

Management Discussion and Analysis : MD&A

1. Result of operation (The company and subsidiaries)

The company showed net profit of Baht 68.7 million for the year ended December 31, 2007 comparing to net profit Baht 14.0 million for the same period of the year 2006. The net profit increased Baht 54.7 million or 390.7% as the result of :

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

The company has service income increased from Baht 390.0 million in the year 2006 to Baht 437.8 million in the year 2007. The service income increased Baht 47.8 million or 12.3% by increasing from 2 branch offices as follows :1) Map Ta Put Office : increased Baht 42.3 million which resulted from increasing in average service price in the year 2007 approximately 13.5% 2) Samaedum Office : increased Baht 5.5 million which resulted of average service price increased about 4.5%.

(2) Revenue from Sale-Real Estate Development Business

The company has revenue from sale real estate development increased from Baht 26.1 million in the year 2006 to Baht 44.9 million in the year 2007. The revenue from sale real estate development increased Baht 18.8 million or 72.0%.

The company had cost of sale real estate development increased from Baht 13.1 million in the year 2006 to Baht 27.2 million in the year 2007. The cost of its sale increased Baht 14.1 million or 107.6%.

(3) Costs of Service

The company has costs of service decreased from 82.5% of service income in the year 2006 to 78.7% of service income in the year 2007 since increasing in average service price charge to customer.

(4) Administrative Expense

The company has administrative expense increased from Baht 74.7 million in the year 2006 to Baht 83.6 million in the year 2007. The administrative expense increased Baht 8.9 million or 11.9% which resulted of increasing in administrative expenses from welfare and benefits employee, marketing and office expense.

(5) Gain on Sales of Current Investments

In the year 2007, the company had gain on sales of current investment of Baht 13.9 million.

(6) Gain on Sales of Assets

In the year 2007, the company transferred the leasehold right of partial portion of the land under leasehold right transfer agreement which the company accrued gain amount to Baht 50.8 million.

(7) Compensation and Expenses for the Dispute Settlement

A local company (Plaintiff) filed a legal action against the judgement of the Nonthaburi Court that the Company is responsible for paying the second installment of land purchasing amounting to Baht 30.0 million and the 3rd installment to the 8th installment (the final payment) amounting to Baht 89.4 million and interest charge at 7.5% per annum of the principle amount of Baht 69.0 million that the Appeal Court has been confirmed in the judgement of the Civil Court that had ordered the Company to pay the said installment.

The Board of Directors resolved to assign the Company's representative to negotiate and settle two disputes. Subsequently, the Company and Plaintiff filed the assertion to the Nonthaburi Court that the Company had agreed to settle the cases and the Plaintiff had agreed to withdraw the said two cases. However the Company had expenses pay to the negotiators for settle the disputes, consultant and compensation in the total amount of Baht 29.07 million.

(8) Income Tax Expenses

The company had income tax expenses of 1.5 million in year 2007 comparing to Baht 0.1 million in year 2006. Income tax increased Baht 1.4 million.

2. Financial Status (The company and subsidiaries)

2.1 Total Assets

The company has total assets as at December 31, 2007 in the amount of Baht 1,352.8 million comparing to Baht 1,209.2 million as at December 31, 2006. The total asset increased Baht 143.6 million or 11.9%.

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, Withholding income tax, Pending refund to be received from land and Investment in ownership of condominium units in the amount of Baht 424.6, 260.1 , 252.1 ,117.2 , 85.0 , 66.5 , 37.0 , 33.1 and 30.7 million respectively or 31.4% , 19.2% , 18.6% , 8.7% , 6.3% , 4.9% , 2.7% , 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, Deposits and others in the amount of Baht 46.5 million or 3.5% of total assets.

2.2 Total Liabilities

The company has total liabilities as at December 31, 2007 in the amount of Baht 204.5 million comparing to Baht 145.2 million as at December 31, 2006. The total liabilities increased Baht 59.3 million or 40.8% which resulted of increasing in Other current liabilities in the amount of Baht 31.9 million.

Total liabilities consisted of Accrued costs of landfills, Trade accounts payable, Accrued expenses, Other payables, Provisions for expenses of dispute settlement and Hire purchase payable in the amount of Baht 49.4, 38.1, 22.6, 21.2, 19.1 and 14.4 million respectively or 24.2% , 18.6% , 11.1% , 10.4% , 9.3% and 7.0% 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 39.7 million or 19.4% of total liabilities.

2.3 Shareholders' Equity

The company has shareholders' equity as at December 31, 2007 in the amount of Baht 1,148.3 million comparing to Baht 1,064.0 million as at December 31, 2006. The shareholders' equity increased Baht 84.3 million or 7.9% which resulted of decreasing in unrealized loss on change in value of current investment in the amount of Baht 24.6 million and increasing in retained earnings in the amount of Baht 56.3 million.

3. Liquidity (The company and subsidiaries)

3.1 Current Ratio

The company has current ratio as at December 31, 2007 equals 4.0 times comparing to 3.7 times as at December 31, 2006. The current ratio increased 0.3 which resulted of increasing in total current assets in the amount of Baht 292.3 million or 60.6% which mainly increasing in cash and cash equivalents in the amount Baht 126.9 million, real estate development cost in the amount of Baht 108.3 million and current investments increasing in the amount of Baht 33.6 million.

3.2 Debt to Equity Ratio

The company has debt to equity ratio as at December 31, 2007 equals 0.18 times comparing to 0.14 times as at December 31, 2006. The debt to equity ratio increased 0.04 which resulted of increasing in total liabilities 40.8% while as shareholders' equity increased 7.9%.

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 year ended December 31, 2007 and 2006 decreased by Baht 4.0 million and increased by Baht 2.6 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.