

Management Discussion and Analysis: MD&A

1. Summary of Market Condition for the first quarter of 2014

Political turmoil since last quarter of 2013 has high impacted overall country economic and businesses through out the first quarter of 2014. Thai economic indicators for first quarter 2014 displayed contractions in every measure – private consumption/investment, public spending, exports, tourism, manufacturing production and agricultural prices – all confirming that the Thai economy had slowed significantly in 1Q14 versus the end of last year. Accordingly, *KasikornResearch* has evaluated that the Thai GDP will have edged off 1.8 percent QoQ, s.a., in 1Q14.

Therefore, both businesses of Company either industrial waste treatment business and real estate business have impacted from this situation un-avoided, which will be affected the Company's performance in the second quarter of this year.

2. Operating Results (Company and Subsidiaries)

Consolidated revenue in first quarter 2014 amounted 101.5 million baht increased from year 2013 amount 11.4 million baht or 12.6 percent. Performance for the first quarter of 2014 was loss 14.9 million baht due to loss from impairment of investment in available-for-sale amounted 20 million baht. Therefore, first quarter of 2014 was loss 14.9 million baht compared same period year 2013 was profitable amounted 9.4 million baht or lower 159 percent

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

Service income for the first quarter of 2014 amounted 61 million baht an increased from 2013 amounted 4 million baht or 7 percent. Effective controllable cost of good sold at 61.5 percent compared with same period last year was 62.7 percent.

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

Revenue from real estate business for the first quarter of 2014 amounted 38.7 million baht, increased 7.1 million baht from same period last year. However, an extra cost incurred for improvement of rooms for sale has resulted of higher cost of good sold this year up to 76.7 percent compared to 72.7 percent last year.

(3) Other Income

Other income for the first quarter of 2014 was amounted 1.9 million baht increased from last year 0.2 million baht or 1.8 percent

(4) Selling and Administrative Expenses

Selling and administrative expenses for the first quarter of 2014 was 28.6 percent of revenue compared with same period 2013 was 21.4 percent. On administrative expenses for the first quarter of 2014 was 20.2 million baht compared last year 12.7 million baht. On this expense, there was an extra expense 4.1 million baht came from an accrued for investment of Kaomaikeaw Project, Chonburi Province which Auditor adjusted from investment to expense due to non-movement of the project for years.

3. Financial Status (The Company and Subsidiaries)

(1) Total Assets

Company total assets as at March 31, 2014 amounted 1,180.9 million baht compared to 1,163.9 million baht as of December 31, 2013. The total asset increased 17 million baht or 1.5 percent

As at March 31, 2014 total assets consisted of:

- (1.1) Current assets amounted 556.7 million baht compared to 500.8 million baht as at December 31, 2013. Increased 55.9 million baht or 11.1 percent.
- (1.2) Non-current assets amounted 624.2 million baht compared to 663.1 million baht as at December 31, 2013. Decreased 38.9 million baht or 5.9 percent.

(2) Total Liabilities

Company has total liabilities as at March 31, 2014 amounted 76.5 million baht compared to 75.9 million baht as at December 31, 2013, an increased 0.6 million baht or 0.8 percent. It consisted of:

- (2.1) Current liabilities amounted 39.1 million baht compared as at December 31, 2013 amount to 37.8 million baht, increased 1.3 million baht or 3.4 percent.
- (2.2) Non-current liabilities amounted 37.5 million baht compared as at December 31, 2013 amount to 38.1 million baht last year, decreased 0.6 million baht or 1.6 percent.

(3) Shareholder's Equity (The Company and Subsidiaries)

(3.1) Current Ratio

Current ratio as at March 31, 2014 equaled 14.3 times compared 14.1 times as at December 31, 2013. The current ratio increased 0.2 times which resulted of an increasing in total assets 55.9 million baht or 11.2 percent, and current liabilities increased 1.3 million baht or 3.4 percent.

(3.2) Debt to Equity Ratio

The Company has debt to equity ratio as at March 31, 2014 equaled 0.08 times compared 0.07 times as at December 31, 2013. The debt to equity ratio increased 0.01 times which resulted of an increasing in total liabilities 0.6 million baht or 0.8 percent, and shareholders' equity increased 16.3 million baht or 1.5 percent.