

Management Discussion and Analysis : MD&A

1. Result of operation (The company and subsidiaries)

1.1 **Three Months** performance ended June 30, 2008 comparing to the same period of the year 2007

The company showed **net profit** of Baht 7.2 million for the three months ended June 30, 2008 comparing to **net profit** Baht 6.6 million for the same period of the year 2007. The net profit increased Baht 0.6 million or 9.1% as the result of:

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

The company has services income increased from Baht 107.6 million in the year 2007 to Baht 116.1 million in the year 2008. The services income increased Baht 8.5 million or 7.9%.

(2) Costs of Services

The company has costs of services decreased from 82.9% of services income in the year 2007 (Baht 89.2 million) to 79.8% of services income in the year 2008 (Baht 92.6 million) since increasing in average services price.

(3) Sales and Costs of sale – real estate development Business

The company has revenue from sale real estate development decreased from Baht 12.3 million in the year 2007 to Baht 7.2 million in the year 2008. The revenue from sale real estate development decreased Baht 5.1 million or 41.5%. Cost of sale real estate development increased from 62.4% of Sale (Baht 7.7 million) in the year 2007 to 69.6% (Baht 5.0 million) in the year 2008.

(4) Administrative Expense

The company has administrative expenses decreased from Baht 22.2 million (17.6% of total revenue) in the year 2007 to Baht 21.3 million (16.9% of total revenue) in the year 2008. The administrative expenses decreased Baht 0.9 million or 4.0%.

(5) Other income

The company had gain on sales of assets of Baht 1.6 million and dividend income of Baht 0.7 million in year 2008.

1.2 **Six Months** performance ended June 30, 2008 comparing to the same period of the year 2007

The company showed **net profit** of Baht 24.7 million for the six months ended June 30, 2008 comparing to **net profit** Baht 18.3 million for the same period of the year 2007. The net profit increased Baht 6.3 million.

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

The company has service income increased from Baht 212.6 million in the year 2007 to Baht 222.3 million in the year 2008. The service income increased Baht 9.7 million or 4.5%.

(2) Costs of Services

The company has costs of services decreased from 79.6% of services income in the year 2007 (Baht 169.3 million) to 75.8% of services income in the year 2008 (Baht 168.4 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 decreased from Baht 22.8 million in the year 2007 to Baht 20.5 million in the year 2008. The revenue from sales real estate development decreased Baht 2.3 million or 10.1%. Costs of sales of real estate development increased from 58.8% of Sale (Baht 13.4 million) in the year 2007 to 61.6% (Baht 12.6 million) in the year 2008.

(4) Administrative Expense

The company has administrative expenses increased from Baht 43.5 million (17.8% of total revenue) in the year 2007 to Baht 44.0 million (16.9% of total revenue) in the year 2008. The administrative expenses increased Baht 0.5 million or 1.2%.

(5) Other income

In the year 2008, the company had gain on sale of current investment of Baht 2.3 million. The company had gain on sales of assets of Baht 1.6 million. The dividend income of Baht 1.3 million in year 2008 comparing to Baht 3.7 million in year 2007. The dividend income decreased Baht 2.4 million or 35.1%.

2. Financial Status (The company and subsidiaries)

(1) Total Assets

The company has total assets as at June 30, 2008 in the amount of Baht 1,353.1 million comparing to Baht 1,352.8 million as of December 31, 2007. The total asset decreased Baht 0.3 million or 0.02%.

As at June 30, 2008 Total assets consisted of

- (1.1) Current assets in amount of Baht 724.6 million (53.6% of total assets)
 - (1.1.1) Real estate development cost in amount of Baht 377.1 million (52.0% of total current assets)
 - (1.1.2) Cash and cash equivalents in amount of Baht 162.1 million (22.4% of total current assets)
 - (1.1.3) Trade account receivables – net in amount of Baht 86.3 million (11.9% of total current assets)
- (1.2) Non-current assets in amount of Baht 628.5 million (46.4% of total assets)
 - (1.2.1) Property, plant and equipment – net in amount of Baht 420.9 million (67.0% of total non-current assets)
 - (1.2.2) Land and structures held for future development in amount of Baht 135.2 million (21.5% of total non-current assets)

(2) Total Liabilities

The company has total liabilities as at June 30, 2008 in the amount of Baht 221.2 million comparing to Baht 204.5 million as at December 31, 2007. The total liabilities increased Baht 16.7 million or 7.5%.

As at June 30, 2008 Total liabilities consisted of

- (2.1) Current liabilities in amount of Baht 193.8 million (87.6% of total liabilities)

- (2.1.1) Accrued costs of landfills in amount of Baht 69.8 million (36.0% of total current liabilities)
- (2.1.2) Trade account payables in amount of Baht 59.1 million (30.5% of total current liabilities)
- (2.2) Non-current liabilities in amount of Baht 27.4 million (12.4% of total liabilities)

(3) Shareholder's Equity

The company has shareholders' equity as at June 30, 2008 in the amount of Baht 1,131.9 million comparing to Baht 1,148.3 million as at December 31, 2007. The shareholders' equity decreased Baht 16.4 million or 1.4% which resulted of increasing in unrealized loss on change in value of current investment in the amount of Baht 14.1 million while as retained earnings decreasing in the amount of Baht 2.3 million. The decrease in retained earnings is a result of dividend paid Baht 26.7 million and net profit of Baht 24.7 million.

3. Liquidity (The company and subsidiaries)

3.1 Current Ratio

The company has current ratio as at June 30, 2008 equals 3.7 times comparing to 4.0 times as at December 31, 2007. The current ratio decreased 0.2 which resulted of decreasing in total current assets 6.4% (Baht 49.8 million) while as current liabilities decreased 0.4% (Baht 0.7 million)

3.2 Debt to Equity Ratio

The company has debt to equity ratio as at June 30, 2008 equals 0.20 times comparing to 0.18 times as at December 31, 2006. The debt to equity ratio increased 0.02 which resulted of increasing in total liabilities 8.2% (Baht 16.7 million) while as shareholders' equity decreased 1.4%. (Baht 16.4 million)