

Management Discussion and Analysis : MD&A

1. Result of operation (The company and subsidiaries)

1.1 **Three Months** performance ended September 30, 2013 comparing to the same period of the year 2012.

The company showed net profit of Baht 14.9 million for the three months ended September 30, 2013 comparing to net profit Baht 1.5 million for the same period of the year 2012. The net profit increased Baht 13.4 million or 893.3% as the results:

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

Services income has increased from Baht 55.9 million in the year 2012 to Baht 61.2 million in the year 2013. An increased Baht 5.3 million or 9.5% as a results of increased sales volume and new customers.

While the company has efficiency cost controlled, costs of services business decreased from 69.8% in the year 2012 (Baht 39.0 million) to 63.6% in the year 2013 (Baht 38.9 million).

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

Sales of real estate development increased from Baht 11.1 million in the year 2012 to Baht 54.0 million in the year 2013. An increased Baht 42.9 million or 386.5%. Cost of sales of real estate development decreased from 84.7% of Sales (Baht 9.4 million) in the year 2012 to 75.9% (Baht 41.0 million) in the year 2013.

(3) Gross Profit

The company has total gross profit Baht 37.2 million (31.7% of total revenue) in the year 2013, an increased Baht 16.6 million from the year 2012 (in the year 2012 the gross profit was Baht 20.6 million or 30.0% of total revenue)

(4) Total Expenses

The company has total expenses Baht 18.5 million in the year 2013, same as the year 2012.

1.2 **Nine Months** performance ended September 30, 2013 comparing to the same period of the year 2012

The company showed net profit of Baht 21.9 million for the nine months ended September 30, 2013 comparing to net profit Baht 17.8 million for the same period of the year 2012. The net profit increased Baht 4.1 million or 23.0% as the results:

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

The company has service income increased from Baht 160.0 million in the year 2012 to Baht 178.6 million in the year 2013. The service income increased Baht 18.6 million or 11.6% which result of increased sales volume and customer number.

While the company has efficiency cost controlled, costs of services business was Baht 112.5 million in the year 2013 or 63.0%, and Baht 110.3 million in the year 2012 or 68.9% of its revenue.

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

Sales of real estate development increased from Baht 52.6 million in the year 2012 to Baht 144.2 million in the year 2013. The revenue from sales of real estate development increased Baht 91.6 million or 174.1%.

Costs of sales increased from 64.8% of Sales (Baht 34.1 million) in the year 2012 to 77.6% (Baht 111.9 million) in the year 2013.

(3) Gross Profit

The company has total gross profit Baht 103.5 million (31.6% of total revenue) in the year 2013, an increased Baht 26.3 million from the year 2012 (in the year 2012 the gross profit was Baht 77.1 million or 34.8% of total revenue)

(4) Total Expenses

The company has total expenses Baht 72.4 million in the year 2013 compared with Baht 53.8 million in the year 2012, increased mainly as the result of tax expenses Baht 14.4 million.

2. Financial Status (The company and subsidiaries)

(1) Total Assets

The company has total assets as at September 30, 2013 in the amount of Baht 1,151.8 million comparing to Baht 1,135.6 million as of December 31, 2012. The total asset increased Baht 16.2 million or 1.4%.

As at September 30, 2013 total assets consisted of

(1.1) Current assets in amount of Baht 560.3 million (48.6% of total assets)

(1.1.1) Real estate development cost in amount of Baht 316.7 million
(56.5% of total current assets)

(1.1.2) Cash and cash equivalents in amount of Baht 180.9 million
(32.3% of total current assets)

(1.1.3) Trade account receivables - net in amount of Baht 59.4 million
(10.6% of total current assets)

(1.2) Non-current assets in amount of Baht 591.5 million (51.4% of total assets)

(1.2.1) Property, plant and equipment - net in amount of Baht 158.4 million
(26.8% of total non-current assets)

(1.2.2) Land and structures held for future development in amount of Baht
359.6 million (60.8% of total non-current assets)

(2) Total Liabilities

The company has total liabilities as at September 30, 2013 in the amount of Baht 73.5 million comparing to Baht 83.1 million as at December 31, 2012. The total liabilities decreased Baht 9.6 million or 11.6%.

As at September 30, 2013 Total liabilities consisted of

(2.1) Current liabilities in amount of Baht 35.5 million (48.2% of total liabilities)

(2.1.1) Trade account payables in amount of Baht 35.5 million (100.0% of total
current liabilities)

(2.2) Non-current liabilities in amount of Baht 38.1 million (51.8% of total liabilities)

(3) Shareholder's Equity

The company has shareholders' equity as at September 30, 2013 in the amount of Baht 1,078.2 million comparing to Baht 1,052.5 million as at December 31, 2012. The shareholders' equity increased Baht 25.7 million or 2.4% which resulted of increasing in net profit of Baht 22.0 million while as unrealized gain on change in value of current investment increasing in amount of Baht 3.7 million.

3. Liquidity (The company and subsidiaries)

(1) Current Ratio

The company has current ratio as at September 30, 2013 equals 15.8 times comparing to 11.2 times as at December 31, 2012.

(2) Debt to Equity Ratio

The company has debt to equity ratio as at September 30, 2013 equals 0.07 times comparing to 0.08 times as at December 31, 2012. The ratio has decreased slightly.