

Management Discussion and Analysis: MD&A

1. Summary of Market Condition for the second quarter of 2015

According to Ministry of Finance's source of information disclosed Thailand economic situation for the second quarter of 2015 almost same as the first quarter in term of slowly recover from the sluggish by which the major factor that support country economy is tourism sector that has expanded 37.6% per year, however, industrial productivity contraction -7.4 percent per year, agriculture productivity contraction -8.9 percent per year. Domestic consumption and exporting were still decelerated while government's spending budget has expanded 10.7 percent per year or another word is 20.6 percent spent from the amounted THB 2,575 billion budgeted of year 2015. Government's revenue increased 33.3 percent per year.

Export sector was decelerated six-months consecutively which the factors that impact on exporting came from overall world economic deceleration situation and the decreased on purchasing power of our major oversea markets, and also the declining of world market of agricultural products' price resulted our export sector shrunked -5.0 percent per year, while import sector shrunked -9.4 percent per year. However, for second quarter of 2015, Thailand has trade surplus USD 2.1 billion.

Private investment signal deceleration which investment in construction sector poised that causing construction materials price index shrink -4.4 per cent per year. Domestic sell of motorcycle shrunked -2.9 percent per year as well as automobile -27.3 percent per year.

In summarized of Thailand economy for the second quarter of year 2015 was still slowly recovery from the first quarter. As far as our waste treatment business is concerned the amount of waste from our customers were almost the same as the first quarter while most of them are exporting manufacturers which have affected from the presently world economic problem. In the meantime, real estate business was still in recession and those financial institutions strictly control on home loan. Our real estate sell for those completed projects such as The Plenary Sathorn Condo, and Sathorn Resident Condo has increased so little. Meantime, for under construction projects such as B-Live Tiwanon condominium project, C-Space Sam Khok commercial building projects will be expecting to recognize the income by third quarter of this year.

2. Operating Results (Company and Subsidiaries)

Consolidated revenue in the second quarter of 2015 amounted 151.8 million baht compared with 210.3 million baht same period last year, decreased 58.5 million baht or 27.8 percent. Performance for the second quarter of 2015 was loss 12.8 million baht compared same period year 2014 that was loss 10.2 million baht. Therefore, the performance of second quarter 2015 is less than same period last year.

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

Service income for the second quarter of 2015 amounted 122.2 million baht compared same period last year was 119.2 million baht, increased 3.0 million baht or 2.5 percent. The cost of good for year 2015 at 69.2 percent compared first quarter last year was 63.1 percent, an increased 9.7 percent main reasons were the increased cost of transportation from our sub-transporter whilst company can not rise the selling price yet.

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

Revenue from real estate business for the second quarter of 2015 amounted 29.5 million baht compared same period last year was 91.1 million baht, decreased 61.6 million baht or 67.6 percent. Mainly from an impacted on overall sluggish economy and only existing projects are those remain old projects that still have rooms available for sale such as The Plenary Sathorn condominium, Sathorn Resident condominium which number of rooms sold were less than last year. Thus, cost of goods was 84.4 percent compared with last year was 79.9 percent.

(3) Other Income

Other income for the second quarter of 2015 was amounted 2.7 million baht compared same period last year amounted 4.7 million baht, decreased 2 million baht or 42.5 percent

(4) Selling and Administrative Expenses

Selling and administrative expenses for the second quarter of 2015 was 55.2 million baht a 36.4 percent of total revenue compared with same period 2014 was 77.2 million baht or 36.7 percent.

3. Financial Status (The Company and Subsidiaries)

(1) Total Assets

Company total assets as at June 30, 2015 amounted 1,462.3 million baht compared to 1,466.3 million baht as of December 31, 2014. The total asset decreased 4 million baht or 0.3 percent

As at June 30, 2015 total assets consisted of:

- (1.1) Current assets amounted 789 million baht compared to 802.5 million baht as at December 31, 2014. Decreased 13.5 million baht or 1.7 percent.
- (1.2) Non-current assets amounted 673.3 million baht compared to 663.7 million baht as at December 31, 2014. Increased 9.6 million baht or 1.4 percent.

(2) Total Liabilities

Company has total liabilities as at June 30, 2015 amounted 225.1 million baht compared to 331.1 million baht as at December 31, 2014, decreased 106 million baht or 32 percent. It consisted of:

- (2.1) Current liabilities amounted 172.1 million baht compared as at December 31, 2014 amount to 287.9 million baht, decreased 115.8 million baht or 40.2 percent.
- (2.2) Non-current liabilities amounted 53 million baht compared as at December 31, 2014 amount to 43.1 million baht last year, increased 9.9 million baht or 23 percent.

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

(3.1) Current Ratio

Current ratio as at June 30, 2015 equaled 4.6 times compared 3.1 times as at December 31, 2014. The current ratio increased 1.5 times which resulted of an decreased in total assets 13.6 million baht or 1.7 percent, and current liabilities decreased 115.8 million baht or 40.2 percent.

(3.2) Debt to Equity Ratio

The Company has debt to equity ratio as at June 30, 2015 equaled 0.18 times compared 0.29 times as at December 31, 2014. The debt to equity ratio decreased 0.11 times which resulted of an decreasing in total liabilities 106 million baht or 32 percent, and shareholders' equity increased 102 million baht or 9.3 percent.