

## Management Discussion and Analysis: MD&A

### 1. Company Situation

The company situation in Q1/2023 was in a good direction. The company began to execute the marketing plan as the epidemic subsided. As a result, the results are profitable for all 3 months. The company also continued to reduce the costs and unnecessary expenses. If the economic direction has a better trend and the war situation gets better, it will directly affect the performance in the following quarters in a better direction, including the real estate business as well.

Regarding the investment, it remained to be mainly on the Cannabis Planting for Medical Use project, which the company temporarily paused the investment to wait for the official law for cannabis planting. Nevertheless, the company predicted that it would help improving the company image and supporting the main business financially.

### 2. Performance (Company and Subsidiaries)

The total income of Q1/2023 was 71.84 million while it was 55.89 million baht in Q1/2022, showing an increase of 15.95 million baht or 28.5%. The number was from the transfer of ownership of the sale of rooms in The Plenary for 4 units, 15.99 million baht in total.

The cost of sales and total expenses were 76.95 million baht, increasing 24.27 million baht or 46.0%. The number came from the cost of real estate sales 14.75 million baht, estimated cost of landfill 2.70 million baht, landfill amortization 1.12 million baht and the loss from devaluation of inventories (medical mask) 4.40 million baht. This caused the company to face the loss of 5.11 million baht when compared to Q1/2022 with a profit of 3.21 million baht, decreasing 8.32 million baht or 259.1%.

	1 <sup>st</sup> Quarter			
	March 31		Inc.	
	2023	2022	(Dec.)	%
<b>Revenues</b>				
Treatment business	49.4	48.8	0.6	1.2 %
Real estate business	15.9	-	15.9	100%
Other business	-	1.5	(1.5)	-100%
Other income	6.5	5.6	0.9	16.0%
<b>Total Revenues</b>	<b>71.8</b>	<b>55.9</b>	<b>15.9</b>	<b>28.4%</b>
<b>Expenses</b>				
Cost of treatment	36.1	30.9	5.2	16.8%
Cost of real estate	14.8	-	14.8	100%
Other costs	4.4	0.9	3.5	388.8%
Selling and Admin Exp.	19.7	19.7	-	-
Finance costs	0.9	0.9	-	-
<b>Total Expenses</b>	<b>75.9</b>	<b>52.4</b>	<b>23.5</b>	<b>44.8%</b>
Associate's share	(0.3)	(0.3)	-	-
Income tax	(0.7)	-	(0.7)	100%
<b>Profit (Loss) Net</b>	<b>(5.1)</b>	<b>3.2</b>	<b>(8.3)</b>	<b>259.1%</b>

**(1) Sales and Service Income - Service Business**

For Q1/2023, the Company had a total revenue from service business of 49.37 million baht, showing an increase from Q1/2022 amounted 0.6 million baht or 1.2% while the cost of business services for Q1/2023 was 16.8%, an increase from the same period last year. It came from setting up an additional estimate of the cost of closing the existing landfill in the amount of 2.70 million baht and writing off the landfill in the amount of 1.12 million baht and the waste treatment service fee in the amount of 0.98 million baht.

**(2) Revenue from sales - Real Estate Business**

As a result of driving sales of condominium units of The Plenary, the room ownership transferred in Q1/2023 were 4 units, resulting in a total income of 15.99 million baht, an increase from Q1/2022 as there was no transfer of ownership that time. The Plenary is an existing project of the Company which requires more costs to improve as it needs to be in a better condition to sell to customers. As a result, the gross profit margin from the sale of real estate was 7.8%.

### **(3) Sales and service income – other businesses**

Medical mask production and distribution business in Q1/2023 landed no marketing plan due to the oversupply of masks in the market where the imported goods were cheaper. Furthermore, the produced medical masks had a limited useful life, causing the company to set a loss from devaluation of inventories (medical mask) of 4.40 million baht.

Cryptocurrency Mining Business had no marketing plan as well. As a result, there was no income in Q1/2023 with only fixed costs, resulting in a net loss of 0.55 million baht.

### **(4) Interest income and other incomes**

The company had other incomes for Q1/2023 of 6.47 million baht, increasing from quarter Q1/2022 amounted 0.86 million baht or 15% from the small number of interest income and other incomes as follows:

Real estate rental income in the first quarter of 2023 amounted to 3.59 million baht, a slight increase from the same quarter last year. The number was from COVID-19 measures for tenants with the rental cost at 55.04%, decreasing 30.14% from the previous year.

### **(5) Selling and administrative expenses**

The Company had selling and administrative expenses for Q1/2023 17.82 million baht, an increase from Q1/2022 of 0.5 million baht or an increase of 2.89%.

## **3. Financial Status (Company and its subsidiaries)**

### **(1) Total Assets**

The Company had total assets as of 31 March 2023 in the amount of 1,524.53 million baht, a decrease from the total assets of 31 December 2022 in the amount of 12.23 million baht or 0.8%.

#### **(1.1) Current assets**

Current assets as of March 31, 2023 were 433.92 million baht, an increase of 8.38 million baht or 1.97% from the previous year. The number came from cash and cash equivalents of 21.96 million baht. The decrease was from the trade and other receivables of 3.25 million baht, the payment receipt and real estate development costs 7.74 million baht, the transfer of ownership of the Plenary, 4 units and the inventories of 3.98 million baht from the value decrease of the remaining goods (medical masks).

### (1.2) Non-current assets

Non-current assets as of March 31, 2023 were 1,090.61 million baht, a decrease of 20.61 million baht or 1.85% from the previous year. The decrease was from the non-current financial assets including the decline in share value of 7.77 million baht and non-current assets decreased from the depreciation and amortization of the Company of 10.95 million baht. Apart from that, there was a slight increase from the purchase of building and equipments of 3.08 million baht.

### (2) Total Liabilities

The Company's total liabilities as of March 31, 2023 were 209 million baht, an increase from total liabilities as of 31 December 2022 of 0.65 million baht or 0.32%.

### (3) Shareholders' Equity

The Company had shareholders' equity as of March 31, 2023 in the amount of 1,315.53 million baht, a decrease from the shareholders' equity as of December 31, 2022 in the amount of 12.89 million baht or 0.97% .

## 4. Liquidity (Company and Subsidiaries)

	For 3-month period	
	2023	2022
Cash and Cash Equivalent on 1 <sup>st</sup> January	133.5	107.8
Net Cash Provided by (Used in) Operating Activities	30.6	25.8
Net Cash Provided by (Used in) Investing Activities	(6.1)	(21.9)
Net Cash Provided by (Used in) Financing Activities	(2.5)	0.3
Net Cash Increased by (Decreased)	22.0	4.1
Cash and Cash Equivalent on 31 <sup>st</sup> March	155.5	112.0

## 5. Key Financial Ratios

	As of	
	March 31, 2023	December 31, 2022
Current Ratio	5.41	5.53
Debt to Equity Ratio	0.16	0.16