

## Management Discussion and Analysis for the Year 2013

### 1. Summary of Market Condition for the Year 2013

Thai economic atmosphere for year 2013 was expected GDP growth of 2.9 percent down from 6.5 percent in 2012.(KResearch) caused by mounting political pressure during last two months of 2012 amid a downtrend in economic indicators such as domestic consumption, private investment, manufacturing production and exports. Nonetheless, Company's performance for year 2013 has achieved the budgeted due to accumulative better performances in nine-month, though Company also has impacted weaker economic situation in the last two months.

### 2. Operating Results (Company and Subsidiaries)

Consolidated revenues in 2013 amounted 435.9 million baht increased from year 2012 amount of 128.7 million baht or 42 percent. Profit for the year 2013 was 11.2 million baht compared with year 2012 was amounted 26.5, decreased 58 percent due to loss from impairment of investment in available-for-sale amounted 20 million baht caused profit for year 2013 lower than 2012

However, total comprehensive income for the year 2013 amounted to 35.5 million baht compared with year 2012 was 27.2 million baht, an 8.3 million baht higher, or 31 percent.

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

Service income for year 2013 amounted 243.7 million baht increased from year 2012 amount of 24.4 million baht or 11 percent caused by acquisition new customers.

Effectiveness cost control in year 2013 also generated lower cost of goods at 64 percent lower than previous year of 67 percent.

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

Revenue from real estate business for year 2013 amounted 185.3 million baht compared with year 2012 was amounted 72.2 million baht, an increased 157 percent which most revenue came from high sales volume of the Plenary Condominium due to intensive marketing and selling oriented strategic as well as improved and renovated rooms ready for sale.

Cost of sales also high in year 2013 around 73 percent compared with year 2012 of 66 percent due to an extra cost of improvement and renovation.

#### (3) Selling and Administrative Expenses

Selling and administrative expenses for year 2013 was 19 percent of revenues compared with year 2012 was 20 percent which an effectiveness expenses controlling, while loss from impairment of investment in available-for-sale incurred amount of 20 million caused totally expenses 412.2 million baht (95 percent) compared with year 2012 amounted 272.7 million (89 percent)

#### (4) Other Income

Company has other income Baht 6.8 million in year 2013 comparing to Baht 15.7 million in year 2012.

### 3. Financial Status (The Company and Subsidiaries)

#### (1) Total Assets

Company has total assets as at December 31, 2013 in the amount of 1,163.9 million baht compared to 1,135.6 million baht as of December 31, 2012. The total asset increased 28.3 million baht or 2 percent.

As at December 31, 2013 Total assets consisted of

- (1.1) Current assets amount of 500.9 million baht ( 43 percent of total assets)
  - (1.1.1) Cash and cash equivalents in amount of 151.3 million baht (30 percent of total current assets)
  - (1.1.2) Trade account receivables - net in amount of 54.9 million baht (11 percent of total current assets)  
Total receivables for year ended 2013 amounted 62.3 million baht less allowance for doubtful accounts 7.4 million baht arrived to net receivables of 54.9 million baht (compared with previous year amounted 50.1 million baht.) which divided trade receivable amount of 53.0 million baht and others 10.3 million baht.  
Overdue account receivables totally 17.8 million baht divided into four types, first is account receivables with an overdue less than three months amounted 10.7 million baht (60%), secondly over from three months to six months amount of 0.2 million baht (1%), thirdly over due more than six months to twelve months amounted 0.3 million baht (2%) and fourth is an over twelve months amount of 6.6 million baht (37%) which those twelve months over due will be finalized taking legal action before write off as a bad debt by end of year 2014.
  - (1.1.3) Real estate development cost in amount of 291.4 million baht (58 percent of total current assets) which comprised of condominium for sales (The Plenary valued 250.5 million baht) and commercial building and townhouses for sales.
  - (1.1.4) Supplies amounted 3.3 million baht ( 1 percent of total current assets)
- (1.2) Non-current assets amount of 663.1 million baht (57 percent of total assets)
  - (1.2.1) Land and structures held for future development amounted 446.7 million baht (67of total non-current assets) which in year 2014 Company planned to develop big condominium project on Parkkret (valued 111.4 million baht) and on Samkhok, Patumthani valued of land 64.9 million baht for commercial building projects.
  - (1.2.2) Property, plant and equipment - net amount of 160.4 million Baht (24 percent of total non-current assets)
  - (1.2.3) Long-term investments-available-for-sale amounted of 38.5 million baht ( 6 percent of total non-current assets)
  - (1.2.4) Investment property amount of 10.1 million baht (1 percent of total non-current assets)

**(2) Total Liabilities**

Company has total liabilities as at December 31, 2013 amount of 75.9 million baht compared 83.1 million baht as at December 31, 2012. Decreased 7.2 million baht or 9 percent.

As at December 31, 2013 Total liabilities consisted of

(2.1) Current liabilities amount of Baht 37.8 million (50 percent of total liabilities)

(2.1.1) Trade account payables amount of 36.8 million baht (97 percent of total current liabilities)

(2.2) Non-current liabilities amount of 38.1 million baht (50 percent of total liabilities)

(2.2.1) Accrued costs of landfills amounted 34 million baht (89 percent of total non-current liabilities)

**(3) Shareholder's Equity**

Shareholders' equity as at December 31, 2013 of 1,088.1 million compared to Baht 1,052.5 million baht as at December 31, 2012. The shareholders' equity increased 35.6 million baht or 3 percent.

**4. Liquidity (The Company and Subsidiaries)**

**(1) Current Ratio**

Current ratio as at December 31, 2013 equaled 13.3 times compared 11.2 times as at December 31, 2012. The current ratio increased 2.1 times which resulted of decreasing in total current assets 5.3 million baht or 43.7 percent and current liabilities decreased 7.2 million baht or 16 percent.

**(2) Debt to Equity Ratio**

The company has debt to equity ratio as at December 31, 2013 equaled 0.07 times compared 0.10 times as at December 31, 2012. The debt to equity ratio decreased 0.03 times which resulted of decreasing in total liabilities 7.2 million baht or 8.7 percent and shareholders' equity increased 35.6 million baht or 3.4 percent.