

August 10, 2023

Subject: Management Discussion and Analysis for the second quarter ended on June 30, 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. 3/2023 on August 10, 2023, it approved financial statements for the second quarter of 2023 ended on June 30, 2023. The Company hereby clarifies the performance as follows:

### Key Highlights for the second Quarter of 2023

- Total revenues for the three months in the second quarter of 2023 were 36.78 million baht, an increase of 9.62 million baht or a 35.42% increase when compared to the same period last year. And for the six months in the second quarter of 2023 were 61.02 million baht, an increase of 20.38 million baht or a 50.15% increase when compared to the same period last year. The revenue increase was due to economic recovery situation and the company recognize revenue from sales of new projects, namely Gardenia Pattaya project, which was well received by customers.
- The Company's gross profit margin for the six months in the second quarter was 39.47% percent, an increase of 4.83 or a 13.94% compared to the same period last year. As a result of the management of costs and selling prices of the company more efficiently.

### Operating Results

รายการ	Q2/2023		Q2/2022		Increase /(Decrease)		6M/2023		6M/2022		Increase /(Decrease)	
	MB	%	MB	%	MB	%	MB	%	MB	%	MB	%
<b>REVENUES</b>												
Revenue from sales	36.78	98.98	27.16	97.84	9.62	35.42	61.02	98.83	40.64	97.43	20.38	50.15
Other income	0.38	1.02	0.60	2.16	(0.22)	(36.67)	0.72	1.17	1.07	2.57	(0.35)	(32.71)
<b>Total revenues</b>	<b>37.16</b>	<b>100.00</b>	<b>27.76</b>	<b>100.00</b>	<b>9.40</b>	<b>33.86</b>	<b>61.74</b>	<b>100.00</b>	<b>41.71</b>	<b>100.00</b>	<b>20.03</b>	<b>48.02</b>
<b>EXPENSES</b>												
Cost of sales	21.93	59.02	17.90	64.48	4.03	22.51	36.93	59.82	26.57	63.70	10.36	38.99
Selling expenses	1.41	3.79	1.06	3.82	0.35	33.02	2.64	4.28	1.68	4.03	0.96	57.14
Administrative expenses	7.19	19.35	6.33	22.80	0.86	13.59	15.25	24.70	12.85	30.81	2.40	18.68
Managements' remuneration	1.60	4.31	2.26	8.14	(0.66)	(29.20)	3.04	4.92	4.56	10.93	(1.52)	(33.33)
<b>Total expenses</b>	<b>32.13</b>	<b>86.46</b>	<b>27.55</b>	<b>99.24</b>	<b>4.58</b>	<b>16.62</b>	<b>57.86</b>	<b>93.72</b>	<b>45.66</b>	<b>109.47</b>	<b>12.20</b>	<b>26.72</b>
<b>Profit (loss) before finance income, finance costs, share of profit from investment in an associate and income tax income (expense)</b>	<b>5.03</b>	<b>13.54</b>	<b>0.21</b>	<b>0.76</b>	<b>4.82</b>	<b>2,295.24</b>	<b>3.88</b>	<b>6.28</b>	<b>(3.95)</b>	<b>(9.47)</b>	<b>7.83</b>	<b>(198.23)</b>
Financial income	0.08	0.22	0.08	0.29	-	-	0.14	0.23	0.15	0.36	(0.01)	(6.67)
Financial costs	(3.84)	(10.33)	(2.04)	(7.35)	(1.80)	88.24	(7.21)	(11.68)	(3.54)	(8.49)	(3.67)	103.67
Share of profit from investment in an associate	(0.21)	(0.57)	1.77	6.38	(1.98)	(111.86)	0.89	1.44	4.54	10.88	(3.65)	(80.40)
<b>Income (loss) before income tax income (expense)</b>	<b>1.06</b>	<b>2.85</b>	<b>0.02</b>	<b>0.07</b>	<b>1.04</b>	<b>5,200.00</b>	<b>(2.30)</b>	<b>(3.73)</b>	<b>(2.80)</b>	<b>(6.71)</b>	<b>0.50</b>	<b>(17.86)</b>



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รายการ	Q2/2023		Q2/2022		Increase /(Decrease)		6M/2023		6M/2022		Increase /(Decrease)	
	MB	%	MB	%	MB	%	MB	%	MB	%	MB	%
Income tax income (expense)	(0.26)	(0.70)	0.33	1.19	(0.59)	(178.79)	0.52	0.84	1.43	3.43	(0.91)	(63.64)
<b>Net income (Loss) for the periods</b>	0.80	2.15	0.35	1.26	0.45	128.57	(1.78)	(2.88)	(1.37)	(3.28)	(0.41)	29.93

- **Revenues**

- Revenue from sales

Revenue from sales for the three months in the second quarter of 2023 were 36.78 million baht, an increase of 9.62 million baht or a 35.42% increase when compared to the same period last year. And for the six months in the second quarter of 2023 were 61.02 million baht, an increase of 20.38 million baht or a 50.15% increase when compared to the same period last year. The revenue increase from on-going Project *Canna* and the company recognize revenue from sales of new projects, namely Gardenia Pattaya project, which was well received by customers.

- Other income

Other income, which includes rental fees and utilities fees, for the three months in the second quarter of 2023 were 0.38 million baht or 1.02% of the total revenues decrease of 0.22 million baht or a 36.67% decrease when compared to the same period last year. And for the six months in the second quarter of 2023 were 0.72 million baht or 1.17% of the total revenues decrease of 0.35 million baht or a 32.71% decrease when compared to the same period last year due to rental fees.

- **Expenses**

- Cost of sales

Cost of sales for the three months in the second quarter of 2023 were 21.93 million baht or 59.02% of the total revenues increase of 4.03 million baht or a 22.51% increase when compared to the same period last year. And for the six months in the second quarter of 2023 were 36.93 million baht or 59.82% of the total revenues increase of 10.36 million baht or a 38.99% due to increase of sales from real estate development business.

- Selling expenses

Selling expenses for the three months in the second quarter of 2023 were 1.41 million baht or 3.79% of the total revenues increase of 0.35 million baht or a 33.02% increase when compared to the same period last year. And for the six months in the second quarter of 2023 were 2.64 million baht or 4.28% of the total revenues increase of 0.96 million baht or a 57.14% 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 for the three months in the second quarter of 2023 were 8.79 million baht or 23.66% of the total revenues increase of 0.20 million baht or a 2.33% increase when compared to the same period last year. And for the six months



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in the second quarter of 2023 were 18.29 million baht or 29.62% of the total revenues increase of 0.88 million baht or a 5.05% increase when compared to the same period last year due to increase of operating expenses of new projects implemented in year 2023.

- **Profit (loss) before finance income, finance costs, share of profit from investment in an associate and income tax income (expenses)**

Profit before financial income, financial costs, share of profit from investment in an associate and income tax income for the three months in the second quarter of 2023 were 5.03 million baht increase of 4.82 million baht or a 2,295.24% increase when compared to the same period last year. And for the six months in the second quarter of 2023 were 3.88 million baht increase of 7.83 million baht or a 198.23% when compared to the same period last year, 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 for the three months and six months in the second quarter of 2023 at 40.14% and 39.11 % respectively and total gross margin for the three months and six months in the second quarter of 2023 at 40.39% and 39.47% respectively, increase when compared to the same period last year.

Gross Margin (%)	Q2/2023	Q2/2022	6M/2023	6M/2022
Gross margin from real estate development business	40.14	33.60	39.11	34.01
Total gross margin	40.39	34.08	39.47	34.64

- **Financial costs**

The Second Quarter of 2023 the Company’s financial costs, which include interest from long-term loans, overdrafts, and promissory notes, for the three months in the second quarter of 2023 were 3.84 million baht increase of 1.80 million baht or an 88.24% when compared to the same period last year. And for the six months in the second quarter of 2023 were 7.21 million baht increase of 3.67 million baht or an 103.67% when compared to the same period last year, 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 loss from investment in MTS for the three months in the second quarter of 2023 were 0.21 million baht decrease of 1.98 million baht or an 111.86% when compared to the same period last year. And for the six months in the second quarter of 2023, share of profit from investment in MTS were 0.89 million baht decrease of 3.65 million baht or an 80.40% decrease when compared to the same period last year due to the number of ownership transfers from the Project *Idyl*.

- **Net profit (loss)**

For the three months in the second quarter of 2023, the Company reports profit of 0.80 million baht increase of 0.45 million baht or 128.57% when compared to the same period last year and for the six months in the second quarter of 2023, the Company reports loss of 1.78 million baht loss increase of 0.41 million baht or 29.93% when compared to the same period last year 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)	
	June 30, 2023		December 31, 2022		MB	%
	MB	%	MB	%		
Total assets	872.30	100.00	812.86	100.00	59.44	7.31
Total liabilities	445.46	51.07	384.24	47.27	61.22	15.93
Total shareholders' equity	426.84	48.93	428.62	52.73	(1.78)	(0.42)

- **Total assets**

As of June 30, 2023, The Company has total assets of 872.30 million baht which increased from December 31, 2022, by 59.44 million baht or 7.31%. 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 June 30, 2023, The Company has total liabilities of 445.46 million baht which increased from December 31, 2022, by 61.22 million baht or 15.93% due mainly to the increase in long-term loans for The Company's new projects expansion. Total liabilities mainly comprise overdrafts and long-term loans from financial institutions totaling 408.53 million baht.

- **Total shareholders' equity**

As of June 30, 2023, The Company has total shareholders' equity of 426.84 million baht which decreased from December 31, 2022, by 1.78 million baht or 0.42% due to the decrease of retained earnings in The Company's for the six months in the second quarter of 2023 net loss was 1.78 million baht.

Key Financial Ratios

Financial Ratios	As of June 30,	
	2023	2022
Gross profit margin	39.47	34.64
Net profit margin	(2.88)	(3.27)
	June 30, 2023	December 31, 2022
D/E ratio	1.04	0.90

Please be informed accordingly.

Yours sincerely,

Mr. Weeraphan Jakpaison  
Managing Director