

Management Discussion and Analysis for the Year 2022

1. Operating Results

In 2022, the company had a net loss of 23.29 million baht, an decreased compared to the same period in 2021 by 29.06 million baht, or 504.2%.

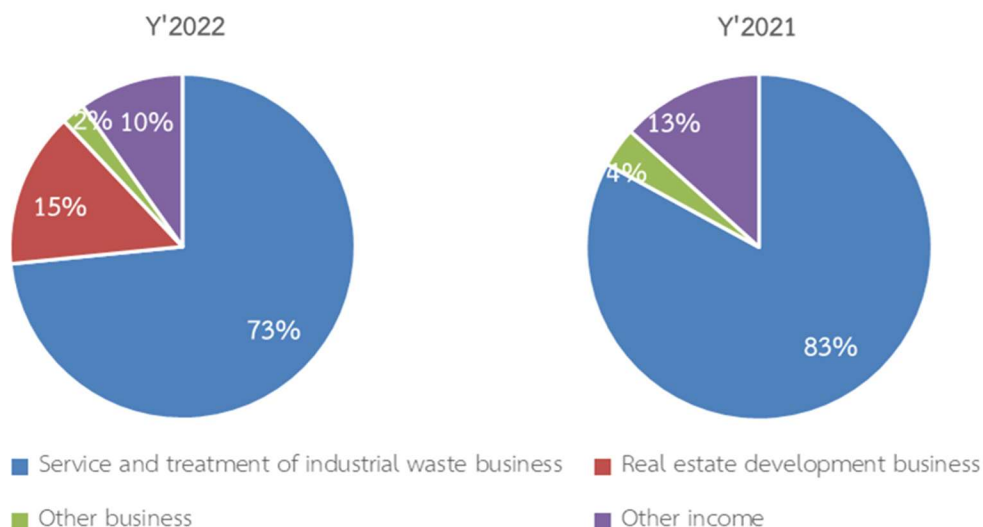
Unit: Million Baht

Consolidate Financial Statement	Y'2022	Y'2021	± %
Operating revenue ^(a)	247.06	201.34	+22.7%
Operating cost ^(b)	185.46	131.02	+41.5%
Operating gross profit	61.60	70.32	-12.4%
Total revenue	280.83	242.71	+15.7%
Net Loss	(23.29)	5.76	-504.2%

(a) Operating revenue = Operating revenue excludes income from other businesses and other income

(b) Operating cost = Operating cost exclude costs from other businesses and expenses.

Consolidated revenue for year ended 2022 of totally 280.83 million baht, consisting of revenues from industrial waste business division 206.16 million baht, revenue from property development business division 40.90 million baht, Other business division 6.17 million baht, and other income 27.60 million baht. Total revenues increased by 38.11 million baht or 15.7%. compared with same period of year 2021. Mostly, the increase was from property development business division 40.90 million baht.



In 2022, the company continues to adapt their marketing strategy to fit with the current trend. Not only that, the COVID-19 situation also eases down with the outbreak being announced as an endemic since the 1st of July 2022. The company will appropriately adjust the waste treatment cost in accordance to the higher cost of the chemicals.

As for the real estate business, there is a tendency for better performance due to the management team's flexible adaptation to the current situation and all industries are in recovery phase. For these reasons, the company has sold several remaining real estate units of The Plenary. The transfer of property began in the second quarter and more to come.

The income of the production and distribution of face masks for medical use in 2022 is less in number, due to the oversupply of masks and cheaply imported masks from other countries. However, the company keeps the same quality to deliver the best face masks on the market, while adjusting the marketing strategy.

Cryptocurrency mining business faced its downside in the Q3/2022. The downside was due to The Merge, Ethereum's technology switch to Proof-to-Stake, putting an end to the existing mining method. The effect was intensively depicted in Q4/2022. The management team will readjust the strategy to fit with the ever-changing Cryptocurrency business.

This year, although the company's total revenue has increased, costs have also increased significantly because of the Inflation. Not only the price of chemicals, it also affects the estimated landfill closure cost that requires an additional estimate of 7.80 million baht. Moreover, the company had to pay the taxes, which were assessed retrospectively from 2014 to 2016 with the total of 15.99 million baht, making 2022's performance was at a loss of 23.29 million baht compared to 2021's, decreasing 29.06 million baht or 504.2%

Treatment of Industrial Waste Business

Unit: Million Baht

Consolidated	Y'2022	Y'2021	± %
Revenue from waste treatment business	206.16	201.34	+2.4%
Cost of waste treatment business	148.35	131.02	+13.2%
Gross profit	57.81	70.32	-17.8%
Gross profit margin	28.0%	34.9%	

Service income for the year ended 2022 amounted 206.16 million baht compared same period last year, increased in amount of 4.82 million baht or 2.4%. With gross profit margin from service was 28.0% decreased from the same period last year was 6.9%. Due to the cost of chemicals at the market price has increased, there is also an estimate of the cost of closing the landfill, an additional 7.80 million baht in total.

Revenue from Property Development Business

Unit: Million Baht

Consolidated	Y'2022	Y'2021	± %
Revenues from sales and services	40.90	-	+100%
Cost of sales and services	37.11	-	+100%
Gross profit	3.79	-	+100%
Gross profit margin	9.3%	-	

The income of 40.90 million baht is from the sale of ten real estate units of The Plenary in 2022. There is an increase in sale when compared to 2021 as there was no room transfer during that period. The Plenary is the old property of the company. therefore, it needs the renovation, resulting in higher cost. The cost affects the gross margin of the property sale, which is at 9.3%.

Other business

Unit: Million Baht

Consolidated	Y'2022	Y'2021	± %
Revenues from sales real estate	6.17	9.04	-31.8%
Cost of sales real estate	3.25	18.49	-82.4%
Gross profit	2.92	(9.45)	+130.9%
Gross profit margin	47.3%	(104.5%)	

The revenue for other business units is less than expected for both face masks for medical use and Cryptocurrency mining business with a total income of 6.17 million baht compared same period last year, decreased in amount of 2.87 million baht or 31.8%. However, the company has already recognized losses from the market price of products that have decreased in 2021, making this year's gross profit at 47.3 %.

other income

The total other income is 27.60 million baht, 14.6% or 4.73 million baht lower than last year's. The income is from the deposit confiscated of 8 million baht due to the breach of land sale and purchase agreement forfeited deposit in the previous year.

The interest income is little in amount, which is same as last year's.

Revenue from rental real estate for 2022 amounted 12.25 million baht, a slight increase in number when compared to the same quarter of last year. The cost of renting was 78.5%, an increase from the previous year, due to almost all costs being fixed costs.

Expenses

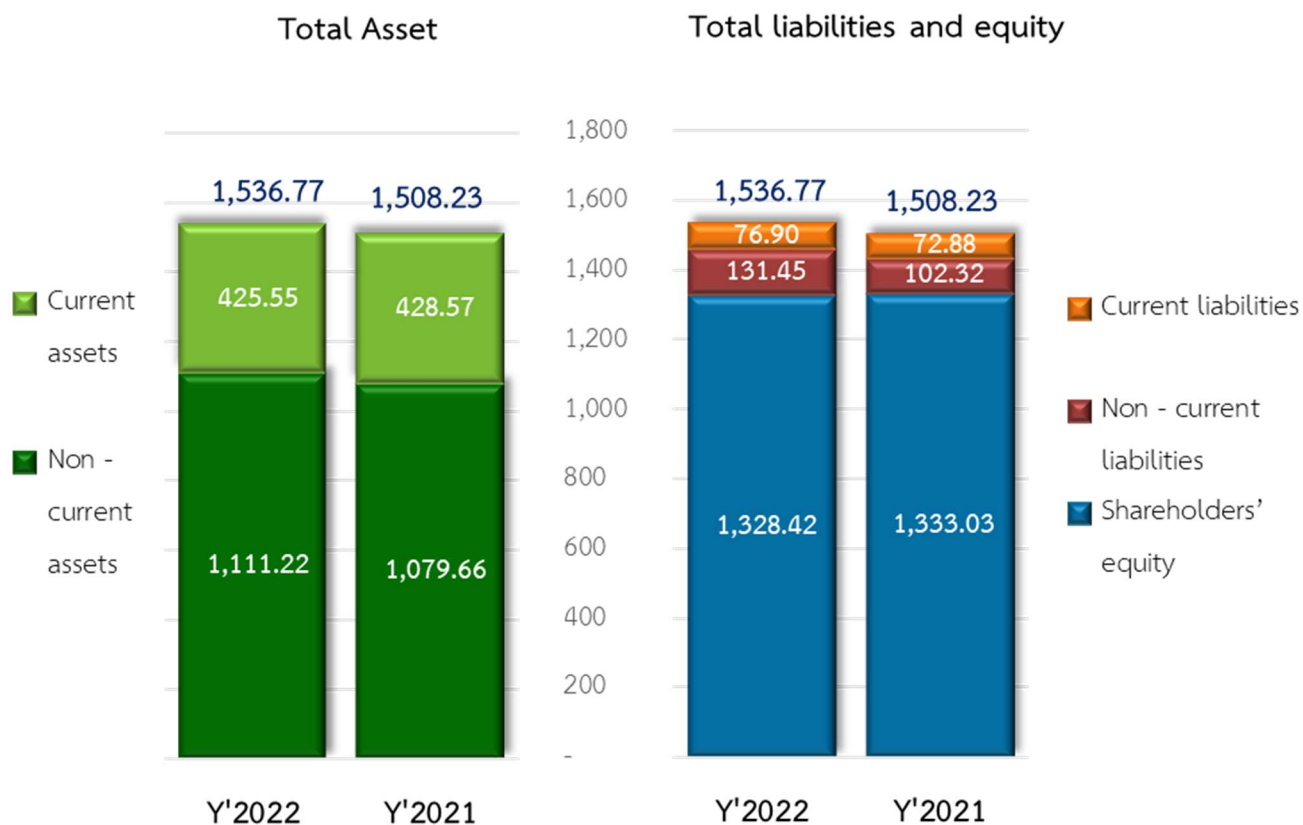
Selling and administrative expenses for the year ended 2022 was of 100.69 million baht, increasing 24.20 million baht or 31.6% when compared to last year. This was due to the retrospectively assessed taxes from 2014 to 2016 in the total of 15.99 million baht. If the taxes were excluded, the selling and administrative expenses would be at 84.70 million baht or 30.2% of the total income of the company, a slight decrease compared to 2021. due to the organizational restructure and strict cost reduction policy.

Loss on impairment in 2022, The performance did not meet the target. This resulted in an impairment of cryptocurrency mining machine with the Company has loss on impairment of 5.35 million. While In 2021, the company had a loss on impairment of RDF project factory building amounted 4.33 million baht.

Finance costs was amounted 3.41 million baht in 2022, decreased was 19.1% from previous year. Although in 2022, the finance costs decreased from the long-term loans from financial institutions for the investment of factory buildings and machines at Map Ta Phut Center were repaid. The loan was fully repaid in the Q4/2022.

Share of loss from investments in associates. Due to the fact that one associate planned to start the commercial operations in 2020, but with the COVID-19 outbreak, the associate was unable to travel to Thailand from 2020 to 2021, resulting in the suspension of the scheduled operations until now. Most of the loss incurred this year were depreciation of fixed assets. In 2022, the company received the loss share from the associate of 1.34 million baht, similar to last year's.

2. Financial Position



Total Assets

The Company has total assets as of December 31, 2022 amounted 1,536.77 million Baht, increasing 28.54 million Baht or 1.9% from the ended of the previous year amount of 1,508.23 million baht. The outstanding occasions resulting to the number are as follows;

- An increase from Investment in investment property in the amount of 14.65 million baht.
- An increase in costs of landfills for 37.29 million baht from the continued investment from the previous year, including estimates for the closure of hazardous industrial waste landfills. The landfill was opened in the Q4/2022.
- An increase of non-current financial assets in the amount of 32.44 million baht from the sale of existing shares and purchase of new shares.
- A decrease from depreciation and amortization of the company of 46.55 million baht.
- A write-off of pending return Withholding Tax of year 2014-2016 in the amount of 15.6 million baht, from the examination of tax refunds that resulted in the conclusion that the refund was not received.

Total Liabilities

Company's total liabilities as of December 31, 2022 were 208.35 million baht, increased 33.15 million baht or 18.9% compared to the total liabilities as of December 31, 2021, 175.20 million baht. The significant change occurred from setting up estimates for the closure of hazardous industrial waste landfills for the new landfill opened at Q4/2022 and additional estimates for existing landfills to be sufficient according to the increased inflation rate with the amount of 37.80 million baht.

Shareholders' Equity

Total shareholders' equity as of December 31, 2022 was 1,328.42 million baht, decreased 4.61 million baht or 0.6% compared to total shareholders' equity as of December 31, 2021. The number is from the operating loss in the amount of 23.29 million baht and a gain from the sale of investment in shares in the amount of 17.54 million baht. (Transfer through other comprehensive income (loss))

3. Cash flows

Cash flows	For the year ended	
	2022	2021
Cash and Cash Equivalent on 1 st January	107.85	162.86
Net Cash Provided by (Used in) Operating Activities	87.16	45.96
Net Cash Provided by (Used in) Investing Activities	(46.58)	(65.06)
Net Cash Provided by (Used in) Financing Activities	(14.90)	(35.91)
Net Cash Increased by (Decreased)	25.68	(55.01)
Cash and Cash Equivalent on 31 th December	133.53	107.85

5. Financial ratios

	As at December 31,	
	2022	2021
Current Ratio	5.53	5.88
Debt to Equity Ratio	0.16	0.13