

Management Discussion and Analysis: MD&A

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

According to Ministry of Finance's source of information disclosed Thailand economic situation for the third quarter of 2015 continued decelerate on export and private spending via consumption and investment sectors. While Thai economy has supported from tourism sector which even slow expand compared with previous quarter.

Investment sector in the third quarter also signaled in declining especially private investment on construction sector reflected property transaction in third quarter of 2015 shranked -0.5 percent per year. Construction price index in third quarter of 2015 shranked -5.7 percent, however investment on machinery and equipment reflected number of cars based on passenger cars in September 2015 has expanded positive figure for two months consecutively, which expanded 1.2 percent per year caused by recent introduction of new commercial cars in the market. Resulted the third quarter of 2015 commercial cars sold was shranked -0.3 percent per year.

Nevertheless, even though the information of September and third quarter of 2015 had reflected the deceleration of Thai economy, the Ministry of Finance has expected the fiscal policy to push more government spending budget from September 2015 onward and will help to support an expanding Thai economy for the rest of 2015 and year 2016 onward.

For the market of condominium business sector, according to a property consultants; Calliers International Thailand Co. has disclosed the third quarter of 2015 for condominium market available around 6,810 units, less than second quarter 40 percent. Number of units has been transferred the ownership during January - July, 2015 was declined and less than the same period of last year mainly from the decelerated economy. Summarized for nine months of this year, purchasing power of condominium was very low and new condominium opening for sale less than previous years as well.

The Company's operations for the third quarter of 2015, Industrial waste treatment business has maintained current key customers which the quality of services and well-accepted standard of treatment in the industry even though our prices are most expensive in the market. We are expected to see more of legal forces by the Government towards those waste processors and waste generators whom did not follows the law and regulations which if it worked, then we might have more customers whom may concerned more responsible for the environmental and afraid of restricted laws.

Real estate business for the third quarter of 2015 did not performed well at all mainly from low sales of The Plenary Sathon Condominium, while expected major income from The B-Live Tiwanon Condominium was delayed of conveyance of property due to the delay of property appraisal law from The Treasury Department of Nontaburi Province (which will be announced in November 2015). While C-Space (Sam Khok) project to be ready for sales in November 2015.

2. Operating Results (Company and Subsidiaries)

Consolidated revenue (nine-month) in the end of third quarter 2015 amounted 240.8 million baht compared with 317.1 million baht same period last year, decreased 76.3 million baht or 24.1 percent. Performance for the end of third quarter 2015 was loss 11.9 million baht compared same period year 2014 that was loss 3.4 million baht. Therefore, the performance of end of third quarter 2015 was less than same period last year.

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

Service income for the end of third quarter 2015 amounted 192.5 million baht compared same period last year was 185.6 million baht, increased 6.9 million baht or 3.7 percent. The cost of goods for the end of third quarter 2015 was at 67.0 percent compared last year was 63.2 percent, an increased 6.0 percent main reasons of higher were an increased cost of transportation from our sub-transporter whilst company can not raise the selling price yet, also increased number of repair and maintenance metal containers, as well as some services were lower gross margin caused higher cost of goods.

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

Revenue from real estate business for the end of third quarter 2015 amounted 48.3 million baht compared same period last year was 131.4 million baht, decreased 83.1 million baht or 63.2 percent. Mainly from an impacted on overall sluggish economy and only existing projects are those remain old projects such as The Plenary Sathorn condominium, Sathorn Resident condominium which number of rooms sold were less than last year. Thus, cost of goods was 75.2 percent compared with last year was 75.6 percent. Whilst new projects such as B-Live Condominium (Tiwanon) and commercial building named C-Space (SamKhok) are nearly complete of construction by the last quarter of this year which also expected to recognize the revenue of those secured (booked) units by the end of this years

(3) Other Income

Other income for the end of third quarter 2015 was amounted 3.6 million baht compared same period last year amounted 6.5 million baht, decreased 3.0 million baht or 44.6 percent

(4) Selling and Administrative Expenses

Selling and administrative expenses for the third quarter of 2015 was 88.8 million baht a 36.9 percent of total revenue compared with same period 2014 was 105.7 million baht or 33.3 percent. Financial cost was 7.1 million baht compared with last year same period was 3.3 million baht, an increased due to this year the company has issued more of short term bill-of-exchange.

3. Financial Status (The Company and Subsidiaries)

(1) Total Assets

Company total assets as at September 30, 2015 amounted 1,438.3 million baht compared to 1,465.9 million baht as of December 31, 2014. The total asset decreased 27.6 million baht or 1.9 percent

As at September 30, 2015 total assets consisted of:

- (1.1) Current assets amounted 752.3 million baht compared to 802.5 million baht as at December 31, 2014. Decreased 49.8 million baht or 6.2 percent.
- (1.2) Non-current assets amounted 685.9 million baht compared to 663.7 million baht as at December 31, 2014. Increased 22.2 million baht or 3.3 percent.

(2) Total Liabilities

Company has total liabilities as at September 30, 2015 amounted 174.9 million baht compared to 330.7 million baht as at December 31, 2014, decreased 155.8 million baht or 47.1 percent. It consisted of:

- (2.1) Current liabilities amounted 123.9 million baht compared as at December 31, 2014 amount to 287.5 million baht, decreased 163.6 million baht or 56.9 percent.
- (2.2) Non-current liabilities amounted 51.0 million baht compared as at December 31, 2014 amount to 43.1 million baht last year, increased 7.9 million baht or 18.3 percent.

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

(3.1) Current Ratio

Current ratio as at September 30, 2015 equaled 6.1 times compared 2.8 times as at December 31, 2014. The current ratio increased 3.3 times which resulted of an decreased in total assets 49.8 million baht or 6.2 percent, and current liabilities decreased 163.6 million baht or 59.9 percent.

(3.2) Debt to Equity Ratio

The Company has debt to equity ratio as at September 30, 2015 equaled 0.13 times compared 0.29 times as at December 31, 2014. The debt to equity ratio decreased 0.16 times which resulted of an decreasing in total liabilities 155.8 million baht or 47.1 percent, and shareholders' equity increased 128.2 million baht or 11.3 percent.