

Management Discussion and Analysis: MD&A

1. Company Situation

Revenue from the waste treatment business for Q1/2018 slightly increased compare to Q1/2017. The SRF factory has been operating since February and started receiving from customers, however, the company has not delivered SRF to any customer in Q1/2017. The company is developing the suitable SRF composition and it is expected to begin delivery in Q2/2018. The construction of a new non-hazardous waste is completed and it is in the process of inspection and it is expected to start receiving waste in Q2/2018. The company is constructing a new recycling plant in Lamphoon. The new plant will be used for managing waste in Northern part of Thailand. The new plant in Lamphoon will lower managing cost and transportation cost of the waste from the area.

2. Operating Results (Company and Subsidiaries)

Consolidated revenue for Q1/2018 of 80.2 million baht compared with Q1/2017 of 77.0 million baht, increased 3.2 million baht or 4.2 percent. The company reported loss for Q1/2018 of 2.2 million baht compared with reported loss for Q1/2017 of 1.8 million baht.

(1) Service Income – waste treatment business (Disposal-Landfill and transportation)

For Q1/2018, the company had the revenue, from waste treatment business, of 64.0 million baht, increased 1.0 million baht or 1.6 percent compared with Q1/2017. The cost of good was 72.5 percent for Q1/2018.

(2) Real Estate Business Income

For Q1/2018, the company had revenue, from real estate business, of 7.7 million baht, decreased 4.6 million baht or 37.3 percent compared with Q1/2017. The cost of good was 64.6 percent.

(3) Gains from the sale of investment properties

For Q1/2018, the company had gains from the sale of investment properties, of 4.2 million baht, increased 4.2 million baht or 100.0 percent compared with Q1/2017.

(4) Interest income

For Q1/2018, the company had revenue, from interest income, of 0.03 million baht, decreased 0.01 million baht or 28.9 percent compared with Q1/2017.

(5) Other Income

For Q1/2018, the company had other income of 4.2 million baht, increased 2.6 million baht or 157.3 percent compared with Q1/2017.

(6) Selling and Administrative Expenses

For Q1/2018, the company had selling and administrative expenses of 28.3 million baht, increased 3.1 million baht or 12.4 percent compared with Q1/2017. The selling and administrative expenses was approximately 35.3 percent of the total company revenue compared to 32.7 percent for the same period of year 2017.

3. Financial Status (Company and Subsidiaries)

(1) Total Assets

Company total assets as of March 31, 2018 was 1,615.6 million baht, decreased 24.3 million baht or 1.5 percent compared to the total assets as of December 31, 2017.

(1.1) Current Assets

As at March 31, 2018 current assets amounted 570.8 million baht, decreased 19.2 million baht or 3.3 percent compared to current assets as of December 31, 2017. Cash decreased by 1.4 million baht, The trade and other receivable decreased 14.3 million baht, The Real estate development costs decreased 4.2 million baht.

(1.2) Non-Current Assets

As at March 31, 2018 non-current assets amounted 1,044.8 million baht, decreased 5.1 million baht or 0.5 percent compared to non-current assets as of December 31, 2017. The major change was mainly from the decreased of Investment Property 13.8 million baht while Cost of landfill preparation increased 7.9 million baht.

(2) Total Liabilities

Company total liabilities as of March 31, 2018 was 280.4 million baht, decreased 21.3 million baht or 7.1 percent compared to the total liabilities as of December 31, 2017.

(2.1) Current Liabilities

As at March 31, 2018 current liabilities amounted 140.3 million baht, decreased 25.3 million baht or 15.3 percent compared to current liabilities as of December 31, 2017. The major change was mainly from the decreased of Advance received from the sale of land and buildings awaiting development amounted 21.9 million baht

(2.2) Non-Current Liabilities

As at March 31, 2018 non-current liabilities amounted 140.0 million baht, increased 3.9 million baht or 2.9 percent compared to non-current liabilities as of December 31, 2017. The major change was mainly from the increased of Long-term loans from financial institutions - net of current portion amounted 3.8 million baht.

(3) Shareholders' Equity

Total shareholders' equity as of March 31, 2018 was 1,335.3 million baht, decreased 3.0 million baht or 0.2 percent compared to total shareholders' equity as of December 31, 2017.

(4) Cash flows (Company and Subsidiaries)

Million Baht	three-month period	
	2018	2017
Cash and Cash Equivalent on 1st January	24.3	60.6
Net Cash Provided (Used in) Operating Activities	(11.1)	22.7
Net Cash Provided (Used in) Investing Activities	(6.1)	10.0
Net Cash Provided (Used in) Financing Activities	15.8	(39.8)
Net Cash Increased (Decreased)	(1.3)	(7.1)
Cash and Cash Equivalent on 31st March	22.9	53.5

(4.1) Cash Flows from Operating Activities

Net cash used in from operating activities was 11.1 million baht for the three-month period as at March 31, 2018. Payment of trade and other payables was 15.6 million baht and Gains from the sale of investment properties was 4.2 million baht.

(4.2) Cash Flows from Investing Activities

Net cash used in from investing activities was 6.1 million baht for the three-month period as at March 31, 2018. The returned of Advance received from the sale of land and building awaiting development was 21.9 million baht and Proceeds from sales of investment properties was 17.0 million baht.

(4.3) Cash Flows from Financing Activities

Net cash provide financing activities was 15.8 million baht for the three-month period as at March 31, 2018. The company has Short-term loans from other persons was 10.0 million baht and Long-term loans from financial institutions was 5.9 million baht

	Date	
	31 March 2018	31 December 2017
Current Ratio	4.1	3.6
Debt to Equity Ratio	0.2	0.2