

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

Interim Financial Information

For the Three-Month Period ended March 31, 2019

and Independent Auditor's Report on Review of Interim Financial Information

BPR AUDIT AND ADVISORY CO., LTD.

Independent Auditors

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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

I have reviewed the accompanying consolidated statement of financial position of General Environmental Conservation Public Company Limited and its subsidiaries as at March 31, 2019, the related consolidated statements of comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, and condensed notes to financial statements, and I have reviewed the accompanying statement of financial position of General Environmental Conservation Public Company Limited as at March 31, 2019, the statements of comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, and condensed notes to financial statements. The management is responsible for the preparation and fair presentation of this interim financial information in accordance with Thai Accounting Standard No.34 (Revised 2018) "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No.34 (Revised 2018) "Interim Financial Reporting".

(Miss Piyanuch Kasemsupakorn)
Independent Auditor
Registration No. 6303

BPR AUDIT AND ADVISORY CO., LTD.
Bangkok
May 14, 2019

GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2019

ASSETS

	Notes	In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		March	December	March	December
		31, 2019	31, 2018	31, 2019	31, 2018
		"Unaudited"	"Audited"	"Unaudited"	"Audited"
		"Reviewed"		"Reviewed"	
CURRENT ASSETS					
Cash and cash equivalents	6	290,481	291,686	132,486	235,095
Trade and other receivables	5,7	56,459	56,208	56,537	54,668
Real estate development costs	8	455,875	460,833	200,341	203,885
Inventories		605	849	605	849
Other current assets		1,264	991	-	-
Total current assets		804,684	810,567	389,969	494,497
NON - CURRENT ASSETS					
Deposits at financial institution pledged as collaterals	9	756	756	756	756
Other long-term investments - available - for - sales	10	3,319	3,273	3,319	3,273
Investments in subsidiaries	11	-	-	678,107	578,107
Investments in associate	12	17,895	17,906	18,000	18,000
Land and structures held for development	13	363,772	363,772	200,285	200,285
Investment property	14	74,982	75,875	1,189	1,199
Property, plant and equipment	15	304,567	308,640	301,432	305,147
Intangible assets	16	4,894	4,942	4,894	4,942
Deferred tax assets	20	5,109	5,054	4,775	4,721
Other non - current assets					
Costs of landfills		29,069	29,069	29,069	29,069
Withholding tax deducted at source		25,623	23,831	22,955	22,955
Others	5	7,090	7,280	6,855	7,046
Total non - current assets		837,076	840,398	1,271,636	1,175,500
TOTAL ASSETS		1,641,760	1,650,965	1,661,605	1,669,997

GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2019

LIABILITIES AND SHAREHOLDERS' EQUITY

	Notes	In Thousand Baht							
		Consolidated Financial Statements		Separate Financial Statements					
		March	December	March	December				
		31, 2019	31, 2018	31, 2019	31, 2018				
		"Unaudited"	"Audited"	"Unaudited"	"Audited"				
CURRENT LIABILITIES									
Trade and other payables	5,17	56,611	57,742	52,592	54,023				
Current portion of long-term loans from financial institution	18	23,888	23,563	23,888	23,563				
Current portion of liabilities under finance lease contracts		241	237	241	237				
Income tax payable		18,468	18,468	18,306	18,306				
Total current liabilities		99,208	100,010	95,027	96,129				
NON - CURRENT LIABILITIES									
Long - term loans from financial institution - net of current portion	18	61,685	67,791	61,685	67,791				
Liabilities under finance lease contracts - net of current portion		215	277	215	277				
Employee benefit obligations	19	7,666	7,403	7,462	7,208				
Provision costs of landfill		34,000	34,000	34,000	34,000				
Total non - current liabilities		103,566	109,471	103,362	109,276				
TOTAL LIABILITIES		202,774	209,481	198,389	205,405				
SHAREHOLDERS' EQUITY									
Share capital - common shares, Baht 1 par value									
Authorized share capital - 1,122,297,625 common share, Baht 1 par value		1,122,298	1,122,298	1,122,298	1,122,298				
Issued and fully paid-up share capital - 1,122,297,625 shares, Baht 1 par value		1,122,298	1,122,298	1,122,298	1,122,298				
Premium on share capital		208,730	208,730	208,730	208,730				
Retained earnings									
- Appropriated for legal reserve		13,405	13,405	13,405	13,405				
- Unappropriated		99,074	101,618	123,304	124,726				
Other component of shareholders' equity		(4,521)	(4,567)	(4,521)	(4,567)				
Total equity holders of the parent company		1,438,986	1,441,484	1,463,216	1,464,592				
Non - controlling interest		-	-	-	-				
TOTAL SHAREHOLDERS' EQUITY		1,438,986	1,441,484	1,463,216	1,464,592				
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,641,760	1,650,965	1,661,605	1,669,997				

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

GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019

"UNAUDITED"
"REVIEWED"

		In Thousand Baht				
		Consolidated Financial Statements		Separate Financial Statements		
Notes		2019	2018	2019	2018	
REVENUES						
	Revenues from sales and services - treatment of industrial waste business	22	62,806	64,039	62,806	64,039
	Revenues from sales - property development business		7,213	7,716	4,803	5,149
	Gain on sales of investment property		-	4,191	-	4,191
	Interest income		297	32	179	2,001
	Other income		2,604	4,238	700	1,220
	Total Revenues		<u>72,920</u>	<u>80,216</u>	<u>68,488</u>	<u>76,600</u>
EXPENSES						
	Costs of sales and services - treatment of industrial waste business		44,689	46,411	44,690	46,411
	Costs of sales - property development business		5,186	4,987	3,544	3,428
	Selling expenses		1,106	1,571	972	1,111
	Administrative expenses		23,177	26,750	19,409	23,217
	Finance costs		1,350	2,405	1,349	2,314
	Total Expenses		<u>75,508</u>	<u>82,124</u>	<u>69,964</u>	<u>76,481</u>
	Profit (Loss) before share of loss from investments in associate and income tax expenses		(2,588)	(1,908)	(1,476)	119
	Share of loss from investments in associate	12	(11)	(16)	-	-
	PROFIT (LOSS) BEFORE INCOME TAX		(2,599)	(1,924)	(1,476)	119
	Income tax (expenses) income	20	55	(322)	54	(323)
	LOSS FOR THE PERIOD		<u>(2,544)</u>	<u>(2,246)</u>	<u>(1,422)</u>	<u>(204)</u>
	Other comprehensive income (loss) - net of income tax					
	Items that may be reclassified to profit or loss in subsequent periods					
	Unrealized gain (loss) on revaluation of available-for-sale securities	10	46	(723)	46	(723)
	Total items that may be reclassified to profit or loss in subsequent periods		46	(723)	46	(723)
	Total other comprehensive income (loss) for the period		46	(723)	46	(723)
	TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		<u>(2,498)</u>	<u>(2,969)</u>	<u>(1,376)</u>	<u>(927)</u>
	Profit (Loss) for the period attributable to :					
	Equity holders of the parent company		(2,544)	(2,246)	(1,422)	(204)
	Non - controlling interest		-	-	-	-
			<u>(2,544)</u>	<u>(2,246)</u>	<u>(1,422)</u>	<u>(204)</u>
	Total comprehensive income (loss) for the period attributable to :					
	Equity holders of the parent company		(2,498)	(2,969)	(1,376)	(927)
	Non - controlling interest		-	-	-	-
			<u>(2,498)</u>	<u>(2,969)</u>	<u>(1,376)</u>	<u>(927)</u>
	LOSS PER SHARE (BAHT)	21	<u>(0.002)</u>	<u>(0.002)</u>	<u>(0.001)</u>	<u>(0.000)</u>

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 THREE-MONTH PERIOD ENDED MARCH 31, 2019

"UNAUDITED"

"REVIEWED"

In Thousand Baht								
Consolidated Financial Statements								
		Retained earnings		Other component of shareholders' equity				
	Issued and fully paid - up share capital	Premium on share capital	Appropriated for legal reserve	Unappropriated	Unrealized gain (loss) from available - for - sale investments	Total equity holders of the parent company	Non - controlling interests	Total shareholders' equity
Balance as at January 1, 2019	1,122,298	208,730	13,405	101,618	(4,567)	1,441,484	-	1,441,484
Comprehensive income (loss) for the period								
Loss for the period	-	-	-	(2,544)	-	(2,544)	-	(2,544)
Other comprehensive income (loss)	-	-	-	-	46	46	-	46
Total comprehensive income (loss) for the period	-	-	-	(2,544)	46	(2,498)	-	(2,498)
Balance as at March 31, 2019	<u>1,122,298</u>	<u>208,730</u>	<u>13,405</u>	<u>99,074</u>	<u>(4,521)</u>	<u>1,438,986</u>	<u>-</u>	<u>1,438,986</u>
Balance as at January 1, 2018	1,122,298	208,730	8,709	195	(1,658)	1,338,274	-	1,338,274
Comprehensive income (loss) for the period								
Loss for the period	-	-	-	(2,246)	-	(2,246)	-	(2,246)
Other comprehensive income (loss)	-	-	-	-	(723)	(723)	-	(723)
Total comprehensive income (loss) for the period	-	-	-	(2,246)	(723)	(2,969)	-	(2,969)
Balance as at March 31, 2018	<u>1,122,298</u>	<u>208,730</u>	<u>8,709</u>	<u>(2,051)</u>	<u>(2,381)</u>	<u>1,335,305</u>	<u>-</u>	<u>1,335,305</u>

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

GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

"UNAUDITED"

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

"REVIEWED"

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019

In Thousand Baht						
Separate Financial Statements						
Issued and fully paid - up share capital	Premium on share capital	Retained earnings		Other component of shareholders' equity		Total shareholders' equity
		Appropriated for legal reserve	Unappropriated	Other comprehensive income (loss)		
				Unrealized gain (loss) from available - for - sale investments		
Balance as at January 1, 2019	1,122,298	208,730	13,405	124,726	(4,567)	1,464,592
Comprehensive income (loss) for the period						
Loss for the period	-	-	-	(1,422)	-	(1,422)
Other comprehensive income (loss)	-	-	-	-	46	46
Total comprehensive income (loss) for the period	-	-	-	(1,422)	46	(1,376)
Balance as at March 31, 2019	<u>1,122,298</u>	<u>208,730</u>	<u>13,405</u>	<u>123,304</u>	<u>(4,521)</u>	<u>1,463,216</u>
Balance as at January 1, 2018	1,122,298	208,730	8,709	48,737	(1,658)	1,386,816
Comprehensive income (loss) for the period						
Loss for the period	-	-	-	(204)	-	(204)
Other comprehensive income (loss)	-	-	-	-	(723)	(723)
Total comprehensive income (loss) for the period	-	-	-	(204)	(723)	(927)
Balance as at March 31, 2018	<u>1,122,298</u>	<u>208,730</u>	<u>8,709</u>	<u>48,533</u>	<u>(2,381)</u>	<u>1,385,889</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 THREE-MONTH PERIOD ENDED MARCH 31, 2019

"UNAUDITED"
"REVIEWED"

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (Loss) before income tax	(2,599)	(1,924)	(1,476)	119
Adjustments for				
Depreciation and amortization	7,039	7,050	5,798	5,932
Reversal of provision for decline in value of real estate development costs	(312)	(648)	(312)	(648)
Reversal of doubtful accounts	235	(190)	235	(190)
Share of loss from investment in associate	11	16	-	-
Gain on sales of investment property	-	(4,191)	-	(4,191)
Gain on sales of vehicles	-	(321)	-	-
Loss on written - off fixed assets	-	3	-	3
Loss on written - off withholding tax	-	1	-	-
Employee benefit obligations	203	125	196	121
Short - term provision	123	125	123	125
Interest income	(297)	(32)	(179)	(2,001)
Finance costs	1,350	2,405	1,349	2,314
Profit from operating activities before change in operating assets and liabilities	5,753	2,419	5,734	1,584
Decrease (Increase) in operating assets				
Trade and other receivables	(172)	10,017	(252)	10,238
Real estate development costs	5,270	4,826	3,856	3,604
Inventories	244	(208)	244	(208)
Other current assets	(273)	(393)	-	-
Other non - current assets	67	(7,739)	67	(7,739)
Increase (Decrease) in operating liabilities				
Trade and other payables	(1,144)	(15,614)	(1,444)	(15,847)
Cash generated (paid) from operations	9,745	(6,692)	8,205	(8,368)
Interest paid	(1,269)	(2,238)	(1,269)	(2,238)
Income tax paid	(1,879)	(2,159)	(1,851)	(2,124)
Net Cash Provided by (Used in) Operating Activities	6,597	(11,089)	5,085	(12,730)

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

GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019

"UNAUDITED"
"REVIEWED"

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	71	10	179	20
Proceeds from long-term loan to related parties	-	-	-	10,000
Cash paid for repayment advance received from sale of Land and structures held for development	-	(21,984)	-	(21,984)
Cash paid for investments in subsidiaries	-	-	(100,000)	-
Proceeds from sales of vehicles	-	321	-	-
Proceeds from sales of investment property	-	17,000	-	17,000
Cash paid for purchase of intangible assets	-	(64)	-	(64)
Cash paid for purchase of property, plant and equipment	(2,025)	(1,385)	(2,025)	(1,105)
Net Cash Provided by (Used in) Investing Activities	(1,954)	(6,102)	(101,846)	3,867
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase in short-term loans from other person	-	10,000	-	-
Increase in long-term loans from financial institutions	-	9,336	-	9,336
Repayment of long-term loans from financial institutions	(5,781)	(3,396)	(5,781)	(3,396)
Repayment of liabilities under finance lease contracts	(67)	(97)	(67)	(97)
Net Cash Provided by (Used in) Financing Activities	(5,848)	15,843	(5,848)	5,843
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,205)	(1,348)	(102,609)	(3,020)
Cash and Cash Equivalents at Beginning of Period	291,686	24,300	235,095	19,429
CASH AND CASH EQUIVALENTS AT END OF PERIOD	290,481	22,952	132,486	16,409

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

GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the interim financial statements
For the three-month period ended March 31, 2019 (Reviewed)

These notes form and integral part of the interim financial statements.

The interim financial statements were authorized for issue by the Board of Directors on May 14, 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 are the treatment of industrial waste and unavoidable by - products of manufacturing processes and real estate business.

2. BASIS OF INTERIM FINANCIAL STATEMENT PREPARATION

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

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard No. 34 (Revised 2018) “Interim Financial Reporting”; guidelines promulgated by the Federation of Accounting Professions (FAP); applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements are prepared and presented in Thai Baht, which is the Group’s functional currency.

The interim financial statements are prepared to provide an update on the financial statements for the year ended December 31, 2018. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2018.

The consolidated financial statements as at March 31, 2019 and December 31, 2018, include the accounts of the Company and its subsidiaries which the Company has controlling power or directly and indirectly holdings on those subsidiaries as follows:

Name of Companies	Type of business	In Thousand Baht		Percentages of direct and indirect holdings (%)	
		Paid-up share capital		March 31, 2019	December 31, 2018
		March 31, 2019	December 31, 2018		
Asia Patana Land Co., Ltd.	Buy, sale, and land or real estate development	530,000	430,000	100	100
Industrial Waste Management (Asia) Co., Ltd.	Industrial waste treatment	200,000	200,000	100	100

GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the interim financial statements (Continued)
For the three-month period ended March 31, 2019 (Reviewed)

Name of Companies	Type of business	In Thousand Baht		Percentages of direct and indirect holdings (%)	
		Paid-up share capital			
		March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
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

All significant intercompany transactions between the Group included in the consolidated financial statements have been eliminated.

3. NEW FINANCIAL REPORTING STANDARDS

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

During the period, the Group has adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods 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 adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries' financial statements. However, the new standard involves changes to key principles, which are 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 judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The Group adopted this financial reporting standard without any material affecting to the Group's financial statements.

GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the interim financial statements (Continued)
For the three-month period ended March 31, 2019 (Reviewed)

(b) Financial reporting standards that became effective for fiscal years beginning on or after January 1, 2020

The Federation of Accounting Professions issued a number of new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after January 1, 2020. These new standards involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

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.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Group is currently evaluating the impact of this standard on the financial statements in the year when it is adopted.

GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the interim financial statements (Continued)
For the three-month period ended March 31, 2019 (Reviewed)

4. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended December 31, 2018, and adoption of TFRS 15, Revenue from Contracts with Customers. (as described in Note 3 (a) to the interim financial statements.)

5. TRANSACTIONS WITH RELATED PARTIES

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

Types of relationship of related companies are as follows:

<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
Mr. Asawin Wipoosiri	-	Director
Mr. Pasu Loharjun	-	Director
Mr. Itthirit Wipoosiri	-	Director(Director until May 2, 2019)
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 expenses	Contractually agreed prices
Consultant fee	Contractually agreed prices
Purchase - Sales of fixed assets	Price approximately market price

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Notes to the interim financial statements (Continued)
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Significant revenues and expenses derived from transactions with related parties for the three-month periods ended March 31, 2019 and 2018 are summarized as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Interest income				
Asia Patana Land Co., Ltd.	-	-	-	1,981
Other income				
Industrial Waste Management (Asia) Co., Ltd.	-	-	205	258
Cost of service				
General Logistics Co., Ltd.	17,881	17,792	17,881	17,792
Rental and royalty fee				
Industrial Estate Authority of Thailand	905	905	905	905
The Department of Industrial Works	869	781	869	781
Other expenses				
Industrial Estate Authority of Thailand	444	433	444	433
Rental expense				
General Logistics Co., Ltd.	714	735	714	735
Consultant fee				
Mr. Pasu Loharjun	210	210	210	210
Mr. Mongkon Phuksawattana	-	150	-	150
Mr. Somyot Sangsuwan	120	120	-	-
Mr. Thongchai Chawalitpichaet	150	-	150	-
Purchase of fixed assets				
General Logistics Co., Ltd.	-	520	-	520
Sale of fixed assets				
General Logistics Co., Ltd.	-	321	-	-

Key managements personnel compensation and directors remuneration for the three-month periods ended March 31, 2019 and 2018 are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Key managements personnel compensation and directors remuneration				
Short-term employment benefits	2,078	2,002	2,078	2,002
Post-employment benefits	60	64	60	64
Total	<u>2,138</u>	<u>2,066</u>	<u>2,138</u>	<u>2,066</u>

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The balances of receivables from and payables to related parties as of March 31, 2019 and December 31, 2018 are summarized as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Other receivables				
Advance Payment				
Mr. Asawin Wipoosiri	-	300	-	300
Mr. Somyot Sangsuwan	-	250	-	250
Others				
Industrial Waste Management (Asia) Co., Ltd.	-	-	180	271
	-	550	180	821
Deposit for rent / Deposit				
Industrial Estate Authority of Thailand	36	36	36	36
General Logistics Co., Ltd.	2,000	2,000	2,000	2,000
	2,036	2,036	2,036	2,036
Trade and other payables				
Industrial Estate Authority of Thailand	2,442	2,750	2,442	2,750
The Department of Industrial Works	560	488	560	488
General Logistics Co., Ltd.	11,024	11,851	11,024	11,851
Industrial Waste Management (Asia) Co., Ltd.	-	-	400	400
Total	14,026	15,089	14,426	15,489

Significant contracts with related parties are as follows:

a) The Company entered into a waste transportation contract with General Logistics Co., Ltd. ("Contractor"), whereby the contractor agreed to hire the waste transportation to be treated at the Company's location. The contractor must provide transportation vehicles with driver as specified by the Company. Furthermore, the company will pay the service charge to the Contractor based on the actually waste quantity as specified in Manifest report. The contract is scheduled for 3 years, starting from January 1, 2019 to December 31, 2021.

b) Rental and exclusive right agreement (Note 24 (1))

c) Land lease agreement (Note 24 (2))

6. CASH AND CASH EQUIVALENTS

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Bank deposits	290,481	291,686	132,486	235,095

As at March 31, 2019 and December 31, 2018, the Group has bank deposits in saving accounts, the interest rates at 0.375% per annum. (Separate Financial Statements: at 0.375% per annum).

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7. TRADE AND OTHER RECEIVABLES

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Other receivables - Related parties (Note 5)	-	550	180	821
Trade and other receivables - Other parties				
Trade receivables	31,677	32,796	31,677	32,796
Unbilled receivables	19,567	18,665	19,567	18,665
Total	51,244	51,461	51,244	51,461
Less Allowance for doubtful accounts	(2,153)	(1,918)	(2,153)	(1,918)
Trade receivables and unbilled receivables - Net	49,091	49,543	49,091	49,543
Other receivables				
Advance Payment	2,703	2,089	2,703	2,089
Others	5,209	4,570	5,107	2,759
Total	7,912	6,659	7,810	4,848
Less Allowance for doubtful accounts	(544)	(544)	(544)	(544)
Other receivables - Net	7,368	6,115	7,266	4,304
Total	56,459	56,208	56,537	54,668

As at March 31, 2019 and December 31, 2018, trade receivables are classified by aging as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Current	24,038	19,401	24,038	19,401
Overdue				
Less than 3 months	6,394	12,454	6,394	12,454
Over 3 months to 6 months	471	101	471	101
Over 6 months to 12 months	44	74	44	74
Over 12 months	730	766	730	766
Total	31,677	32,796	31,677	32,796

Movements of allowance for doubtful accounts for the three-month periods ended March 31, 2019 and 2018 were as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Balance as at January 1,	2,462	2,659	2,462	2,659
Add Doubtful accounts (Reversal)	235	(190)	235	(190)
Balance as at March 31,	2,697	2,469	2,697	2,469

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For the three-month period ended March 31, 2019 (Reviewed)

8. REAL ESTATE DEVELOPMENT COST

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Commercial building for sales	356,613	356,613	137,331	137,331
Condominium for sales	119,241	124,511	74,372	78,228
Total	475,854	481,124	211,703	215,559
Less allowance for decline in value of real estate development cost	(19,979)	(20,291)	(11,362)	(11,674)
Net	455,875	460,833	200,341	203,885

The movements of real estate development costs for the three-month periods ended March 31, 2019 were as follows:

	In Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
Net book value as at January 1, 2019	460,833	203,885
Purchases/transfer in	228	-
Disposals/written-off	(5,498)	(3,856)
Reversal of allowance for decline in value of real estate development costs	312	312
Net book value as at March 31, 2019	455,875	200,341

Movements of allowance for decline in value of real estate development costs for the three-month periods ended March 31, 2019 and 2018 were as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Balance as at January 1,	20,291	15,217	11,674	11,180
Less Reversal of allowance for decline in value of real estate development costs	(312)	(648)	(312)	(648)
Balance as at March 31,	19,979	14,569	11,362	10,532

9. DEPOSITS AT FINANCIAL INSTITUTION PLEDGED AS COLLATERAL

As at March 31, 2019 and December 31, 2018, the Company used its fixed deposit accounts totaling Baht 0.8 million and Baht 0.8 million, respectively to secure credit facilities of utility usage.

GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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10. LONG - TERM INVESTMENTS - AVAILABLE - FOR - SALES

	In Thousand Baht	
	Consolidated Financial Statements and Separate Financial Statements	
	March 31, 2019	December 31, 2018
Available - for - sales investments in securities	3,319	3,273

The details of available - for - sales investments in securities as at March 31, 2019 and December 31, 2018 were as follow:

	In Thousand Baht	
	Consolidated Financial Statements and Separate Financial Statements	
	March 31, 2019	December 31, 2018
Available - for - sales investments in securities consist of		
Marketable equity securities		
At the beginning of the period/year	3,273	8,990
Purchases during the period/ year	-	-
Sales during the period/year	-	-
Impairment loss recognized in profit or loss	-	(1,150)
Unrealized gain (loss) on changes in fair value	46	(4,567)
At the end of period/year	3,319	3,273

Carrying amounts and fair values

The fair values of available-for-sales investments in securities together with the carrying amounts in the statement of financial position as at March 31, 2019 and December 31, 2018 are as follows.

	In Thousand Baht			
	Consolidated Financial Statements and Separate Financial Statements			
	March 31, 2019		December 31, 2018	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Available - for - sales investments				
Marketable equity securities	3,319	3,319	3,273	3,273

Fair value

The fair value measurements of available-for-sale investments in securities 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.

GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the interim financial statements (Continued)

For the three-month period ended March 31, 2018 (Reviewed)

11. INVESTMENTS IN SUBSIDIARIES

	Separate Financial Statements											
	In Thousand Baht											
	Percentage of holdings		Paid - up share capital		Investments		Allowance for impairment loss		Net		Dividends	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018	March 31, 2019	March 31, 2018
Asia Patana Land Co., Ltd. Industrial Waste	100	100	530,000	430,000	530,000	430,000	-	-	530,000	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	-	-
Total					<u>758,000</u>	<u>658,000</u>	<u>(79,893)</u>	<u>(79,893)</u>	<u>678,107</u>	<u>578,107</u>	<u>-</u>	<u>-</u>

At the Extraordinary General Meeting of Shareholders No. 1/2019, held on February 25, 2019 of Asia Patana Land Co., Ltd. approved the capital increase from the existing share capital of Baht 430 million to Baht 630 million by increasing the share capital of Baht 200 million divided into 20,000,000 common shares at par value of Baht 10 per share, and call-up 50%, amounting to Baht 100 million. The Company has invested such capital increase amounting to Baht 100 million in February 2019. The increase in the share capital of the subsidiary did not change the Company's proportionate holding in the equity of such subsidiary.

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12. INVESTMENT IN ASSOCIATE

Company's name	Nature of business	Country of incorporation	Consolidated Financial Statements			
			Percentage (%) of shareholdings		In Thousand Baht	
			March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
					At Equity	
Genco Otani Co., Ltd.	Operate electroplating wastewater pretreatment plant	Thailand	60	60	17,895	17,906
Less: Allowance for impairment loss of investment					-	-
Net					<u>17,895</u>	<u>17,906</u>

Company's name	Nature of business	Country of incorporation	Separate Financial Statements					
			Percentage (%) of shareholdings		In Thousand Baht			
			March 31, 2019	December 31, 2018	Cost		Dividends	
			March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018	March 31, 2019	March 31, 2018
Genco Otani Co., Ltd.	Operate electroplating wastewater pretreatment plant	Thailand	60	60	18,000	18,000	-	-
Less: Allowance for impairment loss of investment					-	-	-	-
Net					<u>18,000</u>	<u>18,000</u>	<u>-</u>	<u>-</u>

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 1,799,997 common shares at the par value of Baht 10 per share equivalent to 60% holding totaling of Baht 18 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.

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The Company has recognized its share of loss from investment in associate in the consolidated financial statements for for the three-month period ended March 31, 2019 and 2018 as follows:

	In Thousand Baht	
	Consolidated Financial Statements	
	2019	2018
Share of loss from investment in associate	11	16

Summarized financial information of associate

Financial information of associate is summarized as follow:

	In Thousand Baht				
	Consolidated Financial Statements				
	March 31, 2019		For the three-month period ended March 31, 2019		
	Paid-up share capital	Total Assets	Total Liabilities	Total revenues	Profit (loss)
Genco Otani Co., Ltd. ("Reviewed")	30,000	30,059	234	17	(18)

13. LAND AND STRUCTURES HELD FOR DEVELOPMENT

	In Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
Net book value as at January 1, 2019	363,772	200,285
Acquisitions during the period	-	-
Disposal during the period	-	-
Net book value as at March 31, 2019	363,772	200,285

As at March 31, 2019 and December 31, 2018, the Company mortgaged its 8 plots of land held for development for guarantee short - term loans and long - term loan agreements from 2 local financial institutions with net book value amounting to Baht 131.3 million.

14. INVESTMENT PROPERTY

	In Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
Net book value as at January 1, 2019	75,875	1,199
Acquisitions during the period	-	-
Disposals during the period	-	-
Depreciation during the period	(893)	(10)
Net book value as at March 31, 2019	74,982	1,189
Fair value	88,972	2,051

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The Company had rental income from investment properties to other parties for the three-month periods ended March 31, 2019 and 2018 amounting to Baht 1.6 million and Baht 1.5 million, respectively. (Separate Financial Statements : Baht 0.1 million and Baht 0.2 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 property 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.

15. PROPERTY, PLANT AND EQUIPMENT

	In Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
Net book value as at January 1, 2019	308,640	305,147
Acquisitions during the period	2,025	2,025
Disposals/ written-off - net book value at disposal/written-off date	-	-
Depreciation during the period	(6,098)	(5,740)
Net book value as at March 31, 2019	<u>304,567</u>	<u>301,432</u>

As at March 31, 2019 and December 31, 2018, 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 19.8 million and Baht 20.5 million, respectively.

16. INTANGIBLE ASSETS

	In Thousand Baht	
	Consolidated Financial Statements and Separate Financial Statements	
Net book value as at January 1, 2019		4,942
Acquisitions during the period	-	
Disposals/ written-off - net book value at disposal/ written-off date	-	
Amortization during the period		(48)
Net book value as at March 31, 2019		<u>4,894</u>

17. TRADE AND OTHER PAYABLES

Trade and other payables as at March 31, 2019 and December 31, 2018 consisted of:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Related parties (Note 5)				
Trade payables	11,387	12,167	11,787	12,567
Other payables	2,639	2,922	2,639	2,922
	<u>14,026</u>	<u>15,089</u>	<u>14,426</u>	<u>15,489</u>

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	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Other parties				
Trade payables	6,576	8,073	6,576	8,074
Other payables	10,521	9,961	9,630	9,180
Retentions	3,663	3,622	1,438	1,416
Accrued expenses	21,825	20,997	20,522	19,864
	<u>42,585</u>	<u>42,653</u>	<u>38,166</u>	<u>38,534</u>
Total	<u>56,611</u>	<u>57,742</u>	<u>52,592</u>	<u>54,023</u>

18. 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	
			March 31, 2019	December 31, 2018
1	74.0	MLR-0.5	50,987	54,579
2	60.5	MLR-0.5	34,586	36,775
Total			85,573	91,354
Less Current portion			(23,888)	(23,563)
Net			<u>61,685</u>	<u>67,791</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 interim 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 March 31, 2019, the Company had already withdrawn the loan.

The movement of long - term loans from financial institution during the period are summarized as follows:

	In Thousand Baht	
	Consolidated Financial Statements and Separate Financial Statements	
Balance as at January 1, 2019		91,354
Add addition loan	-	
Less repayment		(5,781)
Balance as at March 31, 2019		<u>85,573</u>

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19. EMPLOYEE BENEFIT OBLIGATIONS

Movement in the present value of the employee benefit obligations as at March 31, 2019 and 2018 is as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Employee benefit obligations as at January 1,	7,403	4,536	7,208	4,438
Current service costs and interest	263	158	254	153
Employee benefit obligations as at March 31,	<u>7,666</u>	<u>4,694</u>	<u>7,462</u>	<u>4,591</u>

The Labour Protection Act (No.7), B.E. 2019 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 which was announced in the Government Gazette on April 4, 2019. This change is considered a post-employment benefits plan amendment and the Group has additional employee benefits obligations 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.

20. INCOME TAX

Income tax income (expenses) of the Group for the three-month periods ended March 31, 2019 and 2018 are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Current income tax expenses:				
Income tax expenses for the period	-	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	55	(322)	54	(323)
Income tax income (expenses) reported in profit or loss	<u>55</u>	<u>(322)</u>	<u>54</u>	<u>(323)</u>

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The components of deferred tax assets as at March 31, 2019 and December 31, 2018 are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Deferred tax assets				
Trade and other receivables	430	384	430	384
Inventories	536	536	536	536
Real estate development costs	1,353	1,416	1,353	1,416
Employee benefits obligations	1,533	1,480	1,493	1,441
Short – term provision	963	944	963	944
Others	294	294	-	-
Total	5,109	5,054	4,775	4,721

21. EARNINGS (LOSS) PER SHARE

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

Details of calculation of earnings (loss) per share for the three-month periods ended March 31, 2019 and 2018 are as follows:

	In Thousand Baht/Thousand shares			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Profit (Loss) for the year attributable to equity holders of the parent company	(2,544)	(2,246)	(1,422)	(204)
Number of common shares	1,122,298	1,122,298	1,122,298	1,122,298
Earnings (Loss) per share (Baht)	(0.002)	(0.002)	(0.001)	(0.000)

22. 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.

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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 three-month periods ended March 31, 2019 and 2018 are as follows:

	In Thousand Baht					
	Consolidated Financial Statements and Separate Financial Statements					
	Promoted business		Non-promoted Business		Total	
	2019	2018	2019	2018	2019	2018
Revenue from sale and service	1,297	-	61,509	64,039	62,806	64,039

23. 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 three-month periods ended March 31, 2019 and 2018, the Group has revenues from 1 major customer totaling of Baht 12.3 million and Baht 14.0 million, respectively, from the business primarily related to treatment of industrial waste.

Details of revenue and profit (loss) for each segments of the Group for the three-month periods ended March 31, 2019 and 2018 are as follows:

	In Thousand Baht					
	Treatment of industrial waste business		Property development business		Total	
	2019	2018	2019	2018	2019	2018
External revenue	62,806	64,039	7,213	7,716	70,019	71,755
Inter-segment revenue	-	-	-	-	-	-
Total revenue	62,806	64,039	7,213	7,716	70,019	71,755
Cost of sales and services	(44,689)	(46,411)	(5,186)	(4,987)	(49,875)	(51,398)
Gross profit	18,117	17,628	2,027	2,729	20,144	20,357
Unallocated revenue (expenses)						
Other income					2,901	8,461
Selling expenses					(1,106)	(1,571)
Administrative expenses					(23,177)	(26,750)
Finance costs					(1,350)	(2,405)
Loss before share of loss from investments in associate and income tax expenses					(2,588)	(1,908)
Share of loss from investments in associate					(11)	(16)
Loss before income tax					(2,599)	(1,924)
Income tax (expenses) income					55	(322)
Loss for the period					(2,544)	(2,246)

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The segment assets and liabilities as at March 31, 2019 and December 31, 2018 are as follows:

	In Thousand Baht					
	Treatment of industrial waste business		Property development business		Total	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Assets						
Trade and other receivables	54,786	52,879	1,673	3,329	56,459	56,208
Real estate development costs	-	-	455,875	460,833	455,875	460,833
Inventories	605	849	-	-	605	849
Deposits at financial institution pledged as collaterals	-	-	756	756	756	756
Investment in associate	17,895	17,906	-	-	17,895	17,906
Land and structures held for development	104,804	104,804	258,968	258,968	363,772	363,772
Investment property	-	-	74,982	75,875	74,982	75,875
Property, plant and equipment	270,197	273,216	34,370	35,424	304,567	308,640
Cost of landfills	29,069	29,069	-	-	29,069	29,069
Unallocated assets	-	-	-	-	337,780	337,057
Total					<u>1,641,760</u>	<u>1,650,965</u>
Liabilities						
Trade and other payables	45,824	47,049	10,787	10,693	56,611	57,742
Long - term loans from financial institution	85,573	91,354	-	-	85,573	91,354
Provision cost of landfill	34,000	34,000	-	-	34,000	34,000
Unallocated liabilities	-	-	-	-	26,590	26,385
Total					<u>202,774</u>	<u>209,481</u>

24. 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 year 1st to year 5th amounting to approximately Baht 1.1 million per year, year 6th to year 10th amounting to approximately Baht 1.4 million per year and royalty fee at a certain percentage of waste served. The agreement is effective from October 1, 2006 to September 30, 2016.

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 by month.

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 will be transferred the ownership to the Department of Industrial works at the maturity date.

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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	
	March 31, 2019	December 31, 2018
Less than 1 year	5.7	5.7
Over 1 year to 5 years	23.2	23.1
Over 5 years	21.2	22.7
Total	50.1	51.5

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	
	March 31, 2019	December 31, 2018
Less than 1 year	0.3	0.3
Over 1 year to 5 years	1.2	1.2
Over 5 years	1.5	1.6
Total	3.0	3.1

25. COMMITMENTS AND CONTINGENT LIABILITIES

As at March 31, 2019 and December 31, 2018, 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 36.9 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 13.1 million and Baht 14.3 million, respectively.

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26. 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. Subsequently, on March 13, 2019, the Ombudsman made a decision for the ERC committee to lead the power plant project of a subsidiary to consider joining the special power purchase project from industrial waste again, due to the fact that the subsidiary has not been selected because of the differences in the translation of text according to documents between the company and ERC only. For the power plant project of another subsidiary, the Ombudsman had a decision to terminate the complaint.

27. EVENTS AFTER THE REPORTING PERIOD

At the 2019 Ordinary General Meeting of Shareholders held on April 26, 2019, approved

- the appropriation of legal reserve amounting to Baht 4.7 million.
- the dividend payment for the year 2018 at the rate of Baht 0.02 per share amounting to Baht 22.4 million. The dividend payment will be paid on May 24, 2019.