

November 9, 2023

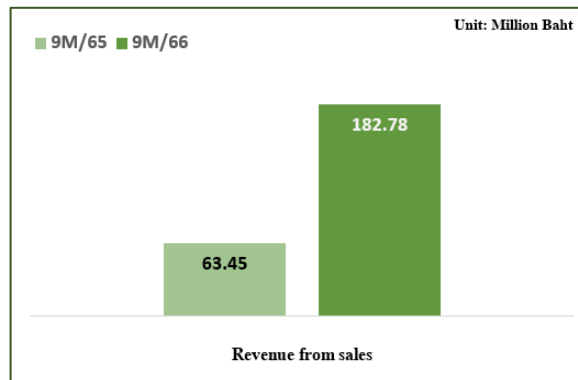
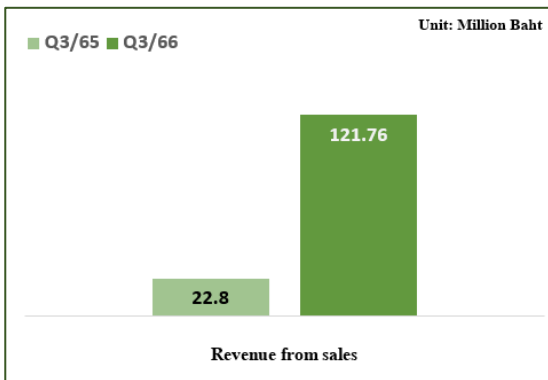
Subject: Management Discussion and Analysis for the third quarter ended on September 30, 2023

To: Directors and Manager
The Stock Exchange of Thailand

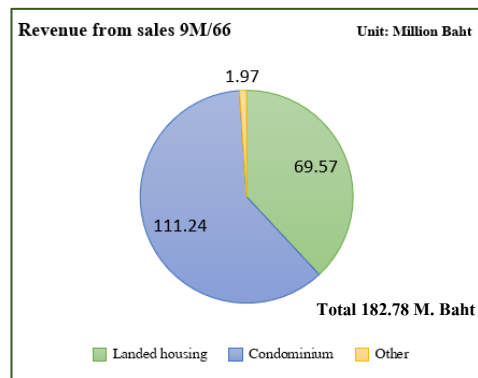
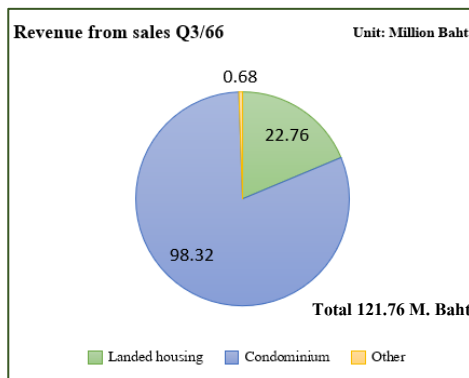
According to the resolution of the Board of Directors of Jakpaisan Estate Public Company Limited (“The Company”) No. 4/2023 on November 9, 2023, it approved financial statements for the third quarter of 2023 ended on September 30, 2023. The Company hereby clarifies the performance as follows:

Key Highlights for the third Quarter of 2023

- The company has started developing on a new project in the third quarter of 2023, called the Pine Condo project. It is anticipated that ownership will start to be transferred in the 4th quarter of 2024 and that the project will open for sales in the 4th quarter of 2023.
- Total revenues for the three months in the third quarter of 2023 were 121.76 million baht, an increase of 98.96 million baht or a 434.04% increase when compared to the same period last year. And for the nine months in the third quarter of 2023 were 182.78 million baht, an increase of 119.33 million baht or a 188.07% increase when compared to the same period last year. The revenue increase was due to economic recovery situation. The company benefits from the opening of the country where foreigners come to invest in condominium real estate. Foreign clients have responded well to the Gardenia Pattaya project as a consequence.



The picture shows a comparison of sales revenue data.



The picture shows the classification of sales revenue.



JAKPAISAN ESTATE

- The Company's **gross profit margin for the nine months of 2023 was 43.91% percent, an increase of 7.97 or a 22.18%** compared to the same period last year. Due to of the management of costs and selling prices of the company more efficiently and unit sales revenue from the Gardenia Pattaya Project, which fully increase in 2023, causing gross profits to increase.

Operating Results for the third quarter of 2023

| รายการ | Q3/2023 | | Q3/2022 | | Increase /(Decrease) | | 9M/2023 | | 9M/2022 | | Increase /(Decrease) | |
|--|---------------|---------------|---------------|---------------|----------------------|-------------------|---------------|---------------|---------------|---------------|----------------------|-----------------|
| | MB | % | MB | % | MB | % | MB | % | MB | % | MB | % |
| REVENUES | | | | | | | | | | | | |
| Revenue from sales | 121.76 | 99.44 | 22.80 | 97.73 | 98.96 | 434.04 | 182.78 | 99.23 | 63.45 | 97.54 | 119.33 | 188.07 |
| Other income | 0.69 | 0.56 | 0.53 | 2.27 | 0.16 | 30.19 | 1.41 | 0.77 | 1.60 | 2.46 | (0.19) | (11.88) |
| Total revenues | 122.45 | 100.00 | 23.33 | 100.00 | 99.12 | 424.86 | 184.19 | 100.00 | 65.05 | 100.00 | 119.14 | 183.15 |
| EXPENSES | | | | | | | | | | | | |
| Cost of sales | 65.60 | 53.57 | 14.08 | 60.35 | 51.52 | 365.91 | 102.53 | 55.67 | 40.65 | 62.49 | 61.88 | 152.23 |
| Selling expenses | 12.16 | 9.93 | 1.03 | 4.41 | 11.13 | 1,080.58 | 15.90 | 8.63 | 2.71 | 4.17 | 13.19 | 486.72 |
| Administrative expenses | 8.28 | 6.76 | 6.80 | 29.15 | 1.48 | 21.76 | 22.42 | 12.17 | 19.66 | 30.22 | 2.76 | 14.04 |
| Managements' remuneration | 1.95 | 1.59 | 1.52 | 6.52 | 0.43 | 28.29 | 4.98 | 2.70 | 6.08 | 9.35 | (1.10) | (18.09) |
| Total expenses | 87.99 | 71.86 | 23.43 | 100.43 | 64.56 | 275.54 | 145.83 | 79.17 | 69.10 | 106.23 | 76.73 | 111.04 |
| Profit (loss) before finance income, finance costs, share of profit from investment in an associate and income tax income (expense) | 34.46 | 28.14 | (0.10) | (0.43) | 34.56 | 34,560.00 | 38.36 | 20.83 | (4.05) | (6.23) | 42.41 | 1,047.16 |
| Financial income | 0.06 | 0.05 | 0.07 | 0.30 | (0.01) | (14.29) | 0.19 | 0.10 | 0.22 | 0.34 | (0.03) | (13.64) |
| Financial costs | (3.66) | (2.99) | (3.01) | (12.90) | 0.65 | 21.59 | (10.87) | (5.90) | (6.56) | (10.08) | 4.31 | 65.70 |
| Share of profit from investment in an associate | (0.29) | (0.24) | 2.47 | 10.59 | (2.76) | (111.74) | 0.60 | 0.33 | 7.01 | 10.78 | (6.41) | (91.44) |
| Income (loss) before income tax income (expense) | 30.57 | 24.97 | (0.57) | (2.44) | 31.14 | 5,463.16 | 28.28 | 15.35 | (3.38) | (5.20) | 31.66 | 936.69 |
| Income tax income (expense) | (6.15) | (5.02) | 0.59 | 2.53 | (6.74) | (1,142.37) | (5.62) | (3.05) | 2.02 | 3.11 | (7.64) | (378.22) |
| Net income (Loss) for the periods | 24.42 | 19.94 | 0.02 | 0.09 | 24.40 | 122,000.00 | 22.66 | 12.30 | (1.36) | (2.09) | 24.02 | 1,766.18 |

- **Revenues**

- Revenue from sales

Revenue from sales for the three months in the third quarter of 2023 were 121.76 million baht, an increase of 98.96 million baht or a 434.04% increase when compared to the same period last year. And for the nine months in the third quarter of 2023 were 182.78 million baht, an increase of 119.33 million baht or a 188.07% increase when compared to the same period last year. The revenue increase from on-going Project *Canna* and *Gardenia Pattaya* which have responded well by the customer group. Additionally, the third quarter of 2023, the company recognize revenue from sales of new projects, namely *Canna Klong Song* project.

- Other income
Other income, which includes rental fees and utilities fees and others which changes in non-significant.
- **Expenses**
 - Cost of sales
Cost of sales for the three months in the third quarter of 2023 were 65.60 million baht or 53.57% of the total revenues increase of 51.52 million baht or a 365.91% increase when compared to the same period last year. And for the nine months in the third quarter of 2023 were 102.53 million baht or 55.67% of the total revenues increase of 61.88 million baht or a 152.23% due to increase of sales from real estate development business.
 - Selling expenses
Selling expenses for the three months in the third quarter of 2023 were 12.16 million baht or 9.93% of the total revenues increase of 11.13 million baht or a 1,080.58% increase when compared to the same period last year. And for the nine months in the third quarter of 2023 were 15.90 million baht or 8.63% of the total revenues increase of 13.19 million baht or a 486.72% 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. And in selling the Gardenia Pattaya project, sales representatives who refer clients to project are paid a commission by the company based on the real revenue from sales.
 - Administrative expenses and managements' remuneration
Administrative expenses and managements' remuneration for the three months in the third quarter of 2023 were 10.23 million baht or 8.35% of the total revenues increase of 1.91 million baht or a 22.96% increase when compared to the same period last year. And for the nine months in the third quarter of 2023 were 27.40 million baht or 14.88% of the total revenues increase of 1.66 million baht or a 6.45% 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 third quarter of 2023 were 34.46 million baht increase of 34.56 million baht or a 34,560% increase when compared to the same period last year. And for the nine months in the third quarter of 2023 were 38.36 million baht increase of 42.41 million baht or a 1,047.16% 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 nine months in the third quarter of 2023 at 46.07% and 43.77% respectively and total gross margin for the three months and nine months in the third



JAKPAISAN ESTATE

quarter of 2023 at 46.12% and 43.90% respectively, increase when compared to the same period last year.

| Gross Margin (%) | Q3/2023 | Q3/2022 | 9M/2023 | 9M/2022 |
|--|---------|---------|---------|---------|
| Gross margin from real estate development business | 46.07 | 37.76 | 43.77 | 35.36 |
| Total gross margin | 46.12 | 38.24 | 43.90 | 35.93 |

- **Financial costs**

The Third 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 third quarter of 2023 were 3.66 million baht increase of 0.65 million baht or an 21.59% when compared to the same period last year. And for the nine months in the third quarter of 2023 were 10.87 million baht increase of 4.31 million baht or an 65.70% 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 mid-year of 2023. In addition, interest rates will continue to increase during 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 third quarter of 2023 were 0.29 million baht a reduced profit share of 2.76 million baht or an 111.74% when compared to the same period last year. And for the nine months in the third quarter of 2023, share of profit from investment in MTS were 0.60 million baht decrease of 6.41 million baht or an 91.44% decrease when compared to the same period last year due to the number of ownership transfers from the Project *Idyl*. But there are increased operating expenses due to the development of new projects.

- **Net profit (loss)**

For the three months in the third quarter of 2023, the Company were profit of 24.42 million baht increase of 24.40 million baht or 122,000% when compared to the same period last year and for the nine months in the third quarter of 2023, were profit of 22.66 million baht increase of 24.02 million baht or 1,766.18% when compared to the same period last year because in 2023, the revenue increase was due to economic recovery situation. The company benefits from the opening of the country where foreigners come to invest in condominium real estate. As mentioned above.

Financial Position Analysis

| Financial Position | As of | | | | Increase / (Decrease) | |
|----------------------------|--------------------|--------|-------------------|--------|-----------------------|------|
| | September 30, 2023 | | December 31, 2022 | | | |
| | MB | % | MB | % | MB | % |
| Total assets | 843.55 | 100.00 | 812.86 | 100.00 | 30.69 | 3.77 |
| Total liabilities | 392.29 | 46.50 | 384.24 | 47.27 | 8.05 | 2.09 |
| Total shareholders' equity | 451.26 | 53.50 | 428.62 | 52.73 | 22.64 | 5.28 |

- **Total assets**

As of September 30, 2023, The Company has total assets of 843.55 million baht which increased from December 31, 2022, by 30.69 million baht or 3.77%. 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. Increased assets came from inventories totaling around 28.70 million baht because of the Pine Condo project, which started operations in the third quarter.

- **Total liabilities**

As of September 30, 2023, The Company has total liabilities of 392.29 million baht which increased from December 31, 2022, by 8.05 million baht or 2.09% due mainly to the increase in loans for The Company's new projects expansion. Total liabilities mainly comprise overdrafts and long-term loans from financial institutions totaling 332.59 million baht.

- **Total shareholders' equity**

As of September 30, 2023, The Company has total shareholders' equity of 451.26 million baht which increased from December 31, 2022, by 22.64 million baht or 5.28% due to the increase of retained earnings in The Company's for the nine months of 2023 net profit was 22.64 million baht.

Key Financial Ratios

| Financial Ratios | As of September 30, | |
|---------------------|---------------------|-------------------|
| | 2023 | 2022 |
| Gross profit margin | 43.90 | 35.93 |
| Net profit margin | 12.28 | (2.08) |
| | September 30, 2023 | December 31, 2022 |
| D/E ratio | 0.87 | 0.90 |

Please be informed accordingly.

Yours sincerely,

Mr. Weeraphan Jakpaisan
Managing Director