

Management Discussion and Analysis : MD&A

1. Result of operation (The company and subsidiaries)

The company showed **net profit** of Baht 14.0 million for the year ended December 31, 2006 comparing to **net profit** Baht 12.5 million for the same period of the year 2005. The net profit increased Baht 1.5 million or 12.1% as the result of:

(1) Service Income (Disposal, Landfill and Transportation Charge)

The company has service income decreased from Baht 401.6 million in the year 2005 to Baht 390.0 million in the year 2006. The service income decreased Baht 11.6 million or 2.9% by the result of: 1) Map Ta Put Office: increased Baht 9.2 million which resulted from 1.1) increasing in average service price in the year 2006 approximately 8.8% while as disposal quantities decreased about 3.8% 1.2) decreased in revenue of special project Baht 3.6 million which resulted of the company had no revenue of crude oil excavation project. 2) Samaedum Office: decreased Baht 20.8 million which resulted from increasing in average service price approximately 50.5% while as disposal quantities decreasing about 44.4%

(2) Revenue from Sale - Real Estate Development Business

The company has revenue from sale real estate development increased from Baht 9.9 million in the year 2005 to Baht 26.1 million in the year 2006. The revenue from sale real estate development increased Baht 16.2 million or 163.6%.

The company had cost of sale real estate development increased from Baht 5.1 million in the year 2005 to Baht 13.1 million in the year 2006. The cost of its sale increased Baht 8.0 million or 156.9%.

(3) Costs of Service

The company has costs of service decreased from 87.4% of service income in the year 2005 to 82.5% of service income in the year 2006 since increasing in average service price charge to customer and had more waste to treat which low operation cost.

(4) Administrative Expense

The company has administrative expense increased from Baht 64.5 million in the year 2005 to Baht 74.7 million in the year 2006. The administrative expense increased Baht 10.2 million or 15.8% which resulted of the company had administrative expenses from real estate development business.

(5) Gain on Sales of Current Investments

In the year 2005, the Company had gain on sales of current investment of Baht 24.3 million.

(6) Unrealized Loss on Change in Value of Current Investments

In the year 2005, the Company had unrealized loss on change in value of current investments of Baht 8.2 million.

(7) Income tax expenses

The company had income tax expensed of Baht 0.1 million in year 2006 comparing to Baht 1.8 million in year 2005. Income tax decreased Baht 1.7 million or 94.4%.

2. Financial Status (The company and subsidiaries)

2.1 Total Assets

The company has total assets as at December 31, 2006 in the amount of Baht 1,208.3 million comparing to Baht 1,162.4 million as at December 31, 2005. The total asset increased Baht 45.9 million or 3.9%.

Total assets consisted of Property , Plant and Equipment-net, Real estate development cost, Cash and cash equivalents, Land and structures held for future development, Current investment, Trade account receivables-net, Investments in ownership of condominium units, Withholding income tax and Pending refund to be received from land in the amount of Baht 551.3 , 151.8 ,125.2 , 94.0 , 83.6 , 81.3, 30.9, 26.9 and 25.0 million respectively or 45.6% , 12.6% , 10.4% ,7.8% , 6.9%, 6.7%, 2.6%, 2.2% and 2.1% of total assets respectively. The remaining account consisted of Supply inventory, Advance to director ,Other current Assets, Pledged deposit with financial institution, Cost of landfills-net, Deposits and others in the amount of Baht 38.1 million or 3.1% of total assets.

2.2 Total Liabilities

The company has total liabilities as at December 31, 2006 in the amount of Baht 144.3 million comparing to Baht 93.7 million as at December 31, 2005. The total liabilities increased Baht 50.6 million or 54.0% which mainly resulted from increasing in deposit receive under leasehold right transfer agreement in the amount of Baht 18.1 million and increasing in Hire purchase payable in the amount of Baht 18.7 million and increasing in Accrued cost of landfills in the amount of Baht 11.9 million.

Total liabilities consisted of Accrued costs of landfills, Trade account payables, Hire purchase payable, deposit receive under leasehold right transfer agreement and Other payables in the amount of Baht 41.9, 33.7, 18.7, 18.1 and 12.1 million or 29.0%, 23.3%, 13.0%, 12.5% and 8.4% of total liabilities. The remaining account consisted of Payables to related parties, Provisions for transportation and treatment of industrial waste and Other current liabilities in the amount of Baht 19.8 million or 13.8% of total liabilities.

2.3 Shareholders' Equity

The company has shareholders' equity as at December 31, 2006 in the amount of Baht 1,064.0 million comparing to Baht 1,068.7 million as at December 31, 2005. The shareholders' equity decreased Baht 4.7 million or 0.4% which resulted from increasing in unrealized loss on change in value of current investment in the amount of Baht 9.7 million and increasing in retained earnings in the amount of Baht 5.0 million.

3. Liquidity (The company and subsidiaries)

3.1 Current Ratio

The company has current ratio as at December 31, 2006 equals 3.70 times comparing to 5.06 times as at December 31, 2005. The current ratio decreased 1.36 times. Which resulted from increasing incurrent liabilities approximately 38.6% which mainly resulted from increasing in deposit receive under leasehold right transfer agreement in the amount of to Baht 18.1 million and increasing in Accrued cost of landfills in the amount of Baht 11.9 million.

3.2 Debt to Equity Ratio

The company has debt to equity ratio as at December 31, 2006 equals 0.13 times comparing to 0.09 times as at December 31, 2005. The debt to equity ratio increased 0.04 times. Which resulted from increasing in total liabilities in approximately 54.0% which mainly resulted from increasing in deposit receive under leasehold right transfer agreement in the amount of Baht 18.1 million and increasing in Hire purchase payable in the amount of Baht 18.7 million and increasing in Accrued cost of landfills in the amount of Baht 11.9 million.