

- Translation -

No. J62/010

13 November 2019

Subject: Management Discussion and Analysis, 3<sup>rd</sup> Quarter Ending 30 September 2019  
To: President  
The Stock Exchange of Thailand

According to JAS Asset Public Company Limited (the “Company”) Meeting Resolution No. 7/2019 on 11 November 2019, the resolution to certify the Company’s financial statements and performance for the third quarter ending 30 September 2019 which has already been reviewed by the Company’s auditor can be summarized as follows:

The Company’s performance for the third quarter in 2019 showed a net loss of 16.4 million baht, which was lower than the third quarter in 2018 at 29.3 percent. The Company’s performance for the nine-month period for 2019 showed a net loss of 33.9 million baht lower than the nine-month period for 2018 by 9.4 percent. The reason for the Company’s incurred a lower net loss are the Company is able to manage higher gross margin and a reduction of financial costs compared to the same period last year. Thus, the details of the Company’s performance are explained as follows:

#### **Rental and Services Income**

Rental and service income for the third quarter in 2019 was equal to 135.0 million baht lower than the third quarter of 2018 at 12.8 percent. For total revenues for the third quarter in 2019 was 158.0 million Baht a decline by 7.5percent from the same period last year. This was because reducing the number of branches of IT Junction that have not achieved to the target performance.

Rental and service income for the 9-month period of 2019 was 430.6 million Baht which lower than the same period last year of 2018 of 9.8 percent. And total revenue for nine-month period was 497.6 million Baht a decrease by 4.0 percent from the same period last year. Due to the

number of IT Junction branches reduce by close down the branches that its performance did not meet the target.

### Cost of Rental and Service Income

The Company incurred rental and service costs for the third quarter of 2019 equal to 125.4 million Baht lower than the third quarter of 2018 at 11.6 percent. Whereas cost of rental and service Income for 9-month end of 2019 equal to 389.7 million Baht or decrease 36.9 million Baht or 8.6percent from the same period last year. The company reduced the rental space in the branches that had not achieved the target.

### Gross Profit

The Company had gross profit for the third quarter of 2019 equal to 22.4 million baht which represent gross profit margin of 14.2 percent which was higher from the same period last year. Because the company has revenue from business that have higher gross margin, such as coffee shop business. However, the gross margin for nine months of 2019 was 74.7 million baht which represent gross profit margin of 15.0 percent and higher than the same period last year.

### Service and Administrative Expenses

The Company had service and administrative expenses for the third quarter of 2019 equal to 49.4 million baht, which was 19.0 percent higher than the third quarter of 2018. For 9 month end of 2019, the service and administrative expenses was 135.7 million Baht or increase 18.6percent. This was because incurred employee remuneration expenses in subsidiary.

### Summary of Financial Statement of Positions

	30-Sep-19	31-Dec-18	Change	%Change
<b>Assets</b>				
Cash and Cash Equivalent	10.3	21.4	-11.1	-51.8%
Trade and Other Receivables	61.1	56.0	5.1	9.2%
Property Development Cost	327.5	156.7	170.8	109.0%
Other current assets	34.0	26.7	7.3	27.3%
Total current assets	433.0	260.7	172.3	66.1%
Investment Properties	525.0	518.8	6.2	1.2%

	30-Sep-19	31-Dec-18	Change	%Change
Leasehold Right and Building	1,286.7	1,284.4	2.3	0.2%
Deposit	129.0	132.5	-3.5	-2.6%
Other non-current assets	186.7	213.1	-26.4	-12.4%
Total non-current assets	2,127.3	2,148.7	-21.4	-1.0%
<b>Total Assets</b>	<b>2,560.4</b>	<b>2,409.5</b>	<b>150.9</b>	<b>6.2%</b>
<b>Liabilities and Shareholders' Equity</b>				
OD and Short-term Loan	10.0	60.0	-50.0	-83.3%
Trade and other payable	116.4	102.7	13.7	13.4%
Long-term Loan - Current portion of Long term Loan	231.5	122.4	109.1	89.1%
Short-term Loan	75.4	0.0	75.4	100.0%
Long-term loan - Net	199.7	467.0	-267.3	-57.2%
Debentures	433.1	562.7	-129.6	-23.0%
Deposit received from Lessees	107.9	125.7	-17.8	-14.1%
<b>Total Liabilities</b>	<b>1,327.0</b>	<b>1,464.6</b>	<b>-137.6</b>	<b>-9.4%</b>
<b>Shareholder's Equity</b>	<b>1,233.3</b>	<b>944.9</b>	<b>288.4</b>	<b>30.5%</b>

### Assets

As of the period ending 30 September 2019, the Company had total assets equal to 2,560.4 million baht higher more than 2018 equal to 150.9 million baht or 6.3 percent due to the Company incurred property development cost of the condominium project, Newera Condominium. Prepared during the delivery to customers who reserve.

### Liabilities & Shareholder's Equity

As for the period ending 30 September 2019, the Company had total liabilities equal to 1,327.0 million baht lower more than 2018 equal to 137.6 million baht or 9.4 percent. The company has returned debt to financial institutions as of the period ending 30 September 2019, while shareholders' equity equal to 1,233.3 million baht. The Company debt to equity ratio stood at 1.08 times and the interest bearing-debt to equity ratio is 0.85 times and lowers than the same period last year.

## Forward Looking

Currently, The Company is delivering the condominium units the Newera condominium project which has already been transferring since the early of 4<sup>th</sup> quarter of 2019. Once, the condominium was delivered to the customer the Company will then recognizes revenues and profit in 4<sup>th</sup> quarter of 2019.

Moreover, the Company is developing the New Commodity Mall Project located next to Amata Industrial Park which expected to completed in 1<sup>st</sup> quarter of 2020. The new project will start to generate its revenues in 1st quarter of 2020 onwards.

Thus, you have been informed for your acknowledgement.

Sincerely Yours,

*- Signed -*

(Mr. Suphot Sirikulapas)  
Chief Executive Officer  
JAS Asset Public Company Limited