

Management Discussion and Analysis : MD&A

1. Result of operation (The company and subsidiaries)

The company showed **net profit** of Baht 13.0 million for the nine months ended December 31, 2008 comparing to **net profit** Baht 68.7 million for the same period of the year 2007. The net profit decreased Baht 55.7 million or 81.1% as the result of:

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

The company has service income decreased from Baht 437.9 million in the year 2007 to Baht 416.2 million in the year 2008. The service income decreased Baht 21.7 million or 5.0%.

(2) Costs of Services

The company has costs of services increased from 78.7% of services income in the year 2007 (Baht 344.7 million) to 82.2% of services income in the year 2008 (Baht 341.9 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 44.9 million in the year 2007 to Baht 52.4 million in the year 2008. The revenue from sales real estate development increased Baht 7.5 million or 16.8%. Costs of sales of real estate development increased from 60.1% of Sale (Baht 27.2 million) in the year 2007 to 64.6% (Baht 33.8 million) in the year 2008.

(4) Administrative Expense

The company has administrative expenses decreased from Baht 83.6 million (14.9% of total revenue) in the year 2007 to Baht 74.7 million (15.6% of total revenue) in the year 2008. The administrative expenses decreased Baht 8.9 million or 10.6%.

(5) Other Incomes

In the year 2008, the company has other incomes, excluded gain on sales of assets, in amount of Baht 8.4 million, comparing to Baht 25.9 million in the year 2007. The other incomes decreased Baht 17.50 million.

And in the year 2007, the company had gain on sales of assets Baht 51.1 million comparing to the year 2008 the company had gain on sales of assets Baht 2.6 million.

2. Financial Status (The company and subsidiaries)

(1) Total Assets

The company has total assets as at December 31, 2008 in the amount of Baht 1,358.7 million comparing to Baht 1,352.8 million as of December 31, 2007. The total asset decreased Baht 5.9 million or 0.4%.

As at December 31, 2008 Total assets consisted of

(1.1) Current assets in amount of Baht 722.0 million (53.1% of total assets)

- (1.1.1) Real estate development cost in amount of Baht 504.1 million (69.8% of total current assets)
- (1.1.2) Cash and cash equivalents in amount of Baht 103.7 million (14.4% of total current assets)
- (1.1.3) Trade account receivables - net in amount of Baht 64.3 million (8.9% of total current assets)
- (1.2) Non-current assets in amount of Baht 636.7 million (46.9% of total assets)
 - (1.2.1) Property, plant and equipment - net in amount of Baht 430.1 million (67.6% of total non-current assets)
 - (1.2.2) Land and structures held for future development in amount of Baht 135.4 million (21.3% of total non-current assets)

(2) Total Liabilities

The company has total liabilities as at December 31, 2008 in the amount of Baht 288.3 million comparing to Baht 204.5 million as at December 31, 2007. The total liabilities increased Baht 83.8 million or 41.0%.

As at December 31, 2008 Total liabilities consisted of

- (2.1) Current liabilities in amount of Baht 177.2 million (61.3% of total liabilities)
 - (2.1.1) Accrued costs of landfills in amount of Baht 56.7 million (32.0% of total current liabilities)
 - (2.1.2) Trade account payables in amount of Baht 55.4 million (31.3% of total current liabilities)
- (2.2) Non-current liabilities in amount of Baht 111.1 million (38.5% of total liabilities)

(3) Shareholder's Equity

The company has shareholders' equity as at December 31, 2008 in the amount of Baht 1,070.5 million comparing to Baht 1,148.3 million as at December 31, 2007. The shareholders' equity decreased Baht 77.8 million or 6.8% which resulted of increasing in unrealized loss on change in value of current investment in the amount of Baht 63.8 million and retained earnings decreasing in the amount of Baht 14.0 million. The decrease in retained earnings is a result of dividend payment from the business operation for 2007 Baht 27.0 million and net profit of the year 2008 Baht 13.0 million.

3. Liquidity (The company and subsidiaries)

(1) Current Ratio

The company has current ratio as at December 31, 2008 equals 4.1 times comparing to 4.0 times as at December 31, 2007. The current ratio increased 0.1 which resulted of decreasing in total current assets 6.8% (Baht 52.4 million) while as current liabilities decreased 8.9% (Baht 17.3 million)

(2) Debt to Equity Ratio

The company has debt to equity ratio as at December 31, 2008 equals 0.27 times comparing to 0.18 times as at December 31, 2007. The debt to equity ratio increased 0.09 times which resulted of increasing in total liabilities 41.0% (Baht 83.8 million) while as shareholders' equity decreased 6.8% (Baht 77.8 million).