

Management Discussion and Analysis: MD&A

1. Result of operation (The company and subsidiaries)

The company showed **net profit** of Baht 11.7 million for the three months ended March 31, 2007 comparing to **net loss** Baht 0.2 million for the same period of the year 2006. The net profit increased Baht 11.9 million as the result of :

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

The company has service income increased from Baht 86.0 million in the year 2006 to Baht 105.0 million in the year 2007. The service income increased Baht 19.0 million or 22.1% by to change from 2 branch offices as follows : 1) Map Ta Put Office : to change increased Baht 19.9 million which resulted from decreasing in average service price in the year 2007 approximately 18.7% 2) Samaedum Office : to change decreased Baht 0.9 million which resulted of disposal quantities decreasing about 9.1% while as average service price increased about 6.2%

(2) Revenue from sale – real estate development Business

The company has revenue from sale real estate development in the year 2006 and 2007 in amount of Baht 11.7 million.

The company had cost of sale real estate development increased from Baht 6.3 million in the year 2006 to Baht 6.9 million in the year 2007. The cost of its sale increased Baht 0.6 million or 9.5%.

(3) Costs of Service

The company has costs of service decreased from 90.5% of service income in the year 2006 to 79.3% of service income in the year 2007 which resulted of increasing in average service price.

(4) Administrative Expense

The company has administrative expense increased from Baht 16.2 million in the year 2006 to Baht 20.0 million in the year 2007. The administrative expense increased Baht 3.8 million or 23.5% which resulted of the company had administrative expenses from welfare and benefits employee and office expense increased in the year 2007.

2. Financial Status (The company and subsidiaries)

2.1 Total Assets

The company has total assets as at March 31, 2007 in the amount of Baht 1,243.4 million comparing to Baht 1,209.2 million as at December 31, 2006. The total asset increased Baht 34.2 million or 2.8%.

Total assets consisted of Property , Plant and Equipment-net, Real estate development cost, Cash and cash equivalents, Current investment, Accounts receivable-net, Land and structures held for future development, Investment in ownership of condominium units and Withholding income tax in the amount

of Baht 544.8 , 205.6 ,136.0 , 83.7 , 81.7 , 66.5 , 30.9 and 30.2 million respectively or 43.8% , 16.5% , 10.9% , 6.7% ,6.6% , 5.4%, 2.5% and 2.4% of total assets respectively. The remaining account consisted of Supply inventory, advance to director ,Other current Assets, Cost of landfills-net , Pledged deposits with financial institution , Deposits for purchase of land held for future development , Deposit for rent to related party , Deposits and others in the amount of Baht 64.0 million or 5.2% of total assets.

2.2 Total Liabilities

The company has total liabilities as at March 31, 2007 in the amount of Baht 157.3 million comparing to Baht 145.2 million as at December 31, 2006. The total liabilities increased Baht 12.1 million or 8.3%.

Total liabilities consisted of Accrued costs of landfills, Trade accounts payable, Deposit received under leasehold right transfer agreement , Hire purchase payable and Other payables amount of Baht 47.8, 36.2, 18.1, 17.7 and 13.6 million respectively or 30.4% , 23.0% , 11.5% , 11.3% and 8.7% 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 23.9 million or 15.1% of total liabilities.

2.3 Shareholders' Equity

The company has shareholders' equity as at March 31, 2007 in the amount of Baht 1,086.1 million comparing to Baht 1,064.0 million as at December 31, 2006. The shareholders' equity increased Baht 22.1 million or 2.1% which resulted of decreasing in unrealized loss on change in value of current investment in the amount of Baht 10.4 million and Increasing in retained earnings in the amount of Baht 11.7 million.

3. Liquidity (The company and subsidiaries)

3.1 Current Ratio

The company has current ratio as at March 31, 2007 equals 3.8 times comparing to 3.7 times as at December 31, 2006. The current ratio increased 0.1.

3.2 Debt to Equity Ratio

The company has debt to equity ratio as at March 31, 2007 equals 0.1 times which is equal to the same rate as at December 31, 2006.

4. Change in accounting policy

In the quarter ended March 31, 2007, the Company had changed its accounting policy for its investments in subsidiary companies in the separate financial statements from the equity method to the cost method in accordance with the Accounting Standard No.44 "Consolidated and Separate Financial Statements" (revised 2007), the change in accounting policy is recorded retrospectively to the years in which the investments were made, resulted in the retain earnings beginning of year 2007 and 2006

increased by Baht 396,792 and decreased by Baht 2,221,410 respectively, net profit for the three – month period ended March 31, 2007 decreased by Baht 500,298 net loss for the three – month period ended March 31, 2006 increased by Baht 2,709 and investments in subsidiary companies as of December 31, 2006 increased by Baht 396,792.

The above change in accounting policy had no effect on the consolidated financial statements of the Company and its subsidiaries.