

## Management Discussion and Analysis for the Year 2014

### 1. Summary of Market Conditions for the year 2014

The new government has shown political stability in the last quarter of 2014. But the Thai economy in the fourth quarter of 2014 was slowly improved due to the government budget disbursement has missed the target. However, for private consumption and investment has expanded during the last quarter of 2014.

Accordingly to Fiscal Policy Office, Ministry of Finance indicated private investment signal an improvement in the last quarter of 2014 caused by economics of demand from private and public consumptions included exporting while economics of supply through industrial sectors and tourism has improved as well. Even though agricultural sector has slow growth but private consumption for the last quarter has shown an improvement compared with previously quarters reflected from value added tax collection has increased.

The Office of Industrial Economics, Ministry of Industrial shown the production index (Value added Weight), production index (Value production), the shipment index, the labour productivity index have increased while inventory index, the inventory ratio index, the labour index increased.

Private investment in December 2014 signal an improvement especially private investment in construction sector reflected from the transaction of real estate business in December 2014 expanded when comparing with same period in year 2013. Positive expanded 12.0 percent in September 2014 and expanded 14.0 percent compared previous month resulted the last quarter of 2014 expanded 1.6 percent per year or expanded 5.5 per quarter, of course we can see the good sign of recovery after the political unrest has been solved as well as new real estate projects have introduced in the last quarter.

Stock Exchange of Thailand (SET) summarized total picture of the market for year ended 2014 with SET Index closed at 1,497.67 point, an increased 15.32% from year ended 2013, highest in the ASIAN region for third year consecutive. Market capitalization at 13.86 billion baht decreased 5.60% from previous month while MAI was 383,075 million baht, decreased 1.33% from previous month

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

#### Year 2014

Consolidated revenue of year 2014 amounted 431.0 million baht compared with same period of year 2013 was amounted 435.9 million baht or lower than last year 4.9 million baht or 1.1 percent. The company has profit amount of 0.09 million baht compared same period of previous year was profitable 11.2 million baht. Caused by the loss from an investment in available-for-sale amounted 20.1 million baht, loss from impairment of

investment in available-for-sale amounted 5.5 million baht, and cost of funding 7.7 million baht. Meantime there were increased advertising and promotion expenditures of real estate business for those current projects and new projects that not yet completed.

Total comprehensive income for year 2014 amounted 35.5 million baht compared with same period last year that was 35.5 million baht, thus both year has equaled.

**(1) Industrial Waste Treatment Business Income or Service Income (Disposal, landfill, and transportation)**

Service income for the year 2014 amounted 251.0 million baht compared same period last year was 243.7 million baht, higher than last year 7.3 million baht or 3.0 percent.

Cost of service was 66.61 percent of income compared same period last year was 66.36 percent, which an effectiveness of cost controlled.

**(2) Real Estate Business Income**

Revenue from real estate business for the year 2014 was amounted 171.6 million baht compared with same period last year was 185.3 million baht an decreased 13.7 million baht or 7.4 percent.

Cost of goods was 73.48 percent of income compared with last year was 73.36 percent, almost the same percentage.

**(3) Other Income**

Other income was amounted 8.4 million baht compared with same period last year was 6.9 million baht, increased 1.5 million baht or 21.2 percent.

**(4) Selling and Administrative Expenses**

Selling and administrative expenses for the year 2014 was amounted 83.9 million baht or 19.46 percent of income compared with same period last year was amounted 77.7 million baht or 17.82 percent of income. This year the selling and administrative expenses were increased from last year 6.2 million baht , which an increased of administrative expenses from new headcounts as well as an increased of advertising and promotion of real-estate projects that not yet realized revenue in this year.

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

**(1) Total Assets**

The company has total asset as at December 31, 2014 in the amount of 1,464.6 million baht compared to 1,163.9 million baht as at December 31, 2013. An increased 300.7 million baht or 25.84 percent.

As at December 31, 2014 the total assets consisted of:

(1.1) Current assets amounted 898.1 million baht compared as at December 31, 2013 was amounted 500.8 million baht, an increased amounted 397.3 million baht or 79.30 percent.

(1.2) Non-current assets amounted 566.5 million baht compared as at December 31, 2013 was amounted 663.1 million baht, an decreased of non-current assets amounted 96.6 million baht or 14.57 percent.

## **(2) Total Liabilities**

The company has total liabilities as at December 31, 2014 amounted 329.3 million baht compared as at December 31, 2013 was amounted 75.9 million baht, increased 243.4 million baht or 333.86 percent.

As at December 31, 2014 the total liabilities consisted of:

(2.1) Current liabilities in the amount of 293.9 million baht compared as at December 31, 2013 was amounted 37.8 million baht, increased 256.1 million baht or 677.51 percent.

(2.2) Non-current liabilities amounted 35.4 million baht compared as at December 31, 2013 amounted 38.1 million baht, decreased 2.7 million baht or 7.63 percent.

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

### **(1) Current Ratio**

The Company has current ratio as at December 31, 2014 equals 3.1 times compared to 13.3 times as at December 31, 2013, a decreased current ratio 10.2 times, due to an increased of current assets amounted 397.3 million baht, or 79.3 percent while the current liabilities increased 256.2 million baht, or 677.50 percent.

### **(2) Debt to Equity Ratio**

The Company has debt to equity ratio as at December 31, 2014 equals 0.29 times compared to 0.07 times as at December 31, 2013 an increased on ratio of total liabilities and shareholders' equity 0.2 times due to an increased of total liabilities 253.4 million baht, or 333.9 percent while shareholders' equity increased 47.1 million baht, or 4.3 percent.