

Management Discussion and Analysis: MD&A

1. Company Situation

The company situation for Q1/2022 is in a promisingly good direction, with the epidemic under controlled and new businesses of the company launched. As a result, the income of the first quarter is all positive. The company continues to focus on the possible cost reductions. The revenue of both waste treatment and real estate business is also expected to be in upward trend if the economy gets better and the ongoing war eases up.

The major investment of this year remains to be for the Cannabis Planting for Medical Use project, in which the official law for planting cannabis will be announced on June 9, 2022. The company believes this project will put the public image of the company in the better perspective and the revenue from the project will improve the company's main business in one way or another.

Risks and Effects from the COVID-19 Outbreak

The company encounters a lot of effects from the COVID-19 outbreak, whether it be the less amount of waste and stricter policy of the industry sending waste to get treated or the fewer customers looking for real estate units. However, the company firmly anticipates the better situation in the next quarter as the vaccination process is almost complete and the symptoms of current COVID-19 are not as severe as the former ones.

2. Operating Results (Company and Subsidiaries)

Total revenue of the consolidated financial statements for Q1/2022 amounted 55.9 million baht compared to Q1/2021 with total revenue of 52.9 million baht, increased by 3.0 million baht or 5.6%. due to the Management team's flexible adaptation to the current situation and all industries are in recovery phase.

This continuity of the adaptability had an impact on the performance for Q1/2022 was profit 3.2 million baht compared to Q1/2021 that was loss 0.9 million baht, an increase 2.3 million baht or 267.7%.

	1 st Quarter			
	March 31		Inc.	%
	2022	2021	(Dec.)	
Revenues				
Treatment business	48.8	47.9	0.9	1.9%
Real estate business	-	-	-	-
Others business	1.5	0.8	0.7	88.8%
Other income	5.6	4.2	1.4	32.3%
Total Revenues	55.9	52.9	3.0	5.6%
Expenses				
Cost of treatment	30.9	30.7	0.2	0.6%
Cost of real estate	-	-	-	-
Cost of others	0.9	2.3	(1.4)	-59.8%
Selling & Admin Exp.	19.7	17.6	2.1	11.9%
Finance costs	0.9	1.2	(0.3)	-25.5%
Total Expenses	52.4	51.8	0.59	216.6%
Share from associate	(0.3)	(0.3)	-	-
Income tax	-	0.1	(0.1)	-60.0%
Gain (Lost) - Net	3.2	0.9	2.3	267.7%

(1) Waste Treatment Business Income

Revenue from waste treatment business for Q1/2022 amounted 48.8 million baht, an increase 0.9 million baht or 1.9% compared to Q1/2021. The cost of service was 63.3% for Q1/2022, decreasing from the same period in the previous year with costs of 64.1%.

(2) Real Estate Business Income

Revenue from sale real estate shows no room transfer in the Q1/2022, the same as in the Q1/2021.

Revenue from rental real estate (Other income) for Q1/2022 amounted 2.8 million baht, a slight decrease in number when compared to the same quarter of last year, as the company offered the COVID-19 relief measure program to the tenants. The cost of renting was 85.2%, an increase from the previous year, due to almost all costs being fixed costs.

(3) Interest income and other Income

Other income for Q1/2022 was amounted 2.8 million baht, increased 1.5 million baht or 120.4% compared with Q1/2021, with little interest income.

(4) Selling and Administrative Expenses

Selling and administrative expenses for Q1/2022 was amounted 17.3 million baht, an increased 1.6 million baht or 10.1% compared with Q1/2021. The selling and administrative expenses was approximately 31.0% of the Company's total revenue, A slight increase from the same period last year.

3. Financial Status (Company and Subsidiaries)

(1) Total Assets

Company's total assets as of March 31, 2022 were 1,528.5 million baht, an increase 20.3 million baht or 1.4% compared to the total assets at 31 December 2021.

(1.1) Current Assets

As of March 31, 2022 current assets amounted 416.9 million baht, decreased 11.7 million baht or 2.7% compared to current assets as of December 31, 2021. Mostly due to receiving payments from trade accounts receivable in the amount of 18.2 million baht.

(1.2) Non-Current Assets

As of March 31, 2022 non-current assets amounted 1,111.6 million baht, increased 32.0 million baht or 3.0% compared to non-current assets as of December 31, 2021. Mostly due to investment in fixed assets such as invests in buildings and equipment amounting to 17.5 million baht, Continuing construction of landfill additional with the amount of 6.2 million baht. In addition, other non-current financial assets increased by 13.2 million baht due to an increase in share value.

(2) Total Liabilities

Company's total liabilities as of March 31, 2022 were 177.1 million baht, increased 1.9 million baht or 1.1% compared to the total liabilities as of December 31, 2021.

(3) Shareholders' Equity

Total shareholders' equity as of March 31, 2022 was 1,351.4 million baht, increased 20.3 million baht or 1.4% compared to total shareholders' equity as of December 31, 2021.

4. Cash flows (Company and Subsidiaries)

	For the three-month Period	
	2022	2021
Cash and Cash Equivalent on 1 st January	107.8	162.9
Net Cash Provided by (Used in) Operating Activities	25.8	18.0
Net Cash Provided by (Used in) Investing Activities	(21.9)	(4.4)
Net Cash Provided by (Used in) Financing Activities	0.3	(9.1)
Net Cash Increased by (Decreased)	4.1	4.5
Cash and Cash Equivalent on 31 st March	112.0	167.4

5. Financial ratios

	As at	
	March 31, 2022	December 31, 2021
Current Ratio	5.4	5.9
Debt to Equity Ratio	0.1	0.1