

## Management Discussion and Analysis: MD&A

### 1. Company Situation

The overall analysis of company situation as of Q3/2021 is that the company was undeniably affected by the continuous COVID-19 pandemic situation. Along with that, the government also announced the lockdown policy, or commute limitations, and the reduced industrial production, resulting in less industrial waste treated compared to last quarter. The company saw the sharp decrease in number from the major source of income, the industrial waste treatment and disposal, 10-15 percent down.

Regarding the real estate business of the company, there were no significant process according to the current market and no new property units for sale.

The company plans to invest in other businesses at the end of this year and next year in order to diversify the risks that might likely to occur due to the expanding COVID-19 outbreak.

#### Risks and Effects from the COVID-19 Outbreak

The COVID-19 outbreak has been affecting many businesses and the company is no exception. The company had many impacts, including stricter method on waste coming from the clients' factories, employees' transportation to the facilities, and fewer customers visiting the real estate units.

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

Total revenue of the consolidated financial statements for Q3/2021 amounted 60.7 million baht compared to Q3/2020 with total revenue of 87.0 million baht, decreased by 26.3 million baht or 30.2%. Mostly, the decrease was from real estate business since there was no property transfer in this quarter. But last year, there was revenue from sale real estate for sales and gain on sales of investment property totaled 25.3 million baht. In addition, there is no new project this year apart from the income from the rooftop solar power system project at the end of last year. Due to the outbreak, it is inconvenient to schedule meeting with promising clients and the investments are delayed.

However, in Q3/2021, there was another income from the forfeiture of 8 million baht deposit due to the breach of land sale and purchase agreement. In addition, the reduction of cost and budget with no effect to the service quality from the Q3/2020 provided the positive result, as projected in Q3/2021 in which the company's was gain 6.5 million baht compared to Q3/2020 that was loss 6.8 million baht, increased 13.3 million baht or 195.6%.

For the nine-month period of 2021, total revenue of the consolidated financial statements amounted 171.9 million baht, decreased 44.8 million baht or 21.7% compared with the same period of 2020. However, performance for nine-month period of 2021 was gain 6.5 million baht compared to the same period in 2020, increased 32.5 million baht or 125.0%.

	3 <sup>rd</sup> Quarter				For the nine-month			
	September 30		Inc.		September 30		Inc.	
	2021	2020	(Dec.)	%	2021	2020	(Dec.)	%
<b>Revenues</b>								
Treatment business	44.1	48.1	(4.0)	-8.3%	141.8	154.8	(13.0)	-8.4%
Real estate business	-	20.9	(20.9)	-100.0%	-	27.4	(27.4)	-100.0%
Other business	1.4	5.9	(4.5)	-76.3%	5.9	13.0	(7.1)	-54.6%
Other income	15.2	12.1	3.1	25.6%	24.2	21.4	2.8	13.1%
<b>Total Revenues</b>	<b>60.7</b>	<b>87.0</b>	<b>(26.3)</b>	<b>-30.2%</b>	<b>171.9</b>	<b>216.7</b>	<b>(44.8)</b>	<b>-20.7%</b>
<b>Expenses</b>								
Cost of treatment	31.3	40.9	(9.6)	-23.5%	93.1	124.0	(30.9)	-24.9%
Cost of real estate	-	17.9	(17.9)	-100.0%	-	23.4	(23.4)	-100.0%
Cost of others	3.2	6.2	(3.0)	-48.4%	10.6	13.4	(2.8)	-20.9%
Selling & Admin Exp.	17.1	26.6	(9.5)	-35.7%	56.3	75.4	(19.1)	-25.3%
Finance costs	1.0	1.4	(0.4)	-28.6%	3.3	4.7	(1.4)	-29.8%
<b>Total Expenses</b>	<b>52.6</b>	<b>92.9</b>	<b>(40.3)</b>	<b>-43.4%</b>	<b>163.3</b>	<b>240.9</b>	<b>(77.6)</b>	<b>-32.2%</b>
Share from associate	(0.3)	-	(0.3)	-100.0%	(0.1)	(0.2)	(0.8)	-400.0%
Income tax	(1.2)	(0.7)	0.5	71.4%	(1.1)	(1.7)	(0.6)	-5.3%
<b>Gain (Lost) - Net</b>	<b>6.5</b>	<b>(6.8)</b>	<b>13.3</b>	<b>195.6%</b>	<b>6.5</b>	<b>(26.0)</b>	<b>32.5</b>	<b>125.0%</b>

#### (1) Waste Treatment Business Income

Revenue from waste treatment business for Q3/2021 amounted 44.1 million baht, decreased 4.0 million baht or 8.3% compared to Q3/2020. The cost of service was 71.0% for Q3/2021, decreasing from the same period in the previous year with costs of 85.0% due to the mentioned situational adaptability.

#### (2) Real Estate Business Income

Revenue from sale real estate shows no room transfer in the Q3 of 2021, where in the Q3 of 2020, the revenue was 20.9 million baht in sales. The cost of good was 85.6%.

Gain on sales of investment property (Presented in other income) shows no room transfer in the Q3 of 2021, where in the Q3 of 2020, was gain on sales of investment property was 4.4 million baht in sales.

Revenue from rental real estate (Presented in other income) for Q3/2021 amounted 2.8 million baht, not different from the same quarter of last year, with the rental cost at 75.0%, similarly to 2020.

**(3) Other business Income**

Revenue from other business for Q3/2021 amounted 1.4 million baht, decreased 4.5 million baht or 76.3% compared to Q3/2020. In 2021, the income was mainly from the medical masks business, while in Q3/2020, there was an income from solar rooftop service system business of 5.2 million baht.

**(4) Other Income**

Other income for Q3/2021 was amounted 15.2 million baht, increased 3.1 million baht or 25.6% compared to Q3/2020. As there was the income of 8 million baht from the breach of land sale and purchase agreement forfeited deposit.

In Q3/2021 and 2020, the interest income was not significant in number.

**(5) Selling and Administrative Expenses**

Selling and administrative expenses for Q3/2021 was amounted 17.1 million baht, decreased 9.5 million baht or 35.7% compared with Q3/2020. The selling and administrative expenses was approximately 28.2% of the Company's total revenue, compared to 30.6% for the same period of year 2020.

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

**(1) Total Assets**

Company's total assets as of September 30, 2021 were 1,521.7 million baht, decrease 5.7 million baht or 0.4% compared to the total assets at 31 December 2020.

**(1.1) Current Assets**

As of September 30, 2021 current assets amounted 472.0 million baht, decreased 51.9 million baht or 9.9% compared to current assets as of December 31, 2020. Mostly due to classified as non-current assets (Investment in properties). Causing real estate development costs decreased 36.5 million baht.

**(1.2) Non-Current Assets**

As of September 30, 2021 non-current assets amounted 1,049.9 million baht, increased 46.2 million baht or 4.6% compared to non-current assets as of December 31, 2020. Mostly due to classified real estate development costs. In addition, the hazardous industrial waste secure landfill construction is in process, 51.4% completed or 22 million baht in total.

## (2) Total Liabilities

Company's total liabilities as of September 30, 2021 were 186.6 million baht, decreased 16.4 million baht or 8.1% compared to the total liabilities as of December 31, 2020.

## (3) Shareholders' Equity

Total shareholders' equity as of September 30, 2021 was 1,335.3 million baht, increased 10.7 million baht or 0.8% compared to total shareholders' equity as of December 31, 2020.

## 4. Cash flows (Company and Subsidiaries)

	For the nine-month Period	
	2021	2020
Cash and Cash Equivalent on 1 <sup>st</sup> January	162.9	172.2
Net Cash Provided by (Used in) Operating Activities	44.2	4.6
Net Cash Provided by (Used in) Investing Activities	(27.3)	(1.4)
Net Cash Provided by (Used in) Financing Activities	(28.0)	(26.9)
Net Cash Increased by (Decreased)	(11.1)	(23.7)
Cash and Cash Equivalent on 30 <sup>th</sup> September	151.8	148.5

## 5. Financial ratios

	As at	
	September 30, 2021	December 31, 2020
Current Ratio	5.6	6.7
Debt to Equity Ratio	0.1	0.2