

Management Discussion and Analysis : MD&A

1. Result of Operation (The Company and Subsidiaries)

The company showed **net loss** of Baht 73.1 million for a year ended December 31, 2009 comparing to **net profit** Baht 13.0 million for the same period of the year 2008. The net profit decreased Baht 86.1 million as the result of:

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

The company has service income decreased from Baht 415.4 million in the year 2008 to Baht 254.2 million in the year 2009. The service income decreased Baht 161.2 million or 38.8%.

(2) Costs of Services

The company has costs of services decreased from 82.2% of services income in the year 2008 (Baht 341.9 million) to 75.1% of services income in the year 2009 (Baht 190.9 million) It is a result of reduction in expenditure plan (Map Ta Phut Facilities) and reduction, in this period, in crude oil price.

(3) Sales and Costs of Sales - Real Estate Development Business

The company has revenue from sales of real estate development increased from Baht 52.7 million in the year 2008 to Baht 59.7 million in the year 2009. The revenue from sales real estate development increased Baht 7.0 million or 13.3%. Costs of sales of real estate development increased from 64.6% of Sale (Baht 38.8 million) in the year 2008 to 76.2% (Baht 45.5 million) in the year 2009.

(4) Administrative Expense

The company has administrative expenses increased from Baht 90.8 million (18.9% of total revenue) in the year 2008 to Baht 157.1 million (48.0% of total revenue) in the year 2009. The administrative expenses increased Baht 66.2 million or 72.9%.

(5) Other Income

The company has other income Baht 9.9 million in year 2009 comparing to Baht 11.0 million in year 2008. The other income decreased Baht 1.1 million or 10.0%.

2. Financial Status (The Company and Subsidiaries)

(1) Total Assets

The company has total assets as at December 31, 2009 in the amount of Baht 1,266.8 million comparing to Baht 1,358.7 million as of December 31, 2008. The total asset decreased Baht 91.9 million or 6.8%.

As at December 31, 2009 Total assets consisted of

(1.1) Current assets in amount of Baht 643.5 million (50.8% of total assets)

(1.1.1) Real estate development cost in amount of Baht 515.9 million (80.1% of total current assets)

(1.1.2) Cash and cash equivalents in amount of Baht 68.7 million (10.7% of total current assets)

(1.1.3) Trade account receivables – net in amount of Baht 47.9 million (7.4% of total current assets)

(1.2) Non-current assets in amount of Baht 623.3 million (49.2% of total assets)

- (1.2.1) Land and structures held for future development in amount of Baht 243.3 million (39.0% of total non-current assets)
- (1.2.2) Property, plant and equipment – net in amount of Baht 237.7 million (38.0% of total non-current assets)

(2) Total Liabilities

The company has total liabilities as at December 31, 2009 in the amount of Baht 249.4 million comparing to Baht 288.3 million as at December 31, 2008. The total liabilities decreased Baht 38.9 million or 13.5%.

As at December 31, 2009 Total liabilities consisted of

- (2.1) Current liabilities in amount of Baht 106.5 million (42.7% of total liabilities)
 - (2.1.1) Trade account payables in amount of Baht 58.5 million (54.9% of total current liabilities)
- (2.2) Non-current liabilities in amount of Baht 142.9 million (57.3% of total liabilities)

(3) Shareholder's Equity

The company has shareholders' equity as at December 31, 2009 in the amount of Baht 1,017.4 million comparing to Baht 1,070.5 million as at December 31, 2008. The shareholders' equity decreased Baht 53.1 million or 4.9%

3. Liquidity (The Company and Subsidiaries)

3.1 Current Ratio

The company has current ratio as at December 31, 2009 equals 6.0 times comparing to 4.1 times as at December 31, 2008.

3.2 Debt to Equity Ratio

The company has debt to equity ratio as at December 31, 2009 equals 0.25 times comparing to 0.27 times as at December 31, 2008. The debt to equity ratio decreased 0.02 times which resulted of decreasing in total liabilities 13.5% (Baht 38.9 million) while as shareholders' equity decreased 5.0% (Baht 53.1 million).