

## Management Discussion and Analysis: MD&A

### 1. Company Situation

The company's revenue for Q3/2018 has greatly increased compared to the revenue for Q3/2017. The revenue of waste treatment has slightly changed while the revenue of real estate business has decreased. The company profits from sales of land held for future development. The company and its subsidiary have sold total of two pieces of land.

For projects, the company is developing, has delayed. However, these projects are on a good progress. First, the non-hazardous waste landfill is now completed and waiting for the permission to use the landfill. Secondly, a recycling plant in Lamphoon is expected to be complete the construction in November 2018. Lastly, a waste water pre-treatment plant is now under construction and it is expected to install all the equipment by beginning of next year. At the moment, the company is preparing another two projects, these projects are expected to start the construction in 2019. In Q3/2018 RDF business has sold its product to customer and the company is adjusting the product to suit customer uses. However, the RDF plant is increasing its production and sales slowly every month. As the company has received a great amount of cash in Q3/2018, the company has repaid its short-term debt. The company still has a policy to invest more in both waste treatment and real estate businesses.

### 2. Operating Results (Company and Subsidiaries)

Consolidated revenue for Q3/2018 of 248.6 million baht compared with Q3/2017 of 95.0 million baht, increased 153.6 million baht or 161.7 percent. The company reported profit for Q3/2018 of 134.5 million baht compared with reported profit for Q3/2017 of 4.7 million baht.

For the nine-month period of 2018, the consolidated revenue was 408.9 million baht, increased 140.8 million baht or 52.5 percent compared with the same period of 2017. The waste treatment revenue decreased 8.9 million baht and real estate business revenue decreased 26.4 million baht, other income increased 4.0 million baht, the gain on sales of investment properties increased 4.2 million baht, the gain on sales of land and buildings await development increased 167.8 million baht.

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

For Q3/2018, the company had the revenue, from waste treatment business, of 65.9 million baht, decreased 1.4 million baht or 2.1 percent compared with Q3/2017. The cost of good was 74.2 percent for Q3/2018.

#### (2) Real Estate Business Income

For Q3/2018, the company had revenue, from real estate business, of 10.4 million baht, decreased 13.0 million baht or 55.5 percent compared with Q3/2017. The cost of good was 61.5 percent.

#### (3) Gains on sales of land and buildings await development

For Q3/2018, the company had revenue, from gain on sales of land and buildings await development, of 167.8 million baht, increased 167.8 million baht or 100.0 percent compared with Q3/2017.

#### (4) Interest income

For Q3/2018, the company had revenue, from interest income, of 0.18 million baht, increased 0.13 million baht or 250.0 percent compared with Q3/2017.

(5) Other Income

For Q3/2018, the company had other income of 4.4 million baht, increased 0.1 million baht or 2.3 percent compared with Q3/2017.

(6) Selling and Administrative Expenses

For Q2/2018, the company had selling and administrative expenses of 27.9 million baht, increased 3.5 million baht or 14.5 percent compared with Q3/2017. The selling and administrative expenses was approximately 11.2 percent of the total company revenue compared to 11.9 percent for the same period of year 2017.

### 3. Financial Status (Company and Subsidiaries)

(1) Total Assets

Company total assets as of September 30, 2018 was 1,677.4 million baht, increased 37.4 million baht or 2.3 percent compared to the total assets as of December 31, 2017.

(1.1) Current Assets

As at September 30, 2018 current assets amounted 885.7 million baht, increased 295.7 million baht or 50.1 percent compared to current assets as of December 31, 2017. Cash increased by 323.9 million baht, The trade and other receivable decreased amounted 14.4 million baht, The real estate development costs decreased amounted 14.6 million baht.

(1.2) Non-Current Assets

As at September 30, 2018 non-current assets amounted 791.6 million baht, decreased 258.3 million baht or 24.6 percent compared to non-current assets as of December 31, 2017. The major change was mainly from the decreased of land and buildings awaiting development amounted 255.0 million baht, Investment Property amounted 15.5 million baht while Cost of landfill preparation increased amounted 8.6 million baht and Investment in associates increased amounted 4.3 million baht.

(2) Total Liabilities

Company total liabilities as of September 30, 2018 was 225.9 million baht, decreased 75.8 million baht or 25.1 percent compared to the total liabilities as of December 31, 2017.

(2.1) Current Liabilities

As at September 30, 2018 current liabilities amounted 91.9 million baht, decreased 73.7 million baht or 44.5 percent compared to current liabilities as of December 31, 2017. The major change was mainly from the decreased of short-term loans from financial institutions amounted 50.0 million baht, Advance received from the sale of land and buildings awaiting development amounted 22.0 million baht, The trade and other payables amounted 25.4 million baht while Long-term loans from financial institutions due within one year increased amounted 4.5 million baht and Accrued income tax increased amounted 19.2 million baht.

(2.2) Non-Current Liabilities

As at September 30, 2018 non-current liabilities amounted 134.0 million baht, decreased 2.1 million baht or 1.6 percent compared to non-current liabilities as of December 31, 2017. The major change was mainly from the decreased of Long-term loans from financial institutions - net of current portion amounted 2.3 million baht.

(3) Shareholders' Equity

Total shareholders' equity as of September 30, 2018 was 1,451.5 million baht, increased 113.3 million baht or 8.5 percent compared to total shareholders' equity as of December 31, 2017.

(4) Cash flows (Company and Subsidiaries)

| Million Baht                                     | nine-month period |        |
|--|-------------------|--------|
|  | 2018              | 2017   |
| Cash and Cash Equivalent on 1st January          | 24.3              | 60.6   |
| Net Cash Provided (Used in) Operating Activities | (16.5)            | 45.4   |
| Net Cash Provided (Used in) Investing Activities | 399.8             | (38.7) |
| Net Cash Provided (Used in) Financing Activities | (59.3)            | (23.5) |
| Net Cash Increased (Decreased)                   | 324.0             | (16.8) |
| Cash and Cash Equivalent on 30th September       | 348.3             | 43.8   |

(4.1) Cash Flows from Operating Activities

Net cash used in from operating activities was 16.5 million baht for the nine-month period as at September 30, 2018. Trade and other receivables was 9.6 million baht , trade and other payables was 25.7 million baht.

(4.2) Cash Flows from Investing Activities

Net cash provide from investing activities was 399.8 million baht for the nine-month period as at September 30, 2018. The company has returned advance received from the sale of land and building awaiting development was 21.9 million baht, Proceeds from sales of investment properties was 17.0 million baht , Proceeds from sales of land and buildings awaiting development was 422.8 million baht , Cash paid to purchase property, plant and equipment was 14.6 million baht and Cash paid for investment in associated company was 4.4 million baht.

(4.3) Cash Flows from Financing Activities

Net cash used in financing activities was 59.3 million baht for the nine-month period as at September 30, 2018. The company has dividend payment was 11.2 million baht , Repayment of short-term loans was 50.0 million baht and Long-term loans from financial institutions was 2.2 million baht.

|                      | Date              |                  |
|----------------------|-------------------|------------------|
|                      | 30 September 2018 | 31 December 2017 |
| Current Ratio        | 9.6               | 3.6              |
| Debt to Equity Ratio | 0.2               | 0.2              |