



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

Translation

No. PW-050/ CS 2023

August, 21 2023

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 876,290.15 tons or 46.89% and the remaining 992,475.85 tons or 53.11%. The capacity of non-hazardous industrial waste by EIA is 4,110,060 tons which is used in 1,021,978.25 tons or 24.87%, the remaining 3,088,081.75 tons or 75.13%. There is an area of the buffer zone between the factory and the community of 1,025 rai which is a buffer zone of approximately 417 rai and is a general area, roads, wells, approximately 608 rai, totaling 1,258 rai of the factory area.

From the information above showing the landfill area and the amount of hazardous and non-hazardous industrial waste intake imply 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 more than 10 years for hazardous industrial waste and more than 30 years for non-hazardous industrial waste. In addition, the Company's Hazardous and Non-Hazardous Industrial Waste Landfill Business, Code 073, has also expanded to other businesses relevant to the core business such as fuel blending which can be used as alternative fuels, Code 042, Solid Blending which is mixed industrial waste to be used as substitute materials in cement incineration plant, Code 044, repair and washing chemical tanks with solvent, Code 049, as well as license to separate waste for reuse (Recycle), which is in the group Code 011.

The Company currently has a subsidiary: **Aluminium and Metal Company Limited (JTS)**, which the Company holds 100% of the issued and paid-up capital engages in the business of melting aluminium from aluminium scrap (AL Scrap), aluminium ash (AL Dross) for reuse (Recycle).

**Revenue of the Group from 2020 to June 30, 2023 (Present)**

| Revenue                                                        | 2020     |       | 2021<br>(Audit Adjustment) |       | 2022     |       | 6M/2022<br>(Audit Adjustment) |       | 6M/2023  |       |
|----------------------------------------------------------------|----------|-------|----------------------------|-------|----------|-------|-------------------------------|-------|----------|-------|
|                                                                | mil Baht | %     | mil Baht                   | %     | mil Baht | %     | mil Baht                      | %     | mil Baht | %     |
| Industrial waste – Hazardous                                   | 115.77   | 53.96 | 115.39                     | 37.86 | 57.74    | 25.65 | 42.61                         | 31.39 | 5.22     | 16.13 |
| Industrial waste – Non-Hazardous                               | 16.63    | 7.75  | 15.60                      | 5.11  | 22.21    | 9.87  | 13.42                         | 9.89  | 4.40     | 13.60 |
| Revenue from Industrial waste transportation and other service | 36.90    | 17.20 | 42.88                      | 14.06 | 32.70    | 14.53 | 19.22                         | 14.16 | 5.53     | 17.09 |
| Revenue from aluminium sales                                   | 40.00    | 18.64 | 108.60                     | 35.62 | 94.38    | 41.93 | 57.60                         | 42.42 | 16.05    | 49.60 |
| Revenues from sale of separated scrap materials                | 3.47     | 1.62  | 8.90                       | 2.92  | 6.87     | 3.05  | 1.72                          | 1.27  | 0.71     | 2.19  |
| Other revenue                                                  | 1.78     | 0.83  | 13.51                      | 4.43  | 11.21    | 4.98  | 1.19                          | 0.88  | 0.45     | 1.39  |

| Revenue            | 2020     |        | 2021<br>(Audit Adjustment) |        | 2022     |        | 6M/2022<br>(Audit Adjustment) |        | 6M/2023  |          |
|--------------------|----------|--------|----------------------------|--------|----------|--------|-------------------------------|--------|----------|----------|
|                    | mil Baht | %      | mil Baht                   | %      | mil Baht | %      | mil Baht                      | %      | mil Baht | %        |
| Total              | 214.55   | 100.00 | 304.88                     | 100.00 | 225.11   | 100.00 | 135.76                        | 100.00 | 32.36    | 100.00   |
| Cost of Goods Sold | 155.71   | 72.58  | 175.43                     | 57.54  | 174.53   | 77.54  | 84.54                         | 62.27  | 61.47    | 189.96   |
| Net Income (Loss)  | (0.90)   | (0.42) | 113.40                     | 37.19  | 14.85    | 6.60   | 31.22                         | 23.00  | (36.79)  | (113.69) |

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

1. Increase and expand services further from industrial waste management services to reform industrial waste to be used as fuel and classify waste materials that can be reuse/recycled.
2. Emphasis on broaden marketing strategies to enlarge the new customers.
3. Maintain services standards to keep existing customers.
4. Improve the overall company's efficiency on operations.
5. Focus on safety and the environmental concerns regarding the waste management.
6. Develop employees knowledge.
7. Adjust the company's area to be an environmental friendly for 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. Enhance the Company's landfills with good standards for the environment and well-being of near-by neighbourhoods and communities.
9. Cooperate with the Faculty of Environment from various educational institutions in studying several approaches to recycling the waste to be "Zero waste" to increase revenue and protect environment.
10. Planting trees to offset carbon credits and selling carbon credit in the future, using "5 in 1" as follows :
  1. Plant valuable trees and sell them as surrounds.
  2. Plant valuable trees according to the list of trees that can be sold for carbon credits and use them to balance carbon credits and sell them.

3. To be a buffer zone
  4. To bring scraps of leaves, twigs and other waste to make fertilizer and make Refuse Derived Fuel (RDF) to be used as energy for smelting aluminium at the JTS plant.
  5. To promote tourism and be a botanical learning center (precious wood) and various medicinal plants and industrial waste treatment methods that are environmentally friendly which will be completed by 2024
- 10.1 In the process of studying the renewable energy RDF project from industrial waste and from botany.
  - 10.2 The company has started the planting project to dig for sale by being planted in the factory area that has been designated
11. On studying process for the waste-to-energy incinerator project and aluminium dross at the JTS factory to be used as energy for aluminium smelting. Currently, the project is on process of negotiating an agreement between joint venture partners which will increase benefits for JTS in many ways as follows
    1. It is energy cost saving.
    2. It saves the cost of bringing aluminium dross (Dross) to dispose of at other companies by burning it as fuel energy.
    3. It is a land that is placed to benefit and environmentally friendly
    4. It increases revenue for the company.

**Considering the performance of the Company from the consolidated financial statement as follows**

The Company's revenues over the first 6 months of the year (6M2023) was 32.36 million-baht, decreased 76.16% compared to the same period of last year. The decrease of revenues was mainly from industrial waste disposal services revenue which was 15.15 million baht, decreased 79.87% the same period of last year. Due to the Department of Industrial Works issued an order to the Company on 18 April 2022 to stop operating hazardous waste and then on 4 August 2022 the Department of Industrial Works allow the company to resume operation due to alleviate the troubles of operators by allowing waste to landfill no more than 2,000 tons onwards. From 30 September 2022, the Department of Industrial Works ordered the Company to stop operating hazardous waste in landfill area code 073. In addition, from 30 September 2022 until now the company has not yet opened for operation. And the decrease in sales of aluminium of JTS Aluminium and Metal Co., Ltd. (subsidiary) which was 16.05 million baht, decreased 72.13% the same period of last year.

Cost of goods sold over the first 6 months of the year (6M2023) was 61.47 million baht decreased 27.29 % the same period of last year. As a result, the company reported net loss of 36.79 million baht compared to a net profit of 31.22 million baht over the same period of a year prior.

The financial position of the Company over the past 3 years are as follow. The total assets at the end of 2020 to 2022 were 642.82 million baht, 764.84 million baht, and 770.88 million baht, respectively. The total assets as at 30 June 2023 was 723.31 million baht.

Total shareholders' equity at the end of 2020 to 2022 and as at 30 June 2023 were 425.22 million baht, 539.31 million baht, 555.58 million baht, and 518.79 million baht, respectively. Total liabilities at the end of 2020 to 2022 and as at 30 June 2023 were 217.60 million baht, 225.53 million baht, 215.31 million baht, and 204.53 million baht, respectively. Total shareholders' equity and total liabilities reflected debt-to-equity ratios at the end of 2020 to 2022 and as at 30 June 2023 of 0.51 times, 0.42 times, 0.39 times, and 0.39 times, respectively.

#### **Events that have impacts on the Company's Business in 2022 to 2023**

1. 18 April 2022: Department of Industrial Works has ordered the company to stop operating hazardous waste in landfill area L4 due to the landfill area L4 has not been approved by the Office of Natural Resources and Environmental Policy and Planning.
2. 14 June 2022: The Sakaeo Provincial Industrial Office ordered the Company to adjust the closure of the landfill for 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. On 21 September 2022, the Sakaeo Provincial Industrial Office issued a letter to cancel the previous order.
3. 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 official.
4. August 2022: Department of Industrial Works has allowed the company to resume the operation of hazardous waste landfill business as usual from August 4, 2022.
5. On 30 September 2022, the Department of Industrial Works ordered the Company to stop operating hazardous waste in landfill area (L3), asking the company to improve the following 1) to stabilization process of alumina waste before sending to the landfill

- 2) Prepare the layout plan according to the EIA with the land area for landfill. The No.1 has been done, but No.2 is on process.
6. From the no. 5, The company has been extended the period for the repossession 90 days until present. The Department of Industrial issued a letter on 28 October 2022 to extend the deadline to 31 January 2023.
7. 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 asking the Company to stop operating 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 resume business.
8. On 28 November 2022, the Company submitted a letter to discuss the establishment of an environmental development fund according to the Environmental Impact Assessment Report (“EIA”) of Environmental Resource Management Center Project to the Office of Natural Resources and Environmental Policy and Planning, in relation to the period of setting up the fund for project closing, and fund for rehabilitation after closing of the project.
9. From no. 6, on 13 December 2022, the Company informed the Director General of the Department of Industrial Works that the Company completed the stabilization process, preparing project layout plan according to the EIA report together with the land boundary survey of all landfill (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.
10. From no. 8, on 20 December 2022, the Office of Natural Resources and Environmental Policy and Planning has informed that the Environmental Impact Assessment report of the Environmental Resource Management Center Project, SaKaeo Province of the Company that has been approved, specified about the source of the limit of each fund, specified the amount according to the rate of Baht per ton of waste that the project accepts for treatment, and the Company must deposit money with financial institutions. Therefore, the Company must open a fund account, deposit funds and

deposit with financial institutions according to the conditions specified in the EIA report.

11. From no. 9, on 20 and 26 December 2022 and 3 January 2023, the Company submitted a letter and attached relevant information according to the Department of Industrial Works requests and asking for the cancellation of the order under section 39 paragraph 1 of the Factory Act B.E. 2535.
12. From no. 11, on 11 January 2023, the Department of Industrial Works considered the evidence submitted by the Company in the 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 was an order to extend the period according to the order until 31 May 2023, and there was an additional order for the Company to submit documents for examination of incorrect and inconsistencies of landfill area.
13. the Board of Directors' meeting held on 27 January 2023, the management of the Company approved the correction of accounting errors in the prior year by retrospectively and adjusted the comparative figures in accordance with financial reporting standards were be summarized as follows.
  - 13.1. From no.10 Resolved to correct the errors in recording other non-current provisions for the Environmental Development Fund according to the Environmental Impact Assessment report (“EIA”) by retrospective adjusting such comparative figures to be correct with the EIA report by calculated according to the rate of Baht per ton of waste that the project accepts for treatment.
  - 13.2. Write-off of investments in two subsidiaries and the date of loss of control on 30 June 2020 that are Professional Waste Technology International Co., Ltd. (PI) and Waste exchange Co., Ltd (WE) , Therefore, the management adjusted retrospectively such comparative figures to be correct.
14. From No.12. 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.

15. From No.7. on 17 February 2023, the Company issued a letter for an extension of the time to comply with the said order by 90 days (L4). Subsequently, the Department of Industrial Works granted permission to extend the period for improving the factory under Section 39, paragraph 1, for another 90 days from 21 February 2023 to 22 November 2023.
16. From No.14. on 8 March 2023, the Company submitted a letter requesting justice to the Minister of Industry to terminate such order and allow the Company to continue to operate as usual.
17. 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 waste water treatment tank and store leachate waste from landfills in a closed tank or well. This has to be completed by 15 May 2023. The Company has submitted a request for an extension of the correction period for another 90 days.

**Additional information in the second quarter of 2023 is as follows:**

18. From no. on 26 May 2023, the company made a request for an extension of another 6 months. On June 22, 2023. The Department of Industrial Works granted permission to extend the period for another 6 months from 1 June 2023 to on 1 December 2023
19. From no.14, until 15 August 2023, the result of the appeal has not yet been known.
20. From no.16 until 15 August 2023, the result of the request for justice is still unknown.
21. From no.17, on 22 May 2023, the Sa Kaeo Provincial Industrial Office issued a letter permitting the company to extend the period of time to amend according to section 37 until 15 August 2023. The company has made some adjustments but because the process in each step will take time to complete therefore made a letter requesting to extend the period for 180 days. Currently, the result is still unknown.
22. The Extraordinary General Meeting of Shareholders held on 27 July 2023 resolved to not approve for the reduction of the Company's registered share capital by Baht 52,435,455.80 from the existing registered share capital of Baht 1,470,000,000.00 to Baht



1,417,564,544.20 by cancelling the Company's 74,907,794 unissued authorized shares with a par value of Baht 0.70 per share and not approve for the amendment to Clause 4 of the Memorandum of Association of the Company in accordance with the reduction of the registered share capital because of a vote of less than three - fourths of the shareholders attending the meeting and having the right to vote including abstentions in the calculation base. Due to agenda 2 was not passed to approve for the reduction of the Company's registered share capital, the meeting was not able to proceed further to consider the Company's capital structure adjustment in agenda 3-4 as they were related agendas and conditional to each other.

## **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.

In 2022 and Q2 2023, the internal audit department has followed the audit plan that has been set. Including monitoring and improving the performance of various departments. as suggested by the audit department and well presented to the Audit Committee and the Board of Directors. in accordance with the intended purpose

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 first 6 months of the year (6M2023) 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