

Management Discussion and Analysis : MD&A

1. Result of operation (The company and subsidiaries)

1.1 **Three Months** performance ended September 30, 2007 comparing to the same period of the year 2006

The company showed **net profit** of Baht 17.0 million for the three months ended September 30, 2007 comparing to **net profit** Baht 9.0 million for the same period of the year 2006. The net profit increased Baht 8.0 million or 88.9% as the result of:

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

The company has service income increased from Baht 107.4 million in the year 2006 to Baht 111.1 million in the year 2007. The service income increased Baht 3.7 million or 3.4% by increasing from 2 branch offices as follows: 1) Map Ta Put Office: increased Baht 1.7 million which resulted from increasing in average service price in the year 2006 approximately 13.0% and quantities decreasing about 9.5% 2) Samaedum Office: increased Baht 2.0 million which resulted of average service price increased about 6.0%.

(2) Revenue from Sale - Real Estate Development Business

The company has revenue from sale real estate development increased from Baht 2.3 million in the year 2006 to Baht 8.3 million in the year 2007. The revenue from sale real estate development increased Baht 6.0 million.

The company had cost of sale real estate development increased from Baht 1.0 million in the year 2006 to Baht 5.8 million in the year 2007. The cost of its sale increased Baht 4.8 million.

(3) Costs of Service

The company has costs of service slightly decreased from 76.9% of service income in the year 2006 to 78.1% of service income in the year 2007.

(4) Administrative Expense

The company has administrative expense increased from Baht 18.3 million in the year 2006 to Baht 19.3 million in the year 2007. The administrative expense increased Baht 1.0 million or 5.5%.

(5) Other income

In the year 2007, the company had gain on sales of current investment of Baht 8.0 million.

1.2 **Nine Months** performance ended September 30, 2007 comparing to the same period of the year 2006

The company showed **net profit** of Baht 35.4 million for the nine months ended September 30, 2007 comparing to **net profit** Baht 9.0 million for the same period of the year 2006. The net profit increased Baht 26.4 million.

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

The company has service income increased from Baht 286.8 million in the year 2006 to Baht 323.7 million in the year 2007. The service income increased Baht 36.9 million or 12.9% by increasing from 2 branch offices as follows: 1) Map Ta Put Office: increased Baht 34.0 million which resulted from increasing in average service price in the

year 2007 approximately 11.8% and quantities increased about 4.1% 2) Samaedum Office : increased Baht 2.9 million which resulted from increasing in average service price approximately 6.8% while as disposal quantities decreasing about 3.0%

(2) Revenue from Sale - Real Estate Development Business

The company has revenue from sale real estate development increased from Baht 21.6 million in the year 2006 to Baht 31.1 million in the year 2007. The revenue from sale real estate development increased Baht 9.5 million or 44.0%.

The company had cost of sale real estate development increased from Baht 10.7 million in the year 2006 to Baht 19.2 million in the year 2007. The cost of its sale increased Baht 8.5 million or 79.4%.

(3) Costs of Service

The company has costs of service decreased from 83.4% of service income in the year 2006 to 79.1% of service income in the year 2007 which resulted of increasing in average service price charge to customer.

(4) Administrative Expense

The company has administrative expense increased from Baht 55.1 million in the year 2006 to Baht 59.6 million in the year 2007. The administrative expense increased Baht 4.5 million or 8.2%

(5) Other income

In the year 2007, the company had gain on sales of current investment of Baht 8.0 million.

2. Financial Status (The company and subsidiaries)

2.1 Total Assets

The company has total assets as at September 30, 2007 in the amount of Baht 1,290.3 million comparing to Baht 1,209.2 million as at December 31, 2006. The total asset decreased Baht 81.1 million or 6.7%.

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 538.1, 253.7, 142.9, 105.8, 82.4, 66.5, 30.6 and 29.3 million respectively or 41.7%, 19.7%, 11.1%, 8.2%, 6.4%, 5.1%, 2.4% and 2.3% of total assets respectively. The remaining account consisted of Supply inventory, advance to director, Other current Assets, Pledged deposits with financial institution, Cost of landfills-net, Deposits for purchase of land held for future development, Deposits and others in the amount of Baht 41.0 million or 3.1% of total assets.

2.2 Total Liabilities

The company has total liabilities as at September 30, 2007 in the amount of Baht 159.1 million comparing to Baht 145.2 million as at December 31, 2006. The total liabilities increased Baht 13.9 million or 9.6%.

Total liabilities consisted of Accrued costs of landfills, Trade accounts payable, Deposit received under leasehold right transfer agreement, Other payables and Hire purchase payable in the amount of Baht 53.0, 33.8, 18.1, 13.8 and 15.6 million respectively or 33.3%, 21.2%, 11.4%, 8.7% and 9.8% 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 24.8 million or 15.6% of total liabilities.

2.3 Shareholders' Equity

The company has shareholders' equity as at September 30, 2007 in the amount of Baht 1,131.1 million comparing to Baht 1,064.0 million as at December 31, 2006. The shareholders' equity increased Baht 67.1 million or 6.3% which resulted of decreasing in unrealized loss on change in value of current investment in the amount of Baht 40.7 million and increasing in retained earnings in the amount of Baht 26.3 million.

3. Liquidity (The company and subsidiaries)

3.1 Current Ratio

The company has current ratio as at September 30, 2007 equals 4.2 times comparing to 3.7 times as at December 31, 2006. The current ratio increased 0.5 which resulted of increasing in total current assets in the amount of Baht 138.1 million or 28.6% which mainly increasing in real estate development cost in the amount of Baht 101.9 million while as disposal total current liabilities increasing in the amount of Baht 17.3 million or 13.2%.

3.2 Debt to Equity Ratio

The company has debt to equity ratio as at September 30, 2007 equals 0.1 times which is equal to the same rate as at December 31, 2006.

4. Change in accounting policy

Beginning the 1st quarter in year 2007, the Company had changed its accounting policy for its investments in subsidiaries 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 and had also recorded the allowance for impairment of the investments, resulted in the retain earnings beginning of year 2007 and 2006 increased by Baht 0.4 million and decreased by Baht 2.2 million respectively, the net profit for the three – month periods ended September 30, 2007 and 2006 decreased by Baht 0.2 million and increased by Baht 0.02 million respectively, the net profit for the nine-month periods ended September 30, 2007 and 2006 decreased by Baht 1.1 million and increased by Baht 0.1 million respectively, and investments in subsidiaries as of December 31, 2006 increased by Baht 0.4 million.

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