

Management Discussion and Analysis: MD&A

1. Company Situation

The company situation in the Q2/2023 was in a stable direction, tending to be in a lower direction than expected. There was also no development of sales as desired because the marketing plan was not aggressive enough, therefore, the management had to issue more proactive measures, which were expected to result in a better direction in the remaining quarters of this year. In terms of investment of this year, it remained to be for the same project and there was no decision to invest more in the past two quarters.

2. Performance (Company and Subsidiaries)

The total revenue of the Q2/2023 was 70.2 million baht, compared to Q2/2022 with total revenue of 67.4 million baht, an increase 2.8 million baht or 4%. The numbers were from the transfers of ownership of the rooms for sale during April to June 2023 of three units of The Plenary project, equal to 10.6 million baht and one unit of C-Space Bangyai project, equal to 5.9 million baht, resulting in an increase in the proportion of real estate income of 8.4 million baht. Other income was increased by 2.7 million baht from dividends received from long-term investments. (other non-current financial assets), while revenue from waste treatment business decreased by 7.4 million baht or 14%.

Total amount of sale budgets and expenses was 74.4 million baht, an increase of 8.4 million baht or 13% from an increase in cost of real estate sales of 5.1 million baht, an increase in sale management cost of 6.7 million baht and the back tax of the year 2017 in the amount of 6.3 million baht, resulting in the company's loss for this quarter in the amount of 5.4 million baht, showing an increase of 3.8 million baht or 238% when compared to Q2/2022 with loss 1.6 million baht.

In these past two quarters, the company had total income of 142.0 million baht, an increase of 18.7 million baht or 15% compared to the same period of 2022 from the transfers of ownership of the sale of rooms in The Plenary project of seven units, equal to 26.7 million baht and 1 unit of C-Space Bangyai project, equals to 5.9 million baht. Real estate income increased by 24.4 million baht, while revenue from waste treatment business decreased by 6.8 million baht or 7%.

Cost of sales and expenses were 149.4 million baht, an increase of 31.9 million baht or 27% from the cost of real estate sales, which increased by 19.8 million baht, the cost of treatment increased by 3.8 million baht, the amortization of landfills by 3.4 million baht, and other costs increased 1.5 million baht, mainly from the loss of value of inventories (masks) of 4.4 million baht and selling and administrative expenses increased by 6.8 million baht from tax expenses from the retrospective assessment of 2017 in the amount of 6.3 million baht.

It caused the company to have the loss for this period in the amount of 10.5 million baht, compared to the 2nd quarter of 2022 with a profit of 1.6 million baht, showing a decrease 12.1 million baht or 756%

	2nd quarter				the 6 month period			
	June 30		Inc.	%	June 30		Inc.	%
	2023	2022	(Dec.)		2023	2022	(Dec.)	
Revenues								
Waste Treatment business	44.9	52.3	(7.4)	-14%	94.2	101.0	(6.8)	-7%
Real Estate business	16.6	8.2	8.4	102%	32.6	8.2	24.4	298%
Other business	-	0.8	(0.8)	-100%	-	2.4	(2.4)	-100%
Other income	8.8	6.1	2.7	44%	15.2	11.7	3.5	30%
Total revenue	70.2	67.4	2.8	4%	142.0	123.3	18.7	15%
Expenses								
Waste Wreatment cost	33.8	35.1	(1.3)	-4%	69.8	66.0	3.8	6%
Real Estate cost	12.7	7.6	5.1	67%	27.4	7.6	19.8	261%
Other costs	-	2.0	(2.0)	-100%	4.4	2.9	1.5	52%
NCCC Sales and Management	27.9	21.3	6.7	31%	47.8	41.0	6.8	17%
Total expenses	74.4	66.0	8.4	13%	149.4	117.5	31.9	27%
Operating profit	(4.2)	1.4	(5.6)	-400%	(7.4)	5.8	(13.2)	-228%
Financial cost	(0.9)	(0.8)	(0.1)	13%	(1.8)	(1.7)	(0.1)	6%
Associate's share	(0.3)	(0.3)	-	-	(0.7)	(0.7)	-	-
Income tax	-	(1.9)	2.0	-105%	(0.6)	(1.8)	1.2	-61%
Profit (Loss) net	(5.4)	(1.6)	(3.8)	238%	(10.5)	1.6	(12.1)	-756%

(1) Sales and Service Income - Service Business

In Q2/2023, the company had the total revenue from service business of 44.9 million baht, decreasing from Q2/2022 with the amount 7.4 million baht, or 14%, while the cost of service business in Q2/2023 was 33.8 million baht, decreasing from Q2/2022 with the amount 1.3 million baht or 4%, showing result in a gross profit margin of 25%, a decrease of 8% compared to Q2/2022.

(2) Sales revenue - real estate business

By driving sales of condominium units in The Plenary project, the ownership of the units transferred of Q2/2023 were three units of 10.6 million baht and one unit of C-Space Bangyai project of 5.9 million baht, an increase from Q2/2022 in the amount of 8.4 million baht, resulting in a gross profit margin of 23%, an increase of 16 % from the previous quarter.

(3) Sales and service income – other businesses

Medical mask production and distribution business in Q2/2023 had no marketing plan resulting in no income and cost, due to the oversupply of masks in the market as the imported masks were cheaper. However, in Q1/2023, finished goods of medical masks had a limited shelf life. The company had set a loss from the devaluation of inventories (masks) in the amount of 4.4 million baht.

Cryptocurrency Mining Business had no marketing plan resulting in no income and cost in Q2/2023

(4) Interest income and other incomes

The company had other income for Q2/2023 of 8.8 million baht, increasing from Q2/2022 in the amount of 2.7 million baht, or 44% from long-term investment dividends (other non-current financial assets)

(5) Selling and administrative expenses

The company had selling and administrative expenses for the Q2/2023 of 27.9 million baht, an increase from Q2/2022 in the amount of 6.7 million baht or 31% from tax expenses that were assessed retrospectively in 2017 in the amount of 6.3 million baht.

3. Financial Status (Company and its subsidiaries)

(1) Total Assets

The company had total assets as of 30 June 2023 in the amount of 1,511.4 million baht, a decrease from total assets as of 31 December 2022 in the amount of 25.4 million baht or 2%.

(1.1) Current assets

Current assets as of 30 June 2023 were 439.8 million baht, an increase of 14.3 million baht or 3% from the previous year, mainly due to short-term loans and accrued interest from related parties increased by 40.5 million baht, real estate development costs decreased by 16.2 million baht, the transfer of ownership of seven units of The Plenary project and one unit of C-Space Bangyai project. Inventories decreased in 4.2 million baht from the expected decrease of value of remaining products (mask).

(1.2) Non-current assets

Non-current assets as of 30 June 2023 were 1,071.5 million baht, a decrease of 39.7 million baht from the previous year or 4%, in which the majority were from the additional purchased assets of 10.4 million baht and the depreciation and amortization of the company in the amount of 22.1 million baht, non-current financial assets decreased by 13 million baht, the decrease in share value and withholding tax decreased by 14.4 million baht and the taxed items in the year 2017 that were assessed retroactively in the amount of 6.3 million baht, which were refunded in the year 2020-2021 in the amount of 10.7 million baht.

(2) Total Liabilities

The company had total liabilities as of 30 June 2023 of 206.5 million baht, a decrease from total liabilities as of December 31, 2022 of 1.9 million baht or 1%.

(3) Shareholders' Equity

The company had shareholders' equity as of 30 June 2023 of 1,304.9 million baht, a decrease from shareholders' equity as of December 31, 2022 of 23.5 million baht or 2%

4. Liquidity (Company and its subsidiaries)

	for 6-month period	
	2023	2022
Cash as of 1 January	133.5	107.8
Net Cash Provided by (Used in) Operating Activities	30.5	43.3
Net Cash Provided by (Used in) Investing Activities	(47.8)	(38.8)
Net Cash Provided by (Used in) Financing Activities	4.6	(8.6)
Net Cash Increased by (Decreased)	(12.7)	(4.1)
Cash as of 30 June	120.8	103.7

5. Key Financial Ratios

	As of	
	30 June 2023	31 December 2022
working capital ratio	4.84	5.53
Total debt to equity ratio	0.16	0.16