

February 20, 2025

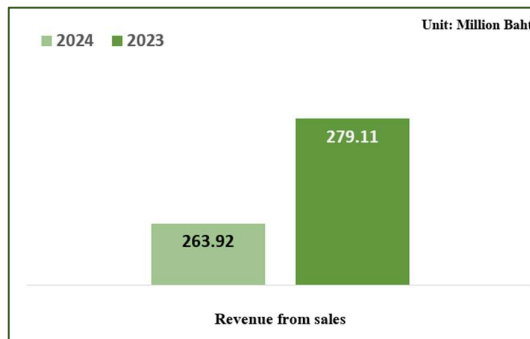
Subject: Management Discussion and Analysis for the year ended on December 31, 2024

To: Directors and Managers
The Stock Exchange of Thailand

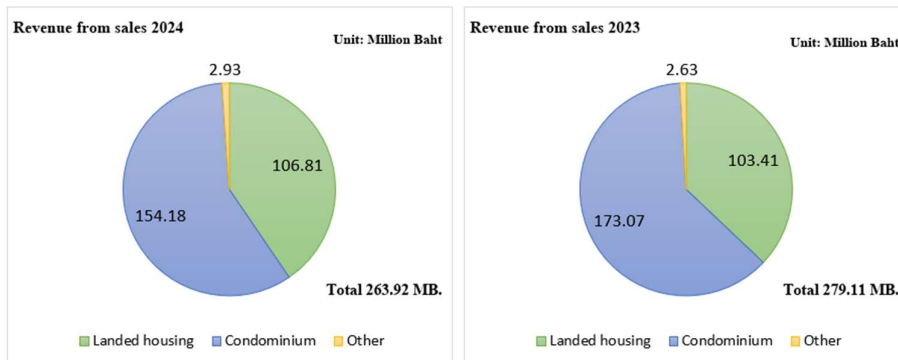
According to the consensus of the Board of Directors of Jakpaisan Estate Public Company Limited (“The Company”) No. 1/2025 on February 20, 2025, the financial statements are approved for the year ended on December 31, 2024. The Company hereby clarifies the performance as follows:

Key Highlights results for 2024.

- The Company commenced the transfer of ownership and recognized revenue from a new project in 2024, namely the Pine Condo project. This project was initiated and launched for sales in Q4 2023, with ownership transferred in Q4 2024.
- In Q4 2024, the Company successfully completed the transfer of ownership for all units in the Gardenia Pattaya project, marking its full completion.
- At the end of 2024, the Company acquired land in Chonburi Province for future project development, aiming to enhance revenue in 2025. The construction is scheduled to commence in early 2025, with revenue recognition expected to begin in Q3 2025.



The picture shows a comparison of sales revenue data.



The picture shows the classification of sales revenue.





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Operating Results for the year ended of 2024

รายการ	2024		2023		Decrease /(Decrease)	
	MB	%	MB	%	MB	%
REVENUES						
Revenue from sales	263.92	99.09	279.11	98.91	(15.19)	(5.44)
Other income	2.43	0.91	3.07	1.09	(0.64)	(20.85)
Total revenues	266.35	100.00	282.18	100.00	(15.83)	(5.61)
EXPENSES						
Cost of sales	158.24	59.41	162.29	57.51	(4.05)	(2.50)
Selling expenses	23.21	8.71	26.30	9.32	(3.09)	(11.75)
Administrative expenses	34.79	13.06	30.82	10.92	3.97	12.88
Managements' remuneration	8.85	3.32	8.13	2.88	0.72	8.86
Total expenses	225.09	84.51	227.54	80.64	(2.45)	(1.08)
Profit before finance income, finance costs, share of loss from investment in an associate and income tax expense	41.26	15.49	54.64	19.36	(13.38)	(24.49)
Financial income	0.24	0.09	0.27	0.10	(0.03)	(11.11)
Financial costs	(16.62)	(6.24)	(14.79)	(5.24)	(1.83)	12.37
Share of loss from investment in an associate	(2.88)	(1.08)	(0.37)	(0.13)	(2.51)	678.38
Profit before income tax expenses	22.00	8.26	39.75	14.09	(17.75)	(44.65)
Income tax expenses	(5.03)	(1.89)	(7.99)	(2.83)	2.96	(37.05)
Net profit for the years	16.97	6.37	31.76	11.26	(14.79)	(46.57)
Other comprehensive expenses for the years – net of income tax	(0.18)	(0.07)	-	-	(0.18)	100.00
Total comprehensive income for the years	16.79	6.30	31.76	11.26	(14.97)	(47.13)

● **Revenues**

○ Revenue from sales

Revenue from sales of 263.92 million baht in 2024, representing a decrease of 15.19 million baht or 5.44% when compared to the previous year. The decline was primarily due to the economic slowdown and weakened consumer purchasing power, which was affected by persistently high interest rates leading to stricter lending criteria by banks. Additionally, the full completion and transfer of ownership of the Gardenia Pattaya project, a high-demand development among foreign investors under the Foreigner Quota (FQ), contributed to the revenue decrease. Approximately 64% of the project's ownership transfers were completed in Q3-Q4 2023, leaving only 36% for transfer in 2024. However, in Q4 2024, the Company commenced ownership transfers for the newly launched Pine Condo project and continued recognizing revenue from other projects, resulting in only a slight decline in overall revenue compared to the previous year.

○ Other income

Other income primarily comprised contract termination fees, rental income, and penalties for late project completion, with non-significant changes from the prior year.

- **Expenses**

- Cost of sales

Cost of sales in 2024 amounted to 158.24 million baht, accounting for 59.41% of total revenue. This represents a decrease of 4.05 million baht or 2.50%, in line with the decline in revenue from real estate sales.

The overall gross profit margin slightly decreased to 40.04% in 2024, mainly due to the completion of the Gardenia Pattaya project, which had a relatively high gross profit margin.

Gross Margin (%)	2024	2023
Gross margin from real estate development business	39.87	41.72
Total gross margin	40.04	41.86

- Selling expenses

Selling expenses totaled 23.21 million baht in 2024, representing 8.71% of total revenue. This was a decrease of 3.09 million baht or 11.75% from the previous year, mainly due to lower expenses related to property ownership transfers, sales promotions, marketing, and commission fees, which were proportionate to the decrease in sales revenue. The selling expense ratio remained relatively stable, with 8.71% in 2024 compared to 9.32% in 2023.

- Administrative expenses and managements' remuneration

Administrative expenses and managements' remuneration amounted to 43.64 million baht in 2024, representing 16.38% of total revenue, an increase of 4.69 million baht or 12.04% when compared to the previous year. This increase was primarily due to higher project management costs compared to the previous year. The Company's main administrative expenses included employee costs and project management expenses.

- **Financial costs**

Finance costs, which included interest expenses from long-term loans, bank overdrafts, and promissory notes, totaled 16.62 million baht in 2024. This represented an increase of 1.83 million baht or 12.37% when compared to the previous year. The increase was due to additional borrowing for real estate development projects initiated in late 2023 and continuing through mid-2024, coupled with persistently high interest rates, resulting in higher finance costs.

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

The Company realized 40% share of profits (loss) from investment in M.T.S Asset Development Company Limited ("MTS") which has an on-going project in Chonburi.

In 2024, the Company recorded a share of loss amounting to 2.88 million baht, an increase of 2.51 million baht from the prior year. This was due to lower ownership transfers in the Idyl project, while operational expenses increased as the associate developed a new project with ownership transfers and revenue recognition beginning in Q3 2024.



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In 2024, the Company reclassified its investment in the associate from "Investment in an Associate" to "Other Non-Current Financial Assets." As a result, the Company adjusted the carrying amount of the investment under the cost method in its separate financial statements to align with the equity method. This reclassification resulted in a pre-tax gain of 26.81 million baht, recorded in the separate income statement.

- **Net profit**

For 2024, the Company reported a net profit of 16.97 million baht, a decrease of 14.79 million baht or 46.57% when compared to the previous year. This decline was primarily attributed to lower revenue from real estate sales and a reduced gross profit margin, along with higher project management expenses and finance costs arising from new project developments in 2024.

Financial Position Analysis

Financial Position	As of December 31,				Decrease / (Decrease)	
	2024		2023			
	MB	%	MB	%	MB	%
Total assets	804.24	100.00	780.58	100.00	23.66	3.03
Total liabilities	348.42	43.32	349.89	44.82	(1.47)	(0.42)
Total shareholders' equity	455.82	56.68	430.69	55.18	25.13	5.83

- **Total assets**

As of December 31, 2024, the Company has total assets of 804.24 million baht, an increase of 23.66 million baht or 3.03% compared to December 31, 2023. The Company's primary assets consist of inventories, including land, condominium units, and housing developments that are either unsold or sold but not yet transferred to customers, land held for sale, investments in associates (which were reclassified as other non-current financial assets in 2024), and investment properties.

The increase in total assets was primarily driven by the reclassification of the Company's investment in an associate to other non-current financial assets, resulting in a valuation adjustment of 26.81 million baht. Meanwhile, operating assets declined, including cash and cash equivalents and restricted bank deposits, which decreased by 8.09 million baht. However, other current assets increased by approximately 7.00 million baht, mainly due to a deposit payment for land acquisition to support a new development project in 2025.

- **Total liabilities**

As of December 31, 2024, the Company reported total liabilities of 348.42 million baht, a decrease of 1.47 million baht or 0.42% from December 31, 2023. The reduction was mainly due to a decrease in interest-bearing liabilities, which declined by 15.71 million baht. However, contract liabilities related to customer deposits and sales agreements for real estate purchases increased by 8.61 million baht.

The Company's key liabilities primarily consist of bank overdrafts and loans from financial institutions, totaling 256.22 million baht.

- **Total shareholders' equity**

As of December 31, 2024, shareholders' equity stood at 455.82 million baht, reflecting an increase of 25.13 million baht or 5.83% from December 31, 2023. This increase was attributed to profit generated from operations in 2024 and gains from the reclassification of investments. However, a dividend payment of 16.00 million baht on May 15, 2024, partially offset the increase, resulting in the net growth in shareholders' equity.

Key Financial Ratios

Financial Ratios	December 31,	
	2024	2023
Net profit (%)	6.36	11.24
ROA (%)	4.78	6.72
ROE (%)	3.70	7.15
D/E ratio (X)	0.76	0.76

Please be informed accordingly.

Yours sincerely,

Mr. Weeraphan Jakpaisan
Managing Director