

May 11, 2023

Subject: Management Discussion and Analysis for the first quarter ended on March 31, 2023

To: Directors and Manager  
The Stock Exchange of Thailand

According to the resolution of the Board of Directors of Jakpaisan Estate Public Company Limited (“The Company”) No. 2/2566 on May 11, 2023, it approved financial statements for the first quarter of 2023 ended on March 31, 2023. The Company hereby clarifies the performance as follows:

**Key Highlights for The First Quarter of 2023**

- Total revenues in the First Quarter of 2023 were 24.58 million baht, a increase of 10.62 million baht or a 76.07% increase when compared to the same period last year.
- Revenue from sales in the First Quarter of 2023 were 24.23 million baht, an increase of 10.74 million baht or a 79.61% increase when compared to the same period last year due to economic recovery in real estate business.

**Operating Results**

Financial Statement	2023		2022		Increase / (Decrease)	
	MB	%	MB	%	MB	%
<b>REVENUES</b>						
Revenue from sales	24.23	98.58	13.49	96.63	10.74	79.61
Other income	0.35	1.42	0.47	3.37	(0.12)	(25.53)
<b>Total revenues</b>	<b>24.58</b>	<b>100.00</b>	<b>13.96</b>	<b>100.00</b>	<b>10.62</b>	<b>76.07</b>
<b>EXPENSES</b>						
Cost of sales	15.01	61.07	8.66	62.03	6.35	73.33
Selling expenses	1.23	5.00	0.62	4.44	0.61	98.39
Administrative expenses	8.06	32.79	6.54	46.86	1.52	23.24
Managements’ remuneration	1.43	5.82	2.30	16.48	(0.87)	(37.83)
<b>Total expenses</b>	<b>25.73</b>	<b>104.68</b>	<b>18.12</b>	<b>129.80</b>	<b>7.61</b>	<b>42.00</b>
<b>Loss before finance income, finance costs, share of profit from investment in an associate and income tax income</b>	<b>(1.15)</b>	<b>(4.68)</b>	<b>(4.16)</b>	<b>(29.80)</b>	<b>3.01</b>	<b>(72.36)</b>
Financial income	0.06	0.24	0.07	0.50	(0.01)	(14.29)
Financial costs	(3.37)	(13.71)	(1.50)	(10.74)	1.87	124.67
Share of profit from investment in an associate	1.10	4.48	2.77	19.84	(1.67)	(60.29)
<b>Loss before income tax income</b>	<b>(3.36)</b>	<b>(13.67)</b>	<b>(2.82)</b>	<b>(20.20)</b>	<b>(0.54)</b>	<b>19.15</b>
Income tax income	0.78	3.17	1.11	7.95	(0.33)	(29.73)
<b>Net loss</b>	<b>(2.58)</b>	<b>(10.50)</b>	<b>(1.71)</b>	<b>(12.25)</b>	<b>(0.87)</b>	<b>50.88</b>

- **Revenues**

- Revenue from sales

- Revenue from sales in the First Quarter of 2023 were 24.23 million baht or 98.58% of the total revenues, an increase of 10.74 million baht or a 79.61% increase when compared to the same period last year from on-going Project *Canna*.

- Other income

- Other income, which includes rental fees and utilities fees, in the First Quarter of 2023 were 0.35 million baht or 1.42% of the total revenues, an decrease of 0.12 million baht or a 25.53% due to rental fees.

- **Expenses**

- Cost of sales

- Cost of sales in the First Quarter of 2023 were 15.01 million baht or 61.07% of the total revenues, an increase of 6.35 million baht or a 73.33% due to increase of sales from real estate development business.

- Selling expenses

- Selling expenses in the First Quarter of 2023 were 1.23 million baht or 5.00% of the total revenues, an increase of 0.61 million baht or a 98.39% increase when compared to the same period last year due to increase of transfer taxes and fees, sales and marketing expenses, and employee-related expenses as the result of increased in sales from real estate development business.

- Administrative expenses and managements' remuneration

- Administrative expenses and managements' remuneration in the First Quarter of 2023 were 9.49 million baht or 38.61% of the total revenues, a increase of 0.65 million baht or a 7.35% increase when compared to the same period last year.

- **Loss before finance income, finance costs, share of profit from investment in an associate and income tax income**

Loss before financial income, financial costs, share of profit from investment in an associate and income tax income in the First Quarter of 2023 were 1.15 million baht which decreased by 72.36% when compared to last year. As a result, gross margin in the First Quarter of 2023 was -4.68% because during in 2023 the Company have revenue from sale and gross profit increase while administrative expenses and managements' remuneration were a bit fewer than the amount in 2022. Nonetheless, in 2023 The Company maintained real estate development business's gross margin and total gross margin at 37.55% and 38.07% respectively.



**JAKPAISAN ESTATE**

Gross Margin (%)	2023	2022
Gross margin from real estate development business	37.55	34.85
Total gross margin	38.07	35.77

- **Financial costs**

The First Quarter of 2023 the Company's financial costs, which include interest from long-term loans, overdrafts, and promissory notes, were 3.37 million baht or 13.71% of the total revenues, an increase of 1.87 million or a 124.67% due to new long-term project loans to invest in the expansion of The Company's real estate development projects since the end of 2022 to the beginning of 2023.

- **Share of profit from investment in an associate**

The Company realized 40% of profits from investment in M.T.S Asset Development Company Limited ("MTS") which has an on-going project, named *Idyl*, in Phan Thong District, Chonburi.

Share of profit from investment in MTS in the First Quarter of 2023 were 1.10 million baht or 4.48% of the total revenues, an decrease of 1.67 million baht or a 60.29% decrease when compared to the same period last year due to the number of ownership transfers from the Project *Idyl*.

- **Net loss**

In the First Quarter of 2023, the Company reports loss of 2.58 million baht or 10.50% of the total revenues, a increase of 0.87 million baht or a 50.88% increase because in 2023 the Company has higher financial costs from borrowing to invest in new development projects.

**Financial Position Analysis**

Financial Position	As of				Increase / (Decrease)	
	March 31, 2023		December 31, 2022		MB	%
	MB	%	MB	%		
Total assets	856.21	100	812.86	100.00	43.35	5.33
Total liabilities	430.16	50.24	384.23	47.27	45.93	11.95
Total shareholders' equity	426.05	49.76	428.63	52.73	(2.58)	(0.60)

- **Total assets**

As of March 31, 2023, The Company has total assets of 856.21 million baht which increased from December 31, 2022, by 43.35 million baht or 5.33%. The Company's key assets are inventories which comprise of lands for development, finished goods, products during construction, investment in an associate and investment properties.

- **Total liabilities**

As of March 31, 2023, The Company has total liabilities of 430.16 million baht which increased from December 31, 2022, by 45.93 million baht or 11.95% due mainly to the increase in financial costs for The Company's new projects expansion of 44.17 million baht. Total liabilities mainly comprise overdrafts and long-term loans from financial institutions totaling 377.22 million baht.

- **Total shareholders' equity**

As of March 31, 2023, The Company has total shareholders' equity of 426.05 million baht which increased from December 31, 2022, by 2.58 million baht or 0.60% due to the decrease of retained earnings in The Company's 2023 net loss was 2.58 million baht.

**Key Financial Ratios**

Financial Ratios	As of March 31,	
	2023	2022
Gross profit margin	38.07	35.77
Net profit margin	(10.50)	(12.25)
	March 31, 2023	December 31, 2022
D/E ratio	1.01	0.90

Please be informed accordingly.

Yours sincerely,

Mr. Panuchai Hetrakul Srinualnad  
Managing Director