

## Management Discussion and Analysis : MD&A

### 1. Result of operation (The company and subsidiaries)

The company showed **net profit** of Baht 17.5 million for the three months ended March 31, 2008 comparing to **net profit** Baht 11.7 million for the same period of the year 2007. The net profit increased Baht 5.8 million or 49.5% as the result of:

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

The company has services income increased from Baht 105.0 million in the year 2007 to Baht 106.2 million in the year 2008. The services income increased Baht 1.2 million or 1.1%.

(2) Costs of Services

The company has costs of services decreased from 76.0% of services income in the year 2007 (Baht 79.8 million) to 71.4% of services income in the year 2008 (Baht 75.8 million) since increasing in average services price.

(3) Sales and Costs of sales – real estate development business

The company has revenue from sales of real estate development increased from Baht 10.5 million in the year 2007 to Baht 13.3 million in the year 2008. The revenue from sales real estate development increased Baht 2.8 million or 26.7%. Costs of sales of real estate development increased from 54.5% of Sale (Baht 5.7 million) in the year 2007 to 57.3% (Baht 7.6 million) in the year 2008.

(4) Administrative Expenses

The company has administrative expenses increased from Baht 20.0 million (16.9% of total revenue) in the year 2007 to Baht 21.3 million (17.3% of total revenue) in the year 2008. The administrative expenses increased Baht 1.3 million or 6.5%.

(5) Gain on sale of current investment

In the year 2008, the company had gain on sale of current investment of Baht 2.3 million.

### 2. Financial Status (The company and subsidiaries)

(1) Total Assets

The company has total assets as at March 31, 2008 in the amount of Baht 1,340.9 million comparing to Baht 1,352.8 million as of December 31, 2007. The total asset decreased Baht 11.9 million or 0.9%.

As at March 31, 2008 Total assets consisted of

(1.1) Current assets in amount of Baht 708.3 million (52.8% of total assets)

(1.1.1) Real estate development cost in amount of Baht 317.8 million (44.8% of total current assets)

(1.1.2) Cash and cash equivalents in amount of Baht 171.4 million (24.2% of total current assets)

(1.1.3) Trade account receivables – net in amount of Baht 78.4 million (11.4% of total current assets)

- (1.2) Non-current assets in amount of Baht 632.6 million (47.2% of total assets)
  - (1.2.1) Property, plant and equipment – net in amount of Baht 420.5 million (66.5% of total non-current assets)
  - (1.2.2) Land and structures held for future development in amount of Baht 135.2 million (21.4% of total non-current assets)

(2) Total Liabilities

The company has total liabilities as at March 31, 2008 in the amount of Baht 187.4 million comparing to Baht 204.5 million as at December 31, 2007. The total liabilities decreased Baht 17.1 million or 8.4%.

As at March 31, 2008 Total liabilities consisted of

- (2.1) Current liabilities in amount of Baht 150.0 million (80.0% of total liabilities)
  - (2.1.1) Trade account payables in amount of Baht 44.8 million (29.9% of total current liabilities)
  - (2.1.2) Accrued costs of landfills in amount of Baht 40.1 million (26.7% of total current liabilities)
- (2.2) Non-current liabilities in amount of Baht 37.4 million (20.0% of total liabilities)

(3) Shareholder's Equity

The company has shareholders' equity as at March 31, 2008 in the amount of Baht 1,153.5 million comparing to Baht 1,148.3 million as at December 31, 2007. The shareholders' equity increased Baht 5.2 million or 0.5% which resulted of increasing in retained earnings in the amount of Baht 17.5 million while as unrealized loss on change in value of current investment increasing amount of Baht 12.3 million.

### **3. Liquidity (The company and subsidiaries)**

(1) Current Ratio

The company has current ratio as at March 31, 2008 equals 4.7 times comparing to 4.0 times as at December 31, 2007. The current ratio increased 0.7 which resulted of decreasing in total current assets 8.5% (Baht 66.1 million) while as current liabilities decreased 22.9% (Baht 44.5 million)

(2) Debt to Equity Ratio

The company has debt to equity ratio as at March 31, 2008 equals 0.16 times comparing to 0.18 times as at December 31, 2006. The debt to equity ratio increased 0.02 which resulted of decreasing in total liabilities 8.4% (Baht 17.1 million) while as shareholders' equity increased 0.5%. (Baht 5.2 million)