



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

Translation

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Subject Progress report on the process for the repossession of qualifications in order to resume trading (Resume Stage)

To President
The Stock Exchange of Thailand

In regards to the Professional Waste Technology (1999) Public Company Limited (the "Company") which has passed the elimination of the grounds for delisting and has been entered the resume stage, the Company therefore would like to report the progress of the operation in order to be in line and to comply with the resume stage guidelines as follows:

1) Business type and operations

The Company has a core business of providing hazardous and non-hazardous industrial waste treatment, disposal, and transport services. The Company's plant for waste management and disposal operations is located in Sa Kaeo province. The plant consists of the areas for 4 Hazardous Landfills (L1 – L4), and another 4 non-hazardous landfills (L5 – L8). The total area by the Environmental Impact Assessment (EIA) is 650 rai and the landfill area is 233 rai the capacity of hazardous industrial waste by EIA is 1,868,766 tons, which is used in 867,672.24 tons or 46.43%, and the remaining 1,001,093.76 tons or 53.57%. The capacity of non-hazardous industrial waste by EIA is 4,110,060 tons, which is used in 1,004,696.10 tons or 24.44%, the remaining 3,105,363.90 tons or 75.56% and there is an area of the buffer zone between the factory and the community of 1,023 rai, which is a buffer zone of approximately 417 rai and is a general area, roads, wells, approximately 606 rai, totaling 1,256 rai of the factory area. (1,023 rai + 233 rai)

From the information above shows the landfill area and the amount of hazardous and non-hazardous industrial waste intake It can be seen that the Company is still able to provide services for receiving a large amount of waste and can continue to operate the landfill business for at least 10 years for hazardous waste and at least 30 years for non-hazardous waste. In addition, the Company's Hazardous and Non-Hazardous Industrial Waste Landfill Business code 073, has also expanded its business in many core businesses such as the service of fuel blending for use as alternative fuels code 042, mixed industrial waste to be used as substitute materials in cement incineration plant” (Solid Blending) code 044, contracting to repair and washing chemical tanks with solvent code 049, as well as receiving a license to separate waste for reuse (Recycle), which is in the group code 101.

The Company currently has a subsidiary:

JTS Aluminum and Metal Company Limited, which the Company holds 100% of the issued and paid-up capital engages in the business of melting aluminum from aluminum scrap (AL Scrap), aluminum ash (AL Dross) for reuse (Recycle).

Revenue of the Group from 2019 to June 30, 2022 (Present)

Revenue	2019		2020		2021		6M/2021		6M/2022	
	ml. Baht	%	ml. Baht	%	ml. Baht	%	ml. Baht	%	ml. Baht	%
Industrial waste – Hazardous	154.41	48.74	115.77	53.96	115.39	37.86	55.67	40.97	42.61	31.39
Industrial waste – Non Hazardous	49.97	15.77	16.63	7.75	15.60	5.11	7.46	5.49	16.85	12.41
Revenue from Industrial waste transportation	54.67	17.26	36.90	17.20	42.88	14.06	19.23	14.15	15.79	11.63
Revenue from aluminium sales	51.20	16.16	40.00	18.64	108.60	35.62	49.87	36.70	57.60	42.42
Revenues from sale of separated scrap materials	4.75	1.50	3.47	1.62	8.90	2.92	3.09	2.28	1.72	1.27
Other revenue	1.79	0.57	1.78	0.83	13.51	4.43	0.55	0.41	1.19	0.88
Total	316.79	100.00	214.55	100.00	304.88	100.00	135.87	100.00	135.76	100.00
Cost of Goods Sold	202.39	63.89	155.71	72.58	175.43	57.54	80.74	59.42	84.54	62.27
Net Income	115.10	36.33	-0.90	-0.42	113.85	37.34	23.17	17.05	32.29	23.78

Since 2015, the Company has set out firm's strategies to increase the efficiency and effectiveness of the company's core business as follows;

1. Increase and expand services further from industrial waste management services to sorting waste and blend and reform them to be used as fuel blending, fuel substitute mixture, or other form of recyclable waste materials that can be reuse/recycled.
2. Address the Company's marketing strategies to draw in new customers.
3. Maintain good relations and services standards with existing customers.
4. Streamline the overall company's operations.
5. Focus on maintaining the standard of waste operation, and address the environmental concerns regarding the waste management.
6. Develop employees' operational handbooks.
7. Expand the company's business to be an environmentally friendly tourist attraction and a learning center on industrial waste and waste treatment, as well as growing medicinal plants for education and to increase income for the company and the community. etc.
8. Operate the Company's landfills with good standards for the safety and well-being of near-by neighbourhoods and communities.
9. Cooperate with the Faculty of Environment, various educational institutions in waste disposal and environmental stewardship in various suitable ways to increase income and maintain a good environment in Thailand as well as planting trees to offset carbon credits. and selling carbon credit in the future

Considering the performance of the Company from the consolidated financial statement, the Company's revenues over the 6 months of the year (6M2022) was 135.76 million baht, decreased 0.08 % year over year. The decrease of revenues for 6M2022 was mainly from industrial waste disposal services revenue, which was 75.26 million baht, decreased 8.62 % year over year. Due to the Department of Industrial Works agreed that the Company should stop operating hazardous waste in landfill area L4 on 18 April 2022 because the Department of Industrial Works has considered that landfill area L4 has not been approved from the Office of Natural Resources and Environmental Policy and Planning this makes the company unable to accept all hazardous industrial waste as a result the revenue from the hazardous waste landfill service which is the main income has decreased. However, the company has already made improvements as informed by the Department of Industrial Works and allow the company to operate as usual from August 4, 2022 onwards and the

increase in sales of aluminum of JTS Aluminum and Metal Co., Ltd. (subsidiary), which was 57.60 million baht, increased 15.51% year over year, due to increases on both volume demand, and unit price. Cost of goods sold over the 6 months of the year (6M2022) was 84.54 million baht, increased 4.71% year over year. All aforementioned items reflected the net Income of 32.29 million baht, from a net profit of 23.17 million baht over the same period of a year prior.

The financial position of the Company over the years are exhibited as follow. The Company had total assets at the end of 2019 to the end of 2021 at 643.77 million baht, 642.87 million baht, and 763.40 million baht respectively. The total assets as at June 30, 2022 was 783.51 million baht.

Total shareholders' equity at the end of 2019 to 2021 and as at June 30, 2022 were 452.96 million baht, 450.50 million baht, 565.04 million baht, and 603.11 million baht respectively. Total liabilities at the end of 2019 to 2021 and as at June 30, 2022 were 190.82 million baht, 192.37 million baht, 198.35 million baht, and 180.41 million baht respectively. Total shareholders' equity and total liabilities reflected debt-to-equity ratios at the end of 2019 to 2021 and as at June 30, 2022 of 0.42 times, 0.43 times, 0.35 times, and 0.30 times respectively.

Events that have significant impacts on the Company's Business in 2021 to 2022

1. COVID-19 Pandemic has reflected the declining production of the Company's customers whom their main cores are industrial manufacturing and production. The customers' revenue has declined and accordingly reflected on the Company's waste management services. However, the company's processed aluminium business is soaring. Over the the year 2021, the overall demand for processed aluminium increased rather significantly, and reflected on a 301% increase of the Company's processed aluminium sales. The increases are mainly from both sales volume and unit price.
2. March 2021 : The Company has completed the improvement of the soil embankment on the north-eastern side near L5 landfill in according to the order of the Sa Kaeo Provincial Industrial Office.
3. May 2021: The Board of Directors' meeting approved:
 - 3.1. The purchase of land approximately 40 rai
 - 3.2. Dissolution subsidiary Begemann Mercury Tech (BMT-Asia) Company Limited

3.3 Develop industrial waste separation yard within the approved budget of 10 million baht.

4. May 2021: The Annual General Meeting of Shareholders was reached to a disapproval resolution regarding the Common Capital Restructuring Plan to Write-Off Discounted Paid in Capital and Deficit Retained Earnings. The plan was to reduce the Paid-Up registered capital of 981.39 million baht from the current Paid-Up registered capital of 1,417.56 million baht. The new common paid-up capital would be 436.17 million baht, and the accumulated loss on retained earnings would be decreased to -90 million baht (approximately) from -800 million baht (approximately).
5. Further, the revenue from sale of separated scrap materials during 2021 has noticeably increased and likely to continue in a way that the Company could have a much clearer view on further growth of income from this activity. Hence, the movement of this particular revenue over the years has then been exhibited as another revenue item separated from the “Other Revenue” as seen in the table of revenue structure above.
6. October 2021: The Board of Directors' meeting approved:
 - 6.1. Purchase of 3 pieces of land approximately 114 rai totalling to amount not over 19.13 million baht
 - 6.2. Sale of 4 pieces of land approximately 220 rai totaling to amount not over 39.63 million baht
7. April 2022 : Department of Industrial Works has ordered the company to stop operating hazardous waste in landfill area L4. This is because the Department of Industrial Works has considered that landfill area L4 has not been approved by the Office of Natural Resources and Environmental Policy and Planning.
8. June 2022 : The Sakaeo Provincial Industrial Office ordered the Company to rectify the closure of the landfill, bad smell prevention and pumping water in 1) landfill area L4, 2) landfill area L3, 3) landfill area L8 and 4) to establish preventive measures and procedures to complete within the specified time.

The present, the Sakaeo Provincial Industrial Office has inspected and found that the Company has made improvements such issues but some items have not been completed and have been allowed to extend until September 15, 2022.

9. July 2022 : The Company has made improvements according to the Department of Industrial Works ordered the Company to stop operating hazardous waste in landfill area L4 in April 2022 and has been inspected by the staff.
10. August 2022 : Department of Industrial Works has opened the company to operate hazardous waste landfill business as usual from August 4 , 2022.

2. The Company's Internal Control System

To reassure the Company's shareholders of our practices and to recognize the importance of internal control system and information reporting system. Since 2016, the Company has continuously improved the internal control system to suit business operations and to maintain assets and utilize resources efficiently. The Progress is the following:

In 2020, the Company has appointed Bunchikij P&S Consolidation Co.,Ltd (“Internal Auditor”) to assess the adequacy of the Company's internal control system according to the COSO framework (The Committee of Sponsoring Organization of the Treadway Commission) to ensure that policies, procedures, procedures internal control system that the company determines is appropriate and sufficient for the Company's operations. In 2021, the internal auditor has prepared a report on the adequacy of the internal control system. It was found that the Company had an adequate internal control system and the Company together with the internal auditors has already prepared a form to assess the sufficiency of the Company's internal control system. This assessment will identify the appropriate internal control system of the company and sufficiency in overseeing the operations to effectively meet the goals, objectives, laws, and related requirements. It covers both asset protection from corruption, damage, and accounting. reliable accurate reports.

The Audit Committee has instructed the company to set up an internal audit department of the company for the supervision and inspection of the Company's operations to be in accordance with the requirements as well as establishing a work system and internal control and a concise work flow as a guideline for the work of employees and determine the internal audit plan and the implementation of the audit plan as well as follow up on the operation and present the audit report to the Audit Committee and the Board of Directors.

The Company would like to continue improving the internal control system to ensure that an ample internal control outline has been set out for the operational efficiency and transparency and to be a good foundation to support the company to create sustainable earnings for a long-term viability, and lastly to meet with the SET standard of a company's internal management, and be ready for the resume stage.

The Company would like to report the progress of the process for the repossession of qualifications in order to resume trading and the operating performance over the 6 months of the year (6M2022) as mentioned above, and has submitted application for resume trading by March, 2022. The Company also will take this occasion to inform of such continuing practice of updating and reporting the progress for further "Resume Stage" considerations.

Yours sincerely

(Assoc.Prof. Dr. Vilailuck Skulpakdee)

Chief Executive Officer