

Management Discussion and Analysis : MD&A

1. Result of operation (The company and subsidiaries)

1.1 **Three Months** performance ended June 30, 2009 comparing to the same period of the year 2008

The company showed **net loss** of Baht 12.8 million for the three months ended June 30, 2009 comparing to **net profit** Baht 7.2 million for the same period of the year 2008. The net profit decreased Baht 20.0 million or 277.8% as the result of:

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

The company has services income decreased from Baht 116.1 million in the year 2008 to Baht 59.1 million in the year 2009. The services income increased Baht 57.0 million or 49.1%.

(2) Costs of Services

The company has costs of services increased from 79.8% of services income in the year 2008 (Baht 92.6 million) to 93.1% of services income in the year 2009 (Baht 55.0 million) since fixed expenses and machinery depreciation expense which occurred over period of time not related to amount of services.

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

The company has revenue from sale real estate development increased from Baht 7.2 million in the year 2008 to Baht 8.9 million in the year 2009. The revenue from sale real estate development increased Baht 1.7 million or 23.6%. Cost of sale real estate development increased from 69.5% of Sale (Baht 5.0 million) in the year 2008 to 64.8% (Baht 5.8 million) in the year 2009.

(4) Administrative Expense

The company has administrative expenses decreased from Baht 21.3 million (16.9% of total revenue) in the year 2008 to Baht 20.9 million (30.3% of total revenue) in the year 2009. The administrative expenses decreased Baht 0.4 million or 1.9%.

(5) Other income

The company has other revenue of Bath 0.68 million and dividend income of Baht 0.15 million.

1.2 **Six Months** performance ended June 30, 2009 comparing to the same period of the year 2008

The company showed **net loss** of Baht 26.8 million for the six months ended June 30, 2009 comparing to **net profit** Baht 24.7 million for the same period of the year 2008. The net profit decreased Baht 51.5 million or 208.5% as the result of:

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

The company has service income decreased from Baht 222.3 million in the year 2008 to Baht 124.8 million in the year 2009. The service income decreased Baht 97.5 million or 43.8%.

(2) Costs of Services

The company has costs of services increased from 75.8% of services income in the year 2008 (Baht 168.4 million) to 90.0% of services income in the year 2009 (Baht 112.3 million)

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

The company has revenue from sales of real estate development increased from Baht 20.5 million in the year 2008 to Baht 21.7 million in the year 2009. The revenue from sales real estate development increased Baht 1.2 million or 5.9%. Costs of sales of real estate development increased from 61.6% of Sale (Baht 12.6 million) in the year 2008 to 63.3% (Baht 13.7 million) in the year 2009.

(4) Administrative Expense

The company has administrative expenses increased from Baht 44.0 million (16.9% of total revenue) in the year 2008 to Baht 52.1 million (34.4% of total revenue) in the year 2009. The administrative expenses increased Baht 8.1 million or 18.4%.

(5) Other income

In the year 2009, the company has dividend income of Baht 1.0 million and other revenue of Bath 3.8 million comparing to the year 2008, the company had gain on sale of current investment of Baht 2.3 million and had dividend income of Baht 1.3 million and other revenue of Bath 3.3 million.

2. Financial Status (The company and subsidiaries)

(1) Total Assets

The company has total assets as at June 30, 2009 in the amount of Baht 1,356.2 million comparing to Baht 1,358.7 million as of December 31, 2008. The total asset decreased Baht 2.5 million or 0.18%.

As at June 30, 2009 Total assets consisted of

(1.1) Current assets in amount of Baht 690.6 million (50.9% of total assets)

(1.1.1) Real estate development cost in amount of Baht 538.6 million (78.0% of total current assets)

(1.1.2) Cash and cash equivalents in amount of Baht 85.0 million (12.3% of total current assets)

(1.1.3) Trade account receivables – net in amount of Baht 50.6 million (7.3% of total current assets)

(1.2) Non-current assets in amount of Baht 665.6 million (49.1% of total assets)

(1.2.1) Property, plant and equipment – net in amount of Baht 409.5 million (61.5% of total non-current assets)

(1.2.2) Land and structures held for future development in amount of Baht 135.4 million (20.3% of total non-current assets)

(2) Total Liabilities

The company has total liabilities as at June 30, 2009 in the amount of Baht 307.7 million comparing to Baht 288.3 million as at December 31, 2008. The total liabilities increased Baht 19.4 million or 6.7%.

As at June 30, 2009 Total liabilities consisted of

(2.1) Current liabilities in amount of Baht 112.3 million (36.5% of total liabilities)

(2.1.1) Trade account payables in amount of Baht 40.0 million (35.6% of total current liabilities)

- (2.1.2) Current portion of long-term loan in amount of Baht 29.5 million
(26.3% of total current liabilities)
- (2.2) Non-current liabilities in amount of Baht 195.4 million (63.5% of total liabilities)

(3) Shareholder's Equity

The company has shareholders' equity as at June 30, 2009 in the amount of Baht 1,048.5 million comparing to Baht 1,070.5 million as at December 31, 2008. The Shareholders' equity decreased Baht 22.0 million or 2.1% which resulted of decreasing in retained earnings in the amount of Baht 35.8 million. The decrease in retained earnings is a result of dividend paid Baht 9.0 million and net profit of Baht 26.8 million.

3. Liquidity (The company and subsidiaries)

(1) Current Ratio

The company has current ratio as at June 30, 2009 equals 6.1 times comparing to 6.0 times as at December 31, 2008. The current ratio increased 0.1 which resulted of increasing in total current assets 0.4% (Baht 2.9 million) while as current liabilities decreased 1.2% (Baht 1.5 million)

(2) Debt to Equity Ratio

The company has debt to equity ratio as at June 30, 2009 equals 0.29 times comparing to 0.27 times as at December 31, 2008. The debt to equity ratio increased 0.02 which resulted of increasing in total liabilities 6.7% (Baht 19.4 million) while as shareholders' equity decreased 2.1%. (Baht 22.0 million)