

Management Discussion and Analysis: MD&A

1. Company Situation

Revenue from the waste treatment business for Q3/2016 slightly increased when compared that of Q1/2016 and Q2/2016. Our waste treatment business still emphasized on keeping the present customers and expanding to the new target customers. For Q3/2016, the company has invested in a new machine which it will be installed and ready to be operated by Q1/2017 (expecting period). This will allow, our waste treatment business, to accept new different types of waste and also expand our business to the new market. The company has renewed the Rental and Exclusive Right Contract of Samaedam & Ratchaburi facilities on the 30th September 2016. The Contract is effective from 1st October 2016 to 30th September 2026. The company has prepared to invest in both facilities once the contract has been renewed. Revenue from the real estate business for Q3/2016 is lower when compared that of Q1/2016 and Q2/2016. The revenue of real estate business consisted of revenues from The Plenary, Bang-na Muangthong Condominium and B-Live Tiwanon.

2. Operating Results (Company and Subsidiaries)

Consolidated revenue for Q3/2016 of 92.7 million baht compared with Q3/2015 of 89.8 million baht, increased 2.9 million baht or 3.2 percent. The company reported loss for Q3/2016 of 0.4 million baht compared with reported profit for Q3/2015 of 0.9 million baht.

For the nine-month period of 2016, the consolidated revenue was 307.4 million baht, increased 63.1 million baht or 25 percent compared with the same period of 2015. The waste treatment revenue increased 21.4 million baht and real estate business revenue increased 37 million baht.

(1) Service Income – waste treatment business (Disposal-Landfill and transportation)

For Q3/2016, the company had the revenue, from waste treatment business, of 72.9 million baht, increased 2.7 million baht or 3.8 percent compared with Q3/2015. The cost of good was 65.7 percent for Q3/2016.

(2) Real Estate Business Income

For Q3/2016, the company had revenue, from real estate business, of 17 million baht, decreased 1.7 million baht or 9 percent compared with Q3/2015. The cost of good was 70 percent.

(3) Other Income

For Q3/2016, the company had other income of 2.7 million baht, increased 1.9 million baht or 210 percent compared with Q3/2015.

(4) Selling and Administrative Expenses

For Q3/2016, the company had selling and administrative expenses of 27.2 million baht, decreased 6.3 million baht or 18 percent compared with Q3/2015. The selling and administrative expenses was approximately 29 percent of the total company revenue compared to 37 percent for the same period of year 2015.

3. Financial Status (Company and Subsidiaries)

(1) Total Assets

Company total assets as of September 30, 2016 was 1,655 million baht, increased 71.8 million baht or 4.5 percent compared to the total assets as of December 31, 2015.

(1.1) Current Assets

As at September 30, 2016 current assets amounted 997.7 million baht, decreased 4.2 million baht or 0.4 percent compared to current assets as of December 31, 2015. Cash decreased by 12.3 million baht while trade and other receivable increased 21.4 million baht. The receivable was mainly from the other receivable amounted 21.4 million baht.

(1.2) Non-Current Assets

As at September 30, 2016 non-current assets amounted 657.3 million baht, increased 76.1 million baht or 13 percent compared to non-current assets as of December 31, 2015. The major change was mainly from the increased of property, plant and equipment. The new equipment cost 101 million which it will be installed in Maptaput.

(2) Total Liabilities

Company total liabilities as of September 30, 2016 was 385.6 million baht, increased 68.9 million baht or 21.7 percent compared to the total liabilities as of December 31, 2015.

(2.1) Current Liabilities

As at September 30, 2016 current liabilities amounted 283.8 million baht, increased 5.5 million baht or 1.9 percent compared to current liabilities as of December 31, 2015.

(2.2) Non-Current Liabilities

As at September 30, 2016 non-current liabilities amounted 101.8 million baht, increased 63.5 million baht or 165 percent compared to non-current liabilities as of December 31, 2015. The major change was the long-term loan from the financial institution amounted 64.8 million baht.

(3) Shareholders' Equity

Total shareholders' equity as of September 30, 2016 was 1,269.3 million baht, increased 2.9 million baht or 0.2 percent compared to total shareholders' equity as of December 31, 2015.

(4) Cash flows (Company and Subsidiaries)

Million Baht	nine-month period	
	2559	2558
Cash and Cash Equivalent on 1st January	76.8	264.7
Net Cash Provided (Used in) Operating Activities	14.3	(69.1)
Net Cash Provided (Used in) Investing Activities	(105.5)	(35.3)
Net Cash Provided (Used in) Financing Activities	78.9	(24.5)
Net Cash Increased (Decreased)	(12.3)	(129.1)
Cash and Cash Equivalent on 30th September	64.5	135.6

(4.1) Cash Flows from Operating Activities

Net cash provided from operating activities was 14.3 million baht for the nine-month period as at September 30, 2016. Depreciation was 26.5 million baht.

(4.2) Cash Flows from Investing Activities

Net cash used in investing activities was 105.5 million baht for the nine-month period as at September 30, 2016. This was mainly used for acquisition of equipment.

(4.3) Cash Flows from Financing Activities

Net cash provided from financing activities was 78.9 million baht for the nine-month period as at September 30, 2015. The company has a long-term loan from a financial institution of 67 million baht.

	Date	
	30 September 2016	31 December 2015
Current Ratio	3.5	3.6
Debt to Equity Ratio	0.3	0.25