



บริษัท โพรเฟสชั่นแนล เวสต์ เทคโนโลยี (1999) จำกัด (มหาชน)
PROFESSIONAL WASTE TECHNOLOGY (1999) PUBLIC COMPANY LIMITED

Translation

AT PW-030 CS 2024

May 15, 2024

Subject : Management Discussion and Analysis for the first Quarter of 2024 ended March 31, 2024

To : President
The Stock Exchange of Thailand

Professional Waste Technology (1999) Public Company Limited and its Subsidiaries has submitted the financial statements and the reports of the certified public accountant's report for the periods ended March 31, 2024 and 2023, In 2024, there were operating results of the company and its subsidiaries for for the first Quarter of 2024 ended March 31, 2024 (consolidated financial statements) with a total comprehensive loss for the period of 21.58 million baht, compared to the same period of the previous year with a profit of 8.50 million baht. Results Operating losses increased from the previous year in the amount of 30.08 million baht or 353.88 %

Impact on operations from the order of the Department of Industrial Works, the details are summarized as follows.

- 1) To suspend any act that violates or perform properly in compliance with section 39 paragraph 1 of the Factory Act B.E. 2535

Landfill capping hazardous L3

- On 30 September 2022, the Department of Industrial Works agreed that the Company has to stop operating in compliance with section 39 paragraph 1 of the Factory Act B.E. as follows: 1) to bring aluminium dross, which was landfilled around hazardous waste landfill area L3 without stabilization, to destructive action by stabilization before landfill and 2) to prepare a project plan according to the Environmental Impact Assessment (EIA) report together with surveying the boundaries of every landfill which is certified by the relevant government agencies to be completed by 30 October 2022, the Company sent a letter to request an extension of the period of 90 days for the remedial action. (The order to allow the extension to end on 31 January 2023).
- Later on 13 December 2022, the Company informed the Director General of the Department of Industrial Works that the Company performed completely the stabilization process, preparing project layout plan according to

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the EIA report together with the land boundary survey of all landfill holes (L1 to L8) and certified by relevant government agencies including requesting to terminate the order under section 39 paragraph 1 of the Factory Act B.E. 2535.

- On 11 January 2023, the Department of Industrial Works considered the evidence submitted by the Company in the above matter. It appeared that, some of layouts of landfill area and the layout of total projects were incorrect and inconsistent with the layouts of landfill area and the layout of total projects as reported in the EIA report, which was considered an important fact that must be taken into account in order to terminate the above order. Therefore, there has been an order to extend the period according to the order until 31 May 2023 and extend the period according to the order until 1 December 2023, and there has been an additional order for the Company to submit documents for examination of incorrect and inconsistencies of landfill area.
- On 17 January 2024, the Company issued a letter for an extension of the time for improving the factory to the Director General Department of Industrial Works and on 8 March 2024, the Company received approval to extend the time to comply with the order by 6 months until 31 May 2024.
- Subsequently, on 10 February 2023, the Company filed an appeal against the order to submit additional documents and extend the period for compliance with the order of Section 39 paragraph 1 of the Factory Act B.E. 2535, to the Minister of Industry. As of 15 May 2024, it has not been finalized.

Landfill capping hazardous L4

- On 24 November 2022, Department of Industrial Works issued an order “Amendment to the order according to the letter of the Department of Industrial Works dated 18 April 2022”. The order has forced the Company to stop operating the factory only at the hazardous waste landfill in the L4 area and to fix the L4’ s landfill according to the EIA report as approval within 20 February 2023, which determined the condition in the report of compliance with the Department of Industrial Works orders, will not be allowed to bring sewage or unused materials that are hazardous wastes will be treated or disposed of in the L4’s landfill until all orders are complied with and is permitted to open a factory business.
- On 17 February 2023, the Company issued a letter for an extension of the time to comply with the said order by 90 days. Subsequently, the Department of Industrial Works granted permission to extend the period for improving the factory under Section 39, paragraph 1, until 21 May 2023 and extend the period until 22 November 2023. On 17 January 2024, the Company received approval to extend the time to comply with the order by 6 months until 23 May 2024.

2) To suspend any act that violates or perform properly in compliance with Section 37, paragraph 1, of the Factory Act B.E. 2535 as follows:

- On 30 March 2023, the Sakaeo Provincial Industrial Office ordered the factory operators to improve according to Section 37, paragraph 1, of the Factory Act, B.E. 2535, to proceed as follows: 1) improving the soil embankment in the buffer area around the factory and planting perennials around, 2) installing a contaminated rainwater collection system and improving the waste water collection system from landfills including preparing preventive measures in case of leakage of the wastewater treatment system and 3) installing an emergency overflow protection system in a wastewater treatment tank and store leachate waste from landfills in a closed tank or well. These have to be completed by 15 May 2023. Subsequently, the Department of Industrial Works granted the permission to extend the period for improving the factory until 15 November 2023 and extend the period until 29 December 2023. On 9 May 2023, the Company issued a letter for an extension of the time to rectify to 15 February 2024. Subsequently, on 22 December 2023, the Company informed the Sakaeo Provincial Industrial Office that the Company has already taken corrective action including requesting to terminate the order under section 37 paragraph 1 of the Factory Act B.E. 2535. Currently, it is being considered by the Sakaeo Provincial Industrial Office.
- Subsequently, on 28 September 2023, the Sakaeo Provincial Industrial Office considered to add the details of the implementation of the order, Section 37, paragraph 1, of the Factory Act, B.E. 2535 as follows: 1) preparing a plan to restore groundwater to conform with the groundwater quality standards as announced by the Ministry of Industry as a letter to the Sakaeo Provincial Industry Office within 31 October 2023, which the Company already completed, and 2) restoring the groundwater to conform with the groundwater quality standards as announced by the Ministry of Industry and reporting the results of groundwater inspection and restoration as a letter to the Sakaeo Provincial Industrial Office by 29 December 2023 which the Company has already completely done. Subsequently, on 22 December 2023, the Company issued a letter for requesting the Sakaeo Provincial Industrial Office to order for terminating the process of the above order. As of 15 May 2024, the result of consideration has not been finalized.

From the above, as a result, the company has been unable to treat hazardous industrial waste until now for approximately 2 year, causing the company to lack income from treating hazardous industrial waste. The company can accept only non-hazardous industrial waste. As a result, the income from receiving industrial waste decreased greatly.

The company would like to summarize the operating results of the group of companies that have changed significantly. It can be summarized as follows.

1. Total revenues

In the first quarter of 2024, the company had total income of 13.96 million baht, compared to the same period of the previous year with income of 18.68 million baht, which had a decrease in income of 4.72 million baht, accounting for 25.27 %, with details of income as follows.

1.1 Total Revenues from sales and services are 10.50 million baht included:

Revenue from the sale of aluminum in the amount	to 3.32 million baht.
Income from disposal of industrial waste and landfill amounted	to 5.21 million baht.
Revenue from transportation and other service fees amounted	to 1.70 million baht.
Income from sales of scrap and sorted scrap amounted	to 0.27 million baht.

1.2 Other income of 3.46 million baht, consisting of income from GSB lottery prizes of 0.01 million baht, land rental income of 0.06 million baht and profit from selling assets amounted to 3.37 million baht. and other income of 0.02 million baht

2. Total cost of sales and services

In the first quarter of 2024, the cost of sales and service costs amounted to 25.26 million baht, accounting for 240.57 % of the main revenue. Compared to the same period of the previous year amounted to 30.35 million baht or 163.61 % of the main revenue, decreased from the previous year by 5.09 million baht or 16.77 % which corresponds to decreased sales.

3. Gross Profit (loss)

In the first quarter of 2024,, the gross loss was 14.76 million baht, or 58.43 % of the gross loss. Compared to the same period last year, the gross profit was 11.80 million baht or 63.61 %. In 2024, there was a gross loss because the Department of Industrial Works ordered the company to stop receiving hazardous waste which is the company's main income. In addition, the company still has fixed expenses such as employee expenses, depreciation of buildings and equipment Including rental fees for various tools and equipment, etc.

4. Cost of distribution, administrative expenses and other expenses

In the first quarter of 2024, cost of distribution and administrative expenses were 8.48 million baht or 80.76 % of the major revenues, compared to the same period of the previous year, the amount was 13.26 million baht, accounting for 71.48 % of main income. Decreased from the previous year by 4.78 million baht accounting for 36.04 %.

5. Total comprehensive income (loss) for the year

In the first quarter of 2024, the company had a loss of 21.58 million baht, compared to the same period last year with a profit of 8.50 million baht. The loss increased from the previous year in the amount of 30.08 million baht, or 353.88 %.

Kindly be informed accordingly

Sincerely yours,
Miss Karaveag Chokmaneeuch
Director and Acting Chief Executive Officer