

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

Financial Statements

For the Year Ended December 31, 2018

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

## **OPINION**

I have audited the accompanying consolidated financial statements of General Environmental Conservation Public Company Limited and its subsidiaries ("The Group"), which comprise the consolidated statement of financial position as at December 31, 2018, the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. I have also audited the separate financial statements of General Environmental Conservation Public Company Limited, which comprise the statement of financial position as at December 31, 2018, the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of General Environmental Conservation Public Company Limited and its subsidiaries as at December 31, 2018, and their consolidated financial performance and their cash flows for the year then ended and the financial position of General Environmental Conservation Public Company Limited as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

## **BASIS FOR OPINION**

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## **KEY AUDIT MATTERS**

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

**Key Audit Matters****How my audit addressed the key audit matters**

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***Revenue recognition from services and sales of real estate***

The Group operates the treatment of industrial waste and unavoidable by-products of manufacturing processes and real estate business. Revenues from services and revenue from sale of real estate are the most significant amount in the financial statements. Therefore, there are risks with respect to the correctness in amount and occurrence of revenue from service and revenue from sale of real estate comply with accounting policy of revenue recognition described in note 4 to the financial statements.

My audit procedures included, among others,

- Assessing the Group's accounting policies relating to recognition of revenue from service and revenue from sale of real estate and testing appropriateness and effective of the Group's IT general control system and its internal controls with respect to the cycle of revenue from service and revenue from sale of real estate.
  - On a sampling basis, examining supporting documents for actual sales transactions occurred during the year and near the end of the accounting period to assure the occurrence and correctness complies with the conditions identified and accounting policies of revenue recognition of service and sale of real estate.
  - Reviewing the appropriateness of credit notes of service business which the Group issued after the end of year.
  - Performing cut-off near and after the end of year.
  - Performing analytical review procedures on disaggregated data of revenue from service and revenue from sale of real estate to detect possible irregularities in sales transactions of revenue from service and revenue from sale of real estate throughout the period, and examine particularly for accounting entries made through journal vouchers.
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**Key Audit Matters****How my audit addressed the key audit matters**

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***Net realizable value of real estate development costs and land and structure held for development***

Estimating the net realizable value of real estate development costs and land and structure held for development, as described in Notes 8 and 13 to the financial statements, is an area of significant management judgment, particularly with regard to the estimation of allowance for decline in the value of real estate development costs and land and structures held for development with impairment indicators. This requires detailed analysis of the project nature, the competitive environment, economic circumstances and the situation within real estate business. Therefore, there is a risk with respect to the amount of allowance for decline in value of real estate development costs and land and structure held for development, which both are significant amounts in the statement of financial position.

My audit procedures included, among others, assessing and testing the internal controls of the Group relevant to the determination of allowance for decline in value of real estate development costs and land and structures held for development by making enquiry of responsible executives, obtaining an understanding of the controls and selecting representative samples to test the operation of the Group's designed controls. In addition, I also assessed the method and the assumptions applied by management in determining such allowances by the followings:

- Obtaining an understanding of the basis applied in determining the allowance for decline in value of real estate development costs and land and structures held for development, and reviewing the consistency of the application of that basis, and the rationale for the recording of allowance for diminution in the value of real estate development costs and land and structures held for development.
- Comparing the holding periods of the real estate development projects and their movements with indicators of lower than normal inventory turnover including the consideration of related internal and external information to assess whether real estate development projects and land and structures held for development have any impairment indicators.
- Comparing details of sales transactions occurring after the date of the financial statements with the cost of real estate development costs and land and structures held for development for each project.
- Obtaining an understanding and assessing the method and the assumptions of the estimation of the net realizable value of real estate development costs and land and structures held for development prepared by the Group's management or appraisal reports of independent appraisers.

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**OTHER MATTER**

The consolidated financial statements of General Environmental Conservation Public Company Limited and its subsidiaries and the separate financial statements of General Environmental Conservation Public Company Limited for the year ended December 31, 2017 were audited by another auditor of my firm whose report dated February 23, 2018, expressed an unqualified opinion on those statements.

## **OTHER INFORMATION**

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

## **RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS**

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

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

(Miss Piyanuch Kasemsupakorn)  
Independent Auditor  
Registration No. 6303

BPR AUDIT AND ADVISORY CO., LTD.  
Bangkok  
February 27, 2019

GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

ASSETS

	Notes	In Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		2018	2017	2018	2017
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	6	291,685,846	24,299,585	235,095,026	19,428,996
Trade and other receivables	5,7	56,208,337	73,268,877	54,667,722	72,133,990
Real estate development costs	8	460,833,608	491,400,857	203,885,520	218,245,907
Inventories		849,098	536,456	849,098	536,456
Other current assets		990,680	512,513	-	-
<b>Total current assets</b>		<b>810,567,569</b>	<b>590,018,288</b>	<b>494,497,366</b>	<b>310,345,349</b>
<b>NON - CURRENT ASSETS</b>					
Deposits at financial institution pledged as collaterals	9	755,733	755,733	755,733	755,733
Long-term loans and interest receivables to related parties	5	-	-	-	167,263,640
Other long-term investments - available - for - sales	10	3,272,861	7,331,894	3,272,861	7,331,894
Investments in subsidiaries	11	-	-	578,107,291	578,107,291
Investments in associate	12	17,906,250	564,245	17,999,970	599,970
Land and structures held for development	13	363,772,458	619,797,281	200,285,424	269,195,424
Investment property	14	75,875,487	87,279,833	1,198,997	12,891,543
Property, plant and equipment	15	308,639,675	282,215,001	305,146,660	278,899,894
Intangible assets	16	4,942,560	4,915,537	4,942,560	4,915,537
Deferred tax assets	27	5,053,863	6,087,257	4,721,046	4,482,839
Other non - current assets					
Costs of landfills	17	29,068,695	20,082,461	29,068,695	20,082,461
Withholding income tax		23,830,713	17,215,164	22,955,358	16,669,799
Others	5	7,279,718	3,700,524	7,045,458	3,167,054
<b>Total non - current assets</b>		<b>840,398,013</b>	<b>1,049,944,930</b>	<b>1,175,500,053</b>	<b>1,364,363,079</b>
<b>TOTAL ASSETS</b>		<b>1,650,965,582</b>	<b>1,639,963,218</b>	<b>1,669,997,419</b>	<b>1,674,708,428</b>

GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

LIABILITIES AND SHAREHOLDERS' EQUITY

	Notes	In Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		2018	2017	2018	2017
<b>CURRENT LIABILITIES</b>					
Short - term loans	18	-	50,000,000	-	50,000,000
Trade and other payables	5,19	57,742,169	75,745,661	54,022,973	62,046,945
Advance received from sale of land and structures held for future development	13	-	21,984,000	-	21,984,000
Current portion of long-term loans from financial institution	20	23,562,622	17,527,810	23,562,622	17,527,810
Current portion of liabilities under finance lease contracts	21	236,874	338,233	236,874	338,233
Income tax payable		18,467,766	-	18,305,639	-
<b>Total current liabilities</b>		<b>100,009,431</b>	<b>165,595,704</b>	<b>96,128,108</b>	<b>151,896,988</b>
<b>NON - CURRENT LIABILITIES</b>					
Long - term loans from financial institution - net of current portion	20	67,791,319	97,043,146	67,791,319	97,043,146
Liabilities under finance lease contracts - net of current portion	21	277,413	513,996	277,413	513,996
Employee benefit obligations	22	7,403,082	4,536,145	7,207,992	4,438,341
Provision costs of landfill	17	34,000,000	34,000,000	34,000,000	34,000,000
<b>Total non - current liabilities</b>		<b>109,471,814</b>	<b>136,093,287</b>	<b>109,276,724</b>	<b>135,995,483</b>
<b>TOTAL LIABILITIES</b>		<b>209,481,245</b>	<b>301,688,991</b>	<b>205,404,832</b>	<b>287,892,471</b>
<b>SHAREHOLDERS' EQUITY</b>					
Share capital - common shares, Baht 1 par value					
Authorized share capital - 1,122,297,625 common share, Baht 1 par value in 2018 and 1,428,000,000 common shares, Baht 1 par value in 2017	23	1,122,297,625	1,428,000,000	1,122,297,625	1,428,000,000
Issued and fully paid-up share capital - 1,122,297,625 shares, Baht 1 par value	23	1,122,297,625	1,122,297,625	1,122,297,625	1,122,297,625
Premium on share capital	24	208,730,146	208,730,146	208,730,146	208,730,146
Retained earnings					
- Appropriated for legal reserve	24	13,405,411	8,708,624	13,405,411	8,708,624
- Unappropriated		101,617,749	195,393	124,726,339	48,737,463
Other component of shareholders' equity		(4,566,934)	(1,657,901)	(4,566,934)	(1,657,901)
<b>Total equity holders of the parent company</b>		<b>1,441,483,997</b>	<b>1,338,273,887</b>	<b>1,464,592,587</b>	<b>1,386,815,957</b>
Non - controlling interest		340	340	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>1,441,484,337</b>	<b>1,338,274,227</b>	<b>1,464,592,587</b>	<b>1,386,815,957</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>1,650,965,582</b>	<b>1,639,963,218</b>	<b>1,669,997,419</b>	<b>1,674,708,428</b>



**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	Notes	In Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		2018	2017	2018	2017
<b>REVENUES</b>					
Revenues from services - service business	30	266,720,980	269,179,693	266,720,980	269,179,693
Revenues from sales - real estate development business		36,031,799	73,231,629	19,024,300	41,797,450
Gain on sales of Land and structures held for future development	13	167,788,651	-	130,764,036	-
Gain on sales of Investment Property		4,191,112	-	4,191,112	-
Other income	26	18,113,563	14,160,556	12,532,253	12,446,310
<b>Total Revenues</b>		<b>492,846,105</b>	<b>356,571,878</b>	<b>433,232,681</b>	<b>323,423,453</b>
<b>EXPENSES</b>					
Costs of services - service business	27	195,407,448	181,371,007	195,407,448	181,371,007
Costs of sales - real estate development business		22,817,431	45,051,382	12,768,699	24,507,057
Selling expenses		9,571,002	15,321,033	8,352,880	12,647,793
Administrative expenses		97,674,933	99,115,027	82,817,930	79,410,475
Loss from declining in value of real estate development cost	8	5,720,838	-	1,140,768	-
Loss on impairment of investment in available - for - sale securities	10	1,150,000	-	1,150,000	-
Loss on impairment of Land and structures held for future development	13	1,030,288	-	-	-
Finance costs		8,705,085	7,143,602	8,607,073	5,412,978
<b>Total Expenses</b>		<b>342,077,025</b>	<b>348,002,051</b>	<b>310,244,798</b>	<b>303,349,310</b>
<b>Profit before share of loss from investments in associate and income tax expenses</b>		<b>150,769,080</b>	<b>8,569,827</b>	<b>122,987,883</b>	<b>20,074,143</b>
Share of loss from investments in associate	12	(57,995)	(35,725)	-	-
<b>PROFIT BEFORE INCOME TAX</b>		<b>150,711,085</b>	<b>8,534,102</b>	<b>122,987,883</b>	<b>20,074,143</b>
Income tax expenses	28	(31,281,987)	(4,155,540)	(29,052,153)	(4,118,716)
<b>PROFIT FOR THE YEAR</b>		<b>119,429,098</b>	<b>4,378,562</b>	<b>93,935,730</b>	<b>15,955,427</b>
<b>Other comprehensive income (loss) - net of income tax</b>					
<b>Items that may be reclassified to profit or loss in subsequent years</b>					
- Unrealized gain (loss) on revaluation of available-for-sale securities	10	(4,059,033)	(1,119,901)	(4,059,033)	(1,119,901)
- Adjust change in fair value of available - for - sale securities to loss on impairment	10	1,150,000	-	1,150,000.0	-
<b>Total items that may be reclassified to profit or loss in subsequent years</b>		<b>(2,909,033)</b>	<b>(1,119,901)</b>	<b>(2,909,033)</b>	<b>(1,119,901)</b>
<b>Items that will not be reclassified to profit or loss in subsequent years</b>					
- Actuarial gain (loss) from employee benefit plan	21	(2,611,440)	(1,215,002)	(2,536,579)	(1,211,617)
- Income tax relating to employee benefit plan	28	522,288	243,000	507,315	242,323
<b>Total items that will not be reclassified to profit or loss in subsequent years</b>		<b>(2,089,152)</b>	<b>(972,002)</b>	<b>(2,029,264)</b>	<b>(969,294)</b>
<b>Other comprehensive income (loss) for the year - net of income tax</b>		<b>(4,998,185)</b>	<b>(2,091,903)</b>	<b>(4,938,297)</b>	<b>(2,089,195)</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR</b>		<b>114,430,913</b>	<b>2,286,659</b>	<b>88,997,433</b>	<b>13,866,232</b>
<b>Profit (Loss) for the year attributable to :</b>					
Equity holders of the parent company		119,429,098	4,378,562	93,935,730	15,955,427
Non - controlling interest		-	-	-	-
		<b>119,429,098</b>	<b>4,378,562</b>	<b>93,935,730</b>	<b>15,955,427</b>
<b>Total comprehensive income (loss) for the year attributable to :</b>					
Equity holders of the parent company		114,430,913	2,286,659	88,997,433	13,866,232
Non - controlling interest		-	-	-	-
		<b>114,430,913</b>	<b>2,286,659</b>	<b>88,997,433</b>	<b>13,866,232</b>
<b>Basic earnings per share</b>	29	<b>0.106</b>	<b>0.004</b>	<b>0.084</b>	<b>0.015</b>

GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2018

		In Baht								
		Consolidated Financial Statements								
				Retained earnings		Other component of shareholders' equity	Other comprehensive income (loss)	Total equity holder of the company	Non - controlling interests	Total shareholders' equity
Notes	Issued and fully paid - up share capital	Premium on share capital	Appropriated for legal reserve	Unappropriated	Unrealized gain (loss) from available - for - sale investments					
	<b>Balance as at January 1, 2017</b>	1,041,095,591	208,730,146	7,910,853	(2,413,396)	(538,000)		1,254,785,194	340	1,254,785,534
	<b>Transaction with shareholding which record direct to shareholders' equity</b>									
	Increase shares capital	23 81,202,034	-	-	-	-		81,202,034	-	81,202,034
	Appropriated for legal reserve	24 -	-	797,771	(797,771)	-		-	-	-
	<b>Total Transaction with shareholding which record direct to shareholders' equity</b>	81,202,034	-	797,771	(797,771)	-		81,202,034	-	81,202,034
	<b>Comprehensive income (loss) for the year</b>									
	Profit for the year	-	-	-	4,378,562	-		4,378,562	-	4,378,562
	Other comprehensive income (loss)	-	-	-	(972,002)	(1,119,901)		(2,091,903)	-	(2,091,903)
	<b>Total comprehensive income (loss) for the year</b>	-	-	-	3,406,560	(1,119,901)		2,286,659	-	2,286,659
	<b>Balance as at December 31, 2017</b>	1,122,297,625	208,730,146	8,708,624	195,393	(1,657,901)		1,338,273,887	340	1,338,274,227
	<b>Balance as at January 1, 2018</b>	1,122,297,625	208,730,146	8,708,624	195,393	(1,657,901)		1,338,273,887	340	1,338,274,227
	<b>Transaction with shareholding which record direct to shareholders' equity</b>									
	Dividends paid	23 -	-	-	(11,220,803)	-		(11,220,803)	-	(11,220,803)
	Appropriated for legal reserve	24 -	-	4,696,787	(4,696,787)	-		-	-	-
	<b>Total Transaction with shareholding which record direct to shareholders' equity</b>	-	-	4,696,787	(15,917,590)	-		(11,220,803)	-	(11,220,803)
	<b>Comprehensive income (loss) for the year</b>									
	Profit for the year	-	-	-	119,429,098	-		119,429,098	-	119,429,098
	Other comprehensive income (loss)	-	-	-	(2,089,152)	(2,909,033)		(4,998,185)	-	(4,998,185)
	<b>Total comprehensive income (loss) for the year</b>	-	-	-	117,339,946	(2,909,033)		114,430,913	-	114,430,913
	<b>Balance as at December 31, 2018</b>	1,122,297,625	208,730,146	13,405,411	101,617,749	(4,566,934)		1,441,483,997	340	1,441,484,337

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

GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2018

In Baht							
Separate Financial Statements							
	Notes	Issued and fully paid - up share capital	Premium on share capital	Retained earnings		Unrealized gain (loss) from available - for - sale investments	Total shareholders' equity
				Appropriated for legal reserve	Unappropriated		
						Other component of shareholders' equity Other comprehensive income (loss)	
<b>Balance as at January 1, 2017</b>		1,041,095,591	208,730,146	7,910,853	34,549,101	(538,000)	1,291,747,691
<b>Transaction with shareholding which record direct to shareholders' equity</b>							
Increase shares capital	23	81,202,034	-	-	-	-	81,202,034
Appropriated for legal reserve	24	-	-	797,771	(797,771)	-	-
<b>Total transaction with shareholding which record direct to shareholders' equity</b>		<u>81,202,034</u>	<u>-</u>	<u>797,771</u>	<u>(797,771)</u>	<u>-</u>	<u>81,202,034</u>
<b>Comprehensive income (loss) for the year</b>							
Profit for the year		-	-	-	15,955,427	-	15,955,427
Other comprehensive income (loss)		-	-	-	(969,294)	(1,119,901)	(2,089,195)
<b>Total comprehensive income (loss) for the year</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>14,986,133</u>	<u>(1,119,901)</u>	<u>13,866,232</u>
<b>Balance as at December 31, 2017</b>		<u>1,122,297,625</u>	<u>208,730,146</u>	<u>8,708,624</u>	<u>48,737,463</u>	<u>(1,657,901)</u>	<u>1,386,815,957</u>
<b>Balance as at January 1, 2018</b>		1,122,297,625	208,730,146	8,708,624	48,737,463	(1,657,901)	1,386,815,957
<b>Transaction with shareholding which record direct to shareholders' equity</b>							
Dividends paid	23	-	-	-	(11,220,803)	-	(11,220,803)
Appropriated for legal reserve	24	-	-	4,696,787	(4,696,787)	-	-
<b>Total transaction with shareholding which record direct to shareholders' equity</b>		<u>-</u>	<u>-</u>	<u>4,696,787</u>	<u>(15,917,590)</u>	<u>-</u>	<u>(11,220,803)</u>
<b>Comprehensive income (loss) for the year</b>							
Profit for the year		-	-	-	93,935,730	-	93,935,730
Other comprehensive income (loss)		-	-	-	(2,029,264)	(2,909,033)	(4,938,297)
<b>Total comprehensive income (loss) for the year</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>91,906,466</u>	<u>(2,909,033)</u>	<u>88,997,433</u>
<b>Balance as at December 31, 2018</b>		<u>1,122,297,625</u>	<u>208,730,146</u>	<u>13,405,411</u>	<u>124,726,339</u>	<u>(4,566,934)</u>	<u>1,464,592,587</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 YEAR ENDED DECEMBER 31, 2018

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before income tax	150,711,085	8,534,102	122,987,883	20,074,143
<b>Adjustments for</b>				
Depreciation and amortization	28,291,818	23,961,163	23,563,485	19,070,863
Bad debt and doubtful accounts (Reversal)	(197,198)	252,839	(197,198)	252,839
Loss from declining in value of real estate development costs	5,720,838	-	1,140,768	-
Reversal of provision for decline in value of real estate development costs	(647,955)	(8,411,964)	(647,955)	(8,078,731)
Loss on impairment of investment in available - for - sale securities	1,150,000	-	1,150,000	-
Loss on impairment of Land and structures held for future development	1,030,288	-	-	-
Gain on sales of Investment Property	(4,191,112)	-	(4,191,112)	-
Gain on sales of Land and structures held for future development	(167,788,651)	-	(130,764,036)	-
Gain on sales of fixed assets	(1,365,755)	-	(1,044,757)	-
Loss on written-off fixed assets	775,511	5	766,628	5
Share of loss from investment in associate	57,995	35,725	-	-
Provision for maintenance of assets	501,027	625,000	501,027	625,000
Loss on written - off deposits for purchase of land	-	5,361,390	-	-
Loss on written - off withholding tax	829	15,571	-	-
Employee benefit obligations	501,417	260,386	481,662	252,010
Dividend income	(53,702)	(116,354)	(53,702)	(116,354)
Interest income	(525,842)	(216,562)	(5,244,958)	(8,183,472)
Finance cost	8,705,085	7,143,602	8,607,073	5,412,978
Profit from operating activities before change in operating assets and liabilities	22,675,678	37,444,903	17,054,808	29,309,281
<b>Decrease (Increase) in operating assets</b>				
Trade and other receivables	15,177,376	13,914,336	14,101,824	3,832,647
Real estate development costs	20,488,999	48,164,708	12,641,575	32,528,287
Inventories	(312,642)	263,398	(312,642)	263,398
Other current assets	(478,168)	(307,026)	(4,431)	(48,552)
Other non - current assets	(8,691,456)	(20,017,188)	(8,986,235)	(20,082,461)
<b>Increase (Decrease) in operating liabilities</b>				
Trade and other payables	(22,452,443)	(7,503,249)	(12,472,923)	(2,865,698)
Cash paid for employee benefit obligations	(376,919)	-	(376,920)	-
<b>Cash generated from operations</b>	26,030,425	71,959,882	21,645,056	42,936,902
Interest paid	(8,448,615)	(6,766,026)	(8,353,273)	(4,056,138)
Income tax paid	(13,050,987)	(8,915,060)	(10,477,405)	(8,584,088)
<b>Net Cash Provided by Operating Activities</b>	4,530,823	56,278,796	2,814,378	30,296,676

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	506,190	218,194	20,508,598	174,869
Dividend received	53,702	116,354	53,702	116,354
Decrease in deposit at financial institution pledged as collateral	-	1,200,000	-	1,200,000
Decrease (increase) in loan to related parties	-	-	152,000,000	(27,000,000)
Cash paid for investments in associate	(17,400,000)	(599,970)	(17,400,000)	(599,970)
Decrease (increase) in advance received from sale of land and structures held for development	(21,984,000)	21,984,000	(21,984,000)	21,984,000
Cash received from sales of Investment Property	17,000,000	-	17,000,000	-
Cash received from sales of Land and structures held for future development	422,783,186	-	199,674,036	-
Proceeds from sales of equipment	1,383,000	-	1,062,000	-
Cash paid for acquisitions of property, plant, and equipment	(54,415,662)	(82,800,139)	(52,991,706)	(82,131,049)
Cash paid for acquisitions of intangible assets	(243,700)	(900,000)	(243,700)	(900,000)
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>347,682,716</b>	<b>(60,781,561)</b>	<b>297,678,930</b>	<b>(87,155,796)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of short-term loans	(50,000,000)	(160,000,000)	(50,000,000)	(80,000,000)
Increase in long-term loans from financial institutions	14,336,000	53,164,000	14,336,000	53,164,000
Repayment of long-term loans from financial institutions	(37,553,015)	(5,593,044)	(37,553,015)	(5,593,044)
Repayment of liabilities under finance leases contracts	(389,460)	(634,760)	(389,460)	(634,760)
Proceeds from increase in share capital	-	81,202,034	-	81,202,034
Dividends paid	(11,220,803)	-	(11,220,803)	-
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>(84,827,278)</b>	<b>(31,861,770)</b>	<b>(84,827,278)</b>	<b>48,138,230</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>267,386,261</b>	<b>(36,364,535)</b>	<b>215,666,030</b>	<b>(8,720,890)</b>
Cash and Cash Equivalents at Beginning of Year	24,299,585	60,664,120	19,428,996	28,149,886
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>291,685,846</b>	<b>24,299,585</b>	<b>235,095,026</b>	<b>19,428,996</b>
<b>Supplemental Disclosure of Cash Flow Information</b>				
Non - cash transactions				
1) Purchases vehicle under finance lease contract	-	1,187,759	-	1,187,759
2) Transfer investment property from real estate development costs	5,005,368	-	1,225,999	-

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to Financial Statements**  
**For the year ended December 31, 2018**

These notes form are an integral part of the financial statements.

The financial statements were authorized for issue by the Board of Directors on February 27, 2019.

**1. GENERAL INFORMATION**

General Environmental Conservation Public Company Limited (“the Company”) was incorporated in Thailand on August 8, 1997. The Company’s offices located at the following addresses:

Head office	: 447 Bondstreet Rd., Bangpood, Parkkred, Nonthaburi 11120
Industrial Waste Facility at Samaedam Center	: 68/39 Moo 3 Samaedam Rd., Bangkhuntien, Bangkok 10150
Industrial Waste Facility at Map Ta Phut Center	: 5 Muangmai Map Ta Phut Line 6 Rd., Hauypong, Muang Rayong, Rayong 21150

The Company and its subsidiaries (“the Group”) operate in Thailand and principally activity is the treatment of industrial waste and unavoidable by - products of manufacturing processes and real estate business.

Details of the Company’s subsidiaries which were included in the consolidated financial statements for the years ended December 31, 2018 and 2017 are as follows:

Name of Companies	Type of business	In Thousand Baht		Percentages of direct and indirect holdings (%)	
		Paid-up share capital		2018	2017
		2018	2017		
Asia Patana Land Co., Ltd.	Buy, sale, and land development	430,000	430,000	100	100
Industrial Waste Management (Asia) Co., Ltd.	Industrial waste treatment	200,000	200,000	100	100
Genco Renewable Co., Ltd.	Renewable energy power plants	14,000	14,000	100	100
Genco Clean Energy Co., Ltd.	Renewable energy power plants	14,000	14,000	100	100

**2. BASIS OF FINANCIAL STATEMENT PREPARATION**

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”); guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission and the Notification of the Department of Business Development dated October 11, 2016.

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

The financial statements are presented in Thai Baht which is the Group’s functional currency unless otherwise stated. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand Baht or million Baht unless otherwise stated.

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to financial statements (Continued)**  
**For the year ended December 31, 2018**

**3. New financial reporting standards**

**(a) Financial reporting standards that became effective in the current year**

During the year, the Group has adopted the revised (revised 2017) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

**(b) Financial reporting standards that will become effective for fiscal years beginning on or after January 1, 2019**

During the current year, the Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) including new accounting treatment guidance, which are effective for fiscal years beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group believe that the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard involves changes to key principles, as summarised below.

**TFRS 15 Revenue from Contracts with Customers**

TFRS 15 supersedes the following accounting standards together with related Interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Group believe that this standard will not have any significant impact on the financial statements when it is initially applied.

**(c) Financial reporting standards related to financial instruments that will become effective for fiscal years beginning on or after January 1, 2020**

During the current year, the Federation of Accounting Professions issued the set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows;

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to financial statements (Continued)**  
**For the year ended December 31, 2018**

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

#### **4. Summary of significant accounting policies**

##### ***Basis of consolidation***

The consolidated financial statements relate to the Company and its subsidiaries.

##### ***Business combinations***

The Company applies the acquisition method for all business combinations when control is transferred to the Group other than those with entities under common control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group and the Company take into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

The Company uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Company recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.



**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to financial statements (Continued)**  
**For the year ended December 31, 2018**

The excess of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Company's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the profit or loss.

*Subsidiary*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Losses applicable to non-controlling interests in a subsidiary are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

*Loss of control*

Upon the loss of control, the Company derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the statement of comprehensive income. If the Company retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted or as an investment available-for-sale investment depending on the level of influence retained.

*Transactions eliminated on consolidation*

Intra-group balances and transactions, and any revenue and expense, are eliminated in full in preparing the consolidated financial statements.

***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 cost is stated at the lower of cost or net realisable value. Cost of property development is netted of cost of sales. Project costs consisting of acquisition cost of land, development expenses, design fees and construction costs, utilities and direct expenses of the project including interest expense of borrowing for the acquisition of project development before the project is completed.

The details of cost calculation

- |              |   |
|--------------|---|
| Land         | - Cost of land and development using the average method, calculating based on salable area for each project.  |
| Construction | - Construction cost consists of the cost of construction, public utility costs, calculating based on salable area. The costs of construction of condominiums and borrowing cost capitalised to the project are allocated based on the actual cost incurred. |

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to financial statements (Continued)**  
**For the year ended December 31, 2018**

Net realisable value represents the estimated normal selling price less estimated costs to sell. Direct selling expenses such as specific business tax and transfer fee are recognized when sale incurs.

The Group recognizes loss on diminution in value of projects and loss on impairment (if any) in profit or loss.

In determining the cost of sales of property development, the anticipated total development costs (taking into account actual costs incurred to date) are attributed based on the basis of the salable area.

Cost of project sold estimates these costs based on their business experience and revisit the estimations on a periodical basis or when the actual costs incurred significantly vary from the estimated costs.

Interest cost of borrowing, for use in construction of the projects, was capitalized as part of the cost of those assets until the projects was completed or when the construction was suspended. The capitalization of interest shall be resumed when the project is re-activated.

***Inventories***

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

Cost of inventories comprises all costs of purchase, costs of conversation and other costs incurred in bringing the inventories to their present location and condition, includes an appropriate share of production overheads.

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

An allowance is made for all deteriorated, damaged, obsolete and slow-moving supplies.

***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).

***Investment in associate***

Investment in associate is accounted for the consolidated financial statements using the equity method and using the cost method less allowance for impairment losses (if any) in the separate financial statements.

***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.

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to financial statements (Continued)**  
**For the year ended December 31, 2018**

*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.

If the Group 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 and Structures Held for Development***

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

***Investment Properties***

Investment properties 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 Group 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).

Depreciation of building and building improvements is calculated by reference to their costs on the straight-line basis over estimated useful lives of 10 - 20 years. Depreciation is recognised in profit or loss.

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.

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to financial statements (Continued)**  
**For the year ended December 31, 2018**

*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.

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:

	No. of Years
Improvements for rental land	Remaining period of operating rental and exclusive right agreement (10, 16 and 30)
Buildings and improvements	20 and 25
Machinery and equipment	5, 10, 15 and 20
Furniture, fixtures and office equipment	5
Transportation	5
Containers	5 and 10

No depreciation is provided on land and construction in progress.

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.

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

***Intangible assets***

Intangible assets that are acquired by the Group, 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.

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to financial statements (Continued)**  
**For the year ended December 31, 2018**

***Impairment of Assets***

The carrying amounts of the Group's 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 are 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 Group 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.

***Provisions costs for landfill capping***

A provisions cost for landfill capping is recognized when the Company utilizes landfill occurring in the present, and it is probable that an outflow benefits will be required to settle when closed. landfill. These provisions are determined by basing on expected expenses and equipment for closing landfill and will be annually reviewed.

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***Fair value measurement***

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

***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.

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 Group has obligations in respect of the severance payments, they must make to employees upon retirement under labor law and other employee benefit plans. The Group treats 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

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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.

**Revenue**

*Sale of goods and service income*

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Revenue is recognized in the statement of comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

*Revenues from sale of real estate*

Sales of real estate are recognised as revenue when the construction works are completed and the significant risks and rewards of ownerships have been transferred to the buyer.

*Rental income*

Rental income under operating leases is recognized in the statement of comprehensive income on a straight-line basis.

*Interest income and other income*

Interest income is recognized as interest accrues, based on the effective rate method.

Other income is recognized on an accrual basis.

*Dividend income*

Dividend income is recognized when the right is incurred.

**Expenses**

Expenses are recognized on an accrual basis.

*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.

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***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 Group recognizes 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 Group 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 Group 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 (Loss) per Share***

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

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



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*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 and unbilled*

In determining an allowance for doubtful accounts and unbilled, 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 Group treats 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.

*Allowance for impairment of assets*

The Group/Company determines assets as impaired when there is any indication of impairment and a significant decline in the fair value of those assets. The Group/Company estimates recoverable amount of assets basing on the management's judgment.

*Property, plant and equipment and Investment property*

In determining depreciation of plant and equipment and investment property, the management is required to make estimates of the useful lives and residual values of the plant and equipment and 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 and 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.

**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.

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Types of relationship of related companies are as follows:

<u>The Company's name</u>	<u>Type of business</u>	<u>Type of relationship</u>
The Department of Industrial Works	The Government enterprise	Shareholders and co director
Industrial Estate Authority of Thailand	The Government enterprise	Shareholders and co director
Asia Patana Land Co., Ltd.	Buy, sale, and land or real estate development	Subsidiary
Industrial Waste Management (Asia) Co., Ltd.	Industrial waste treatment	Subsidiary
Genco Renewable Co., Ltd.	Renewable energy power plants	Subsidiary
Genco Clean Energy Co., Ltd.	Renewable energy power plants	Subsidiary
Genco Otani Co., Ltd.	Operate electroplating wastewater pretreatment plant	Associate
General Logistics Co., Ltd.	Transportation service	Shareholder is a director of related party
Mr. Asawin Wipoosiri	-	Director
Mr. Somchai Hanhira	-	Director (Director until September 30, 2017)
Mr. Pasu Loharjun	-	Director
Mrs. Nichchanan Suksukol	-	Close member of the subsidiary's executive's family
Mr. Itthirit Wipoosiri	-	Director
Mr. Mongkon Phuksawattana	-	Director (Director until September 30, 2018)
Mr. Somyot Sangsuwan	-	Director
Mr. Thongchai Chawalitpichaet	-	Director

Pricing policies for each transaction are described as follows:

<u>Transactions</u>	<u>Pricing policies</u>
Interest income	Interest at the finance cost of lender
Other income	Contractually agreed prices
Cost of Service	Contractually agreed prices
Rental and royalty fee	Contractually agreed prices
Other expenses	Contractually agreed prices
Rental expense	Contractually agreed prices
Consultant fee	Contractually agreed prices
Purchase and sale of fixed assets	Price approximately market price

Significant revenues and expenses derived from transactions with related parties for the years ended December 31, 2018 and 2017 are summarized as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
<b>Interest income</b>				
Asia Patana Land Co., Ltd.	-	-	4,789	8,009
<b>Other income</b>				
Industrial Waste Management (Asia) Co., Ltd.	-	-	1,410	727

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	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
<b>Cost of service</b>				
General Logistic Co., Ltd.	74,811	73,978	74,811	73,978
<b>Rental and royalty fee</b>				
Industrial Estate Authority of Thailand	3,620	3,619	3,620	3,619
The Department of Industrial Works	3,200	3,211	3,200	3,211
<b>Other expenses</b>				
Industrial Estate Authority of Thailand	1,795	1,825	1,795	1,825
<b>Rental expense</b>				
General Logistic Co., Ltd.	3,286	3,132	3,286	3,132
<b>Consultant fee</b>				
Mr. Pasu Loharjun	840	70	840	70
Mr. Mongkon Phuksawattana	450	600	450	600
Mr. Somyot Sangsuwan	480	480	-	-
Mr. Thongchai Chawalitpichaet	50	-	50	-
Mr. Somchai Hanhiraan	-	630	-	630
Mrs. Nichchanan Suksukol	-	123	-	-
<b>Purchase of fixed assets</b>				
General Logistics Co., Ltd.	32,755	-	32,755	-
<b>Sale of fixed assets</b>				
General Logistics Co., Ltd.	321	-	321	-

Key management's personnel compensation and directors remuneration for the years ended December 31, 2018 and 2017 are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
<b>Key managements personnel compensation and directors remuneration</b>				
Short-term employment benefits	7,923	7,759	7,923	7,759
Post-employment benefits	256	35	256	35
<b>Total</b>	<b>8,179</b>	<b>7,794</b>	<b>8,179</b>	<b>7,794</b>

The balances of receivables from and payables to related parties as of December 31, 2018 and 2017 are summarized as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
<b>Other receivables</b>				
<b>Prepaid transportation charge</b>				
General Logistics Co., Ltd.	-	3,635	-	3,635
<b>Advance payment</b>				
Mr. Asawin Wipoosiri	300	-	300	-
Mr. Itthirit Viphusiri	-	1,000	-	-
Mr. Somyot Sangsuwan	250	-	250	-

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	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
<b>Others</b>				
Industrial Waste Management (Asia) Co., Ltd.	-	-	271	100
Genco Otani Co.,Ltd.	-	21	-	21
	<u>550</u>	<u>4,656</u>	<u>821</u>	<u>3,756</u>
<b>Long - term loans and interest receivable</b>				
Asia Patana Land Co., Ltd.				
Long-term loans to	-	-	-	152,000
Interest receivable	-	-	-	15,264
	<u>-</u>	<u>-</u>	<u>-</u>	<u>167,264</u>
<b>Deposit for rent / Deposit</b>				
Industrial Estate Authority of Thailand	36	36	36	36
General Logistics Co., Ltd.	2,000	2,000	2,000	2,000
	<u>2,036</u>	<u>2,036</u>	<u>2,036</u>	<u>2,036</u>
<b>Trade and other payables</b>				
Industrial Estate Authority of Thailand	2,750	3,187	2,750	3,187
The Department of Industrial Works	488	394	488	394
General Logistics Co., Ltd.	11,851	13,113	11,851	13,113
Industrial Waste Management (Asia) Co., Ltd.	-	-	400	-
Total	<u>15,089</u>	<u>16,694</u>	<u>15,489</u>	<u>16,694</u>

The significant movements of short-term loans and interest receivable to related parties for the years ended December 31, 2018 and 2017 are as follows:

	In Thousand Baht			
	Separate Financial Statements			
	January 1, 2018	Increase	Decrease	December 31, 2018
<b>Asia Patana Land Co., Ltd.</b>				
Loans	152,000	12,000	(164,000)	-
Interest receivable	15,264	4,789	(20,053)	-
	<u>167,264</u>	<u>16,789</u>	<u>(184,053)</u>	<u>-</u>
	In Thousand Baht			
	Separate Financial Statements			
	January 1, 2017	Increase	Decrease	December 31, 2017
<b>Asia Patana Land Co., Ltd.</b>				
Loans	125,000	63,000	(36,000)	152,000
Interest receivable	7,255	8,009	-	15,264
	<u>132,255</u>	<u>71,009</u>	<u>(36,000)</u>	<u>167,264</u>

Significant contracts with related parties are as follows:

a) At the Board of Directors' Meeting No. 7/2018, held on September 26, 2018, to approve the purchase of land at Samae Dam, Bangkhuntien, Bangkok area 3-0-89.4 rai from General Logistics Co., Ltd. to expand its factory. Subsequently, on October 1, 2018, the Company entered into an agreement to buy and sell land with General Logistics Co., Ltd., totaling 3 plots of land totaling 3-0-89.4 rai, at the price of Baht 32.2 million and paid a deposit of Baht 6.4 million. Subsequently, on October 9, 2018, the Company paid the remaining amount of Baht 25.8 million and transferred the land ownership on October 10, 2018.

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b) Rental and exclusive right agreement (Note 32 (1))

c) Land lease agreement (Note 32 (2))

Furthermore, in 2014 the Company opened a presale commercial buildings C-Space Project which has a transaction with a related party, with the sale amount Baht 19.2 million and had received down payment amounting to Baht 0.5 million. During the year 2018, the Company already paid such down payment to a related party.

**6. CASH AND CASH EQUIVALENTS**

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Bank deposits	291,686	24,300	235,095	19,429

As at December 31, 2018 and 2017, the Group has bank deposits in saving accounts, bearing the interest rates at 0.375% per annum. (Separate Financial Statements: at 0.375% per annum).

**7. TRADE AND OTHER RECEIVABLES**

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
<b>Other receivables - Related parties (Note 5)</b>	550	4,656	821	3,756
<b>Trade and other receivables - Other parties</b>				
Trade receivables	32,796	38,889	32,796	38,995
Unbilled receivables	18,665	15,922	18,665	15,922
	51,461	54,811	51,461	54,917
Less Allowance for doubtful accounts	(1,918)	(2,115)	(1,918)	(2,115)
Trade receivables - Net	49,543	52,696	49,543	52,802
Other receivables				
Advance payments	2,089	6,544	2,089	5,229
Others	4,570	9,917	2,759	10,891
Total	6,659	16,461	4,848	16,120
Less Allowance for doubtful accounts	(544)	(544)	(544)	(544)
Other receivables - Net	6,115	15,917	4,304	15,576
Total	56,208	73,269	54,668	72,134

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As at December 31, 2018 and 2017, trade receivables are classified by aging as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Current	19,401	27,003	19,401	27,109
Overdue				
Less than 3 months	12,454	10,698	12,454	10,698
Over 3 months to 6 months	101	198	101	198
Over 6 months to 12 months	74	291	74	291
Over 12 months	766	699	766	699
Total	<u>32,796</u>	<u>38,889</u>	<u>32,796</u>	<u>38,995</u>

Movements of allowance for doubtful accounts for the years ended December 31, 2018 and 2017 were as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Balance as at January 1,	2,659	2,406	2,659	2,406
Add Doubtful accounts (Reversal)	(197)	253	(197)	253
Balance as at December 31,	<u>2,462</u>	<u>2,659</u>	<u>2,462</u>	<u>2,659</u>

**8. REAL ESTATE DEVELOPMENT COSTS**

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Commercial building for sales	356,613	362,337	137,331	141,641
Condominium for sales	124,511	144,281	78,228	87,785
Total	481,124	506,618	215,559	229,426
Less Allowance for decline in value of real estate development cost	(20,290)	(15,217)	(11,673)	(11,180)
Net	<u>460,834</u>	<u>491,401</u>	<u>203,886</u>	<u>218,246</u>

Movements of real estate development costs for the years ended December 31, 2018 and 2017 were as follows:

	In Thousands Baht	
	Consolidated Financial Statements	Separate Financial Statements
Net book value as at January 1, 2017	531,154	242,695
Purchases/transfer in	5,298	58
Disposals	(53,463)	(32,586)
Reversal of allowance for decline in value of real estate development costs	8,412	8,079
Net book value as at December 31, 2017	491,401	218,246
Purchases/transfer in	3,192	775
Disposals	(23,681)	(13,416)
Transfer out	(5,005)	(1,226)
Loss on decline in value of real estate development costs	(5,721)	(1,141)
Reversal of allowance for decline in value of real estate development costs	648	648
Net book value as at December 31, 2018	<u>460,834</u>	<u>203,886</u>

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Movements of allowance for decline in value of real estate development costs for the years ended December 31, 2018 and 2017 were as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Balance as at January 1,	15,217	23,629	11,180	19,259
Add Decline in value of real estate development costs	5,721	-	1,141	-
Less Reversal of allowance for decline in value of real estate development costs	(648)	(8,412)	(648)	(8,079)
Balance as at December 31,	<u>20,290</u>	<u>15,217</u>	<u>11,673</u>	<u>11,180</u>

**9. DEPOSITS AT FINANCIAL INSTITUTION PLEDGED AS COLLATERAL**

As at December 31, 2018 and 2017, the Company used its saving accounts and fixed deposit account totaling Baht 0.8 million and Baht 0.8 million, respectively to secure credit facilities of import machinery and utility usage.

**10. OTHER LONG - TERM INVESTMENTS - AVAILABLE - FOR – SALES**

	In Thousand Baht	
	Consolidated Financial Statements and Separate Financial Statements	
	2018	2017
Available - for - sales investments in securities	<u>3,273</u>	<u>7,332</u>

The details of available - for - sales investments in securities as at December 31, 2018 and 2017 was as follow:

	In Thousand Baht	
	Consolidated Financial Statements and Separate Financial Statements	
	2018	2017
Available - for - sales investments in securities consist of		
Marketable equity securities		
At the beginning of the year	7,332	8,452
Add Unrealized loss on changes in fair value	(4,059)	(1,120)
At the end of year	<u>3,273</u>	<u>7,332</u>

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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*Carrying amounts and fair values*

The fair values of financial assets together with the carrying amounts in the statement of financial position as at December 31, 2018 and 2017 are as follows.

	In Thousand Baht			
	Consolidated Financial Statements and Separate Financial Statements			
	2018		2017	
	Cost	Fair Value	Cost	Fair value
Available-for-sale securities :				
Investment in marketable equity securities	8,990	3,273	8,990	7,332
Purchases during the year	-	-	-	-
Sales during the year	-	-	-	-
Loss from impairment recognized in profit or loss	(1,150)	-	-	-
Unrealized loss recognized in shareholders' equity	(4,567)	-	(1,658)	-
Net	<u>3,273</u>	<u>3,273</u>	<u>7,332</u>	<u>7,332</u>

**Fair value**

The fair value measurements of available-for-sale investments has been categorised as a level 1 fair value based on the quoted price in active markets and the Company can access at the measurement date. During the period, there were no transfers within the fair value hierarchy.



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**Notes to the financial statements (Continued)**

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**11. INVESTMENTS IN SUBSIDIARIES**

	Separate Financial Statements											
	In Thousand Baht											
	Percentage of holdings		Paid - up share capital		Investments		Allowance for impairment loss		Net		Dividend	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Asia Patana Land Co., Ltd. Industrial Waste	100	100	430,000	430,000	430,000	430,000	-	-	430,000	430,000	-	-
Management (Asia) Co., Ltd.	100	100	200,000	200,000	200,000	200,000	(79,893)	(79,893)	120,107	120,107	-	-
Genco Renewable Co., Ltd.	100	100	14,000	14,000	14,000	14,000	-	-	14,000	14,000	-	-
Genco Clean Energy Co.,Ltd.	100	100	14,000	14,000	14,000	14,000	-	-	14,000	14,000	-	-
<b>Total</b>					<u>658,000</u>	<u>658,000</u>	<u>(79,893)</u>	<u>(79,893)</u>	<u>578,107</u>	<u>578,107</u>	<u>-</u>	<u>-</u>

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**12. INVESTMENT IN ASSOCIATE**

			Consolidated Financial Statements			
Company's name	Nature of business	Country of incorporation	Percentage (%) of shareholdings		In Thousand Baht	
			2018	2017	At Equity	
					2018	2017
Genco Otani Co., Ltd.	Operate electroplating wastewater pretreatment plant	Thailand	60	60	17,906	564
Less: Allowance for impairment loss of investment					-	-
Net					17,906	564

  

			Separate Financial Statements			
Company's name	Nature of business	Country of incorporation	Percentage (%) of shareholdings		In Thousand Baht	
			2018	2017	At Cost	
					2018	2017
Genco Otani Co., Ltd.	Operate electroplating wastewater pretreatment plant	Thailand	60	60	18,000	600
Less: Allowance for impairment loss of investment					-	-
Net					18,000	600

At the Board of Directors' Meeting No. 6/2017, held on June 30, 2017, to approve the signing of the joint venture agreement with Otani (S) Pte. Ltd. for investing the electroplating wastewater pretreatment plant. Subsequently, on October 30, 2017, the Company entered into such joint venture agreement and set up new company, Genco Otani Co., Ltd. ("GO") regarding the condition specified in the joint venture agreement. The Company acquired 59,997 common shares at par value of Baht 10 per share equivalent to 60% holding totaling of Baht 0.6 million.

Although the Company invested in GO more than 50% and has voting right in the shareholder's meeting more than 50%, the Company has significant influence as specified in the Joint Venture agreement, such as setting a significant subjects, capital reduction and capital increase, approval the annual financial statement, dividend payout etc. must receive an approval not less than 1 vote from director nominated by the Company and GO. Furthermore, the authorized signatories must also have a representative from both parties.

At the Extraordinary General Meeting of Shareholders No. 1/2018 held on May 23, 2018 of GO approved the capital increase from the existing share capital of Baht 1.0 million to Baht 30.0 million by increasing the share capital of Baht 29.0 million divided into 2,900,000 common shares at par value of Baht 10 per share, and call-up 25%, amounting to Baht 7.3 million. The Company has invested in 60% of 1,740,000 shares at Baht 2.5 per share amounting to Baht 4.4 million.

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**Notes to the financial statements (Continued)**  
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At the Board of Directors' Meeting of GO. No. 3/2018, held on August 28, 2018, to approve the call-up 75% of increasing the share capital, amounting to Baht 21.8 million. The Company has paid for its portion 1,740,000 shares at Baht 7.5 per share, amounting to Baht 13.1 million. The Company already paid on October 4, 2018.

The Company has recognized its share of loss from investment in associate in the consolidated financial statements for the years ended December 31, 2018 and 2017 as follows:

	In Thousand Baht	
	Consolidated Financial Statements	
	2018	2017
Share of loss from investment in associate	<u>58</u>	<u>36</u>

**Summarized financial information of associate**

Financial information of associate is summarized as follow:

	In Thousand Baht				
	Consolidated Financial Statements				
	December 31, 2018			For the year ended December 31, 2018	
	Paid-up share capital	Total Assets	Total liabilities	Total revenues	Profit (Loss)
Genco Otani Co., Ltd. ("Audited")	<u>30,000</u>	<u>30,066</u>	<u>222</u>	<u>23</u>	<u>(97)</u>

**13. LAND AND STRUCTURES HELD FOR DEVELOPMENT**

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
<u>At Cost</u>				
Balance as at January 1,	671,697	671,697	269,195	269,195
Disposals	(254,995)	-	(68,910)	-
Balance as at December 31,	<u>416,702</u>	<u>671,697</u>	<u>200,285</u>	<u>269,195</u>
<u>Impairment loss</u>				
Balance as at January 1,	(51,900)	(51,900)	-	-
Increase (decrease)	(1,030)	-	-	-
Balance as at December 31,	<u>(52,930)</u>	<u>(51,900)</u>	<u>-</u>	<u>-</u>
Net book value as at December 31,	<u>363,772</u>	<u>619,797</u>	<u>200,285</u>	<u>269,195</u>

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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**Year 2017**

The Board of Director's Meeting No.2/2017 held on February 24, 2017, approved for the sales and transfer of ownership 2 plots of land, total area of 1-2-87 Rai to acquire plots of land from a non-related person. On March 23, 2017, The Company entered into a land sale and purchase agreement with person amounting to Baht 109.9 million and received a deposit amounting to Baht 22.0 million. The remaining amounting to Baht 87.9 million will be received when the ownership is transferred within in March 2018. As at December 31, 2017, the Company presented such deposits as part of current liabilities. Subsequently, on February 1, 2018, the Company entered into a memorandum to cancel such agreement and return the deposit amounting to Baht 22.0 million to the buyer in February and March 2018.

**Year 2018**

1) The Board of Directors' Meeting No. 4/2018 held on May 11, 2018, approved for the sales and transfer of ownership 2 plots of land with a total area of 1-2-87 rai on Chaengwattana Road to a non-related company. On May 18, 2018, the Company entered into a land sale and purchase agreement with such company amounting to Baht 216.5 million and received a deposit amounting to Baht 20.0 million. The remaining amount of Baht 196.5 million was received and transfer the ownership on August 3, 2018.

2) The Board of Directors Meeting of the Subsidiary No. 2/2018, held on March 26, 2018 approved a the sales and transfer of ownership 1 plot of land with a total area of 1 rai at Ekkamai Road to a non-related person. On April 2, 2018, the Subsidiary entered into a land sale and purchase agreement with such person amounting to Baht 235.6 million and received a deposit of Baht 20.0 million. The remaining amount of Baht 215.6 million was receive on July 31, 2018 and transfer the ownership on July 26, 2018.

As a result of the sale of such plots of land, the Group had a gain on the sale of land - net amounting to Baht 167.8 million. (Separate Financial Statement: Baht 130.8 million)

As at December 31, 2018 and 2017 the Company mortgaged its 4 plots and 5 plots of land held for development for guarantee long - term loan agreement from a local financial institution, respectively, and mortgaged its 4 plots of land held for development for guarantee short - term loans agreement with net book value amounting to Baht 170.7 million and Baht 200.3 million, respectively. (notes 18 and 20 to the financial statements)

**14. INVESTMENT PROPERTY**

	In Thousand Baht		
	Consolidated Financial Statements		
	Land	Buildings	Total
<u>At Cost</u>			
Balance as at January 1, 2017	20,077	75,366	95,443
Acquisitions	-	-	-
Transfer in /(out)	-	-	-
Balance as at December 31, 2017	20,077	75,366	95,443
Acquisitions	-	-	-
Transfer in /(out)	2,597	2,408	5,005
Disposal	(6,417)	(7,016)	(13,433)
Balance as at December 31, 2018	16,257	70,758	87,015
<u>Accumulated depreciation</u>			
Balance as at January 1, 2017	-	4,335	4,335
Depreciation for the year	-	3,828	3,828
Balance as at December 31, 2017	-	8,163	8,163
Depreciation for the year	-	3,601	3,601
Disposal	-	(624)	(624)
Balance as at December 31, 2018	-	11,140	11,140

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to the financial statements (Continued)**  
**For the year ended December 31, 2018**

	In Thousand Baht		
	Consolidated Financial Statements		
	Land	Buildings	Total
<u>Net book value</u>			
December 31, 2017	20,077	67,203	87,280
December 31, 2018	16,257	59,618	75,875
<u>Fair value at December 31, 2018</u>			88,972

	In Thousand Baht		
	Separate Financial Statements		
	Land	Buildings	Total
<u>At Cost</u>			
Balance as at January 1, 2017	6,417	7,016	13,433
Acquisitions	-	-	-
Transfer in /(out)	-	-	-
Balance as at December 31, 2017	6,417	7,016	13,433
Acquisitions	-	-	-
Transfer in /(out)	462	764	1,226
Disposal	(6,417)	(7,016)	(13,433)
Balance as at December 31, 2018	462	764	1,226
<u>Accumulated depreciation</u>			
Balance as at January 1, 2017	-	191	191
Depreciation for the year	-	351	351
Balance as at December 31, 2017	-	542	542
Depreciation for the year	-	109	109
Disposal	-	(624)	(624)
Balance as at December 31, 2018	-	27	27
<u>Net book value</u>			
December 31, 2017	6,417	6,474	12,891
December 31, 2018	462	737	1,199
<u>Fair value at December 31, 2018</u>			2,051

The Company had rental income from investment properties to other parties for the years ended December 31, 2018 and 2017 amounting to Baht 4.9 million and Baht 4.3 million, respectively. (Separate Financial Statements : Baht 0.3 million and Baht 0.5 million, respectively).

Its fair value assessed by professional appraisers, which comprised of land using market approach and buildings using replacement cost approach. The fair value of investment properties has been categorized as a level 2 to use of other observable inputs for such assets or liabilities, whether directly or indirectly. In addition, the Group provides the fair value of the Group's investment property portfolio on every 2 years.

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

**Notes to the financial statements (Continued)**

**For the year ended December 31, 2018**

**15. PROPERTY, PLANT AND EQUIPMENT**

In Thousand Baht

	Consolidated Financial Statements							Total
	Land and improvements for rental land	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Containers	Construction in progress	
<u>Cost</u>								
Balance as at January 1, 2017	227,971	104,248	283,216	43,225	29,049	34,342	110,310	832,361
Acquisitions	224	460	2,775	565	1,188	2,661	71,874	79,747
Transfer in /(out)	-	69,972	108,866	-	-	2,359	(181,197)	-
Disposal/written-off	-	-	(135)	(30)	-	-	-	(165)
Capitalised interest	-	-	-	-	-	-	4,241	4,241
Balance as at December 31, 2017	228,195	174,680	394,722	43,760	30,237	39,362	5,228	916,184
Acquisitions	32,520	345	2,649	558	2,991	2,706	12,647	54,416
Transfer in /(out)	2,623	9,939	(2,472)	-	-	2,198	(15,028)	(2,740)
Disposal/written-off	(2,505)	(930)	(10,149)	(3,813)	(5,716)	(1,053)	-	(24,166)
Balance as at December 31, 2018	260,833	184,034	384,750	40,505	27,512	43,213	2,847	943,694

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

**Notes to the financial statements (Continued)**

**For the year ended December 31, 2018**

	In Thousand Baht							
	Consolidated Financial Statements							
	Land and improvements for rental land	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Containers	Construction in progress	Total
<u>Accumulated depreciation</u>								
Balance as at January 1, 2017	171,291	71,320	281,580	34,654	22,419	32,899	-	614,163
Depreciation for the year	3,939	4,647	4,790	2,381	3,741	473	-	19,971
Disposal/written-off	-	-	(135)	(30)	-	-	-	(165)
Balance as at December 31, 2017	175,230	75,967	286,235	37,005	26,160	33,372	-	633,969
Depreciation for the year	4,037	8,390	6,141	2,361	2,604	941	-	24,474
Disposal/written-off	(2,505)	(486)	(10,112)	(3,547)	(5,716)	(1,023)	-	(23,389)
Balance as at December 31, 2018	176,762	83,871	282,264	35,819	23,048	33,290	-	635,054
<u>Net book value</u>								
December 31, 2017	52,965	98,713	108,487	6,755	4,077	5,990	5,228	282,215
December 31, 2018	84,071	100,163	102,486	4,686	4,464	9,923	2,847	308,640
<u>Depreciations included in profit or loss for the years</u>								
2017								19,971
2018								24,474

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

**Notes to the financial statements (Continued)**

**For the year ended December 31, 2018**

	In Thousand Baht							Total
	Separate Financial Statements							
	Land and improvements for rental land	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Containers	Construction in progress	
<u>Cost</u>								
Balance as at January 1, 2017	227,971	104,248	283,216	38,253	26,431	34,342	110,310	824,771
Acquisitions	224	460	2,775	466	1,188	2,661	71,304	79,078
Transfer in /(out)	-	69,972	108,866	-	-	2,359	(181,197)	-
Disposal/written-off	-	-	(135)	(30)	-	-	-	(165)
Capitalised interest	-	-	-	-	-	-	4,241	4,241
Balance as at December 31, 2017	228,195	174,680	394,722	38,689	27,619	39,362	4,658	907,925
Acquisitions	32,520	345	2,649	464	1,661	2,707	12,646	52,992
Transfer in /(out)	2,623	9,939	(2,472)	-	-	2,198	(15,028)	(2,740)
Disposal/written-off	(2,505)	(930)	(10,149)	(3,783)	(5,117)	(1,053)	-	(23,537)
Balance as at December 31, 2018	260,833	184,034	384,750	35,370	24,163	43,214	2,276	934,640



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

**Notes to the financial statements (Continued)**

**For the year ended December 31, 2018**

	In Thousand Baht							Total
	Separate Financial Statements							
	Land and improvements for rental land	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Containers	Construction in progress	
<u>Accumulated depreciation</u>								
Balance as at January 1, 2017	171,291	71,320	281,580	32,908	20,634	32,899	-	610,632
Depreciation for the year	3,939	4,647	4,790	1,456	3,253	473	-	18,558
Disposal/written-off	-	-	(135)	(30)	-	-	-	(165)
Balance as at December 31, 2017	175,230	75,967	286,235	34,334	23,887	33,372	-	629,025
Depreciation for the year	4,037	8,390	6,141	1,421	2,307	941	-	23,237
Disposal/written-off	(2,505)	(486)	(10,112)	(3,526)	(5,117)	(1,023)	-	(22,769)
Balance as at December 31, 2018	176,762	83,871	282,264	32,229	21,077	33,290	-	629,493
<u>Net book value</u>								
December 31, 2017	52,965	98,713	108,487	4,355	3,732	5,990	4,658	278,900
December 31, 2018	84,071	100,163	102,486	3,141	3,086	9,924	2,276	305,147
<u>Depreciations included in profit or loss for the years</u>								
2017								18,558
2018								23,237

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to the financial statements (Continued)**  
**For the year ended December 31, 2018**

Depreciations included in the Statement of comprehensive income for the years ended December 31, 2018 and 2017 as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Cost of sales and services	15,345	10,368	15,345	10,368
Administrative expenses	9,129	9,603	7,892	8,190
Total	24,474	19,971	23,237	18,558

During the year 2017, the Group capitalized borrowing costs of Baht 4.2 million. (Separate financial statements: Baht 4.2 million).

As at December 31, 2018 and 2017, the Group has vehicles under finance lease contracts with net book values amounting to Baht 0.8 million and Baht 1.2 million, respectively. (Separate financial statements: Baht 0.8 million and Baht 1.2 million, respectively).

As at December 31, 2018 and 2017, certain buildings and equipment of the Group fully depreciated but are still in use, their original cost, amounted to Baht 361.9 million and Baht 299.9 million, respectively. (Separate financial statements: Baht 359.7 million and Baht 297.7 million, respectively)

As at December 31, 2018 and 2017, the Company's buildings and machineries at Map Ta Phut Industrial Waste Treatment Facilities are mortgaged as collateral for a letter of guarantee line obtained from a local bank. The net carrying value of such amounted to approximately Baht 20.5 million and Baht 23.9 million, respectively.

**16. INTANGIBLE ASSETS**

	In Thousand Baht		
	Consolidated Financial Statements and Separate Financial Statements		
	Computer program	Computer program installation	Total
<u>At cost</u>			
Balance as at January 1, 2017	2,959	3,713	6,672
Acquisitions	-	900	900
Disposal/write-off	-	-	-
Balance as at December 31, 2017	2,959	4,613	7,572
Acquisitions	64	180	244
Disposal/write-off	-	-	-
Balance as at December 31, 2018	3,023	4,793	7,816
<u>Accumulated amortization</u>			
Balance as at January 1, 2017	2,495	-	2,495
Amortization for the year	162	-	162
Balance as at December 31, 2017	2,657	-	2,657
Amortization for the year	216	-	216
Balance as at December 31, 2018	2,873	-	2,873
<u>Net book value</u>			
December 31, 2017	302	4,613	4,915
December 31, 2018	150	4,793	4,943

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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**For the year ended December 31, 2018**

**17. COST OF LANDFILLS**

	In Thousand Baht	
	Consolidated Financial Statements and Separate Financial Statements	
	2018	2017
<u>At Cost</u>		
Balance at January 1 ,	146,249	126,167
Additions	8,987	20,082
Disposals /write - off	-	-
Balance as at December 31,	<u>155,236</u>	<u>146,249</u>
<u>Accumulated amortization</u>		
Balance at January 1,	(126,167)	(126,167)
Amortization during the year	-	-
Balance as at December 31,	<u>(126,167)</u>	<u>(126,167)</u>
<u>Net book value as at December 31,</u>	<u>29,069</u>	<u>20,082</u>

Cost of landfills included the provision costs for landfill relating to the actual costs to cap the completed landfills when each individual landfill was fully used. As at December 31, 2018 and 2017, the Company had provision costs for landfill capping amounting to Baht 34.0 million, and the Company reviewed the provision costs for landfill capping annually.

In addition, during the years 2017 and 2018, the company has a new landfill construction project which is expected to operate in 2019.

**18. SHORT-TERM LOANS**

	Interest rate (% p.a.)		In Thousand Baht			
			Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017	2018	2017
<b>Short-term loans from financial institutions</b>						
Bills of exchange	-	5.1	-	<u>50,000</u>	-	<u>50,000</u>

As at December 31, 2017, the Company has short - term loans from financial institutions by issuance bills of exchange with 3 months term, maturity in March 2018, and mortgaged by the Company's land and structures held for development as described in note 13 to the financial statements.

**19. TRADE AND OTHER PAYABLES**

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
<b>Related parties (Note 5)</b>				
Trade payables	12,167	13,445	12,567	13,445
Other payables	<u>2,922</u>	<u>3,249</u>	<u>2,922</u>	<u>3,249</u>
	<u>15,089</u>	<u>16,694</u>	<u>15,489</u>	<u>16,694</u>

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to the financial statements (Continued)**  
**For the year ended December 31, 2018**

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
<b>Other parties</b>				
Trade payables	8,073	18,946	8,074	14,471
Other payables	9,961	5,907	9,180	4,489
Retentions	3,622	15,174	1,416	8,452
Accrued expenses	20,997	19,025	19,864	17,941
	<u>42,653</u>	<u>59,052</u>	<u>38,534</u>	<u>45,353</u>
Total	<u>57,742</u>	<u>75,746</u>	<u>54,023</u>	<u>62,047</u>

**20. LONG-TERM LOANS FROM FINANCIAL INSTITUTION**

Loan	Credit line ( In Million Baht)	Interest rate (% p.a.)	In Thousand Baht	
			Consolidated Financial Statements and Separate Financial Statements	
			2018	2017
1	74.0	MLR-0.5	54,579	68,407
2	60.5	MLR-0.5	36,775	46,164
Total			91,354	114,571
Less Current portion			(23,563)	(17,528)
Net			<u>67,791</u>	<u>97,043</u>

On May 26, 2016, the Company entered into a loan agreement with a local financial institution totaling of Baht 134.5 million for building construction and machineries. Such loan bears interest at MLR-0.5% p.a. and loan is repayable for 72 monthly installments and 96 monthly installments. Such loan is secured by guarantee of land held for developments as described in note 13 to the financial statements. The loan agreements contain covenant that among other things require the Company to maintain debt to equity ratio with no excess of 2 : 1. As at December 31, 2017, the Company had already withdrawn the loan.

Movements of long - term loans from financial institution during the year 2018 are summarized as follows:

	In Thousand Baht
	Consolidated Financial Statements and Separate Financial Statements
Balance as at January 1, 2018	114,571
Add addition loan	14,336
Less repayment	(37,553)
Balance as at December 31, 2018	<u>91,354</u>

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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**For the year ended December 31, 2018**

**21. LIABILITIES UNDER FINANCE LEASE CONTRACTS**

	In Thousand Baht	
	Consolidated Financial Statements and Separate Financial Statements	
	2018	2017
Liabilities under finance lease contracts	557	947
Less Deferred interest	(43)	(95)
	514	852
Less Current portion	(237)	(338)
Net	277	514

As at December 31, 2018 and 2017, the Company has liabilities under finance lease contracts which the period of payments is as follows:

	In Thousand Baht					
	Consolidated Financial Statements and Separate Financial Statements					
	2018			2017		
Future minimum lease payment	Deferred interest	Present value of minimum lease payment	Future minimum lease payment	Deferred interest	Present value of minimum lease payment	
Payment due 1 year	268	(31)	237	389	(51)	338
Payment due over 1 year to 5 years	289	(12)	277	558	(44)	514
Total	557	(43)	514	947	(95)	852

**22. EMPLOYEE BENEFIT OBLIGATIONS**

The Company paid retirement benefits and pension in accordance with the regulation of Labor Protection Act B.E. 2541 for the retirement benefit and other long-term benefit entitled to the employees based on their right and length of services.

Employee benefit obligations in statements of financial position as at December 31, 2018 and 2017 are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Post-employment benefits				
Legal severance payment plan	7,403	4,536	7,208	4,438

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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**For the year ended December 31, 2018**

Movements of the present value of the defined benefit obligations as at December 31, 2018 and 2017 are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Defined benefit obligations as at January 1, included in profit or loss:	4,536	2,960	4,438	2,877
Current service cost	501	260	482	252
Interest cost	131	101	128	97
included in other comprehensive income (loss) :				
Actuarial (gain) loss arising from				
Demographic assumptions changes	2,546	(1,029)	2,482	(1,001)
Financial assumptions changes	(178)	(178)	(173)	(174)
Experience adjustments	244	2,350	228	2,318
Mortality rate	-	72	-	69
Benefits paid during the years	(377)	-	(377)	-
Defined benefit obligations as at December 31,	<u>7,403</u>	<u>4,536</u>	<u>7,208</u>	<u>4,438</u>

As at December 31, 2018, the Group expects to pay of post-employment benefits during the next year in the consolidated financial statements and separate financial statements in the amount of Baht 2.8 million.

As at December 31, 2018, the weighted average duration of the liabilities for post-employment benefits of the Group in the consolidated financial statements and separate financial statements is 12 years.

The principal actuarial assumptions used for the years ended December 31, 2018 and 2017 as follows :

	Consolidated Financial Statements and Separate Financial Statements	
	2018	2017
	(Percentage)	(Percentage)
Discount rate	2.50, 2.80, 3.46	2.29, 2.65
Salary increase rate	4.07	4.57
Employee turnover rate	0-67	0-25
	(Depend on age of employees)	(Depend on age of employees)
Mortality rate	100 (Thai Mortality Ordinary Table 2017)	100 (Thai Mortality Ordinary Table 2017)

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at December 31, 2018 are summarized below:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(280)	299	(273)	293
Salary increase rate	294	(277)	288	(271)
Turnover rate	(299)	320	(293)	313

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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On December 13, 2018, the National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate. This change is considered a post-employment benefits plan amendment and the Group has additional liabilities for long-term employee benefits of Baht 1.5 million. The Group will reflect the effect of the change by recognising past services costs as expenses in the Statement of Comprehensive income of the period in which the law is effective.

**23. SHARE CAPITAL**

	In Thousand Baht/In Thousand Shares					
	Consolidated Financial Statements and Separate Financial Statements					
	2018			2017		
	Number of Shares	Par value (Baht)	Amount	Number of Shares	Par value (Baht)	Amount
Share capital						
As at January 1,						
- Common shares	1,428,000	1	1,428,000	1,190,000	1	1,190,000
Decrease of share capital	(305,702)	1	(305,702)	-	-	-
Increase of share capital	-	-	-	238,000	1	238,000
As at December 31,						
- Common shares	<u>1,122,298</u>	<u>1</u>	<u>1,122,298</u>	<u>1,428,000</u>	<u>1</u>	<u>1,428,000</u>
Issued and paid-up share capital						
As at January 1,						
- Common shares	1,122,298	1	1,122,298	1,041,096	1	1,041,096
Increase of share capital	-	-	-	81,202	1	81,202
As at December 31,						
- Common shares	<u>1,122,298</u>	<u>1</u>	<u>1,122,298</u>	<u>1,122,298</u>	<u>1</u>	<u>1,122,298</u>

**Year 2017**

The 2017 Ordinary General Meeting of Shareholders held on April 28, 2017, approved

a) the increase of the Company's registered capital by Baht 238 million, from Baht 1,190 million to a new registered capital of Baht 1,428 million, by issuing new common share of 238 million shares with par value of Baht 1 to support the exercising of GENCO-W2 warrants. The Company registered its increase share capital with the Ministry of Commerce on May 11, 2018.

b) allotment of 238 million newly-issued common shares which will be reserved for the exercise of right by holders ("GENCO-W2")

In March and May 2017, the holders of warrants exercised the right to purchase 81,202,034 common shares at Baht 1.0 par value totaling of Baht 81.2 million. The Company registered the changes of issue and paid-up share capital from Baht 1,041.1 million to Baht 1,122.3 million with the Ministry of Commerce on May 24, 2017.

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**Year 2018**

The 2018 Ordinary General Meeting of Shareholders held on April 27, 2018, approved

a) the dividend payment for the year 2017 at the rate of Baht 0.01 per share amounting to Baht 11.2 million. The dividend payment was paid on May 25, 2018.

b) the decrease of the Company's registered capital amounting to Baht 305.7 million from Baht 1,428.0 million to a new registered capital of Baht 1,122.3 million by cancelling the unissued common shares of the Company No. 1 (GENCO-W1) and No. 2 (GENCO-W2) totaling 305.7 million shares, at the par value Baht 1.0. The Company registered its decrease share capital with the Ministry of Commerce on May 23, 2018.

**24. PREMIUM ON SHARE AND LEGAL RESERVE**

***Premium on share capital***

Section 51 of Public Companies Act. B.E. 2535, Premium on share capital is share subscription monies received in excess of the par value of the shares. Share premium is not available for dividend distribution.

***Legal reserve***

Section 116 of the Public Companies Act. B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribution.

The Company appropriated for legal reserve at the rate 5% of net profit for the year 2017 amounting to Baht 797,771 which approved in the 2018 Ordinary Meeting of Shareholders held on April 27, 2018.

The Company appropriated for legal reserve at the rate 5% of net profit for the year 2018 amounting to Baht 4,696,786.

**25. WARRANTS**

The Ordinary General Meeting of Shareholders held on April 29, 2014, approved the issuance of warrants No.1 (GENCO-W1) in the amount not exceeding 180,000,000 warrants to existing shareholders. The Extraordinary General Meeting of Shareholders held on March 5, 2015 has a resolution to approve the allotment and offering of newly issued common shares of the Company to private placement and the Company is obliged to adjust the exercise price and exercise ratio. The preliminary details of the warrants are as described belows:

Type of Warrants	:	Warrants purchasing ordinary shares of General Environmental Conservation Public Company allocate to existing shareholders
Type	:	Specified warrant's holder and transferable.
Term of Warrants	:	3 years from the issuing date of warrants.
Number of Warrants	:	not exceeding 180,000,000 units
Offering Price	:	0 Baht per unit
Exercise Ratio	:	1 warrant to 1.57649 common shares (Formerly: 1 warrant to 1 common share)
Exercise Price	:	Baht 1 (Formerly: Baht 1.10)
Exercise Period	:	The last business day of each quarter (March, June, September and December)
First Exercise Date	:	September 30, 2014
Last Exercise Date	:	May 18, 2017



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In March and May 2017, the holders of warrants exercised 51,508,245 units of the right to purchase 81,202,034 common shares. Then Genco-W1 was unexercised and expired in May 2017.

The 2017 Ordinary General Meeting of Shareholders held on April 28, 2017, approved the issuance of the Company's warrants No.2 (GENCO-W2) amounting 238,000,000 units. The warrants shall be allocated to the existing shareholder's after offering via the private at the ratio of 5 existing shares to 1 unit of warrant. The terms of warrants are as follows :

- Exercise : 1 unit of warrant to 1 new common shares (the exercise ratio may from time to time be change in accordance with the adjustment provisions of the warrants).
- Exercise price per share : Baht 2.50 per share (the exercise price may from time to time be changed in accordance with the adjustment provisions of the warrants).
- Exercise period : 3 years from the issue date of warrants.

**26. OTHER INCOME**

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Revenue from rental	4,896	4,321	323	463
Revenue from sale of scraps	4,841	3,769	1,485	754
Gain on sale of fixed assets	1,366	-	1,045	-
Interest income	526	217	5,245	8,183
Others	6,485	5,854	4,434	3,046
<b>Total</b>	<b>18,114</b>	<b>14,161</b>	<b>12,532</b>	<b>12,446</b>

**27. EXPENSES BY NATURE**

The significant expenses classified by nature for the years ended December 31, 2018 and 2017 are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Costs of sales - real estate development costs	22,817	45,051	12,769	24,507
Employee benefit expenses	78,969	70,713	76,620	69,085
Management benefit expenses	8,179	7,794	8,179	7,794
Depreciation and amortization	28,292	23,961	23,563	19,071
Bad debt and doubtful accounts (Reversal)	(197)	253	(197)	253
Loss on decline in value of real estate development costs	5,721	-	1,141	-
Loss on impairment of investment in available-for-sale	1,150	-	1,150	-
Loss on impairment of Land and structures held for future development	1,030	-	-	-

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	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Transportation expenses	75,387	74,100	75,386	74,100
Chemical, supplies and lab analysis expenses	42,094	42,870	41,767	42,870
Rental fee	15,231	13,116	15,231	13,116
Finance costs	8,705	7,144	8,607	5,413
Other expenses	54,699	63,000	46,029	47,140
<b>Total</b>	<b>342,077</b>	<b>348,002</b>	<b>310,245</b>	<b>303,349</b>

**28. INCOME TAX**

Income tax income (expense) recognised in profit or loss for the years ended December 31, 2018 and 2017 are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Current income tax expenses:				
Income tax expenses for the year	(29,727)	(2,326)	(28,783)	(2,326)
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,555)	(1,830)	(269)	(1,793)
Income tax expenses reported in the statement of comprehensive income	<u>(31,282)</u>	<u>(4,156)</u>	<u>(29,052)</u>	<u>(4,119)</u>

Reconciliation of effective tax rate for the years ended December 31, 2018 and 2017 as follows:

	In Thousand Baht			
	Consolidated Financial Statements			
	2018		2017	
	Rate (%)	Amount	Rate (%)	Amount
Accounting profit before tax		150,711		8,534
Income tax by applicable tax rate	20	(30,142)	20	(1,707)
Revenue subject to tax		(3,539)		-
Expenses not deductible for tax purposes		(1,816)		1,512
Loss carry forward		5,692		-
Current year losses of subsidiaries for which no deferred tax asset was recognised		(30)		(2,189)
Effects of elimination entries on consolidation		108		58
Current income tax	20	(29,727)	27	(2,326)
Change in temporary differences		(1,555)		(1,830)
Income tax expenses reported in the statement of comprehensive income	<u>21</u>	<u>(31,282)</u>	<u>49</u>	<u>(4,156)</u>

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	In Thousand Baht			
	Separate Financial Statements			
	2018		2017	
	Rate (%)	Amount	Rate (%)	Amount
Accounting profit before tax		122,988		20,074
Income tax by applicable tax rate	20	(24,598)	20	(4,015)
Revenue subject to tax		(3,539)		-
Expenses not deductible for tax purposes		(646)		1,689
Current income tax	23	(28,783)	12	(2,326)
Change in temporary differences		(269)		(1,793)
Income tax expenses reported in the statement of comprehensive income	24	(29,052)	21	(4,119)

The amount of income tax relating to each component of other comprehensive income for the years ended December 31, 2018 and 2017 are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
	Deferred tax relating to Actuarial (gain) loss from employee benefit plan	522	243	507

The components of deferred tax assets as at December 31, 2018 and 2017 are as follows:

	In Thousand Baht							
	Consolidated Financial Statements							
	January 1, 2017	(Charged) / Credited to:			December 31, 2017	(Charged) / Credited to:		
		Profit or loss	Other comprehensive income (loss)	Other		Profit or loss	Other comprehensive income (loss)	Other
<b>Deferred tax assets</b>								
Trade and other receivables	372	51	-	423	(39)	-	384	
Inventories	536	-	-	536	-	-	536	
Real estate development costs	2,933	(1,616)	-	1,317	99	-	1,416	
Employee benefits obligations	592	72	243	907	51	522	1,480	
Short - term provision	1,617	(298)	-	1,319	(375)	-	944	
Loss carry forward	1,172	-	-	1,172	(1,172)	-	-	
Others	452	(39)	-	413	(119)	-	294	
<b>Total</b>	<b>7,674</b>	<b>(1,830)</b>	<b>243</b>	<b>6,087</b>	<b>(1,555)</b>	<b>522</b>	<b>5,054</b>	

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	In Thousand Baht						
	Separate Financial Statements						
	(Charged) / Credited to:			(Charged) / Credited to:			
	Other			Other			
January	Profit or	comprehensive	December	Profit or	comprehensive	December	
1, 2017	loss	income (loss)	31, 2017	loss	income (loss)	31, 2018	
<b>Deferred tax assets</b>							
Trade and other receivables	372	51	-	423	(39)	-	384
Inventories	536	-	-	536	-	-	536
Real estate development costs	2,933	(1,616)	-	1,317	99	-	1,416
Employee benefits obligations	575	70	243	888	46	507	1,441
Short - term provision	1,617	(298)	-	1,319	(375)	-	944
<b>Total</b>	<b>6,033</b>	<b>(1,793)</b>	<b>243</b>	<b>4,483</b>	<b>(269)</b>	<b>507</b>	<b>4,721</b>

As at December 31, 2018 and 2017, the Group had temporary differences for future tax deductible which has not been recognized as deferred tax assets in the Consolidated financial statements amount of Baht 186.5 million and Baht 180.9 million, respectively (Separate Financial Statements: Baht 118.5 million and Baht 96.8 million, respectively), since it is not probable that it will be able to utilise the tax benefit in the foreseeable future.

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

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

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

Detail of calculation of earnings per share for the years ended December 31, 2018 and 2017 was as follows :

	In Thousand Baht/Thousand shares			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Profit for the year attributable to equity holders of the parent company	119,429	4,379	93,936	15,955
Weighted average number of common shares Issued common share as at January 1,	1,122,298	1,041,096	1,122,298	1,041,096
Effect of shared issued	-	54,656	-	54,656
<b>Total</b>	<b>1,122,298</b>	<b>1,095,752</b>	<b>1,122,298</b>	<b>1,095,752</b>
<b>Earnings per share (Baht)</b>	<b>0.106</b>	<b>0.004</b>	<b>0.084</b>	<b>0.015</b>

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**30. PROMOTION PRIVILEGES**

By virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520, the Company has been granted privileges by the Board of Investment relating to fuel blending from non-hazardous waste. The privileges granted include:

- a. exemption from payment of import duty on machinery approved by the Board of Investment
- b. exemption from payment of corporate income tax on the net profit derived from the promoted activity not exceeding 100% of investment cost not including cost of land and working capital for a period of 8 years starting from the first date of income derived from its operation
- c. allow to deduct the annual loss of the promoted period from the net profit after the promoted for a period of 5 years, commencing from the expiry date in (b) above.

As a promoted company, the Company must comply with certain conditions and restrictions provided for in the promotional certificate.

The Company's revenue classified under promoted and non-promoted businesses for the years ended December 31, 2018 and 2017 are as follows:

	In Thousand Baht					
	Consolidated Financial Statements and Separate Financial Statements					
	Promoted business		Non-promoted Business		Total	
	2018	2017	2018	2017	2018	2017
Revenue from sale and service	2,183	-	264,538	269,180	266,721	269,180

**31. BUSINESS SEGMENT INFORMATION**

Operating segment information is reported in a manner consistent maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the directors of the Company. The Group operates the business primarily related to treatment of industrial waste and property development business by engaging in domestic.

**Major customers**

For the years ended December 31, 2018 and 2017, the Group has revenue from a major customer totalling of Baht 71.4 million and Baht 61.5 million, respectively, from the business primarily related to treatment of industrial waste.

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Details of revenues and profit (loss) for each segments of the Group for the years ended December 31, 2018 and 2017 are as follows:

	In Thousand Baht					
	Consolidated Financial Statements					
	For the years ended December 31,					
	Treatment of industrial waste		Property development		Total	
2018	2017	2018	2017	2018	2017	
External revenue	266,721	269,180	36,032	73,232	302,753	342,412
Inter-segment revenue	-	-	-	-	-	-
Total revenue	266,721	269,180	36,032	73,232	302,753	342,412
Cost of sales and services	(195,407)	(181,371)	(22,817)	(45,051)	(218,224)	(226,422)
Gross profit	71,314	87,809	13,215	28,181	84,529	115,990
Unallocated revenue (expenses)						
Gain on sales of land and structures held for future development					167,789	-
Other income					22,303	14,160
Selling expenses					(9,571)	(15,321)
Administrative expenses					(105,576)	(99,115)
Finance cost					(8,705)	(7,144)
Profit before share of loss from Investments in associate and						
Income tax expenses					150,769	8,570
Share of loss from investments in associate					(58)	(36)
Profit before income tax					150,711	8,534
Income tax expense					(31,282)	(4,156)
Profit for the year					119,429	4,378

The segment assets and liabilities as at December 31, 2018 and 2017 are as follows:

	In Thousand Baht					
	Treatment of industrial waste		Property development		Total	
	2018	2017	2018	2017	2018	2017
<b>Assets</b>						
Trade and other receivables	52,879	59,672	3,329	13,597	56,208	73,269
Real estate development costs	-	-	460,834	491,401	460,834	491,401
Inventory	849	536	-	-	849	536
Deposits at financial institution pledged as collaterals	-	-	756	756	756	756
Investment in associate	17,906	564	-	-	17,906	564
Land and structures held for development	104,804	104,804	258,968	514,993	363,772	619,797
Investment property	-	-	75,875	87,280	75,875	87,280
Property, plant and equipment	273,216	242,564	35,424	39,651	308,640	282,215
Cost of landfill	29,069	20,082	-	-	29,069	20,082
Unallocated assets	-	-	-	-	337,057	64,063
Total					1,650,966	1,639,963

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	In Thousand Baht					
	Treatment of industrial waste		Property development		Total	
	2018	2017	2018	2017	2018	2017
<b>Liabilities</b>						
Short - term loans	-	50,000	-	-	-	50,000
Trade and other payables	47,049	49,492	10,693	26,254	57,742	75,746
Advance received from sale of land and structures held for future development	-	-	-	21,984	-	21,984
Long - term loans from financial institution	91,354	114,571	-	-	91,354	114,571
Provision cost of landfill	34,000	34,000	-	-	34,000	34,000
Unallocated Liabilities	-	-	-	-	26,385	5,388
<b>Total</b>					<b>209,481</b>	<b>301,689</b>

**32. AGREEMENTS**

The Group 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 1st year to 5th year amounting to approximately Baht 1.1 million per year, 6th year to 10th year 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.

Subsequently, as at September 30, 2016, the Company renewed a 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 starting from October 1, 2016 to September 30, 2026. The Company is committed to pay 1) land lease fee to Treasury Department at the rate fixed by Treasury Department. At the present, it is in process to make an agreement. 2) royalty fee at a certain percentage of waste served.

Furthermore, as described in the agreement, the lesser has to invest not less than Baht 77 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 and the additional investment assets will be transferred the ownership and also the lesser shall repair and improve all assets in good condition to the Department of Industrial works at the maturity date.

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 rental fees at the rate specified in the agreements.

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

	In Million Baht	
	2018	2017
Less than 1 year	5.7	5.7
Over 1 year to 5 years	21.4	28.8
Over 5 years	22.7	22.7

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3) Land lease agreements with third party for a period of 16 years. The Company agreed to pay annual rental fee from 1st year to 4th year amounting to approximately Baht 0.2 million per year, 5th year to 8th year amounting to approximately Baht 0.2 million per year, 9th year to 12th year amounting to approximately Baht 0.3 million per year and 13th year to 16th year 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	
	2018	2017
Less than 1 year	0.3	0.3
Over 1 year to 5 years	1.2	1.5
Over 5 years	1.6	1.6

**33. LAWSUITS**

According to two subsidiaries tendering of the electrical plant from industrial wastes in the form of feed-in tariff to the Energy Regulatory Commission (“ERC”), the result of such tendering on October 28, 2016 was that two subsidiaries had not been chosen, then they filed appeal. On March 22, 2017, the Office of Energy Regulatory Commission replied that the appeal was cancelled. Subsequently, on June 16, 2017, such subsidiaries filed a complaint with the President of the Ombudsman and the Ombudsman's Office had already received a complaint and investigated the complaint. On April 27, 2018, the Ombudsman’s Office has issued the decision asking ERC to review the consideration of the proposal to sell electricity and remedy the damage to the two subsidiaries. At the present, the subsidiaries are waiting for the consideration.



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**34. DISCLOSURES OF FINANCIAL INSTRUMENTS**

The Group does 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, 2018 and 2017, the Group has financial assets and financial liabilities exposed to interest rate risk as follows:

	Consolidated Financial Statements											
	In Thousand Baht										Average Interest Rate (%)	
	Floating Interest Rate		Fixed Interest Rate and Maturity in:						Floating		Fixed	
	2018	2017	1 Year or less		Over 1 to 5 Years		More than 5 Years		2018	2017	2018	2017
Cash in banks	291,686	24,300	756	756	-	-	-	-	0.38	0.38	-	-
Short - term loans	-	-	-	50,000	-	-	-	-	-	-	-	5.1
Long - term loans from financial institutions	91,354	114,571	-	-	-	-	-	-	5.75	5.75	-	-
Liabilities under finance lease contracts	514	852	-	-	-	-	-	-	7.62	2.60,7.62	-	-

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	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	
2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	
Cash in banks	235,095	19,429	756	756	-	-	-	-	0.38	0.38	-	-
Long-term loans to related parties	-	-	-	-	-	152,000	-	-	-	-	-	5.5
Short - term loans	-	-	-	50,000	-	-	-	-	-	-	-	5.1
Long - term loans from financial institutions	91,354	114,571	-	-	-	-	-	-	5.75	5.75	-	-
Liabilities under finance lease contracts	514	852	-	-	-	-	-	-	7.62	2.60,7.62	-	-

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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 Group 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 Group monitors their liquidity risk and maintain a level of cash and cash equivalents deemed adequate by management to finance the Group's 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, liabilities under finance lease contracts and long - term loan.

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 short-term loans and liabilities under finance lease contracts approximates carrying value as the interest rate of this loan approximates the current market interest rate. Long - term loans are not practicable to estimate the proper fair values without incurring excessive cost.

**35. CAPITAL MANAGEMENT**

The primary objective of the Group's 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, 2018 and 2017, the Group's debt-to-equity ratio was 0.15:1 and 0.23:1, respectively and the Company's debt-to-equity ratio was 0.14:1 and 0.21:1, respectively.

**36. COMMITMENTS AND CONTINGENT LIABILITIES**

As at December 31, 2018 and 2017, the Group had

- 1) contingent liabilities to a local bank for letters of guarantee to guarantee rental agreements and treatment service agreements amounting to Baht 36.9 million and Baht 36.7 million, respectively.
- 2) contingent liabilities to a local bank for letter of guarantee to utility usage, which has secured by company's saving account amounting to Baht 0.8 million and Baht 0.8 million, respectively.
- 3) capital expenditure commitments amounting to Baht 14.3 million and Baht 7.1 million, respectively.

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to the financial statements (Continued)**  
**For the year ended December 31, 2018**

**37. EVENTS AFTER THE REPORTING PERIOD**

1) At the Board of Directors' Meeting No. 1/2019, held on January 30, 2019, approved the increase registered share and paid-up capital of Asia Pattana Land Company Limited in the amount of Baht 200 million from the existing registered share and paid-up capital of Baht 430 million to Baht 630 million.

2) At the Board of Directors' Meeting No. 2/2019, held on February 27, 2019, approved the appropriation of dividends of Baht 0.02 per share. The proposed dividends must be approved by the Ordinary General Meeting of Shareholders.