5.8	4.9%
Trade and other payables	56.2	1.7%	66.9	1.8%	10.7	19.1%
construction insurance	9.7	0.3%	13.9	0.4%	4.2	43.8%
Advance payment from customers	0.2	0.0%	0.2	0.0%	0.0	-20.6%
The portion of long-term borrowings due within 1 year	112.4	3.5%	100.1	2.6%	-12.3	-10.9%
Lease liabilities due within 1 year	105.2	3.2%	91.5	2.4%	-13.7	-13.0%

	31 Dec 2020		31 Dec 2021		Change	
	MB.	%	MB.	%	MB.	%
Short-term loans from related parties	113.0	3.5%	200.0	5.3%	87.0	77.0%
Debentures due within one year	0.0	0.0%	196.6	5.2%	196.6	n.a.
Other current liabilities	14.9	0.5%	13.1	0.3%	-1.8	-12.4%
Total current liabilities	530.2	16.4%	806.7	21.3%	276.5	52.1%
Long-term loans - net	371.7	11.5%	365.4	9.6%	-6.2	-1.7%
Liabilities under finance lease contracts - net	694.1	21.4%	746.5	19.7%	52.4	7.6%
Lease liabilities - net	194.9	6.0%	0.0	0.0%	-194.9	-100.0%
Deposit received from tenant	83.4	2.6%	93.1	2.5%	9.7	11.6%
Deferred tax liabilities	0.0	0%	15.8	0.4%	15.8	100%
Other non-current liabilities	25.1	0.8%	40.4	1.1%	15.3	61.2%
Total non-current liabilities	1,369.6	42.3%	1,246.0	32.8%	-123.6	-9.0%
Total liabilities	1,899.8	58.7%	2,052.7	54.1%	152.9	8.0%
Total Shareholders' Equity	1,337.8	41.3%	1,741.9	45.9%	404.1	30.2%

Asset

The Company has total assets of 3,794.6 million baht at the end of December 31, 2021, an increase of 557 million baht or 17.2 percent from the end of 2020 due to an increase in investment properties.

Liabilities and Shareholder's Equity

As of December 31, 2021, the Company had total liabilities of 2,052.7 million baht, an increase of 152.9 million baht from the end of 2020 or 8 percent due to an increase in short-term borrowings. and liabilities under financial leases increased while shareholders' equity was equal to 1,741.9 million baht, an increase of 404.1 million baht or 30.2 percent due to higher share premiums. and retained earnings increased from the profit of the company

At the end of 2020, the Company's debt to equity ratio was 1.18 times and the interest-bearing debt to equity ratio was 0.57 times.

An analysis of the company's cash flow

The Company's cash and cash equivalents decreased by 22.3 million baht as of December 31, 2021, due to the net effect of the 3 expenditure operations.

- 1) A cash flow of 313.9 million baht was used in investing operations.
- 2) The cash flows used in financing activities totaled 111.2 million baht. And
- 3) The cash flow from operations was 218.4 million baht.

Increased investment in investment properties resulted in a cash outflow from investing operations of 313.9 million baht in 2019 compared 2020 and cash flow utilized in financing activities of 111.2 million baht because of short-term loans from related parties and 218.4 million baht in short-term debt repayment for operational cash flow was primarily due to the company's improved operating profit

Forward Looking

By reducing expenses, the company was able to operate its operations during the 2019 coronavirus pandemic for the second year in a row in 2021 and expenses related to the Company's core business operations enabling the company to have a net profit and have the highest profit since the establishment of the company

The year 2022 is still regarded as the year in which the 2019 coronavirus epidemic would continue, but the situation has clearly improved due to public vaccination, and the overall situation of the virus outbreak is manageable. The company has a positive view for the retail industry in the year 2022. Renting space in the Community Mall group will be able to return to close norms.

Please be informed accordingly.

Yours faithfully,

- *Singed* -

(Mr.Suphot Sirikulapas)

Chief Executive Officer

Mr. Panya Chutisiriwong

Investor Relations