

Management Discussion and Analysis : MD&A

1. Result of operation (The company and subsidiaries)

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

The company showed **net profit** of Baht 0.1 million for the three months ended September 30, 2008 comparing to **net profit** Baht 17.0 million for the same period of the year 2007. The net profit decreased Baht 16.9 million or 99.3% as the result of:

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

The company has services income decreased from Baht 111.1 million in the year 2007 to Baht 100.2 million in the year 2008. The services income decreased Baht 11.0 million or 10.0%.

(2) Costs of Services

The company has costs of services increased from 66.6% of services income in the year 2007 (Baht 86.8 million) to 73.5% of services income in the year 2008. (Baht 87.8 million) It is a result of crude oil price, in this period, was sharply increased comparing to the same period of the year 2007. The company's transportation cost and chemical used cost are highly increased since the result.

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

The company has revenue from sale real estate development increased from Baht 8.3 million in the year 2007 to Baht 17.5 million in the year 2008. The revenue from sale real estate development increased Baht 9.2 million or 111.1%. Cost of sale real estate development decreased from 70.0% of Sale (Baht 5.8 million) in the year 2007 to 67.0% (Baht 11.7 million) in the year 2008.

(4) Administrative Expense

The company has administrative expenses decreased from Baht 19.3 million (14.8% of total revenue) in the year 2007 to Baht 17.7 million (14.8% of total revenue) in the year 2008. The administrative expenses decreased Baht 1.5 million.

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

The company showed **net profit** of Baht 24.8 million for the nine months ended September 30, 2008 comparing to **net profit** Baht 35.4 million for the same period of the year 2007. The net profit decreased Baht 10.6 million or 30.0% as the result of:

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

The company has service income decreased from Baht 323.7 million in the year 2007 to Baht 322.5 million in the year 2008. The service income decreased Baht 1.3 million or 0.4%.

(2) Costs of Services

The company has costs of services increased from 68.3% of services income in the year 2007 (Baht 256.1 million) to 69.4% of services income in the year 2008 (Baht 256.3 million) It is a result of crude oil price, in this period, was sharply increased comparing to the same period of the year 2007. The company's transportation cost and chemical used cost are highly increased since the result.

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

The company has revenue from sales of real estate development increased from Baht 31.1 million in the year 2007 to Baht 38.0 million in the year 2008. The revenue from sales real estate development increased Baht 6.9 million or 22.1%. Costs of sales of real estate development increased from 61.7% of Sale (Baht 19.2 million) in the year 2007 to 64.1% (Baht 24.4 million) in the year 2008.

(4) Administrative Expense

The company has administrative expenses decreased from Baht 59.6 million (15.9% of total revenue) in the year 2007 to Baht 57.2 million (15.5% of total revenue) in the year 2008. The administrative expenses decreased Baht 2.4 million or 4.0%.

(5) Other income

The company has other income Baht 8.7 million in year 2008 comparing to Baht 19.8 million in year 2007. The other income decreased Baht 11.1 million or 56.1%.

2. Financial Status (The company and subsidiaries)

(1) Total Assets

The company has total assets as at September 30, 2008 in the amount of Baht 1,296.9 million comparing to Baht 1,352.8 million as of December 31, 2007. The total asset decreased Baht 55.8 million or 4.1%.

As at September 30, 2008 Total assets consisted of

(1.1) Current assets in amount of Baht 672.8 million (51.9% of total assets)

(1.1.1) Real estate development cost in amount of Baht 396.9 million (59.0% of total current assets)

(1.1.2) Cash and cash equivalents in amount of Baht 112.6 million (16.7% of total current assets)

(1.1.3) Trade account receivables – net in amount of Baht 73.1 million (10.9% of total current assets)

(1.2) Non-current assets in amount of Baht 624.1 million (48.1% of total assets)

(1.2.1) Property, plant and equipment – net in amount of Baht 416.5 million (66.7% of total non-current assets)

(1.2.2) Land and structures held for future development in amount of Baht 135.4 million (21.7% of total non-current assets)

(2) Total Liabilities

The company has total liabilities as at September 30, 2008 in the amount of Baht 195.0 million comparing to Baht 204.5 million as at December 31, 2007. The total liabilities decreased Baht 9.5 million or 4.6%.

As at September 30, 2008 Total liabilities consisted of

(2.1) Current liabilities in amount of Baht 173.1 million (88.8% of total liabilities)

- (2.1.1) Trade account payables in amount of Baht 58.2 million (33.6% of total current liabilities)
- (2.1.2) Accrued costs of landfills in amount of Baht 56.9 million (32.9% of total current liabilities)
- (2.2) Non-current liabilities in amount of Baht 21.9 million (11.2% of total liabilities)

(3) Shareholder's Equity

The company has shareholders' equity as at September 30, 2008 in the amount of Baht 1,101.9 million comparing to Baht 1,148.3 million as at December 31, 2007. The shareholders' equity decreased Baht 46.4 million or 4.0% which resulted of increasing in unrealized loss on change in value of current investment in the amount of Baht 44.2 million while as retained earnings decreasing in the amount of Baht 2.2 million. The decrease in retained earnings is a result of dividend paid Baht 27.0 million and net profit of Baht 24.8 million.

3. Liquidity (The company and subsidiaries)

3.1 Current Ratio

The company has current ratio as at September 30, 2008 equals 6.7 times comparing to 6.6 times as at December 31, 2007. The current ratio decreased 0.1 which resulted of decreasing in total current assets 13.1% (Baht 101.6 million) while as current liabilities decreased 11.0% (Baht 21.4 million)

3.2 Debt to Equity Ratio

The company has debt to equity ratio as at September 30, 2008 equals 0.18 times which is equal to the same rate as at December 31, 2006.