



บริษัท โพรเฟสชันแนล เวสต์ เทคโนโลยี (1999) จำกัด (มหาชน)

PROFESSIONAL WASTE TECHNOLOGY (1999) PUBLIC COMPANY LIMITED

Translation

AT PW-012/CS 2023

February 28, 2023

Subject: Management Discussion and Analysis for the year Ended on 31 December 2022

To : President

The Stock Exchange of Thailand

Professional Waste Technology (1999) Public Company Limited (“the Company”) and its Subsidiaries Has submitted the financial statements and the reports of the certified public accountant. For the periods ended December 31, 2022 and 2021. In the year 2022, the operating results of the Company and its subsidiaries total profit for the year was 14.85 million baht, compared to the previous year's profit of 113.40 million baht. The operating results showed a decrease in profit from the previous year in the amount of 98.55 million baht or 86.90%. Since the company received a letter from the Department of Industrial Works, No. 0305 (Kor. 1) /4634, dated April 18, 2022, to stop accepting hazardous waste under Section 39, paragraph 1 of the Factory Act B.E. 2535 because the company do L4 landfill was made in the part that was not a water well in the L4. In 2008, the EIA was revised to be a well instead of a landfill and therefore ordered to lock the hazardous industrial waste code cannot enter the landfill and asked to correct the EIA at the Office of Natural Resources and Environmental Policy and Planning (“ONEP”) before repealing Section 39, paragraph 1. Later, the Department of Industrial Works unlocked the code on August 26, 2022 according to the letter No. 0305/11780 and allow no more than 2,000 tons of waste to be landfilled to alleviate the suffering of operators in the eastern region, central and nearby areas but because the company received

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aluminum waste and stabilized but not thoroughly, it was locked again on September 30, 2022, letter No. 0305/14201 To bring aluminum dross that is buried in the L3 hazardous waste landfill area to be destroyed by stabilization before being brought to landfill and surveying the area of all 8 landfill (L1-L8)

The company has completed all steps, but due to surveying in the past (2002) with the present there are some slight discrepancies especially the L3 (which would like to be opened for further use) with a trapezoidal shape at the end 1-meter-wide but in the same deed and same area. Department of Industrial Works therefore asked to ask the ONEP according to the order No. 0305/941 dated January 11, 2023 and the company is in the process of following the order.

The company therefore appealed for justice according to the letter PW HO 014/2023 dated February 10, 2023 and is under consideration by the Minister of Industry. therefore, making the company Hazardous industrial waste has not been received until now for about 11 months causing the company to lose revenue from hazardous industrial waste disposal. The company accepts only non-hazardous industrial waste, resulting in a significant decrease in the revenue received from industrial waste.

The company would like to summarize the operating results of the group of companies that have changed significantly. Summarized as follows.

1. Total income

The company had total income of 225.11 million baht, compared with the same period of the previous year with income of 304.88 million baht. The income decreased by 79.77 million baht or 26.16%, with the details of revenue as follows:

1.1 Total revenue from sales and services of 213.89 million baht consists of

Revenue from the sale of aluminum amounting to	94.38 million baht.
Revenue from industrial waste disposal and landfill amounting to	85.28 million baht.
Revenue from transportation and other services amounting to	27.36 million baht.
Revenue from the sale of scraps and sorted scraps amounting to	6.87 million baht.

1.2 Other income in 2022, the Company and its subsidiaries amounting to 11.21 million baht consisted of

Reverse long-overdue trade payables and other payables	9.58	million baht
Revenue from GSB lottery prize amount of	0.73	million baht.
Land rental income of	0.23	million baht.
Other income of	0.67	million baht.

2. Total cost of sales and service costs

Total cost of sales and service costs for the year 2022 amounted to 174.53 million baht or 81.60 % of the main revenue, compared with the previous year in the amount of 175.43 million baht, or 60.21 % of the main income. In 2022, the company's total cost of sales and service costs compared to the main income increased from the previous year since the company has fixed costs that do not vary according to the decrease in revenue such as employee expenses, depreciation of buildings and equipment including the rental of various tools and equipment, etc.

3. Gross profit

In 2022, the company had a gross profit of 39.36 million baht, compared to the year 2021 gross profit of 115.93 million baht, gross profit decreased from the previous year by 76.57 million baht, a decreased of 66.05 %

4. Distribution costs, administrative expenses and other expenses

Distribution costs and administrative expenses in year 2022 amounting to 62.09 million baht or 29.03 % of the main income. Compared with the previous year of 79.36 million baht, or 27.24 % of the main income.

- Cost of distribution in 2022 amounted to 6.10 million baht, compared to 9.29 million baht in the previous year, a decreased of 3.19 million baht, resulting from sales staff expenses decreased by 1.54 million baht and commissions and other sales decreased by 1.65 million baht.

- Administrative expenses in 2022 amounted to 54.81 million baht, compared to 56.83 million baht in the previous year, a decreased of 2.02 million baht.
- Other expenses in 2022 amounted to 1.18 million baht, compared to the previous year of 13.25 million baht, a decreased of 12.06 million baht. Since in 2021, the company has estimated liabilities and damages from not doing right in contract management disposal waste in the area of Suvarnabhumi Airport amounting to 11.70 million baht.

5. Total Profit for the year

In 2022, the Company and its subsidiaries had a profit of 14.85 million baht. The company had a loss before income tax of 11.08 million baht.

Please be informed accordingly.

Sincerely yours,

(Assoc.Prof. Dr. Vilailuck Skulpakdee)

Chief Executive Officer