

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY  
LIMITED AND ITS SUBSIDIARIES**

Financial Statements

For the Year Ended December 31, 2014

and Report of Independent Auditor

***BPR AUDIT AND ADVISORY CO., LTD.***

***Independent Auditors***

## **INDEPENDENT AUDITOR'S REPORT**

To the Shareholders and the Board of Directors of General Environmental Conservation Public Company Limited

I have audited the accompanying consolidated financial statements of General Environmental Conservation Public Company Limited and its subsidiaries, which comprises the consolidated statement of financial position as at December 31, 2014 the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. I have also audited the financial statements of General Environmental Conservation Public Company Limited, which comprises the statement of financial position as at December 31, 2014, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the financial statements**

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position as at December 31, 2014, and their consolidated financial performance and their cash flows for the year then ended of General Environmental Conservation Public Company Limited and its subsidiaries and the financial position as at December 31, 2014, and its financial performance and its cash flows for the year then ended of General Environmental Conservation Public Company Limited in accordance with Thai Financial Reporting Standards.

## **Other Matters**

The accompanying consolidated financial statements of General Environmental Conservation Company Limited and its subsidiary, and the accompanying separate financial statements of General Environmental Conservation Public Company Limited as at December 31, 2013, were audited by another auditor in my firm expressed an unqualified opinion on those statements, whose report dated February 28, 2014, while drawing attention regarding the land acquisitions from related company for development real-estate project for sale which is in criteria of related party transaction, the managements is being in process to comply with the Notification of the Board of Governors of The Stock of Thailand and draw attention regarding the change in accounting policy made due to adoption of Thai Accounting Standard 12 "Income Taxes" which is effective.

(Mr. Naris Saowalagsakul)  
Certified Public Accountant  
Registration No. 5369

BPR AUDIT AND ADVISORY CO., LTD.  
Bangkok  
February 26, 2015

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2014**

		In Baht				
		Consolidated Financial Statements		Separate Financial Statements		
		December	December	December	December	
Notes		31, 2014	31, 2013	31, 2014	31, 2013	
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
	Cash and cash equivalents	6	263,746,565	151,263,078	227,295,706	91,896,297
	Trade and other receivables	7	53,202,069	54,900,981	50,498,200	53,232,458
	Real estate development costs	8	577,745,569	291,417,612	399,575,862	249,431,037
	Supplies		3,392,557	3,264,589	3,392,557	3,264,589
	<b>Total current assets</b>		<b>898,086,760</b>	<b>500,846,260</b>	<b>680,762,325</b>	<b>397,824,381</b>
<b>NON - CURRENT ASSETS</b>						
	Deposits at financial institution pledged as collaterals		755,733	755,733	755,733	755,733
	Long - term investments - available - for - sales	9	9,132,106	38,470,680	9,132,106	38,470,680
	Investments in subsidiaries	10	-	-	350,977,770	295,102,890
	Land held for development	11	327,560,849	446,704,821	171,213,815	276,182,347
	Investment property	12	69,474,416	10,155,001	-	-
	Property, plant and equipment	13	146,104,130	160,429,661	144,225,521	159,594,145
	Deferred tax assets	21	2,320,046	2,472,769	1,627,999	1,656,754
	Other non - current assets	14	11,139,207	4,118,306	9,132,312	2,923,147
	<b>Total non - current assets</b>		<b>566,486,487</b>	<b>663,106,971</b>	<b>687,065,256</b>	<b>774,685,696</b>
	<b>TOTAL ASSETS</b>		<b>1,464,573,247</b>	<b>1,163,953,231</b>	<b>1,367,827,581</b>	<b>1,172,510,077</b>

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2014**

		In Baht				
		Consolidated Financial Statements		Separate Financial Statements		
		December	December	December	December	
Notes		31, 2014	31, 2013	31, 2014	31, 2013	
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
	Short-term loan	15	237,000,000	-	140,000,000	-
	Trade and other payables - other companies		52,147,516	36,760,736	40,889,993	34,349,779
	Trade and other payables - related parties	5	4,672,789	466,331	4,740,917	720,791
	Current portion of liabilities under financial lease agreement	16	102,355	-	102,355	-
	Income tax payable		-	549,547	-	549,547
	<b>Total current liabilities</b>		<u>293,922,660</u>	<u>37,776,614</u>	<u>185,733,265</u>	<u>35,620,117</u>
<b>NON - CURRENT LIABILITIES</b>						
	Long-term of liabilities under financial lease agreement	16	339,145	-	339,145	-
	Employee benefit obligations	17	1,093,007	1,710,752	878,908	876,812
	Other non - current liabilities					
	Accrued costs of landfills		34,000,000	34,000,000	34,000,000	34,000,000
	Accrued environmental protection fund		-	2,382,100	-	2,382,100
	<b>Total non - current liabilities</b>		<u>35,432,152</u>	<u>38,092,852</u>	<u>35,218,053</u>	<u>37,258,912</u>
	<b>TOTAL LIABILITIES</b>		<u>329,354,812</u>	<u>75,869,466</u>	<u>220,951,318</u>	<u>72,879,029</u>
<b>SHAREHOLDERS' EQUITY</b>						
	Share capital- common shares, Baht 1 par value					
	Authorized share capital					
	- 1,080,000,000 shares, Baht 1 par value in 2014 and 900,000,000 shares, Baht 1 par value in 2013	18	<u>1,080,000,000</u>	<u>900,000,000</u>	<u>1,080,000,000</u>	<u>900,000,000</u>
	Issued and fully paid-up share capital					
	- 910,580,100 shares, Baht 1 par value in 2014 and 900,000,000 shares, Baht 1 par value in 2013	19	910,580,100	900,000,000	910,580,100	900,000,000
	Premium on share capital		196,730,146	195,672,136	196,730,146	195,672,136
	Retained earnings (Deficit)					
	- Appropriated for legal reserve		7,625,110	7,615,000	7,625,110	7,615,000
	- Unappropriated		29,846,801	29,765,240	41,504,909	41,312,803
	Other component of shareholders' equity		<u>(9,564,002)</u>	<u>(44,968,891)</u>	<u>(9,564,002)</u>	<u>(44,968,891)</u>
	Total equity holders of the parent company		1,135,218,155	1,088,083,485	1,146,876,263	1,099,631,048
	Non - controlling interest		280	280	-	-
	<b>TOTAL SHAREHOLDERS' EQUITY</b>		<u>1,135,218,435</u>	<u>1,088,083,765</u>	<u>1,146,876,263</u>	<u>1,099,631,048</u>
	<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<u>1,464,573,247</u>	<u>1,163,953,231</u>	<u>1,367,827,581</u>	<u>1,172,510,077</u>

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2014**

		In Baht			
		Consolidated Financial Statements		Separate Financial Statements	
Notes		2014	2013	2014	2013
<b>REVENUES</b>					
	Revenues from services - service business	251,033,993	243,742,415	251,033,993	243,742,415
	Revenues from sales - real estate development business	171,645,200	185,287,488	145,496,200	140,228,684
	Other income	8,369,328	6,854,034	7,601,178	5,726,506
	<b>Total Revenues</b>	<u>431,048,521</u>	<u>435,883,937</u>	<u>404,131,371</u>	<u>389,697,605</u>
<b>EXPENSES</b>					
20	Costs of services - service business	167,205,521	161,743,680	167,205,521	161,743,680
	Costs of sales - real estate development business	126,127,025	135,924,484	107,709,233	98,835,062
	Selling expenses	18,952,163	15,775,453	18,188,062	13,086,896
	Administrative expenses	64,969,114	61,910,017	57,209,111	59,027,851
	Loss from sale of available - for - sale securities	20,082,564	-	20,082,564	-
	Loss on impairment of investment in available - for - sale	5,538,700	20,000,000	5,538,700	20,000,000
	Loss on impairment of investment in subsidiary	-	-	4,125,118	-
	Management benefit expenses	17,367,960	16,880,043	16,338,025	14,710,550
	Finance costs	7,743,814	20,637	4,788,974	311,403
	<b>Total Expenses</b>	<u>427,986,861</u>	<u>412,254,314</u>	<u>401,185,308</u>	<u>367,715,442</u>
	<b>NET PROFIT BEFORE INCOME TAX</b>	3,061,660	23,629,623	2,946,063	21,982,163
	Income tax expenses	(2,969,989)	(12,461,189)	(2,743,847)	(11,594,890)
	<b>PROFIT FOR THE YEAR</b>	91,671	11,168,434	202,216	10,387,273
	Other comprehensive income (loss)				
	- Change in fair value of available - for - sale securities	(1,460,175)	4,374,854	(1,460,175)	4,374,854
	- Gain from change in fair value from sale of available - for - sale securities	11,243,800	-	11,243,800	-
	- Reclassified change in fair value of available - for - sale securities to loss on sale	20,082,564	-	20,082,564	-
	- Adjust change in fair value of available - for - sale securities to loss on impairment	5,538,700	20,000,000	5,538,700	20,000,000
	<b>Total other comprehensive income</b>	<u>35,404,889</u>	<u>24,374,854</u>	<u>35,404,889</u>	<u>24,374,854</u>
	<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>35,496,560</u>	<u>35,543,288</u>	<u>35,607,105</u>	<u>34,762,127</u>
	<b>Profit for the year attributable to :</b>				
	Equity holders of the parent company	91,671	11,168,434	202,216	10,387,273
	Non - controlling interest	-	-	-	-
		<u>91,671</u>	<u>11,168,434</u>	<u>202,216</u>	<u>10,387,273</u>
	<b>Total comprehensive income for the year attributable to :</b>				
	Equity holders of the parent company	35,496,560	35,543,288	35,607,105	34,762,127
	Non - controlling interest	-	-	-	-
		<u>35,496,560</u>	<u>35,543,288</u>	<u>35,607,105</u>	<u>34,762,127</u>
	<b>Basic earnings per share</b>				
	attributable to the equity holders of the parent company (Baht)	22	0.0001	0.0124	0.0002
			<u>0.0115</u>		
	<b>Diluted earning per share</b>				
	attributable to the equity holders of the parent company (Baht)	22	0.0001	0.0124	0.0002
			<u>0.0115</u>		

The accompanying notes are an integral parts of these financial statements.

GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
 STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
 FOR THE YEARS ENDED DECEMBER 31, 2014

In Thousand Baht								
Consolidated Financial Statements								
Note	Issued and fully paid - up share capital	Premium on share capital	Retained earnings (Deficit)		Other component of shareholders' equity Other comprehensive income Unrealized gain (loss) fro available - for - sale investments	Total equity holder of the company	Non - controlling interests	Total shareholders' equity
			Appropriated for legal reserve	Unappropriated				
	900,000,000	195,672,136	7,085,000	19,126,806	(69,343,745)	1,052,540,197	280	1,052,540,477
<b>Balance as at January 1, 2013</b>								
<b>Comprehensive income for the year</b>								
	-	-	-	11,168,434	-	11,168,434	-	11,168,434
	-	-	-	-	24,374,854	24,374,854	-	24,374,854
	-	-	-	11,168,434	24,374,854	35,543,288	-	35,543,288
<b>Total comprehensive income for the year</b>								
<b>Transaction with shareholding which record direct to shareholders' equity</b>								
Legal reserve	23	-	530,000	(530,000)	-	-	-	-
<b>Transaction with shareholding which record direct to shareholders' equity</b>								
	-	-	530,000	(530,000)	-	-	-	-
<b>Balance as at December 31, 2013</b>								
	900,000,000	195,672,136	7,615,000	29,765,240	(44,968,891)	1,088,083,485	280	1,088,083,765
<b>Balance as at January 1, 2014</b>								
<b>Comprehensive income for the year</b>								
	-	-	-	91,671	-	91,671	-	91,671
	-	-	-	-	35,404,889	35,404,889	-	35,404,889
	-	-	-	91,671	35,404,889	35,496,560	-	35,496,560
<b>Total comprehensive income for the year</b>								
<b>Transaction with shareholding which record direct to shareholders' equity</b>								
Increase shares capital	18	10,580,100	-	-	-	11,638,110	-	11,638,110
Legal reserve	23	-	10,110	(10,110)	-	-	-	-
<b>Total transaction with shareholding which record direct to shareholders' equity</b>								
	10,580,100	1,058,010	10,110	(10,110)	-	11,638,110	-	11,638,110
<b>Balance as at December 31, 2014</b>								
	910,580,100	196,730,146	7,625,110	29,846,801	(9,564,002)	1,135,218,155	280	1,135,218,435

The accompanying notes are an integral parts of these financial statements.

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2014**

In Thousand Baht							
Separate Financial Statements							
	Note	Issued and fully paid - up share capital	Premium on share capital	Retained earnings (Deficit)		Other component of shareholders' equity	Total shareholders' equity
				Appropriated for legal reserve	Unappropriated	Other comprehensive income	
						Unrealized gain (loss) from available - for - sale investments	
<b>Balance as at January 1, 2013</b>		900,000,000	195,672,136	7,085,000	31,455,530	(69,343,745)	1,064,868,921
<b>Comprehensive income for the year</b>							
Profit for the year		-	-	-	10,387,273	-	10,387,273
Other comprehensive income		-	-	-	-	24,374,854	24,374,854
<b>Total comprehensive income for the year</b>		-	-	-	10,387,273	24,374,854	34,762,127
<b>Total transaction with shareholding which record direct to shareholders' equity</b>							
Legal reserve	23	-	-	530,000	(530,000)	-	-
<b>Total transaction with shareholding which record direct to shareholders' equity</b>		-	-	530,000	(530,000)	-	-
<b>Balance as at December 31, 2013</b>		<u>900,000,000</u>	<u>195,672,136</u>	<u>7,615,000</u>	<u>41,312,803</u>	<u>(44,968,891)</u>	<u>1,099,631,048</u>
<b>Balance as at January 1, 2014</b>		900,000,000	195,672,136	7,615,000	41,312,803	(44,968,891)	1,099,631,048
<b>Comprehensive income for the year</b>							
Profit for the year		-	-	-	202,216	-	202,216
Other comprehensive income		-	-	-	-	35,404,889	35,404,889
<b>Total comprehensive income for the year</b>		-	-	-	202,216	35,404,889	35,607,105
<b>Transaction with shareholding which record direct to shareholders' equity</b>							
Increase shares capital	18	10,580,100	1,058,010	-	-	-	11,638,110
Legal reserve	23	-	-	10,110	(10,110)	-	-
<b>Total transaction with shareholding which record direct to shareholders' equity</b>		<u>10,580,100</u>	<u>1,058,010</u>	<u>10,110</u>	<u>(10,110)</u>	<u>-</u>	<u>11,638,110</u>
<b>Balance as at December 31, 2014</b>		<u>910,580,100</u>	<u>196,730,146</u>	<u>7,625,110</u>	<u>41,504,909</u>	<u>(9,564,002)</u>	<u>1,146,876,263</u>

The accompanying notes are an integral parts of these financial statements.



**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2014**

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before income tax	3,061,660	23,629,623	2,946,063	21,982,163
<b>Adjustments for</b>				
Depreciation and amortization	27,593,171	24,382,784	27,209,640	23,900,811
Written-off cost of land held for development	4,485,440	-	-	-
Written-off fixed assets	424,122	5,023	424,122	5,023
Gain from fixed assets sold	(638,747)	-	(638,747)	-
Written-off withholding tax	282,475	-	-	-
Loss on impairment of investment in subsidiary	-	-	4,125,118	-
Loss from sale of available for sale securities	20,082,564	-	20,082,564	-
Loss on impairment of investment in available - for - sale	5,538,700	20,000,000	5,538,700	20,000,000
Doubtful accounts (Reversal )	(145,868)	912,510	(145,868)	912,510
Loss from unclaim withholding tax	-	10,524,811	-	10,230,776
Employee benefit obligations	1,402	34,450	1,259	1,211
Interest income	(1,131,570)	(1,038,676)	(827,613)	(936,617)
Dividend income	(23,964)	(114,036)	(23,964)	(114,036)
Interest expenses	7,743,814	20,637	4,788,974	311,403
Profit from operating activities before change in operating assets and liabilities	67,273,199	78,357,126	63,480,248	76,293,244
<b>Decrease (Increase) in operating assets</b>				
Trade and other receivables	1,891,061	(5,748,991)	2,808,814	(4,397,787)
Real estate development cost	(35,336,151)	119,695,632	98,272,544	85,302,540
Supplies	(127,967)	(32,831)	(127,967)	(32,831)
Costs of landfills	119,235	-	119,235	-
Other current assets	-	-	-	(27,225)
Other non - current assets	(1,390,863)	127,195	(312,224)	-
<b>Increase (Decrease) in operating liabilities</b>				
Trade and other payables	17,458,764	(6,181,184)	9,352,897	(6,924,732)
Employee benefit obligations	(620,000)	-	-	-
Accrued environmental protection fund	(2,382,100)	-	(2,382,100)	-
<b>Cash generated from operations</b>	46,885,178	186,216,947	171,211,447	150,213,209
Interest paid	(6,152,925)	(6,400)	(3,580,693)	(541,360)
Income tax paid	(9,398,561)	(11,938,040)	(9,280,815)	(11,483,947)
Withholding tax refund	-	40,329,647	-	40,329,647
<b>Net Cash Provided by Operating Activities</b>	31,333,692	214,602,154	158,349,939	178,517,549

The accompanying notes are an integral parts of these financial statements.

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2014**

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Decrease in deposit at financial institution pledged as collateral	-	149,002	-	149,002
Proceeds from sales of fixed assets	794,392	-	794,392	-
Cash paid for purchases of land held for development	(143,448,837)	(101,346,070)	(143,448,837)	(96,480,920)
Cash paid for acquisitions of property, plant and equipment	(13,258,408)	(20,667,468)	(11,831,783)	(20,667,468)
Cash paid for purchases of long-term investments in available - for - sales	(6,468,000)	(6,160,000)	(6,468,000)	(6,160,000)
Cash received from sale of long-term investments in available - for - sales	45,590,200	-	45,590,200	-
Cash paid for investment in subsidiary	-	-	(60,000,000)	-
Cash received from long term loan to other company	-	19,500,000	-	-
Cash received from decrease in share capital of subsidiary	-	-	-	30,000,000
Cash paid for investment property	(51,659,415)	(4,155,001)	-	-
Interest received	1,085,289	8,735,883	898,924	870,181
Dividend received	23,964	114,036	23,964	114,036
<b>Net Cash Used in Investing Activities</b>	<b>(167,340,815)</b>	<b>(103,829,618)</b>	<b>(174,441,140)</b>	<b>(92,175,169)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Increase in short-term loan	237,000,000	-	140,000,000	-
Cash received from share subscription	11,638,110	-	11,638,110	-
Repayments of liabilities under financial lease agreement	(147,500)	-	(147,500)	-
Decrease in short-term loan from related companies	-	-	-	(22,277,771)
Repayments of long-term loan	-	(1,128,586)	-	-
<b>Net Cash Provide by (Used in) Financing Activities</b>	<b>248,490,610</b>	<b>(1,128,586)</b>	<b>151,490,610</b>	<b>(22,277,771)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>112,483,487</b>	<b>109,643,950</b>	<b>135,399,409</b>	<b>64,064,609</b>
Cash and Cash Equivalents at Beginning of Year	151,263,078	41,619,128	91,896,297	27,831,688
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>263,746,565</b>	<b>151,263,078</b>	<b>227,295,706</b>	<b>91,896,297</b>

**Supplemental Disclosure of Cash Flow Information**

**Non - cash transactions**

For the year ended December 31, 2014

In the consolidated financial statements and separate financial statements, the Company purchased of vehicles under financial lease agreement of Baht 0.6 million.

For the year ended December 31, 2013

In the separate financial statements, the Company recognized unrealized losses from available - for - sale investment of Baht 4.4 million.

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED  
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Notes to Financial Statements  
For the year ended December 31, 2014**

These notes form an integral part of the financial statements.

The financial statements were authorized for issue by the directors on February 26, 2015.

**1. GENERAL INFORMATION**

General Environmental Conservation Public Company Limited (“the Company”) was incorporated in Thailand and Presently, the Company’s offices located at the following addresses:

Head office	: 447 Bondstreet Rd.,Bangpood, Parkkred, Nonthaburi
Industrial Waste Facility at Samaedam Center	: 68/39 Moo 3 Samaedam Rd., Bangkhuntien, Bangkok
Industrial Waste Facility at Map Ta Phut Center	: 5 Muangmai Map Ta Phut Line 6 Rd., Hauypong, Muang Rayong, Rayong

The Company and its subsidiaries operate on Thailand and principally activity are the treatment of industrial waste and unavoidable by - products of manufacturing processes and real estate business.

**2. BASIS OF FINANCIAL STATEMENT PRESENTATION**

2.1 The financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”) and guidelines promulgated by the Federation of Accounting Professions (“FAP”), applicable rules and regulations of the Thai Securities and Exchange Commission.

The financial statements are prepared and presented in Thai Baht. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand Baht unless otherwise stated.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements as at December 31, 2014 and 2013, include the accounts of the Company and its subsidiaries which the Company has controlling power or directly and indirectly holdings on those subsidiaries as follows :

Name of Companies	Type of business	In Thousand Baht		Percentage of direct and indirect holdings (%)	
		2014	2013	2014	2013
Asia Patana Land Co., Ltd.	Buy, sale, and land development	230,000	170,000	99.99	99.99
Industrial Waste Management (Asia) Co., Ltd.	Industrial waste treatment	200,000	200,000	99.99	99.99

b) Subsidiaries are fully consolidated as from being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases. The Company is treated the subsidiary company with shareholding at 99.9% as holding of 100% for consolidated.

c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

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d) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.

2.3 The separate financial statements, which present investments in subsidiaries under the cost method, have been prepared solely for the benefit of the public.

**3. APPLICATION OF NEW ACCOUNTING STANDARDS**

The Federation of Accounting Professions issued the accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance that are effective as follows:

a) Accounting standard, financial reporting standard and interpretations which were effective.

		<u>Effective date</u>
Accounting Standard:		
TAS 1 (Revised 2012)	Presentation of Financial Statements	January 1, 2014
TAS 7 (Revised 2012)	Statement of Cash Flows	January 1, 2014
TAS 12 (Revised 2012)	Income Taxes	January 1, 2014
TAS 17 (Revised 2012)	Leases	January 1, 2014
TAS 18 (Revised 2012)	Revenues	January 1, 2014
TAS 19 (Revised 2012)	Employee Benefits	January 1, 2014
TAS 21 (Revised 2012)	The Effect of changes in Foreign Exchange Rate	January 1, 2014
TAS 24 (Revised 2012)	Related Party Disclosures	January 1, 2014
TAS 28 (Revised 2012)	Investment in Associates	January 1, 2014
TAS 31 (Revised 2012)	Interests In Joint Ventures	January 1, 2014
TAS 34 (Revised 2012)	Interim Financial Reporting	January 1, 2014
TAS 38 (Revised 2012)	Intangible Assets	January 1, 2014
Financial Reporting Standard:		
TFRS 2 (Revised 2012)	Share - Based Payments	January 1, 2014
TFRS 3 (Revised 2012)	Business Combinations	January 1, 2014
TFRS 5 (Revised 2012)	Non-Current Assets Held for Sale and Discontinued Operations	January 1, 2014
TRFS 8 (Revised 2012)	Operating Segments	January 1, 2014
Accounting Standard Interpretations:		
TSIC 15	Operating Leases-Incentives	January 1, 2014
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	January 1, 2014
TSIC 29	Service Concession Arrangements: Disclosures	January 1, 2014
TSIC 32	Intangible Assets-Web Site Costs	January 1, 2014
Financial Reporting Standard Interpretations:		
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	January 1, 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	January 1, 2014

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED  
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**For the year ended December 31, 2014**

		<u>Effective date</u>
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	January 1, 2014
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies	January 1, 2014
TFRIC 10	Interim Financial Reporting and Impairment	January 1, 2014
TFRIC 12	Service Concession Arrangements	January 1, 2014
TFRIC 13	Customer Loyalty Programs	January 1, 2014
TFRIC 17	Distributions of Non-cash Assets to Owners	January 1, 2014
TFRIC 18	Transfers of Assets from Customers	January 1, 2014

The revised accounting standard, revised financial reporting standards and related interpretations have no significant impact to the Company.

b) New accounting standard, financial reporting standard and interpretations issued not yet effective

		<u>Effective date</u>
Accounting Standard:		
TAS 1 (revised 2014)	Presentation of Financial Statements	January 1, 2015
TAS 2 (revised 2014)	Inventories	January 1, 2015
TAS 7 (revised 2014)	Statement of Cash Flows	January 1, 2015
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors	January 1, 2015
TAS 10 (revised 2014)	Events after the Reporting Period	January 1, 2015
TAS 11 (revised 2014)	Construction Contracts	January 1, 2015
TAS 12 (revised 2014)	Income Taxes	January 1, 2015
TAS 16 (revised 2014)	Property, Plant and Equipment	January 1, 2015
TAS 17 (revised 2014)	Leases	January 1, 2015
TAS 18 (revised 2014)	Revenue	January 1, 2015
TAS 19 (revised 2014)	Employee Benefits	January 1, 2015
TAS 20 (revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance	January 1, 2015
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates	January 1, 2015
TAS 23 (revised 2014)	Borrowing Costs	January 1, 2015
TAS 24 (revised 2014)	Related Party Disclosures	January 1, 2015
TAS 26 (revised 2014)	Accounting and Reporting by Retirement Benefit Plans	January 1, 2015
TAS 27 (revised 2014)	Separate Financial Statements	January 1, 2015
TAS 28 (revised 2014)	Investments in Associates and Joint Ventures	January 1, 2015
TAS 29 (revised 2014)	Financial Reporting in Hyperinflationary Economies	January 1, 2015
TAS 33 (revised 2014)	Earnings per Share	January 1, 2015
TAS 34 (revised 2014)	Interim Financial Reporting	January 1, 2015
TAS 36 (revised 2014)	Impairment of Assets	January 1, 2015
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets	January 1, 2015
TAS 38 (revised 2014)	Intangible Assets	January 1, 2015
TAS 40 (revised 2014)	Investment Property	January 1, 2015

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		<u>Effective date</u>
Financial Reporting Standard:		
TFRS 2 (revised 2014)	Share-based Payment	January 1, 2015
TFRS 3 (revised 2014)	Business Combinations	January 1, 2015
TFRS 4 (revised 2014)	Insurance Contracts	January 1, 2016
TFRS 5 (revised 2014)	Non-current Assets Held for Sale and Discontinued Operations	January 1, 2015
TFRS 6 (revised 2014)	Exploration for and Evaluation of Mineral Resources	January 1, 2015
TFRS 8 (revised 2014)	Operating Segments	January 1, 2015
TFRS 10	Consolidated Financial Statements	January 1, 2015
TFRS 11	Joint Arrangements	January 1, 2015
TFRS 12	Disclosure of Interests in Other Entities	January 1, 2015
TFRS 13	Fair Value Measurement	January 1, 2015
Accounting Standard Interpretations:		
TSIC 10 (revised 2014)	Government Assistance - No Specific Relation to Operating Activities	January 1, 2015
TSIC 15 (revised 2014)	Operating Leases - Incentives	January 1, 2015
TSIC 25 (revised 2014)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders	January 1, 2015
TSIC 27 (revised 2014)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	January 1, 2015
TSIC 29 (revised 2014)	Service Concession Arrangements: Disclosures	January 1, 2015
TSIC 31 (revised 2014)	Revenue - Barter Transactions Involving Advertising Services	January 1, 2015
TSIC 32 (revised 2014)	Intangible Assets - Web Site Costs	January 1, 2015
Financial Reporting Standard Interpretations:		
TFRIC 1 (revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities	January 1, 2015
TFRIC 4 (revised 2014)	Determining whether an Arrangement contains a Lease	January 1, 2015
TFRIC 5 (revised 2014)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	January 1, 2015
TFRIC 7 (revised 2014)	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies	January 1, 2015
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment	January 1, 2015
TFRIC 12 (revised 2014)	Service Concession Arrangements	January 1, 2015
TFRIC 13 (revised 2014)	Customer Loyalty Programmes	January 1, 2015
TFRIC 14	TAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	January 1, 2015
TFRIC 15 (revised 2014)	Agreements for the Construction of Real Estate	January 1, 2015
TFRIC 17 (revised 2014)	Distributions of Non-cash Assets to Owners	January 1, 2015
TFRIC 18 (revised 2014)	Transfers of Assets from Customers	January 1, 2015
TFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	January 1, 2015

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The Company and its subsidiaries have made a preliminary assessment of the potential initial impact on the financial statements of these new and revised TFRSs and expects that there will be no material impact on the financial statements in the period of initial application.

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Cash and Cash Equivalents***

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

***Trade and Other Receivables***

Trade and other receivables are stated at their invoice value less allowance for doubtful accounts. The allowance for doubtful accounts is an estimate of those amounts which may prove to be uncollectible based on a review of the current status of the existing receivables. Bad debts are written off when incurred.

***Real Estate Development Cost***

Real estate development costs which include costs of land, land development costs, construction costs, borrowing costs and related expenses of real estate project, is stated at the lower of cost or net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to make the sales.

***Supplies***

Supplies are stated at the lower of cost (moving-average method) or net realizable value.

***Investments***

***Investments in subsidiaries***

Investments in subsidiaries in the separate financial statements of the Company are accounted for using the cost method less allowance for impairment losses (if any).

***Investments in equity securities***

Marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognized in profit or loss.

Marketable equity securities, other than those securities held for trading are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than accumulated impairment losses are recognized directly in equity. Impairment losses are recognized in profit or loss. When these investments are derecognized, the cumulative gain or loss previously recognized directly in equity is recognized in profit or loss.

The fair value of financial instruments classified as held-for-trading and available-for-sale is determined as the quoted bid price at the reporting date.

***Disposal of investments***

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognized in profit or loss.

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If the Company and its subsidiaries disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying amount of the total holding of the investment.

***Land Held for Development***

Land held for development are stated at cost less allowance for impairment losses (if any).

***Investment Properties***

Investment property is defined as land or a building or part of a building, or both, held to earn rental or for capital appreciation or both, rather than for use in the production or supply of goods and services, for administrative purposes, or for making sales in the ordinary course of business.

Investment properties of the Company and its subsidiaries are measured initially at cost. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

No depreciation is provided on investment properties - land and construction in progress.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period when the asset is derecognized.

***Property, Plant and Equipment and Depreciation***

***Owned assets***

Land is stated at cost less allowance for impairment losses (if any). Buildings and equipment are stated at cost net of accumulated depreciation and impairment loss (if any).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

***Additions to plant and equipment under operating rental and exclusive right agreement***

Additions to plant and equipment under operating rental and exclusive right agreement to operate in the Industrial Waste Facility are stated at cost less accumulated depreciation and impairment losses (if any) which are presented including in plant and equipment. The Company must transfer the rights on factory building improvement and machinery which the Company repairs and maintenance or construct on the area of the Industrial Waste Facility at Samae Dam including the Research and Development Center for Environmental Conservation (Ratchaburi) to the owner, the Department of Industrial Works, when the operating right expires. The company therefore, depreciates these assets over the remaining term of the operating agreement.

***Subsequent costs***

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.



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*Depreciation*

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

	<u>No. of Years</u>
Improvements for rental land	Remaining period of operating rental and exclusive right agreement (10, 14, 25 and 30)
Buildings and improvements	20 and 25
Machinery and equipment	5, 10, 15 and 20
Furniture, fixtures and office equipment	5
Transportation	5
Trucks and chassis	5
Containers	5 and 10

Costs of landfills are amortized by the proportion of quantities of buried wastes to the waste capacity of each landfill.

No Depreciation is provided on land, construction in progress and assets under installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

***Intangible assets***

Intangible assets that are acquired by the Company and its subsidiaries, which have definite useful lives, are stated at cost less accumulated amortization and allowance for impairment losses (if any).

*Amortization*

Amortization is charged to profit or loss on a straight-line basis from the date that intangible assets are available for use over the estimated economic useful lives of the assets. The estimated economic useful lives are as follows:

Computer software	3 and 5 Years
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***Borrowing costs***

Borrowing costs are recognized as expenses in the period when incurred except the borrowing costs that are directly attributable to the acquisition, construction or production of asset as part of the cost of that asset. The capitalization of borrowing costs is ceased when substantially all the activities necessary to prepare the asset for its intended use or sale are complete. The Company shall suspend capitalization of borrowing costs during extended periods in which it suspends active development of asset.

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***Impairment of Assets***

The carrying amounts of the Company and its subsidiaries' assets are reviewed at each statements of financial position date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and as when indicators of impairment are identified.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized in profit or loss.

***Calculation of recoverable amount***

The recoverable amount of other assets is the greater of the assets' net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

***Reversals of impairment***

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

***Trade and Other Payables***

Trade and other payables are stated at cost.

***Loan***

Loan is initially recognized by fair value of the remuneration received deducted by cost of transactions preparation incurred. Later, loan value is measured by amortization of cost price method. The discrepancy between remuneration (deducted by cost of transaction preparation incurred) when compared against the repayable value to repay debt will be recognized in profit or loss. Fees for providing loans is amortized to financial costs by over the period of the borrowings by using the effective rate method.

***Provisions***

A provision is recognized in the statements of financial position when the Company and its subsidiaries has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

***Long-term leases***

Leases of property or equipment which substantially transfer all the risks and rewards of ownership to the lessees are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss. When a sale and leaseback results in a finance lease, any gain on the sale is deferred and recognized as income over the lease term. The property or equipment acquired under finance leases is depreciated over the useful life of the asset.

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Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period expires, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which the termination takes place.

***Employee Benefit***

*Short-term employee benefits*

Salaries, wages, bonuses and contributions to the social security fund are recognized as expenses when incurred.

*Post - employment benefits under defined benefit plans*

The Company and its subsidiaries have obligations in respect of the severance payments, they must make to employees upon retirement under labor law and other employee benefit plans. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plans is determined by a professionally qualified actuary based on actuarial techniques, using the projected unit credit method on a regular basis. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past service costs are recognized on a straight-line basis over the average period until the amended benefits become vested.

Actuarial gains and losses arising from post-employment benefits are recognized immediately in other comprehensive income in the period in which they arise.

***Income and Expense Recognition***

*Services Income and Costs of Services*

Services income and costs of services are recognized as income and expenses upon service are rendered.

*Sales and Cost of Real Estate*

Sales of real estate are recognized as income when the construction works are completed and the ownerships have been transferred to buyers after payments received from the buyers.

The Company and its subsidiaries recognize cost of sale of real estate by allocation of the total estimated costs and the incurred cost on the basis of the sales area.

*Interest and dividend income*

Interest income is recognized in profit or loss as it accrues. Dividend income is recognized in profit or loss on the date the Company and its subsidiaries' right to receive payments is established which in the case of quoted securities is usually the ex-dividend date.

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***Expenses***

*Lease payments*

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

*Finance costs*

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

***Income tax***

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

*Current tax*

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

*Deferred tax*

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realized or the deferred income tax liability is settled.

The Company and its subsidiaries recognize deferred tax liabilities for all taxable temporary differences while they recognize deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilized.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

***Earnings per Share***

Basic earnings (loss) per share is calculated by dividing profit (loss) for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

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Diluted earnings (loss) per share is calculated by dividing profit (loss) for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that such conversion took place either at the beginning of the period or on the date the potential ordinary shares were issued.

***Significant accounting judgments and estimates***

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. Significant judgments and estimates are as follows:

*Leases*

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

*Allowance for doubtful accounts*

In determining an allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

*Impairment of investments*

The Company and its subsidiaries treat investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgment of the management.

*Property, plant and equipment / Investment property*

In determining depreciation of plant and equipment / investment property, the management is required to make estimates of the useful lives and residual values of the plant and equipment / investment property and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment / investment property for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

*Post-employment benefits under defined benefit plans*

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

*Deferred tax assets*

Deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimate future taxable profits.

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**5. TRANSACTIONS WITH RELATED PARTIES**

A portion of the Company's assets, liabilities, revenues, costs and expenses arose from transactions with related companies. Related parties are those parties controlled by the Company, directly or indirectly or significant influence, to govern the financial and operating policies of the Company.

Types of relationship of related companies are as follows:

The Company's name	Type of business	Type of relationship
The Department of Industrial Works	The Government enterprise	Shareholders & Co directors
Industrial Estate Authority of Thailand	The Government enterprise	Shareholders & Co directors
Pattra House and Property Public Company Limited	Buy and rental real estate	Shareholders & Co directors
Asia Patana Land Co., Ltd.	Buy, sale, and land or real estate development	Subsidiary
Industrial Waste Management (Asia) Co., Ltd.	Industrial waste treatment	Subsidiary
Mr. Itthirit Viphusiri	-	Director

Pricing policies for each transaction are described as follows:

Transactions	Pricing policies
Interest income	Mutual agreement/Contract price
Rental and royalty fee	Contract price
Other expenses	Contract price
Interest expense	Mutual agreement/Contract price
Purchase of land	Price reference with appraisal value by an independent appraiser

Significant revenues and expenses derived from transactions with related parties for the years ended December 31, 2014 and 2013 are summarized as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2014	2012	2014	2013
<b>Rental and royalty fee</b>				
Industrial Estate Authority of Thailand	11,262	5,308	11,262	5,308
The Department of Industrial Works	5,057	4,828	5,057	4,828
<b>Other expenses</b>				
Industrial Estate Authority of Thailand	1,874	1,653	1,874	1,653
<b>Finance costs</b>				
Asia Patana Land Co., Ltd.	-	21	-	311

Key managements personnel compensation and directors remuneration for the year ended December 31, 2014 and 2013 are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
<b>Key managements personnel compensation and directors remuneration</b>				
Short-term employment benefits	17,368	16,880	16,338	14,711

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The balances of receivables from and payables to related parties as of December 31, 2014 and 2013 are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
<b>Purchase of Land</b>				
Pattra House and Property PCL.	-	91,534	-	91,534
<b>Advance Payment</b>				
Mr. Itthirit Viphusiri	1,000	1,000	-	-
<b>Prepaid rent</b>				
Industrial Estate Authority of Thailand	-	1,968	-	1,968
<b>Deposit for rent</b>				
Industrial Estate Authority of Thailand	34	24	34	24
<b>Trade and other payables</b>				
Industrial Estate Authority of Thailand	4,031	42	4,031	42
The Department of Industrial Works	642	424	642	424
Asia Patana Land Co., Ltd.	-	-	68	255
<b>Total</b>	<b>4,673</b>	<b>466</b>	<b>4,741</b>	<b>721</b>

The significant movements of Loans from related party during the years 2013 are as follows:

	In Thousand Baht			
	Separate Financial Statements			
	January 1, 2013	Increase	Decrease	December 31, 2013
<b>Loans from subsidiary</b>				
Asia Patana Land Co., Ltd.	22,278	-	(22,278)	-

Accordinging of the minute of Board of Directors' meeting No. 10/2013, dated December 20, 2013, the Board of directors has a resolution to purchase 2 plots of land amount of Baht 91.5 million from Pattra House and Property Public Company Limited, a related company for development for resident and/or commercial buildings for sale. However, the annual general meeting of company's shareholder of year 2014 had resolution to approve the ratification to purchase such land from related company.

In addition, the Company entered into significant contracts with related parties as follows:

- a) Rental and exclusive right agreement (Note 25 (1))
- b) Land lease agreement (Note 25 (2))

## 6. CASH AND CASH EQUIVALENTS

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Cash	-	500	-	500
Current deposits and saving deposits	263,456	150,493	227,006	91,126
Fixed deposit	290	270	290	270
<b>Total</b>	<b>263,746</b>	<b>151,263</b>	<b>227,296</b>	<b>91,896</b>

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**7. TRADE AND OTHER RECEIVABLES**

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Trade receivables - Billed receivables	37,849	40,840	37,849	40,840
Trade receivables - Unbilled receivables	14,581	12,085	14,581	12,085
Trade receivables - real estate	103	103	103	103
Prepaid rental to related party	-	1,968	-	1,968
Prepaid rental	1,494	2,142	1,129	2,104
Advance payments	5,341	3,689	3,541	2,479
Other receivables	1,095	1,481	556	1,060
<b>Total</b>	<b>60,463</b>	<b>62,308</b>	<b>57,759</b>	<b>60,639</b>
Less allowance for doubtful accounts	(7,261)	(7,407)	(7,261)	(7,407)
<b>Net</b>	<b>53,202</b>	<b>54,901</b>	<b>50,498</b>	<b>53,232</b>

As at December 31, 2014 and 2013, the trade receivables are classified by aging as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separated Financial Statements	
	2014	2013	2014	2013
<b>Billed receivables</b>				
Trade receivables - service				
Current	20,226	23,046	20,046	23,046
Overdue				
Less than 3 months	11,227	10,736	11,227	10,736
Over 3 months to 6 months	-	177	-	177
Over 6 months to 12 months	75	284	75	284
Over 12 months	6,321	6,597	6,321	6,597
	<u>37,849</u>	<u>40,840</u>	<u>37,849</u>	<u>40,840</u>
Trade receivables - real estate				
Current	-	-	-	-
Overdue				
Less than 3 months	-	-	-	-
Over 3 months to 6 months	-	-	-	-
Over 6 months to 12 months	-	-	-	-
Over 12 months	103	103	103	103
	<u>103</u>	<u>103</u>	<u>103</u>	<u>103</u>
<b>Total</b>	<b>37,952</b>	<b>40,943</b>	<b>37,952</b>	<b>40,943</b>
Less allowance for doubtful accounts	(7,261)	(7,407)	(7,261)	(7,407)
<b>Net</b>	<b>30,691</b>	<b>33,536</b>	<b>30,691</b>	<b>33,536</b>
<b>Unbilled receivables</b>				
Trade receivables - service	14,581	12,085	14,581	12,085

	In Thousand Baht			
	Consolidated Financial Statements		Separated Financial Statements	
	2014	2013	2014	2013
Doubtful accounts (Reversal) for the year	(146)	913	(146)	913



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**8. REAL ESTATE DEVELOPMENT COST**

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Commercial building for sales	126,514	24,653	129,565	25,698
Condominium	323,403	280,765	284,011	237,733
Construction in progress	141,829	-	-	-
Total	591,746	305,418	413,576	263,431
Less allowance for decline in value of real estate development cost	(14,000)	(14,000)	(14,000)	(14,000)
Net	577,746	291,418	399,576	249,431
Borrowing cost	544	-	-	-
The capitalization rate (%)	8.5	-	-	-

**9. LONG - TERM INVESTMENTS - AVAILABLE - FOR - SALES**

	In Thousand Baht			
	Consolidated and Separate Financial Statements			
	2014		2013	
	Cost	Fair Value	Cost	Fair value
Available-for-sale securities :				
Investment in marketable equity securities	83,440	9,132	97,280	38,471
Purchases during the year	6,468	-	6,160	-
Sales during the year	(65,673)	-	-	-
Loss from impairment recognized in profit or loss	(5,539)	-	(20,000)	-
Unrealized loss recognized in shareholders' equity	(9,564)	-	(44,969)	-
Net	9,132	9,132	38,471	38,471

**10. INVESTMENTS IN SUBSIDIARIES**

	Separate Financial Statements					
	Percentage of holdings		In Thousand Baht			
			Paid - up share capital		Investment	
2014	2013	2014	2013	2014	2013	
Asia Patana Land Co., Ltd.*	99.99	99.99	230,000	170,000	230,000	170,000
Industrial Waste Management (Asia) Co., Ltd.	99.99	99.99	200,000	200,000	200,000	200,000
Less Allowance for impairment loss					(79,022)	(74,897)
Net					120,978	125,103
Total					350,978	295,103
Loss on impairment for the year					4,125	-

\*At the board of directors' Meeting NO.6/2014 on July 18, 2014 approved for increased the subsidiary authorized and paid - up share capital from Baht 170,000,000 (divided into 17,000,000 shares at par value of Baht 10 per share) to Baht 230,000,000 (divided into 23,000,000 shares at par value of Baht 10 per share) The subsidiary registered such changes with the Department of Business Development, Ministry of Commerce on August 6, 2014.

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**11. LAND HELD FOR DEVELOPMENT**

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
<u>Cost</u>				
Balance as at January 1,	498,605	403,259	276,182	179,701
Acquisitions	143,449	101,346	143,449	96,481
Transferred to real estate development cost	(250,447)	-	(248,417)	-
Transferred to Investment property	(7,660)	(6,000)	-	-
Written-off	(4,486)	-	-	-
Balance as at December 31,	<u>379,461</u>	<u>498,605</u>	<u>171,214</u>	<u>276,182</u>
<u>Allowance for impairment loss</u>				
Balance as at January 1,	51,900	51,900	-	-
Increase (Decrease)	-	-	-	-
Balance as at December 31,	<u>51,900</u>	<u>51,900</u>	<u>-</u>	<u>-</u>
Net book value as at December 31,	<u>327,561</u>	<u>446,705</u>	<u>171,214</u>	<u>276,182</u>

**12. INVESTMENT PROPERTY**

	In Thousand Baht		
	Consolidated Financial Statements		
	Land	Construction in progress	Total
<u>Cost</u>			
Balance as at January 1, 2013	-	-	-
Transferred from land held for developments	6,000	-	6,000
Increase	-	4,155	4,155
Balance as at December 31, 2013	<u>6,000</u>	<u>4,155</u>	<u>10,155</u>
Transferred from land held for developments	7,660	-	7,660
Increase	-	51,659	51,659
Balance as at December 31, 2014	<u>13,660</u>	<u>55,814</u>	<u>69,474</u>

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**Notes to Financial Statements (Continued)  
For the year ended December 31, 2014**

**13. PROPERTY, PLANT AND EQUIPMENT**

In Thousand Baht

Consolidated Financial Statements

	Land	Improvements for rental land	Buildings and improvements	Machinery and equipment	Furniture fixtures and office equipment	Vehicles	Trucks and chassis	Containers	Construction in progress	Total
<u>Cost</u>										
Balance as at January 1, 2013	9,000	185,805	99,231	289,394	34,642	14,514	1,238	38,173	14,658	686,655
Acquisitions	-	-	-	420	84	4,900	4,637	-	10,688	20,729
Disposal/written-off	-	-	-	(17)	(17)	-	-	-	-	(34)
Transfers in/(out)	-	13,785	-	-	-	-	-	-	(13,785)	-
Balance as at December 31, 2013	9,000	199,590	99,231	289,797	34,709	19,414	5,875	38,173	11,561	707,350
Acquisitions	-	87	-	73	2,199	589	842	700	9,109	13,599
Disposal/written-off	-	-	(850)	(32)	(785)	(1,898)	-	-	-	(3,565)
Transfers in/(out)	-	11,580	3,977	-	-	-	-	1,189	(16,746)	-
Balance as at December 31, 2014	9,000	211,257	102,358	289,838	36,123	18,105	6,717	40,062	3,924	717,384
<u>Accumulated depreciation</u>										
Balance as at January 1, 2013	-	117,511	58,376	267,278	34,050	9,445	988	36,003	-	523,651
Depreciation for the year	-	10,186	3,786	6,093	447	1,992	319	475	-	23,298
Disposal/written-off	-	-	-	(12)	(17)	-	-	-	-	(29)
Balance as at December 31, 2013	-	127,697	62,162	273,359	34,480	11,437	1,307	36,478	-	546,920
Depreciation for the year	-	13,871	3,881	5,486	347	2,351	1,096	561	-	27,593
Disposal/written-off	-	-	(430)	(27)	(786)	(1,990)	-	-	-	(3,233)
Balance as at December 31, 2014	-	141,568	65,613	278,818	34,041	11,798	2,403	37,039	-	571,280
<u>Net book value</u>										
December 31, 2013	9,000	71,893	37,069	16,438	229	7,977	4,568	1,695	11,561	160,430
December 31, 2014	9,000	69,689	36,745	11,020	2,082	6,307	4,314	3,023	3,924	164,104

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In Thousand Baht

Consolidated Financial Statements

	Land	Improvements for rental land	Buildings and improvements	Machinery and equipment	Furniture fixtures and office equipment	Vehicles	Trucks and chassis	Containers	Construction in progress	Total
<u>Depreciations included in profit or loss for the years</u>										
2013										23,298
2014										27,593

In Thousand Baht

Separate Financial Statements

	Land	Improvements for rental land	Buildings and improvements	Machinery and equipment	Furniture fixtures and office equipment	Vehicles	Trucks and chassis	Containers	Construction in progress	Total
<u>Cost</u>										
Balance as at January 1, 2013	9,000	185,806	99,231	289,393	34,246	12,872	1,238	38,173	14,658	684,617
Acquisitions	-	-	-	420	84	4,900	4,637	-	10,688	20,729
Disposal/written-off	-	-	-	(17)	(17)	-	-	-	-	(34)
Transfers in/(out)	-	13,785	-	-	-	-	-	-	(13,785)	-
Balance as at December 31, 2013	9,000	199,591	99,231	289,796	34,313	17,772	5,875	38,173	11,561	705,312
Acquisitions	-	87	-	73	2,199	589	842	700	7,931	12,421
Disposal/written-off	-	-	(850)	(31)	(785)	(1,193)	(705)	-	-	(3,564)
Transfers in/(out)	-	11,580	3,977	-	-	-	-	1,189	(16,746)	-
Balance as at December 31, 2014	9,000	211,258	102,358	289,838	35,727	17,168	6,012	40,062	2,746	714,169

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In Thousand Baht

	Separate Financial Statements									
	Land	Improvements for rental land	Buildings and improvements	Machinery and equipment	Furniture fixtures and office equipment	Vehicles	Trucks and chassis	Containers	Construction in progress	Total
<u>Accumulated depreciation</u>										
Balance as at January 1, 2013	-	117,511	58,376	267,278	33,654	9,120	989	36,002	-	522,930
Depreciation for the year	-	10,186	3,786	6,093	447	1,511	319	475	-	22,817
Disposal/written-off	-	-	-	(12)	(17)	-	-	-	-	(29)
Transfer in/(out)	-	-	-	-	-	-	-	-	-	-
Balance as at December 31, 2013	-	127,697	62,162	273,359	34,084	10,631	1,308	36,477	-	545,718
Depreciation for the year	-	13,871	3,881	5,487	347	1,968	1,095	561	-	27,210
Disposal/written-off	-	-	(430)	(27)	(785)	(1,193)	(549)	-	-	(2,984)
Transfer in/(out)	-	-	-	-	-	-	-	-	-	-
Balance as at December 31, 2014	-	141,568	65,613	278,819	33,646	11,406	1,854	37,038	-	569,944
<u>Net book value</u>										
December 31, 2013	9,000	71,894	37,069	16,437	229	7,141	4,567	1,696	11,561	159,594
December 31, 2014	9,000	69,690	36,745	11,019	2,081	5,762	4,158	3,024	2,746	144,225
<u>Depreciations included in profit or loss for the years</u>										
2013										22,817
2014										27,210

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As at December 31, 2014 and 2013, the Company's buildings and machinery at Map Ta Phut Industrial Waste Treatment Facilities are mortgaged as collateral for a letter of guarantee line obtained from a local bank totaling approximately Baht 25 million. The net carrying value of such amounted to approximately Baht 24.9 million and Baht 36.7 million, respectively.

As at December 31, 2014 and 2013, certain buildings and equipment of the Company and its subsidiary fully depreciated but are still in use, their original cost, before deducting accumulated depreciation, of those assets amounted to Baht 343.1 million and Baht 340.0 million, respectively. (The Company only : Baht 342.7 million and Baht 339.8 million, respectively)

**14. OTHER NON - CURRENT ASSETS**

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Withholding tax	6,689	939	6,016	-
Deposits and others	4,450	3,179	3,116	2,923
Total	11,139	4,118	9,132	2,923

**15. SHORT-TERM LOANS**

As at December 31, 2014, the consolidated and separate financial statements, the whole amount of short term loan is loan from bill of exchange issue to private placement investor through a financial institution whose recommend the investor for the Company and its subsidiary. Such loan has financial cost equivalent interest rate at 8.5% per annum and no collateral for guarantee.

**16. LIABILITIES UNDER FINANCE LEASE CONTRACTS**

	In Thousand Baht	
	Consolidated Financial Statements and Separate Financial Statements	
	2014	2013
Liabilities under financial lease contracts	487	-
Less Deferred interest	(46)	-
Net	441	-
Less Current portion	(102)	-
Net	339	-

As at December 31, 2014 and 2013, the Company has liabilities under financial lease contracts with the details of payment as follows:

	In Thousand Baht					
	Consolidated Financial Statements and Separate Financial Statements					
	2014			2013		
Future minimum lease payment	Deferred interest	Present value of minimum lease payment	Future minimum lease payment	Deferred interest	Present value of minimum lease payment	
Due within 1 year	122	20	102	-	-	-
Due over 1 year not exceed 5 years	365	26	339	-	-	-
Total	487	46	441	-	-	-

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**17. EMPLOYEE BENEFIT OBLIGATIONS**

Employee benefit liabilities in the statements of financial position as at December 31, 2014 and 2013 are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Post-employment benefits				
Legal severance payment plan	1,093	1,711	879	877

Movement in the present value of the defined benefit obligations for the years ended December 31, 2014 and 2013 are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Defined benefit obligations as at January 1,	1,711	1,662	877	875
Project Benefits paid	(620)	-	-	-
Current service costs and interest	2	49	2	2
Actuarial gains in other comprehensive income	-	-	-	-
Defined benefit obligations as at December 31,	1,093	1,711	879	877

Expenses recognized in profit or loss for the year ended December 31, 2014 and 2013 are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Current service costs	1	35	1	1
Interest on obligation	1	14	1	1
Total	2	49	2	2

The above expenses recognized in the profit or loss for the year ended December 31, 2014 and 2013 are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Cost of services	1	1	1	1
Selling expenses	-	-	-	-
Administrative expenses	-	34	-	-
Total	1	35	1	1

Principal actuarial assumptions at the reporting date for the year ended December 31, 2014 and 2013 are as follows:

	Consolidated and Separate Financial Statements	Consolidated and Separate Financial Statements
	2014	2013
	(Percentage)	(Percentage)
Discount rate	3.78, 4.07	4.07
Salary increase rate	1.91	1.91
Employee turnover rate	0-39 (depend on age of employee)	0-39 (depend on age of employee)
Mortality rate	50.00 of TMO 2008 (Thai Mortality Ordinary Table 2008)	50.00 of TMO 2008 (Thai Mortality Ordinary Table 2008)

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**18. SHARE CAPITAL**

Authorized share capital and paid up share capital are movement as follows :

	Consolidated Financial Statements and Separate Financial Statements					
	2014			2013		
	Par Value (Baht)	Number of Share (Thousand shares)	Amount (Thousand Baht)	Par Value (Baht)	Number of Share (Thousand shares)	Amount (Thousand Baht)
<b>Authorized share capital</b>						
Ordinary shares at beginning of period	1.00	900,000	900,000	1.00	900,000	900,000
Add Increase ordinary Shares	1.00	180,000	180,000	1.00	-	-
Less Decrease ordinary Shares	1.00	-	-	1.00	-	-
Ordinary shares at end of period	1.00	<u>1,080,000</u>	<u>1,080,000</u>	1.00	<u>900,000</u>	<u>900,000</u>
<b>Issue and paid-up share capital</b>						
Ordinary shares at beginning of period	1.00	900,000	900,000	1.00	900,000	900,000
Add Increase ordinary Shares from exercise of the warrants	1.00	10,580	10,580	1.00	-	-
Ordinary shares at end of period	1.00	<u>910,580</u>	<u>910,580</u>	1.00	<u>900,000</u>	<u>900,000</u>

According the resolution of Annual General Meeting of Shareholders of the year 2014, dated April 29, 2014, The shareholders had a resolution to approved the increase of the Company's registered capital by Baht 180,000,000 from the existing Baht 900,000,000 to new capital registered Baht 1,080,000,000 by issuing 180,000,000 new ordinary shares at par value of Baht 1 per share, which will be reserve for the exercise of rights by holders of warrant No.1

As at December 31, 2014, the Company's issued and fully paid share capital has increased from Baht 900,000,000 (900,000,000 ordinary shares with a par value of Baht 1.0 each) to Baht 910,580,100 (910,580,100 ordinary shares with a par value of Baht 1.0 each) as a result of the exercise of the warrants (GENCO-W1) to ordinary shares amounting to Baht 10,058,010 (10,058,010 ordinary shares with a par value of Baht 1.0 each), resulting in an increase in total share premium to Baht 1,058,010 The Company registered the corresponding increases in its paid-up capital with the Ministry of Commerce on January 2015.

**19. WARRANTS**

Type of warrants	: Warrants # 1 appropriated for the former shareholders of the Company (Warrants # 1 or "GENCO-W1")
Number of warrants	: 179,999,606 units
Term of warrants	: 3 years commencing from the issued date
Issue Date	: May 19, 2014
Rights of warrants	: Exercise Ratio, 1 unit of warrant per 1 ordinary share at exercise price Baht 1.10 (Exercise ratio and Exercise price may be subsequently adjusted in accordance with the conditions on the right adjustment)
Exercise Price	: At Baht 1.10 per share (par value at Baht 1.00)
Outstanding unit as at December 31, 2014	: 169,419,506 units



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The Company issued and offered warrants as follows:

Type of warrants	Date of issue and offer of warrants	Exercise price (Baht per Share)	Exercise right (warrant per ordinary share)	Number of allotted shares (units)	Number of reserved shares (units)	Last exercise date of warrants
GENCO-W1	May 19, 2014	1.10	1 : 1	<u>10,580,100</u>	<u>169,419,560</u>	May 18, 2017

On December 2014, the warrants (GENCO - W1) have been exercised of 10,058,010 units convert to ordinary share of 10,058,010 shares with cash receipt from exercise of warrant in amount of Baht 10,058,010.

**20. EXPENSES BY NATURE**

The significant expenses classified by nature for the years ended December 31, 2014 and 2013 are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Costs of sales - real estate development cost	126,127	135,924	107,709	98,835
Employee benefit expenses	47,585	41,731	46,747	41,143
Management benefit expenses	17,368	16,880	16,338	14,711
Depreciation and amortization	27,593	24,383	27,210	23,901
Doubtful accounts (Reversal)	(146)	913	(146)	913
Transportation expenses	61,868	67,036	61,868	67,036
Chemical, supplies and lab analysis expenses	34,432	35,946	34,432	35,945
Rental Fee	18,860	11,279	18,860	11,279
Finance costs	7,744	21	4,789	311
Loss on impairment of investment in subsidiaries	-	-	(4,215)	-
Loss on impairment of investment in available-for-sale	5,539	20,000	5,539	20,000
Loss from sale of investment in available-for-sale	20,083	-	20,083	-
Other expenses	60,934	58,141	53,631	53,641
Total	<u>427,987</u>	<u>412,254</u>	<u>401,185</u>	<u>367,715</u>

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**21. INCOME TAX EXPENSES**

Income tax expenses for the year ended December 31, 2014 and 2013 are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Current income tax expenses:				
Income tax expenses for the years	(2,818)	(11,954)	(2,716)	(11,557)
Deferred tax:				
Relating to origination and reversal of temporary differences	(152)	(118)	(28)	183
Decrease in income tax rates	-	(389)	-	(221)
Income tax expenses reported in profit or loss	<u>(2,970)</u>	<u>(12,461)</u>	<u>(2,744)</u>	<u>(11,595)</u>

Reconciliation of effective tax rate for the year ended December 31, 2014 and 2013 as follows:

	In Thousand Baht			
	Consolidated Financial Statements			
	2014		2013	
Rate (%)	Amount	Rate (%)	Amount	
Accounting profit before income tax		<u>3,062</u>		<u>23,630</u>
Income tax by applicable tax rate	20	(612)	20	(4,726)
Deferred tax from change of temporary differences		(152)		(507)
Tax losses in current period not recognised as deferred tax assets		(911)		(111)
Loss carry forward		33		98
Effect of income exempt from tax and non-deductible expenses for tax purposes		(2,240)		(7,215)
Effect of elimination entry on the consolidated financial statements		913		-
Income tax expenses reported in profit or loss	<u>97</u>	<u>(2,970)</u>	<u>53</u>	<u>(12,461)</u>

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	In Thousand Baht			
	Separate Financial Statements			
	2014		2013	
	Rate (%)	Amount	Rate (%)	Amount
Accounting profit before income tax		2,946		21,982
Income tax by applicable tax rate	20	(589)	20	(4,397)
Deferred tax from change of temporary differences		(28)		(38)
Loss carry forward		-		-
Effect of income exempt from tax and non-deductible expenses for tax purposes		(2,127)		(7,160)
Income tax expenses reported in profit or loss	93	(2,744)	53	(11,595)

The components of deferred tax assets as at December 31, 2014 and 2013 are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	1,452	1,482	1,453	1,482
Employee benefits obligations	219	342	175	175
Others	649	649	-	-
Total	2,320	2,473	1,628	1,657

As at December 31, 2014 and 2013 the Company and its subsidiaries had temporary differences for future tax deductible which have not been recognized as deferred tax assets in the statement of financial position, the consolidated financial statement amount of Baht 110.42 million and Baht 156.17 million and the separate financial statement amount of Baht 108.12 million and Baht 153.87 million because it is not probable that it will be able to utilise the tax benefit in the foreseeable future.

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**22. EARNINGS (LOSS) PER SHARE**

Details of calculation of earnings per share for the years ended December 31, 2014 and 2013 are as follows :

	In Thousand Baht / In Thousand shares					
	Consolidated Financial Statements					
	Profit		Weighted average number of common shares		Earnings per share (Baht)	
2014	2013	2014	2013	2014	2013	
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the Company	92	11,168	900,195	900,000	<u>0.0001</u>	<u>0.0124</u>
<b>Effect of dilutive potential common shares</b>						
Warrants (GENCO-W1)	-	-	45,738	-		
<b>Diluted earnings (loss) per share</b>						
Profit of common shareholders assuming the conversion of dilutive potential common shares	<u>92</u>	<u>11,168</u>	<u>945,933</u>	<u>900,000</u>	<u>0.0001</u>	<u>0.0124</u>

	In Thousand Baht / In Thousand shares					
	Separate Financial Statements					
	Profit		Weighted average number of common shares		Earnings per share (Baht)	
2014	2013	2014	2013	2014	2013	
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the Company	202	10,387	900,195	900,000	<u>0.0002</u>	<u>0.0115</u>
<b>Effect of dilutive potential common shares</b>						
Warrants (GENCO-W1)	-	-	45,738	-		
<b>Diluted earnings (loss) per share</b>						
Profit of common shareholders assuming the conversion of dilutive potential common shares	<u>202</u>	<u>10,387</u>	<u>945,933</u>	<u>900,000</u>	<u>0.0002</u>	<u>0.0115</u>

**23. LEGAL RESERVE AND DIVIDENDS PAID**

Under the provisions of the Limited Public Company Act B.E 2535, the Company is required to appropriate at least 5% of its annual net income after deduction of the deficit brought forward (if any) as reserve fund until the reserve equal to 10% of authorized share capital. The reserve is not available for dividend distribution.

The Company appropriates for legal reserve at 5% of its net profit for the year 2014 amount Baht 10,110. As at December 31,2014, the Company has legal reserve of Baht 7,625,110.

The Company appropriates for legal reserve at 5% of its net profit for the year 2013 amount Baht 530,000. As at December 31,2013, the Company has legal reserve of Baht 7,615,000.

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**24. BUSINESS SEGMENT INFORMATION**

Segment information is presented in respect of the Company and its subsidiaries' business segments. Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker ("CODM") in order to make decisions about the allocation of resources to the segment and assess its performance.

Segment results and operating assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

***Business segments***

The Company and its subsidiaries comprise 2 main business segments as follows:

- Segment 1 : Treatment of industrial waste and unavoidable by - products of manufacturing processes  
Segment 2 : Real estate business

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit after tax, as included in the internal management reports that are reviewed by the Company's and its subsidiaries CODM. Segment profit after tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

***Geographic segments***

Management considers that the Company and its subsidiaries operate in a single geographic area, mainly in Thailand, and has, therefore, only one major geographic segment.

The segment financial information of the Company and its subsidiaries is as follows:

	In Thousand Baht					
	Consolidated Financial Statements					
	For the years December 31,					
	Treatment of industrial waste and unavoidable by - products		Real estate business		Total	
	2014	2013	2014	2013	2014	2013
Revenue from external customer	251,034	243,742	171,645	185,287	422,679	429,029
Inter-segment revenue	-	-	-	-	-	-
Total revenue	<u>251,034</u>	<u>243,742</u>	<u>171,645</u>	<u>185,287</u>	<u>422,679</u>	<u>429,029</u>
Interest income	828	937	243	1,310	1,071	2,247
Interest expense	4,788	311	2,955	244	7,743	555
Depreciation and amortisation	<u>27,387</u>	<u>24,263</u>	<u>215</u>	<u>120</u>	<u>27,593</u>	<u>24,383</u>
Profit before income tax	<u>33,453</u>	<u>27,469</u>	<u>9,938</u>	<u>28,528</u>	<u>43,391</u>	<u>55,997</u>
Asset of segment	192,890	208,479	874,635	643,330	1,067,525	815,809
Capital expenditure	12,421	11,700	-	-	12,421	11,700
Liabilities of segment	34,000	36,382	-	-	34,000	36,382

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Reconciliation of revenue, profit or loss, asset and liabilities

	In Thousand Baht	
	Consolidated Financial Statements	
	For the years ended December 31,	
	2014	2013
<b>Revenue</b>		
Total revenue from main business segments	422,679	429,029
Other income	8,121	7,403
	<u>430,800</u>	<u>436,432</u>
Less Inter-segment revenue	-	-
Interest income and other	248	(548)
Total revenue	<u>431,048</u>	<u>453,884</u>
<b>Profit or loss</b>		
Total profit from main business segments	43,391	55,997
Elimination	-	-
	<u>43,391</u>	<u>55,997</u>
Unallocated amount		
- Other income	6,834	5,067
- Loss from sale of investment in available-for-sale	(20,083)	-
- Loss on impairment of investment in available-for-sale	(5,539)	(20,000)
- Management benefit	(17,368)	(16,880)
- Other operation expense	(4,614)	(555)
Profit before income tax	<u>2,621</u>	<u>23,630</u>
Elimination	441	-
	<u>3,062</u>	<u>23,630</u>
<b>Asset</b>		
Total asset of segment main business segments	1,067,525	851,809
Elimination	(3,115)	(3,810)
	<u>1,064,410</u>	<u>847,999</u>
Unallocated amount	400,163	315,954
Total assets	<u>1,464,573</u>	<u>1,163,953</u>
<b>Liabilities</b>		
Total liabilities of segment main business segments	34,000	36,382
Elimination	(107)	(294)
	<u>33,893</u>	<u>36,088</u>
Unallocated amount	295,462	39,781
Total liabilities	<u>329,355</u>	<u>75,869</u>

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**25. AGREEMENTS**

As at December 31, 2014 and 2013, the Company and its subsidiaries entered into the following agreements:

1) Rental and exclusive right agreement with the Department of Industrial Works whereby the Company is granted the right to operate in the Industrial Waste Facility at Samae Dam including the Research and Development Center for Environmental Conservation (Ratchaburi) for a period of 10 years. Under the terms of the agreement, the Company agreed to pay annual rental fee from year 1st to year 5th amounting to approximately Baht 1.1 million per year, year 6th to year 10th amounting to approximately Baht 1.4 million per year and royalty fee at a certain percentage of waste served. The agreement is effective from October 1, 2006 to September 30, 2016.

Future minimum payments under the above rental agreement are as follows:

	In Million Baht	
	2014	2013
Not later than 1 year	1.4	1.4
Later than 1 year but not later than 5 year	1.4	2.4

Furthermore, as described in the agreement, the lesser has to invest not less than Baht 36 million for maintenance and developing its operational center which is leased according to a maintenance and developing plan of lessee or such plan of lesser which has an approval from lessee. The Company must transfer the rights on factory building improvement and machinery to the Department of Industrial Works, when the operating right expires.

2) Three land lease agreements with The Industrial Estate Authority of Thailand (which is one of the Company's shareholders) for a period of 30 years up to May 2026, August 2026 and March 2031. The Company is committed to pay fees at the rate specified in the agreements.

Future minimum payments under the above operating lease agreements are as follows:

	In Million Baht	
	2014	2013
Not later than 1 year	5.3	5.3
Later than 1 year but not later than 5 year	22.4	22.1
Later than 5 years	47.3	51.6

3) Land lease agreements with third party for a period of 16 years. The Company agreed to pay annual rental fee from year 1st to year 4th amounting to approximately Baht 0.2 million per year, year 5th to year 8th amounting to approximately Baht 0.2 million per year, year 9th to year 12th amounting to approximately Baht 0.3 million per year and year 13th to year 16th amounting to approximately Baht 0.3 million per year. The agreement is effective from September 5, 2012 to September 5, 2028. The Company is committed to pay fees at the rate specified in the agreements.

Future minimum payments under the above operating lease agreements are as follows:

	In Million Baht	
	2014	2013
Not later than 1 year	0.2	0.2
Later than 1 year but not later than 5 year	1.4	1.0
Later than 5 years	2.7	3.1

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**26. DISCLOSURES OF FINANCIAL INSTRUMENTS**

The Company and its subsidiaries do not engage in any off-statements of financial position transactions concerning the speculation or trading of derivatives.

1) Interest Rate Risk

As at December 31, 2014 and 2013, the Company and its subsidiaries have financial assets and financial liabilities exposed to interest rate risk as follows:

	Consolidated Financial Statements											
	In Thousand Baht											
	Floating Interest Rate		Fixed Interest Rate and Maturity in:						Average Interest Rate (%)			
			1 Year or less		Over 1 to 5 Years		More than 5 Years		Floating		Fixed	
2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	
Cash in banks	150,755	150,755	764	764	-	-	-	-	1.93	2.35	-	-
Short - term loans	-	-	237,000	-	-	-	-	-	-	-	8.5	-
	Separate Financial Statements											
	In Thousand Baht											
	Floating Interest Rate		Fixed Interest Rate and Maturity in:						Average Interest Rate (%)			
			1 Year or less		Over 1 to 5 Years		More than 5 Years		Floating		Fixed	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Cash in banks	91,388	91,388	764	764	-	-	-	-	1.93	2.35	-	-
Short - term loans	-	-	140,000	-	-	-	-	-	-	-	8.5	-



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2) Credit Risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to meet a financial commitment entered into with the Company and its subsidiaries as and when the commitment falls due. This risk is controlled by the application of credit approvals, limits and monitoring procedures. The maximum credit risk exposure is the book value of receivables after deduction of allowance for doubtful accounts as presented in the statement of financial position.

3) Liquidity Risk

The Company and its subsidiaries monitor their liquidity risk and maintain a level of cash and cash equivalents deemed adequate by management to finance the Company's and its subsidiaries operations and to mitigate the risk of fluctuations in cash flows.

4) Fair Value

Financial instruments include cash and cash equivalents, trade and other receivables, long - term investments - available - for - sales, loan to related parties, trade and other payables, short-term loans and liabilities under financial lease agreement.

The fair values of cash and cash equivalents, trade and other receivables, trade and other payables approximate carrying value due to the relatively short-term maturity.

The fair values of long-term investment-available-for-sale are estimated based on their quoted market prices.

The fair value of loan short-term loans and liabilities under finance lease obligations approximates carrying value as the interest rate of this loan approximates the current market interest rate.

**27. CAPITAL MANAGEMENT**

The primary objective of the Company's and its subsidiaries capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

As at December 31, 2014 and 2013, the Company and its subsidiaries' debt-to-equity ratio was 0.29:1 and 0.07:1, respectively and the Company's debt-to-equity ratio was 0.19:1 and 0.07:1, respectively.

**28. COMMITMENTS AND CONTINGENT LIABILITIES**

As at December 31, 2014 and 2013, the Company and its subsidiaries had

- 1) Contingent liabilities to a local bank for letters of guarantee to guarantee rental agreements and treatment service agreements amounting to Baht 21.2 million and Baht 21.1 million, respectively.
- 2) Contingent liability to a local bank for letter of guarantee to guarantee for performance under utility construction, which has secured by company's fixed deposit account amounting to Baht 0.8 million.
- 3) Capital expenditure commitments amounting to Baht 60.3 million and Baht 15.6 million, respectively. (Separate financial statements: Baht 37.2 million and Baht 3.1 million, respectively).

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**29. RECLASSIFICATION OF ACCOUNTS**

Certain accounts in the statement of comprehensive income for the year ended December 31, 2013 have been reclassified to conform to the presentation in the 2014 financial statements as follows:

	In Thousand Baht					
	Consolidated Financial Statements			Separate Financial Statements		
	December 31, 2013			December 31, 2013		
	As previously reported	Reclassified	As currently reported	As previously reported	Reclassified	As currently reported
<b>The Statement of comprehensive income</b>						
Cost of sales-real estate development business	155,573	(6,171)	161,744	155,573	(6,171)	161,744
Selling expenses	68,081	6,171	61,910	65,199	6,171	59,028

**30. EVENTS AFTER THE REPORTING PERIOD**

According the resolution of Board of Directors' Meeting No. 1/2015, dated January 21, 2015, which could be summarized a significant resolution as follows:

1. Approved to propose to the shareholders' meeting of the Company to considers and approve the increase of the Company's registered capital in the amount of Baht 1,150,000,00 from the existing registered capital of Baht 1,080,000,000 to Baht 2,230,000,000 by issuing new ordinary shares in the amount of 1,150,000,000 shares at par value of Baht 1 per share.
2. Approved to propose to the shareholders' meeting of the Company to consider and approve the allocation of 1,150,000,000 newly issued ordinary shares of the Company at par value of Baht 1 per share by way of private placement at the offering price of Baht 2 per share, totaling Baht 2,300,000,000.
3. Approve to increase registered share and paid-up capital of Asia Pattana Land Company Limited, a subsidiary company, in the amount of Baht 200,000,000 from the existing registered share and paid-up capital of Baht 230,000,000 to Baht 430,000,000 which the company has paid the increasing share capital and registered with the Department of Business Development, Ministry of Commerce on January 2015.