

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

Interim Financial Information

For the Three-Month Period ended March 31, 2020

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, 2020, 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, 2020, 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 2019) "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 2019) "Interim Financial Reporting".

(Miss Piyanuch Kasemsupakorn)
Independent Auditor
Registration No. 6303

BPR AUDIT AND ADVISORY CO., LTD.
Bangkok
May 15, 2020

GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2020

ASSETS

	Notes	In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		March	December	March	December
		31, 2020	31, 2019	31, 2020	31, 2019
		"Unaudited"	"Audited"	"Unaudited"	"Audited"
		"Reviewed"		"Reviewed"	
CURRENT ASSETS					
Cash and cash equivalents	7	163,067	172,221	77,547	81,976
Trade and other receivables	6,8	44,927	56,512	44,610	56,480
Real estate development costs	9	355,989	365,431	150,805	154,713
Inventories		1,026	1,388	1,026	1,388
Deposits for purchase machineries		5,060	-	-	-
Other current assets		538	303	-	-
Total current assets		570,607	595,855	273,988	294,557
NON - CURRENT ASSETS					
Deposits at financial institution pledged as collaterals	10	756	756	756	756
Other long-term investments - available - for - sales	16	-	2,529	-	2,529
Investments in subsidiaries	11	-	-	672,207	672,207
Investments in associate	12	17,608	17,722	18,000	18,000
Land and structures held for development		435,305	435,305	200,285	200,285
Investment property	13	159,465	152,499	44,702	41,257
Property, plant and equipment	14	266,335	272,276	263,869	269,445
Right-of-use assets	15	42,952	-	42,952	-
Intangible assets		4,532	4,551	4,532	4,551
Deferred tax assets	23	8,024	5,296	7,658	4,932
Other non-current financial assets	16	1,586	-	1,586	-
Other non - current assets					
Costs of landfills	17	47,147	47,234	47,147	47,234
Withholding tax deducted at source		33,456	25,623	30,650	22,955
Others	6	6,982	7,313	6,358	6,690
Total non - current assets		1,024,148	971,104	1,340,702	1,290,841
TOTAL ASSETS		1,594,755	1,566,959	1,614,690	1,585,398

GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2020

LIABILITIES AND SHAREHOLDERS' EQUITY

	Notes	In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		March	December	March	December
		31, 2020	31, 2019	31, 2020	31, 2019
		"Unaudited"	"Audited"	"Unaudited"	"Audited"
		"Reviewed"		"Reviewed"	
CURRENT LIABILITIES					
Trade and other payables	6, 18	39,184	52,494	36,210	49,131
Current portion of long-term loans from financial institution	19	25,506	25,090	25,506	25,090
Current portion of lease liabilities	20	12,639	256	12,639	256
Total current liabilities		77,329	77,840	74,355	74,477
NON - CURRENT LIABILITIES					
Long - term loans from financial institution - net of current portion	19	36,114	42,679	36,114	42,679
Lease liabilities - net of current portion	20	52,190	22	52,190	22
Employee benefit obligations	21	10,275	10,009	9,911	9,658
Provision costs of landfill		53,009	52,976	53,009	52,976
Total non - current liabilities		151,588	105,686	151,224	105,335
TOTAL LIABILITIES		228,917	183,526	225,579	179,812
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		27,658	44,310	50,932	66,464
Other component of shareholders' equity		(6,253)	(5,310)	(6,254)	(5,311)
Total equity holders of the parent company		1,365,838	1,383,433	1,389,111	1,405,586
Non - controlling interest		-	-	-	-
TOTAL SHAREHOLDERS' EQUITY		1,365,838	1,383,433	1,389,111	1,405,586
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,594,755	1,566,959	1,614,690	1,585,398

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, 2020

"UNAUDITED"
"REVIEWED"

		In Thousand Baht				
		Consolidated Financial Statements		Separate Financial Statements		
Notes		2020	2019	2020	2019	
REVENUES						
	Revenues from sales and services - treatment of industrial waste business	25	60,102	62,806	60,102	62,806
	Revenues from sales - property development business		1,150	7,213	-	4,803
	Other income		4,985	2,901	1,948	879
	Total Revenues		<u>66,237</u>	<u>72,920</u>	<u>62,050</u>	<u>68,488</u>
EXPENSES						
	Costs of sales and services - treatment of industrial waste business		43,025	44,689	43,025	44,690
	Costs of sales - property development business		824	5,186	-	3,544
	Selling expenses		1,345	1,106	1,324	972
	Administrative expenses		24,061	23,177	19,711	19,409
	Finance costs		1,742	1,350	1,741	1,349
	Total Expenses		<u>70,997</u>	<u>75,508</u>	<u>65,801</u>	<u>69,964</u>
	Loss before share of loss from investments in associate and income tax expenses		(4,760)	(2,588)	(3,751)	(1,476)
	Share of loss from investments in associate	12	(114)	(11)	-	-
	PROFIT (LOSS) BEFORE INCOME TAX		(4,874)	(2,599)	(3,751)	(1,476)
	Income tax (expenses) income	23	(175)	55	(178)	54
	LOSS FOR THE PERIOD		<u>(5,049)</u>	<u>(2,544)</u>	<u>(3,929)</u>	<u>(1,422)</u>
	Other comprehensive income (loss) - net of income tax					
	Other comprehensive income to be reclassified to profit or loss in subsequent periods					
	Unrealized gain (loss) on revaluation of available-for-sale securities		-	46	-	46
	Total items that may be reclassified to profit or loss in subsequent periods		-	46	-	46
	Components of other comprehensive income that will not be reclassified to profit or loss in subsequent periods					
	Loss from remeasurement of equity investment at fair value through other comprehensive income (loss)		(943)	-	(943)	-
	Total items that will not be reclassified to profit or loss in subsequent periods		(943)	-	(943)	-
	Total other comprehensive income (loss) for the period		(943)	46	(943)	46
	TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		<u>(5,992)</u>	<u>(2,498)</u>	<u>(4,872)</u>	<u>(1,376)</u>
	Profit (Loss) for the period attributable to :					
	Equity holders of the parent company		(5,049)	(2,544)	(3,929)	(1,422)
	Non - controlling interest		-	-	-	-
			<u>(5,049)</u>	<u>(2,544)</u>	<u>(3,929)</u>	<u>(1,422)</u>
	Total comprehensive income (loss) for the period attributable to :					
	Equity holders of the parent company		(5,992)	(2,498)	(4,872)	(1,376)
	Non - controlling interest		-	-	-	-
			<u>(5,992)</u>	<u>(2,498)</u>	<u>(4,872)</u>	<u>(1,376)</u>
	LOSS PER SHARE (BAHT)	24	<u>(0.004)</u>	<u>(0.002)</u>	<u>(0.004)</u>	<u>(0.001)</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, 2020

"UNAUDITED"

"REVIEWED"

		In Thousand Baht							
		Consolidated Financial Statements							
				Retained earnings		Other component of shareholders' equity	Other comprehensive income (loss)	Loss from remeasurement of equity investment at fair value	Total
Notes	Issued and fully paid - up share capital	Premium on share capital	Appropriated for legal reserve	Unappropriated	through other comprehensive income (loss)	Total equity holders of the parent company	Non - controlling interests	shareholders' equity	
	Balance as at January 1, 2020 - as previously report	1,122,298	208,730	13,405	44,310	(5,310)	1,383,433	-	1,383,433
5	Cumulative effects of changes in accounting policies	-	-	-	(11,603)	-	(11,603)	-	(11,603)
	Balance as at January 1, 2020 - as restated	1,122,298	208,730	13,405	32,707	(5,310)	1,371,830	-	1,371,830
	Comprehensive income (loss) for the period								
	Loss for the period	-	-	-	(5,049)	-	(5,049)	-	(5,049)
	Other comprehensive income (loss)	-	-	-	-	(943)	(943)	-	(943)
	Total comprehensive income (loss) for the period	-	-	-	(5,049)	(943)	(5,992)	-	(5,992)
	Balance as at March 31, 2020	<u>1,122,298</u>	<u>208,730</u>	<u>13,405</u>	<u>27,658</u>	<u>(6,253)</u>	<u>1,365,838</u>	<u>-</u>	<u>1,365,838</u>
	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>

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, 2020

In Thousand Baht							
Separate Financial Statements							
	Notes	Issued and fully paid - up share capital	Premium on share capital	Retained earnings		Other component of shareholders' equity	
				Appropriated for legal reserve	Unappropriated	Other comprehensive income (loss)	
						Loss from remeasurement of equity investment at fair value through other comprehensive income (loss)	
						Total shareholders' equity	
Balance as at January 1, 2020 - as previously report		1,122,298	208,730	13,405	66,464	(5,311)	1,405,586
Cumulative effects of changes in accounting policies	5	-	-	-	(11,603)	-	(11,603)
Balance as at January 1, 2020 - as restated		1,122,298	208,730	13,405	54,861	(5,311)	1,393,983
Comprehensive income (loss) for the period							
Loss for the period		-	-	-	(3,929)	-	(3,929)
Other comprehensive income (loss)		-	-	-	-	(943)	(943)
Total comprehensive income (loss) for the period		-	-	-	(3,929)	(943)	(4,872)
Balance as at March 31, 2020		<u>1,122,298</u>	<u>208,730</u>	<u>13,405</u>	<u>50,932</u>	<u>(6,254)</u>	<u>1,389,111</u>
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>

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, 2020

"UNAUDITED"
"REVIEWED"

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before income tax	(4,874)	(2,599)	(3,751)	(1,476)
Adjustments for				
Depreciation and amortization	9,710	7,039	8,156	5,798
Reversal of provision for decline in value of real estate development costs	-	(312)	-	(312)
Reversal of doubtful accounts	(76)	235	(76)	235
Share of loss from investment in associate	114	11	-	-
Gain on sales of equipment and vehicles	(248)	-	(248)	-
Loss on written - off fixed assets	101	-	101	-
Employee benefit obligations	224	203	213	196
Short - term provision	-	123	-	123
Interest income	(151)	(297)	(59)	(179)
Finance costs	1,742	1,350	1,741	1,349
Profit from operating activities before change in operating assets and liabilities	6,542	5,753	6,077	5,734
Decrease (Increase) in operating assets				
Trade and other receivables	5,784	(172)	6,194	(252)
Real estate development costs	824	5,270	-	3,856
Inventories	362	244	362	244
Other current assets	(235)	(273)	-	-
Other non - current assets	(17)	67	(17)	67
Increase (Decrease) in operating liabilities				
Trade and other payables	(6,084)	(1,144)	(5,697)	(1,444)
Cash generated (paid) from operations	7,176	9,745	6,919	8,205
Interest paid	(901)	(1,269)	(901)	(1,269)
Income tax paid	(1,971)	(1,879)	(1,943)	(1,851)
Net Cash Provided by Operating Activities	4,304	6,597	4,075	5,085

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, 2020

"UNAUDITED"
"REVIEWED"

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	165	71	59	179
Cash paid for deposit of purchase machineries	(5,060)	-	-	-
Cash paid for investments in subsidiaries	-	-	-	(100,000)
Proceeds from sales of vehicles	248	-	248	-
Cash paid for purchase of intangible assests	(100)	-	(100)	-
Cash paid for purchase of property, plant and equipment	(146)	(2,025)	(146)	(2,025)
Net Cash Provided by (Used in) Investing Activities	(4,893)	(1,954)	61	(101,846)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of long-term loans from financial institutions	(6,149)	(5,781)	(6,149)	(5,781)
Repayment of lease liabilities	(2,416)	(67)	(2,416)	(67)
Net Cash Used in Financing Activities	(8,565)	(5,848)	(8,565)	(5,848)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(9,154)	(1,205)	(4,429)	(102,609)
Cash and Cash Equivalents at Beginning of Period	172,221	291,686	81,976	235,095
CASH AND CASH EQUIVALENTS AT END OF PERIOD	163,067	290,481	77,547	132,486
Supplemental Disclosure of Cash Flow Information				
Non - cash transactions				
Transfer investment property from real estate development costs	8,618	-	3,908	-

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020 (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 15, 2020.

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.

Coronavirus disease 2019 pandemic

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates.

Nevertheless, the Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgements in respect of various issues as the situation has evolved.

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 2019) “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, 2019. 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, 2019.

The consolidated financial statements as at March 31, 2020 and December 31, 2019, 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:

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020 (REVIEWED)**

Name of Companies	Type of business	In Thousand Baht		Percentages of direct and indirect holdings (%)	
		Paid-up share capital		March 31, 2020	December 31, 2019
		March 31, 2020	December 31, 2019		
Asia Patana Land Co., Ltd.	Buy, sale, and land or real estate development	530,000	530,000	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

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

3. NEW FINANCIAL REPORTING STANDARDS THAT BECAME EFFECTIVE IN THE CURRENT PERIOD

During the period, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after January 1, 2020. 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 Group's financial statements. However, the new standard involves 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

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020 (REVIEWED)**

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.

These standards do not have any significant impact on the Group's financial statements.

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.

The Group adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at January 1, 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 5 to the interim financial statements.

Accounting Treatment Guidance on Temporary relief measures on accounting alternatives in response to the impact of the Coronavirus 2019 (COVID-19)

The Federation of Accounting Professions announced Accounting Treatment Guidance on Temporary relief measures on accounting alternatives in response to the impact of the Coronavirus 2019 (COVID-19). Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On April 22, 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between January 1, 2020 and December 31, 2020.

The Group has elected to apply the following temporary relief measures on accounting alternatives

- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.
- Not to take into account forward-looking information when determining expected credit losses, in cases where the Group uses a simplified approach to determine expected credit losses.

4. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended December 31, 2019 except the changes in accounting policies related to financial instruments and leases.

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020 (REVIEWED)**

Financial instruments

Classification and measurement

Financial assets that are debt instruments are measured at fair value through profit or loss, fair value through other comprehensive income, or amortised cost. Classification is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets that are equity instruments are measured at fair value through other comprehensive income, with no subsequent recycling to profit or loss.

Financial liabilities are classified and measured at amortised cost.

Impairment of financial assets

The Group recognises an allowance for expected credit losses on its financial assets measured at amortised cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Group accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables or contract assets that do not contain a significant financing component, the Group applies a simplified approach to determine the lifetime expected credit losses.

Leases

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred (if any), and lease payments made at or before the commencement date, less any lease incentives received (if any).

Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Short-term leases and Leases of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

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5. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS

As described in Note 4 to the interim financial statements, during the current period, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at January 1, 2020. Therefore, the comparative information was not restated.

The impacts on the beginning balance of retained earnings of 2020 from changes in accounting policies due to the adoption of these standards are presented as follows:

	In Thousand Baht			
	Consolidated financial statements			
	The impacts of			
	December 31, 2019	Financial reporting standards related to financial instruments	TFRS 16	January 1, 2020
Statement of financial position				
Assets				
Non-current assets				
Other long-term investments- available-for-sales	2,529	(2,529)	-	-
Other non-current financial assets	-	2,529	-	2,529
Right-of-use assets	-	-	44,469	44,469
Deferred tax assets	5,296	-	2,905	8,201
Current liabilities				
Trade and other payables	52,494	-	(7,234)	45,260
Current portion of lease liabilities	256	-	11,820	12,076
Non-current liabilities				
Lease liabilities-net of current portion	22	-	54,391	54,413
Shareholders' equity				
Retained earnings - unappropriated	44,310	-	(11,603)	32,707

	In Thousand Baht			
	Separate Financial Statements			
	The impacts of			
	December 31, 2019	Financial reporting standards related to financial instruments	TFRS 16	January 1, 2020
Statement of financial position				
Assets				
Non-current assets				
Other long-term investments- available-for-sales	2,529	(2,529)	-	-
Other non-current financial assets	-	2,529	-	2,529
Right-of-use assets	-	-	44,469	44,469
Deferred tax assets	4,932	-	2,905	7,837
Current liabilities				
Trade and other payables	36,210	-	(7,234)	28,976
Current portion of lease liabilities	256	-	11,820	12,076

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	In Thousand Baht			
	Separate Financial Statements			
	The impacts of			
	December 31, 2019	Financial reporting standards related to financial instruments	TFRS 16	January 1, 2020
Non-current liabilities				
Lease liabilities-net of current portion	22	-	54,391	54,413
Shareholders' equity				
Retained earnings - unappropriated	66,464	-	(11,603)	54,861

5.1 Financial instruments

The classifications, measurement basis and carrying values of financial assets and financial liabilities in accordance with TFRS 9 as at January 1, 2020, and with the carrying amounts under the former basis, are as follows:

	In Thousand Baht				
	Consolidated financial statements				
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9			
Fair value through profit or loss		Fair value through other comprehensive income	Amortised cost	Total	
Financial assets as at January 1, 2020					
Cash and cash equivalents	172,221	-	-	172,221	172,221
Trade and other receivables	56,512	-	-	56,512	56,512
Other current assets	303	-	-	303	303
Deposits at financial institution pledged as collateral	756	-	-	756	756
Other long-term investments- available-for-sales	2,529	-	2,529	-	2,529
Other non-current assets	3,939	-	-	3,939	3,939
Total financial assets	236,260	-	2,529	233,731	236,260

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	In Thousand Baht				Total
	Separate Financial Statements				
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9			
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost		
Financial assets as at January 1, 2020					
Cash and cash equivalents	81,976	-	-	81,976	81,976
Trade and other receivables	56,480	-	-	56,480	56,480
Deposits at financial institution pledged as collateral	756	-	-	756	756
Other long-term investments- available-for-sales	2,529	-	2,529	-	2,529
Other non-current assets	3,316	-	-	3,316	3,316
Total financial assets	145,057	-	2,529	142,528	145,057

As at January 1, 2020, the Group has not designated any financial liabilities at fair value through profit or loss.

5.2 Leases

Upon initial application of TFRS 16 the Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at January 1, 2020. For leases previously classified as finance leases, the Group recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

	In Thousand Baht
	Consolidated Financial Statements and Separate Financial Statements
Operating lease commitments as at December 31, 2019	48,677
Add Rental and exclusive right agreement contain a lease	31,786
Less Straight - line basis adjustment	(2,104)
Less Deferred interest expenses	(12,148)
Increase in lease liabilities due to TFRS 16 adoption	66,211
Liabilities under finance lease contracts as at December 31, 2019	278
Lease liabilities as at January 1, 2020	66,489
Comprise of:	
Current lease liabilities	12,076
Non-current lease liabilities	54,413
Total	66,489

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The adjustments of right-of-use assets due to TFRS 16 adoption as at January 1, 2020 are summarised below:

	In Thousand Baht
	<u>Consolidated Financial Statements and Separate Financial Statements</u>
Land and land improvement	30,448
Buildings, machinery and equipment	14,201
Total right-of-use assets	<u>44,469</u>

6. 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. Kobchai Sungsitthisawad	-	Director
Mr. Pasu Loharjun	-	Director (Director until September 30, 2019)
Mr. Burin Amorpichit	-	Director
Mr. Itthirit Wipoosiri	-	Close member of the director's family
Mr. Somyot Sangsuwan	-	Director
Mr. Prakob Vivitjinda	-	Director
Mr. Thongchai Chawalitpichaet	-	Director (Director until September 30, 2019)

Pricing policies for each transaction are described as follows:

<u>Transactions</u>	<u>Pricing policies</u>
Other income	Contractually agreed prices
Cost of service	Contractually agreed prices
Rental and royalty fee	Contractually agreed prices
Rental expenses	Contractually agreed prices
Consultant fee	Contractually agreed prices
Other expenses	Contractually agreed prices

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Significant revenues and expenses derived from transactions with related parties for the three-month periods ended March 31, 2020 and 2019 are summarized as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Other income				
Industrial Waste Management (Asia) Co., Ltd.	-	-	201	205
Cost of service				
General Logistics Co., Ltd.	16,413	17,881	16,413	17,881
Rental and royalty fee				
Industrial Estate Authority of Thailand	-	1,311	-	1,311
The Department of Industrial Works	-	869	-	869
Rental expense				
General Logistics Co., Ltd.	1,080	714	1,080	714
Consultant fee				
Mr. Kobchai Sungsitthisawad	210	-	210	-
Mr. Pasu Loharjun	-	210	-	210
Mr. Somyot Sangsuwan	120	120	-	-
Mr. Prakob Vivitjinda	150	-	150	-
Mr. Thongchai Chawalitpichaet	-	150	-	150
Mr. Itthirit Wipoosiri	300	-	300	-
Other expenses				
Industrial Estate Authority of Thailand	470	444	470	444
Industrial Waste Management (Asia) Co., Ltd.	-	-	273	-

Key managements personnel compensation and directors remuneration for the three-month periods ended March 31, 2020 and 2019 are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Key managements personnel compensation and directors remuneration				
Short-term employment benefits	1,724	2,078	1,724	2,078
Post-employment benefits	32	60	32	60
	<u>1,756</u>	<u>2,138</u>	<u>1,756</u>	<u>2,138</u>

The balances of receivables from and payables to related parties as of March 31, 2020 and December 31, 2019 are summarized as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Other receivables				
Industrial Waste Management (Asia) Co., Ltd.	-	-	177	161
Genco Otani Co., Ltd.	2	-	-	-
	<u>2</u>	<u>-</u>	<u>177</u>	<u>161</u>

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	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Deposit for rent / Deposit				
Industrial Estate Authority of Thailand	15	15	15	15
General Logistics Co., Ltd.	2,000	2,000	2,000	2,000
	<u>2,015</u>	<u>2,015</u>	<u>2,015</u>	<u>2,015</u>
Trade and other payables				
Industrial Estate Authority of Thailand	141	2,322	141	2,322
The Department of Industrial Works	388	545	388	545
General Logistics Co., Ltd.	7,209	11,611	7,209	11,611
	<u>7,738</u>	<u>14,478</u>	<u>7,738</u>	<u>14,478</u>
Right-of-use assets				
Industrial Estate Authority of Thailand	20,700	-	20,700	-
The Department of Industrial Works	13,502	-	13,502	-
	<u>34,202</u>	<u>-</u>	<u>34,202</u>	<u>-</u>
Lease liabilities - related parties				
Industrial Estate Authority of Thailand	35,099	-	35,099	-
The Department of Industrial Works	14,859	-	14,859	-
	<u>49,958</u>	<u>-</u>	<u>49,958</u>	<u>-</u>

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 27 (1))
- c) Land lease agreement (Note 27 (2))

7. CASH AND CASH EQUIVALENTS

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Cash	179	136	165	129
Bank deposits	162,888	172,085	77,382	81,847
Total	<u>163,067</u>	<u>172,221</u>	<u>77,547</u>	<u>81,976</u>

As at March 31, 2020 and December 31, 2019, the Group has bank deposits in saving accounts, the interest rates at 0.08% - 0.75% per annum and 0.38%-0.75% per annum. (Separate Financial Statements: at 0.13% - 0.38% per annum and 0.38% per annum, respectively).

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8. TRADE AND OTHER RECEIVABLES

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Other receivables - Related parties (Note 6)	<u>2</u>	<u>-</u>	<u>177</u>	<u>161</u>
Trade and other receivables - Other parties				
Trade receivables	34,754	31,542	34,481	31,542
Unbilled receivables	<u>6,791</u>	<u>15,757</u>	<u>6,791</u>	<u>15,757</u>
Total	<u>41,545</u>	<u>47,299</u>	<u>41,272</u>	<u>47,299</u>
Less Allowance for doubtful accounts	<u>(1,983)</u>	<u>(2,059)</u>	<u>(1,983)</u>	<u>(2,059)</u>
Trade receivables and unbilled receivables - Net	<u>39,562</u>	<u>45,240</u>	<u>39,289</u>	<u>45,240</u>
Other receivables				
Advance Payment	1,914	2,094	1,828	2,094
Others	<u>3,979</u>	<u>9,722</u>	<u>3,846</u>	<u>9,529</u>
Total	<u>5,893</u>	<u>11,816</u>	<u>5,674</u>	<u>11,623</u>
Less Allowance for doubtful accounts	<u>(530)</u>	<u>(544)</u>	<u>(530)</u>	<u>(544)</u>
Other receivables - Net	<u>5,363</u>	<u>11,272</u>	<u>5,144</u>	<u>11,079</u>
Total	<u>44,927</u>	<u>56,512</u>	<u>44,610</u>	<u>56,480</u>

As at March 31, 2020 and December 31, 2019, trade receivables are classified by aging as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Current	<u>25,746</u>	<u>20,175</u>	<u>25,473</u>	<u>20,175</u>
Overdue				
Less than 3 months	7,969	10,195	7,969	10,195
Over 3 months to 6 months	83	161	83	161
Over 6 months to 12 months	9	62	9	62
Over 12 months	<u>947</u>	<u>949</u>	<u>947</u>	<u>949</u>
Total	<u>34,754</u>	<u>31,542</u>	<u>34,481</u>	<u>31,542</u>

Movements of allowance for doubtful accounts for the three-month periods ended March 31, 2020 and 2019 were as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Balance as at January 1,	2,603	2,462	2,603	2,462
Add (less) Doubtful accounts (Reversal)	(76)	235	(76)	235
Written - off bad debts	<u>(14)</u>	<u>-</u>	<u>(14)</u>	<u>-</u>
Balance as at March 31,	<u>2,513</u>	<u>2,697</u>	<u>2,513</u>	<u>2,697</u>

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9. REAL ESTATE DEVELOPMENT COST

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Commercial building for sales	289,719	298,039	118,619	123,083
Condominium for sales	79,082	80,760	38,192	38,192
Total	368,801	378,799	156,811	161,275
Less allowance for decline in value of real estate development cost	(12,812)	(13,368)	(6,006)	(6,562)
Net	355,989	365,431	150,805	154,713

The movements of real estate development costs for the three-month period ended March 31, 2020 were as follows:

	In Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
Net book value as at January 1, 2020	365,431	154,713
Disposals/written-off	(824)	-
Transfer to investment property	(8,618)	(3,908)
Net book value as at March 31, 2020	355,989	150,805

Movements of allowance for decline in value of real estate development costs for the three-month periods ended March 31, 2020 and 2019 were as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Balance as at January 1,	13,368	20,291	6,562	11,674
Less Reversal due to sales	-	(312)	-	(312)
Transfer to investment property	(556)	-	(556)	-
Balance as at March 31,	12,812	19,979	6,006	11,362

10. DEPOSITS AT FINANCIAL INSTITUTION PLEDGED AS COLLATERAL

As at March 31, 2020 and December 31, 2019, the Company used its fixed deposit accounts totaling Baht 0.8 million to secure credit facilities of utility usage.

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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		Dividends	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019	March 31, 2020	March 31, 2019
Asia Patana Land Co., Ltd. Industrial Waste	100	100	530,000	530,000	530,000	530,000	-	-	530,000	530,000	-	-
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	(5,900)	(5,900)	8,100	8,100	-	-
Genco Clean Energy Co., Ltd.	100	100	14,000	14,000	14,000	14,000	-	-	14,000	14,000	-	-
Total					758,000	758,000	(85,793)	(85,793)	672,207	672,207	-	-

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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 At Equity	
			March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Genco Otani Co., Ltd.	Operate electroplating wastewater pretreatment plant	Thailand	60	60	17,608	17,722

Company's name	Nature of business	Country of incorporation	Separate Financial Statements					
			Percentage (%) of shareholdings		In Thousand Baht			
			March 31, 2020	December 31, 2019	Cost		Dividends	
March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019	March 31, 2020	March 31, 2019			
Genco Otani Co., Ltd.	Operate electroplating wastewater pretreatment plant	Thailand	60	60	18,000	18,000	-	-

The reconciliation of the financial information in investment in Genco Otani Co., Ltd. ("GO") for the three-month period ended March 31, 2020 and 2019 was as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
As at January 1,	17,722	17,906	18,000	18,000
Share of loss from investment in associates - net	(114)	(11)	-	-
As at December 31,	17,608	17,895	18,000	18,000

13. INVESTMENT PROPERTY

Movements of the investment property during the three-month period ended March 31, 2020 are summarised below.

	In Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
Net book value as at January 1, 2020	152,499	41,257
Transfer in/(out)	8,618	3,908
Depreciation during the period	(1,652)	(463)
Net book value as at March 31, 2020	159,465	44,702

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The Company had rental income from investment properties to other parties for the three-month periods ended March 31, 2020 and 2019 amounting to Baht 3.2 million and Baht 1.6 million, respectively. (Separate Financial Statements : Baht 0.8 million and Baht 0.1 million, respectively).

14. PROPERTY, PLANT AND EQUIPMENT

Movements of property plant and equipment during the three-month period ended March 31, 2020 are summarised below.

	In Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
Net book value as at January 1, 2020	272,276	269,445
Acquisitions during the period	146	146
Disposals/ written-off - net book value at disposal/written-off date	(100)	(100)
Depreciation during the period	(5,987)	(5,622)
Net book value as at March 31, 2020	<u>266,335</u>	<u>263,869</u>

As at March 31, 2020 and December 31, 2019, 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 16.8 million and Baht 17.5 million, respectively.

15. RIGHT-OF-USE ASSETS

Movements of the right-of-use assets account during the three-month period ended March 31, 2020 are summarised below.

	In Thousand Baht	
	Consolidated Financial Statements and Separate Financial Statements	
Net book value as at January 1, 2020		
Adjustments of right-of-use assets due to TFRS16 adoption		44,469
Depreciation for the period		(1,517)
Net book value as at March 31, 2020		<u>42,952</u>

16. NON-CURRENT FINANCIAL ASSETS

	In Thousand Baht	
	Consolidated Financial Statements and Separate Financial Statements	
	March 31, 2020	December 31, 2019
Equity investment measured at fair value through other comprehensive income (loss)	<u>1,586</u>	<u>2,529</u>

As at December 31, 2019, the Company recognized its marketable equity securities by using fair value method which was presented as other long-term investment - available-for-sale.

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Fair value

The fair value measurements of equity investment 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.

17. COST OF LANDFILLS

	In Thousand Baht
	<u>Consolidated Financial Statements and Separate Financial Statements</u>
Net book value as at January 1, 2020	47,234
Increase during the period	225
Amortization during the period	(312)
Net book value as at March 31, 2020	<u>47,147</u>

Cost of landfills consist of cost of hazardous industrial waste landfills and non-hazardous industrial waste landfill. The non-hazardous industrial waste landfill has started to operate during the year 2019. 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 March 31, 2020 and December 31, 2019, the Company had provision costs for landfill capping amounting to Baht 53.0 million.

18. TRADE AND OTHER PAYABLES

Trade and other payables as at March 31, 2020 and December 31, 2019 consisted of:

	In Thousand Baht			
	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Related parties (Note 6)				
Trade payables	7,350	11,883	7,350	11,883
Other payables	388	2,595	388	2,595
	<u>7,738</u>	<u>14,478</u>	<u>7,738</u>	<u>14,478</u>
Other parties				
Trade payables	7,541	8,155	7,541	8,155
Other payables	6,558	8,169	6,364	7,979
Retentions	2,353	2,290	1,125	1,127
Accrued expenses	14,994	19,402	13,442	17,392
	<u>31,446</u>	<u>38,016</u>	<u>28,472</u>	<u>34,653</u>
Total	<u>39,184</u>	<u>52,494</u>	<u>36,210</u>	<u>49,131</u>

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19. 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, 2020	December 31, 2019
1	74.0	MLR-0.5	36,102	39,922
2	60.5	MLR-0.5	25,518	27,847
Total			61,620	67,769
Less Current portion			(25,506)	(25,090)
Net			36,114	42,679

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 8 plots of land held for developments, net book value as at March 31, 2020 amounted to Baht 131.3 million. The loan agreements contain covenant that among other things require the Company to maintain debt to equity ratio with no excess of 2 : 1.

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, 2020	67,769
Less repayment	(6,149)
Balance as at March 31, 2020	61,620

20. LEASE LIABILITIES

	In Thousand Baht	
	Consolidated Financial Statements and Separate Financial Statements	
	March 31, 2020	December 31, 2019
Lease liabilities	76,234	290
Less Deferred interest	(11,405)	(12)
Total	64,829	278
Less Current portion	(12,639)	(256)
Net	52,190	22

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As at March 31, 2020 and 2019, the Company has lease liabilities which the period of payments is as follows:

	In Thousand Baht					
	Consolidated Financial Statements and Separate Financial Statements					
	March 31, 2020			March 31, 2019		
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	15,399	(2,760)	12,639	268	(12)	256
Payment due over 1 year to 5 years	40,662	(7,075)	33,587	22	-	22
Payment due over 5 years	20,173	(1,570)	18,603	-	-	-
Total	76,234	(11,405)	64,829	290	(12)	278

21. EMPLOYEE BENEFIT OBLIGATIONS

Movement in the present value of the employee benefit obligations as at March 31, 2020 and 2019 is as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Employee benefit obligations as at January 1,	10,009	7,403	9,658	7,208
Current service costs and interest	266	263	253	254
Employee benefit obligations as at March 31,	10,275	7,666	9,911	7,462

22. TREASURY STOCKS

On March 25, 2020, the Company's Board of Directors' Meeting No.3/2020 approved the share repurchase program for financial management purpose in the amount not exceeding Baht 45 million or approximately 112 million shares. The number of shares to be repurchased is approximately 10% of the total issued shares at the par value of Baht 1 per share. The repurchase period covers from April 10, 2020 to October 9, 2020.

23. INCOME TAX

Income tax income (expenses) of the Group for the three-month periods ended March 31, 2020 and 2019 are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Current income tax expenses:				
Income tax expenses for the period	-	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(175)	55	(178)	54
Income tax income (expenses) reported in profit or loss	(175)	55	(178)	54

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The components of deferred tax assets as at March 31, 2020 and December 31, 2019 are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Deferred tax assets				
Trade and other receivables	397	412	397	412
Inventories	536	536	536	536
Real estate development costs	1,201	1,313	1,201	1,313
Employee benefits obligations	2,055	2,001	1,982	1,931
Lease liabilities	2,880	-	2,880	-
Others	955	1,034	662	740
Total	8,024	5,296	7,658	4,932

24. LOSS PER SHARE

Loss per share is calculated by dividing 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 loss per share for the three-month periods ended March 31, 2020 and 2019 are as follows:

	In Thousand Baht/Thousand shares			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Loss for the period attributable to equity holders of the parent company	(5,049)	(2,544)	(3,929)	(1,422)
Number of common shares	1,122,298	1,122,298	1,122,298	1,122,298
Loss per share (Baht)	(0.004)	(0.002)	(0.004)	(0.001)

25. 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.

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The Company's revenue classified under promoted and non-promoted businesses for the three-month periods ended March 31, 2020 and 2019 are as follows:

	In Thousand Baht					
	Consolidated Financial Statements and Separate Financial Statements					
	Promoted business		Non-promoted Business		Total	
2020	2019	2020	2019	2020	2019	
Revenue from sales and service	909	1,297	59,193	61,509	60,102	62,806

26. BUSINESS SEGMENT INFORMATION

Operating segment information is reported in a manner consistent manner 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, 2020 and 2019, the Group has revenues from 1 major customer totaling of Baht 11.2 million and Baht 12.3 million, respectively, from the business primarily related to treatment of industrial waste business.

Details of revenue and profit (loss) for each segments of the Group for the three-month periods ended March 31, 2020 and 2019 are as follows:

	In Thousand Baht					
	Treatment of industrial waste business		Property development business		Total	
	2020	2019	2020	2019	2020	2019
External revenue	60,102	62,806	1,150	7,213	61,252	70,019
Inter-segment revenue	-	-	-	-	-	-
Total revenue	60,102	62,806	1,150	7,213	61,252	70,019
Cost of sales and services	(43,025)	(44,689)	(824)	(5,186)	(43,849)	(49,875)
Gross profit	17,077	18,117	326	2,027	17,403	20,144
Unallocated revenue (expenses)						
Other income					4,985	2,901
Selling expenses					(1,345)	(1,106)
Administrative expenses					(24,061)	(23,177)
Finance costs					(1,742)	(1,350)
Loss before share of loss from investments in associate and income tax expenses					(4,760)	(2,588)
Share of loss from investments in associate					(114)	(11)
Loss before income tax					(4,874)	(2,599)
Income tax (expenses) income					(175)	55
Loss for the period					(5,049)	(2,544)
Timing of revenue recognition						
At a point in time	44,651	45,290	1,150	7,213	45,801	52,503
Over time	15,451	17,516	-	-	15,451	17,516
Total	60,102	62,806	1,150	7,213	61,252	70,019

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The segment assets and liabilities as at March 31, 2020 and December 31, 2019 are as follows:

	In Thousand Baht					
	Treatment of industrial waste business		Property development business		Total	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Assets						
Trade and other receivables	42,676	53,586	2,251	2,926	44,927	56,512
Real estate development costs	-	-	355,989	365,431	355,989	365,431
Inventories	1,026	1,388	-	-	1,026	1,388
Deposits at financial institution pledged as collaterals	-	-	756	756	756	756
Investment in associate	17,608	17,722	-	-	17,608	17,722
Land and structures held for development	104,804	104,804	330,501	330,501	435,305	435,305
Investment property	-	-	159,465	152,499	159,465	152,499
Property, plant and equipment	234,484	239,643	31,850	32,633	266,334	272,276
Right-of-use assets	42,952	-	-	-	42,952	-
Cost of landfills	47,147	47,234	-	-	47,147	47,234
Unallocated assets					232,246	217,836
Total					<u>1,594,755</u>	<u>1,566,959</u>
Liabilities						
Trade and other payables	31,414	45,087	7,770	7,407	39,184	52,494
Long - term loans from financial institution	61,620	67,769	-	-	61,620	67,769
Lease liabilities	64,829	-	-	-	64,829	-
Provision cost of landfill	53,009	52,976	-	-	53,009	52,976
Unallocated liabilities					10,275	10,287
Total					<u>228,917</u>	<u>183,526</u>

27. 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 and stipulated a minimum royalty rate not less than Bath 0.2 million per month.

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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.

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
	<u>December 31, 2019</u>
Less than 1 year	5.7
Over 1 year to 5 years	23.3
Over 5 years	<u>16.9</u>
Total	<u><u>45.9</u></u>

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
	<u>December 31, 2019</u>
Less than 1 year	0.3
Over 1 year to 5 years	1.3
Over 5 years	<u>1.3</u>
Total	<u><u>2.9</u></u>

As at March 31, 2020, the Group had no obligations under land lease agreements as a result of the adoption of the TFRS 16 as at January 1, 2020. The Group recognised the lease liabilities previously classified as operating lease at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate, as described in Note 5 to the interim financial statements.

28. COMMITMENTS AND CONTINGENT LIABILITIES

As at March 31, 2020 and December 31, 2019, 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 36.8 million.
- 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.
- 3) commitment in respect of capital expenditure, supply contract and subcontract work amounting to Baht 13.3 million and Baht 1.0 million, respectively.

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4) commitments relating to rental agreements and others office equipment. The future aggregate minimum lease payments under non-cancellable are as follows:

	In Million Baht	
	March 31, 2020	December 31, 2019
Less than 1 year	3.4	0.2
Over 1 year to 5 years	0.1	-
Over 5 years	-	-
Total	<u>3.5</u>	<u>0.2</u>

29. 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 compliant. Subsequently on November 7, 2019, the Ombudsman reported that ERC was unable to bring the power plant project of such subsidiary into the consideration. Therefore, the Ombudsman made a complaint to the National Energy Policy Council for further consideration.