

Management Discussion and Analysis: MD&A

1. Company Situation

The company situation in Q3/2023 was in a stable direction, likely in a direction lower than expected. There was also no development of sales as expected due to not having enough penetration into the market. Therefore, the management must take more proactive measures, which are expected to show results in the remaining quarter of this year. In terms of investment this year, it is still an investment in the same project, no additional investment decisions have been made in the past two quarters.

2. Performance (Company and Subsidiaries)

Total income for Q3/2023 was 68.3 million baht. When compared to Q3/2022 with total income of 77.1 million baht, it showed a decrease of 8.8 million baht or 11%. This was mainly from waste treatment and disposal income decreasing by 9.5 million baht. However, for the real estate business during July to September 2023, there was an increased proportion of income of 1.4 million baht coming from 5 condominium units' transfer of ownership in The Plenary Project at 18.3 million baht.

Total cost of sales and expenses were 71.6 million baht, a decrease of 18.8 million baht or 21% from waste treatment sales costs of 5.7 million baht. Selling and administrative expenses decreased by 12.6 million baht from tax expenses that were retrospectively assessed from 2014 to 2016 in the amount of 16.0 million baht recorded in the Q3/2022, resulting in the company's loss in the Q3/2023 decreasing by 5.6 million baht compared to the Q3/2022.

For the nine-month period of 2023, the company had total income of 210.4 million baht, an increase of 9.9 million baht or 5% compared to the same period in 2022 from the transfer of ownership rights of 12 condominium units in The Plenary, equal to 44.9 million baht and 1 unit in the C-Space Bang Yai, equal to 5.9 million baht, making the proportion of real estate income increased by 25.8 million baht, while income from waste treatment business decreased by 16.3 million baht or 11%.

Total costs of sales and expenses were 221.1 million baht, an increase of 13.1 million baht or 6% from real estate sales costs increasing by 20.3 million baht, treatment costs decreasing by 1.8 million baht, and selling and administrative expenses decreasing by 5.8 million baht.

The expenses caused the company to have a loss for the period at 21.3 million baht. When compared to Q3/2022, the loss was at 14.8 million baht, showing a loss increase at 6.5 million baht or 44%.

	3rd Quarter				The 9-month period			
	September 30		Inc.		September 30		Inc.	
	2023	2022	(Dec.)	%	2023	2022	(Dec.)	%
Revenues								
Treatment business	43.2	52.7	(9.5)	-18%	137.4	153.7	(16.3)	-11%
Real Estate business	18.3	16.9	1.4	8%	50.9	25.1	25.8	103%
Other business	-	0.9	(0.9)	-100%	-	3.3	(3.3)	-100%
Other income	6.8	6.6	0.1	2%	22.0	18.4	3.6	20%
Total Revenues	68.3	77.1	(8.8)	-11%	210.4	200.5	9.9	5%
Expenses								
Waste treatment cost	32.0	37.7	(5.7)	-15%	101.9	103.7	(1.8)	-2%
Real Estate cost	15.7	15.2	0.5	3%	43.2	22.9	20.3	89%
Other Cost	-	0.9	(0.9)	-100%	4.4	3.8	0.6	16%
Selling & Admin Exp.	24.0	36.6	(12.6)	34%	71.7	77.5	(5.8)	-7%
Total expenses	71.6	90.4	(18.8)	21%	221.1	208.0	13.1	6%
Operating profit	(3.4)	(13.3)	9.9	-74%	(10.8)	(7.5)	(3.3)	-44%
Financial cost	(1.0)	(0.8)	(0.2)	25%	(2.7)	(2.5)	(0.2)	8%
Associate's share	(6.2)	(0.3)	(5.9)	1967%	(6.8)	(1.0)	(5.8)	580%
Income tax	(0.3)	(2.0)	(1.7)	-85%	(0.9)	(3.9)	2.9	-76%
Profit (Loss) Net	(10.7)	(16.4)	5.7	-35%	(21.3)	(14.8)	(6.5)	44%

(1) Sales and Service Income - Service Business

In Q3/2023, the company had total revenue from service business of 43.2 million baht, showing a decrease from Q3/2022 at 9.5 million baht, or 18%, while the service business costs of Q3/2023 was at 32.0 million baht, a decrease of 5.7 million baht from Q3/2022 or 15%, resulting in a gross profit margin of 26%, a decrease of 2% from the previous quarter.

(2) Sales income - real estate business

With the help of marketing plan for the sales of condominium units in The Plenary, the company transferred the room ownership in the total of 5 units at 18.3 million baht in Q3/2023, which increased from the Q3/2022 in the amount of 1.4 million baht, resulting in a gross profit margin of 15%, an increase of 5% from the previous quarter.

(3) Sales and service income – other businesses

Medical mask production and distribution business in Q3/2023 had no marketing plan resulting in no income and cost, due to the oversupply of masks in the market as the imported masks were cheaper. However, in Q1/2023, finished goods of medical masks had a limited shelf life. The company had set a loss from the devaluation of inventories (masks) in the amount of 4.4 million baht.

Cryptocurrency Mining Business had no marketing plan resulting in no income and cost in Q3/2023.

(4) Interest income and other incomes

The company had other income for Q3/2023 of 6.8 million baht, an increase of 0.1 million baht from Q3/2022 or 2% from dividends received from long-term investments (Other non-current financial assets)

(5) Selling and administrative expenses

The company had sales and administrative expenses for Q3/2023 at 24.0 million baht, a decrease of 12.6 million baht or 34 % from Q3/2022, from the expenses of tax that were assessed retrospectively in 2014 to 2016 in the amount of 16.0 million baht recorded in Q3/2022.

3. Financial Status (Company and its subsidiaries)

(1) Total assets

The company had total assets as of 30 September 2023 at 1,460.8 million baht, a decrease of 75.9 million baht or 5% from total assets as of 31 December 2022.

(1.1) Current assets

Current assets as of 30 September 2023 was 401.9 million baht, a decrease from the previous year of 23.7 million baht or 6%, mainly due to short-term loans and accrued interest from related businesses increased by 36.3 million baht. Cash and cash equivalents decreased by 38.5 million baht. Real estate development costs decreased by 24.3 million baht from the transfer of ownership of 12 condominium units in The Plenary and C-Space Bang Yai project, 1 unit. Inventories decreased by 4.6 million baht from expected reduced value of remaining products (masks).

(1.2) Non-current assets

Non-current assets as of 30 September 2023 were 1,059.6 million baht, a decrease from the previous year at 52.3 million baht or 5%. Most of it came from the purchase of additional assets of 20.20 million baht and the normal depreciation and amortization of the company in the amount of 28.6 million baht. Non-current financial assets decreased by 15.3 million baht from a decrease in stock value and withholding taxes decreased by 14.4 million baht from the elimination of tax items for the year 2017 that were retroactively assessed in the amount of 6.3 million baht, tax refunded in 2020-2021 of 10.7 million baht and landfill costs decreased by 4 million baht.

(2) Total liabilities

The company had total liabilities ending on 30 September 2023 amounted to 173.5 million baht, a decrease from total liabilities as of 31 December 2022 totaling 34.8 million baht or 17%. This came from estimates of landfill closing liabilities of 27.3 million baht and trade and other payables of 11.6 million baht.

(3) Shareholders' equity

The company has shareholders' equity as of 30 September 2023 amounted to 1,287.3 million baht, a decrease from shareholders' equity as of 31 December 2022 amounted to 41.1 million baht or 3%.

4. Liquidity (company and its subsidiaries)

	For 9-month period	
	2023	2022
Cash as of 1 January	133.5	107.8
Net Cash Provided by (Used in) Operating Activities	22.2	77.6
Net Cash Provided by (Used in) Investing Activities	(58.0)	(37.4)
Net Cash Provided by (Used in) Financing Activities	(2.6)	(14.0)
Net Cash Increased by (Decreased)	(38.5)	26.2
Cash as of 30 September	95.1	134.0

5. Key Financial Ratios

	As of	
	30 September 2023	31 December 2022
Working capital ratio	5.23	5.53
Total debt to equity ratio	0.13	0.16