

Management Discussion and Analysis: MD&A

1. Company Situation

The company's core business revenue for Q3/2019 has been going steady, no major increase or decrease in numbers when compared to the revenue of Q3/2018. Though, the revenue figure of this period may seem a little less than the one before in Q3/2018. The slight decrease in numbers is due to the development of the waste disposal for approximately 15 days at Map Ta Phut facility and the change in the waste treatment procedures at Samaedam facility. These two factors directly affect the delay in some of the waste treatment works, but in a way, make the treatment system more efficient. The income of the real estate business has slowed down, despite that, the number of lease of properties for sale started to rise so high that the new marketing policy is called to order to be able to conform to today's market conditions.

As for the company's investments in the past year, all of them have been successful yet there is still no exact number of the return on investment as of this quarter, which may be caused by today's market condition. However, the marketing team and the sales team are fully prepared for this situation as new promotions have already been added to the Q3's marketing plan. For now, the company is slowing down other investments as they are waiting for the revenue figure of Q4/2019 to make further decision.

2. Operating Results (Company and Subsidiaries)

Total revenue of the consolidated financial statements for Q3/2019 amounted 72.6 million baht compared to Q3/2018 with total revenue of 248.6 million baht, decreased 176.0 million baht or 70.8 percent. Performance for Q3/2019 was loss 2.3 million baht compared to Q3/2018 that was profitable 134.5 million baht, decreased 136.8 million baht or 101.7 percent.

For the nine -month period of 2019, total revenue of the consolidated financial statements amounted 219.3 million baht, decreased 189.6 million baht or 46.4 percent compared with the same period of 2018. The waste treatment revenue decreased 5.0 million baht and real estate business revenue decreased 10.2 million baht, other income decreased 2.4 million baht, the gain on sales of land and structures held for future development decreased 167.8 million baht and the gain on sales of investment properties decreased 4.2 million baht.

(1) Service Income - Waste Treatment Business (Disposal-Landfill and Transportation)

Revenue from waste treatment business for Q3/2019 amounted 64.6 million baht, decreased 1.3 million baht or 2.0 percent compared with Q3/2018. The cost of good was 72.5 percent for Q3/2019.

(2) Real Estate Business Income

Revenue from real estate business for Q3/2019 amounted 3.7 million baht, decreased 6.7 million baht or 64.4 percent compared with Q3/2018. The cost of good was 70.3 percent.

(3) Gains on Sales of Land and Structures Held for Future Development

For Q3/2019, there was no sale land and structures held for future development, decreased 167.8 million baht or 100.0 percent compared with Q3/2018.

(4) Interest income

Interest income for Q3/2019 was amounted 0.4 million baht, increased 0.2 million baht or 100.0 percent compared with Q3/2018.

(5) Other Income

Other income for Q3/2019 was amounted 3.9 million baht, decreased 0.4 million baht or 9.3 percent compared with Q3/2018.

(6) Selling and Administrative Expenses

Selling and administrative expenses for Q3/2019 was amounted 23.9 million baht, decreased 4.0 million baht or 14.3 percent compared with Q3/2018. The selling and administrative expenses was approximately 32.9 percent of the Company's total revenue, compared to 11.2 percent for the same period of year 2018.

3. Financial Status (Company and Subsidiaries)

(1) Total Assets

Company's total assets as of September 30, 2019 was 1,576.1 million baht, decreased 74.9 million baht or 4.5 percent compared to the total assets as of December 31, 2018.

(1.1) Current Assets

As of September 30, 2019 currents assets amounted 617.1 million baht, decreased 193.5 million baht or 23.9 percent compared to current assets as of December 31, 2018. Cash decreased 130.7 million baht. The trade and other receivable increased 4.3 million baht. The real estate development costs decreased 67.0 million baht.

(1.2) Non-Current Assets

As of September 30, 2019 non-current assets amounted 959.0 million baht, increased 118.6 million baht or 14.1 percent compared to non-current assets as of December 31, 2018. The significant change was mainly from the increased in land and structures held for future development 71.5 million baht, the investment property 51.5 million baht. While assets in the category of property, plant and equipment decreased 6.2 million baht.

(2) Total Liabilities

Company's total liabilities as of September 30, 2019 was 168.7 million baht, decreased 40.8 million baht or 19.5 percent compared to the total liabilities as of December 31, 2018.

(2.1) Current Liabilities

As of September 30, 2019 current liabilities amounted 76.6 million baht, decreased 24.4 million baht or 24.4 percent compared to current liabilities as of December 31, 2018. The significant change was mainly from the company paid corporate income tax for 2018 in amount of 18.5 million baht in May 2019. Trade and other payables decreased 7.0 million baht. While long-term loans from financial institutions due within one year increased 1.0 million baht.

(2.2) Non-Current Liabilities

As of September 30, 2019 non-current liabilities amounted 93.1 million baht, decreased 16.4 million baht or 15.0 percent compared to non-current liabilities as of December 31, 2018. The significant change was mainly from the decreased in long-term loans from financial institutions - net of current portion 18.6 million baht. While employee benefit obligations increased 2.4 million baht.

(3) Shareholders' Equity

Total shareholders' equity as of September 30, 2019 was 1,407.4 million baht, decreased 34.1 million baht or 2.4 percent compared to total shareholders' equity as of December 31, 2018.

(4) Cash flows (Company and Subsidiaries)

Million Baht	Nine-Month Period	
	2019	2018
Cash and Cash Equivalent on 1 st January	291.7	24.3
Net Cash Provided (Used in) Operating Activities	(7.5)	(16.5)
Net Cash Provided (Used in) Investing Activities	(83.0)	399.8
Net Cash Provided (Used in) Financing Activities	(40.2)	(59.3)
Net Cash Increased (Decreased)	(130.7)	324.0
Cash and Cash Equivalent on 30 th September	161.0	348.3

(4.1) Cash Flows from Operating Activities

The Company has net cash flows used in operating activities for the nine -month period as of September 30, 2019 in amount of 7.5 million baht. Significant transactions were profit from operating activities 15.3 million baht, including real estate development costs 13.2 million baht. And cash paid for trade and other payables 7.3 million baht, income tax paid 24.2 million baht, interest paid 3.6 million baht.

(4.2) Cash Flows from Investing Activities

The Company has net cash flows used in investing activities for the nine-month period as of September 30, 2019 in amount of 83.0 million baht. Significant transactions were cash paid for acquisitions of land and structures held for future development 71.5 million baht and cash paid for acquisitions of property, plant and equipment 12.6 million.

(4.3) Cash Flows from Financing Activities

The Company has net cash flows used in financing activities for the nine-month period as of September 30, 2019 in amount of 40.2 million baht. Significant transactions were from the dividend payment 22.4 million baht and repayment of long-term loans from financial institutions 17.5 million baht.

	Date	
	September 30, 2019	December 31, 2018
Current Ratio	8.2	8.1
Debt to Equity Ratio	0.1	0.1