

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

1. GENERAL INFORMATION

1.1 General matter

The Company was incorporated as a limited company under the Thai Civil and Commercial Code on April 22, 1994, and changed its status to a public limited company under the Public Limited Company Act on August 8, 1997.

Presently, the Company has offices located at the following addresses :

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

The Company operates in Thailand, and its principal activity are the treatment of industrial waste and unavoidable by-products of manufacturing processes.

1.2 Basis of financial statement preparation and principles of consolidated

These financial statements of the company have been prepared in accordance with generally accepted accounting standards including related interpretations and guidelines promulgated by the Federation of Accounting Professions.

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

These consolidated financial statements include the financial statements of General Environmental Conservation Public Company Limited and its subsidiaries which the significant intercompany transactions had been eliminated as follows :

<u>Company's Name</u>	<u>Type of Businesses</u>	<u>Relationship</u>	<u>Paid - up Share Capital (Baht)</u>	<u>Percentage of Holding</u>
Asia Patana Land Co., Ltd.	Buy, sale, and land development (incorporated as a limited company in Thailand on January 14, 2004)	Shareholder and directorship	200,000,000	99.99
Industrial Waste Management (Asia) Co., Ltd.	Industrial waste treatment (incorporated as a limited company in Thailand on November 19, 2004)	Shareholder and directorship	200,000,000	99.99
Genco Engineering Co., Ltd.	Waste selection and management of waste for recycling facilities (incorporated as a limited company in Thailand on February 17, 2004 and ceased its operation since the fourth quarter of year 2008)	Shareholder and directorship	20,000,000	99.99
General Logistics Co., Ltd.	Transportation of waste including provide the service of domestic transportation (incorporated as a limited company in Thailand on February 17, 2004)	Shareholder and directorship	5,000,000	99.99

### 1.3 Adoption of new accounting standards

The Federation of Accounting Professions (FAP) has issued Notification No. 86/2551 regarding Accounting Standards, and these have been published in the Royal Gazette. The Notifications mandate the use of the Accounting Standard (Revised 2007) in place of the previous versions, which are cancelled. Accounting Standards (revised version) which are not effective for the current period are as follow :

Accounting Standard No. 36 Impairment of assets (revised 2007)  
Accounting Standard No. 54 Non - Current Assets Held for Sale and Discontinued  
Operations (revised 2007)

These accounting standards will become effective for the financial statements for fiscal years beginning on or after January 1, 2009.

However, the management has assessed the effect of these revised accounting standards and believes that they will not have any significant impact on the financial statements for the period in which they are initially applied.

## 2. SUMMARY SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Income and Cost Recognition

#### 2.1.1 Services Income and Costs of Services

Services income and costs of services are recognized as income and expenses on an accrual basis.

#### 2.1.2 Sales and Cost of Land and Houses

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

The Companies recognize cost of sale of land and houses by allocation of the total estimated costs and the incurred cost on the basis of the sales area.

### 2.2 Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, deposit at banks and short-term investments that are readily convertible to known amounts of cash with original maturity of three months or less and that are subject to an insignificant risk of change in value.

### 2.3 Trade Account Receivables and Allowance for Doubtful Accounts

Trade account receivables are carried at amount billed and unbilled less allowance for doubtful accounts.

The Company provides allowance for doubtful accounts equal to the estimated losses that may occur in the collection of accounts receivable. This estimate is based on the review of the current status of accounts receivable. Bad debts are written off when identified.

## 2.4 Real Estate Development Cost

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

## 2.5 Supply Inventory

Supply inventory are stated at cost (moving average method) or net realizable value, whichever is lower.

## 2.6 Investments

### 2.6.1 Investments in Subsidiaries

Investments in subsidiaries in the separate financial statements are recorded under the cost method. Allowances for impairment of investments have been provided by taking the net book value and other relevant factors into consideration.

### 2.6.2 Investments in Equity Securities

Investments in securities held for trading are shown at fair value. Gains or losses arising from changes in the carrying amount of securities are included in the statements of income.

Investments in available-for-sale securities are shown at fair value. Changes in the carrying amount of securities are recorded as separate items in shareholders' equity until the securities are sold, the changes are then included in the statements of income.

Investments in non-marketable equity securities are classified as other investments and are shown at cost net of allowance for diminution in value of investments which will be made by taking into consideration the net book value and other relevant factors.

The fair value of marketable securities is based on the latest bid price of the last working day of the period as quoted on the Stock Exchange of Thailand.

The deemed cost of the part sold is determined using the first-in, first-out (FIFO) method applied to the carrying value of the total holding of the investment.

## 2.7 Investment in Ownership of Condominium Units

Investment in ownership of condominium units is stated at cost. When investment is sale back, their cost are eliminated from the account on the basis of weighted average of the total area. Gain on such transaction is included in the statements of income.

## 2.8 Land and Structures Held for Future Development

Land and structures held for future development are stated at cost and shall be adjusted when impair.

## 2.9 Property, Plant and Equipment and Amortization

Land is stated at cost.

Building and building improvements are stated at appraisal value by an independent valuer on December 29, 2004 which was appraised by cost approach, net of accumulated depreciation.

Machinery and equipment are stated at cost net of accumulated depreciation and impairment loss. When assets are sold or retired, their cost and accumulated depreciation or amortization are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statements of income.

Construction-in-progress represents plant and properties under construction and is stated at cost. This includes cost of construction, plant and equipment and other direct costs. Construction-in-progress is not depreciated until such time as the relevant assets are completed and put into operational use.

Depreciation is calculated by the straight-line method based on the estimated useful lives of the assets as follows:

	<u>No. of Years</u>
Improvements for rental land	Period of leasehold right (10 and 30)
Leasehold right	Period of leasehold right (30)
Buildings and improvements	10 to 25
Machinery and equipment	5 to 20
Furniture, fixtures and office equipment	5
Transportation equipment	5
Trucks and chassis	5 to 10
Containers	10

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

## 2.10 Revalued Assets

Revaluations are performed by independent professional valuers with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the balance sheet date.

When an asset's carrying amount is increased as a result of a revaluation, the increase is credited to shareholder's equity under the heading of revaluation surplus. The depreciable amount of the increment from the appraisal is charged directly to the revaluation surplus in the shareholder's equity in accordance with the Federation of Accounting Professions' Notification No. 25/2549. When an asset's carrying amount is decreased as a result of a valuation, the decrease is recognized as an expense in the statement of income to the extent it exceeds an increase previously recognized in the revaluation surplus.

## 2.11 Intangible assets

Computer software is stated at cost net of accumulated amortization. Amortization is calculated on the straight - line method based on the estimated useful lives of 3 to 5 years.

## 2.12 Borrowing costs

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

## 2.13 Impairment of Assets

The Company and subsidiaries review property, plant and equipment, investments and other assets when there is an indication that the carrying amount of the assets may exceed the recoverable amount. Should the carrying amount of an asset be higher than the recoverable amount, the Company and subsidiaries recognize the impairment loss in the statement of income. The reversal of impairment losses is recorded when there is an indication that the impairment losses no longer exist or have decreased by crediting to “Other income”.

## 2.14 Financial Leases

The Company and subsidiaries records asset under financial leases, as assets and liabilities in the balance sheets at amounts equal to the fair value of the leased property at the inception of the lease or, if lower, at the present value of the minimum lease payments. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease. The interest charge is recorded to periods during the lease term based on the remaining balance of the liability for each period.

## 2.15 Provisions

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

## 2.16 Foreign Currency Transactions

All foreign currency transactions are translated to Baht for bookkeeping purpose at the rates prevailing at transaction dates. The outstanding balances of assets and liabilities at balance sheet dates which are denominated in foreign currencies are translated to Baht at the rates of exchange prevailing at those dates. Gains or losses on foreign currency translation are credited or charged to operations.

## 2.17 Financial Instruments

Financial assets and financial liabilities carried on the balance sheets include cash and cash equivalents, trade account receivables, other receivables, investments, loan to related parties, trade account payables, other payables, loans from bank and finance lease obligations. The accounting policies on recognition and measurement of these items are disclosed in the respective accounting policies found in this Note.

## 2.18 Employee benefits

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

The Company and subsidiaries do not recognize liabilities in respect of employee benefit potentially payable under the Thai Labour Law.

## 2.19 Accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ.

## 2.20 Basic Earnings (Loss) Per Share

Basic earnings (loss) per share is determined by dividing the net profit (loss) for the year by the weighted average number of ordinary shares outstanding.

### 3. TRANSACTIONS WITH RELATED PARTIES

A portion of the Company's assets, liabilities, income and expenses arose from transactions with related parties. These parties related through ordinary shareholdings and/or directorships. The effects of these transactions are reflected in the accompanying financial statements on the fair negotiable basis between the Company and the related parties concerned.

Significant contracts entered into by the Company and related parties are as follows:

- a) Rental and exclusive right agreement (Note 23.1)
- b) Land lease agreement (Note 23.2)

Account balances arising from transactions with the said related parties was shown separately in the balance sheets. The major transactions with related parties which are included in the statements of income for the years ended December 31, 2008 and 2007 were as follows:

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2008	2007	2008	2007
<b>Real estate development cost</b>				
Asia Patana Land Co., Ltd.	-	-	-	12,000,000
<b>Sales</b>				
Genco Engineering Co., Ltd.	-	-	675,203	5,766,111
<b>Interest income</b>				
Asia Patana Land Co., Ltd.	-	-	3,170,795	3,080,548
General Logistics Co., Ltd.	-	-	457,069	330,000
<b>Transportation expense</b>				
General Logistics Co., Ltd.	-	-	38,353,385	28,775,807
<b>Rental and royalty fee</b>				
Industrial Estate Authority of Thailand	5,205,198	8,448,327	5,205,198	8,448,327
The Department of Industrial Works	3,711,520	3,507,041	3,711,520	3,507,041
<b>Other expenses</b>				
Industrial Estate Authority of Thailand	1,820,412	2,510,789	1,820,412	2,510,789
<b>Adjustment for increase in impairment on investments in subsidiaries</b>	-	-	9,022,479	7,308,819

The balances of receivables from and payables to related parties as of December 31, 2008 and 2007 were as follows:

	Baht			
	Consolidated		Separate	
	Financial Statements	Financial Statements	Financial Statements	Financial Statements
	2008	2007	2008	2007
<b>Trade account receivables - Billed</b>				
Genco Engineering Co., Ltd.	-	-	-	284,500
<b>Advance to director</b>	300,000	300,000	-	-
<b>Prepaid rent to related party</b>				
Industrial Estate Authority of Thailand	1,942,447	1,991,708	1,942,447	1,991,708
<b>Deposit for rent to related party</b>				
Industrial Estate Authority of Thailand	30,600	4,348,221	30,600	4,348,221
<b>Deposits and others</b>				
General Logistics Co., Ltd.	-	-	2,000,000	-
<b>Advance from director</b>	1,200,000	-	-	-
<b>Trade account payables - Related parties</b>				
General Logistics Co., Ltd.	-	-	2,533,099	3,721,953
Industrial Estate Authority of Thailand	34,819	45,172	34,819	45,172
The Department of Industrial Works	582,240	301,878	582,240	301,878
Total	<u>617,059</u>	<u>347,050</u>	<u>3,150,158</u>	<u>4,069,003</u>

**Short - term loans to subsidiary**

	Baht			
	Separate Financial Statements			
	Balance as of December 31, 2007	Increase	Decrease	Balance as of December 31, 2008
Asia Patana Land Co., Ltd.				
Principal	240,000,000	-	(240,000,000)	-
<u>Add</u> Accrued interest	<u>9,409,315</u>	3,170,795	(12,580,110)	<u>-</u>
Total	<u>249,409,315</u>			<u>-</u>

Loans to subsidiary are term loans repayable within one year and have agreements bearing interest at the rate of 3.00 % p.a.



## Long - term loans to subsidiary

	Baht			Balance as of December 31, 2008
	Separate Financial Statements			
	Balance as of December 31, 2007	Increase	Decrease	
Principal :-				
- Loan agreement 1	4,000,000	-	-	4,000,000
- Loan agreement 2	7,000,000	-	-	7,000,000
- Loan agreement 3	-	20,000,000	-	20,000,000
<u>Add</u> Accrued interest	539,014	457,068	-	996,082
Total	11,539,014			31,996,082
<u>Less</u> Current portion	-			(11,556,082)
Long term loans to subsidiary - Net	<u>11,539,014</u>			<u>20,440,000</u>

The Company has entered into three loan agreements with General Logistics Co., Ltd. as follows :-  
Loan agreement 1, amounted to Baht 4 million repayable within December 2010.  
Loan agreement 2, amounted to Baht 7 million repayable within September 2011.  
Loan agreement 3, credit facility of Baht 25 million, as of December 31, 2008, the subsidiary company had drawdown Baht 20 million. The said loan repayable within 5 years commencing date of the first drawdown (August 25, 2008).

The above three loan agreements bearing interest rate of 3.0% p.a.

#### 4. CURRENT INVESTMENTS

	Baht			
	Consolidated Financial Statements			
	2008		2007	
	Cost	Fair value	Cost	Fair value
Trading security :				
Investment in marketable security	2,000,000	2,000,000	-	-
Available-for-sale securities :				
Investments in marketable securities	129,203,039	34,256,000	132,835,274	108,230,000
<u>Less</u> Loss on changes in fair value	(94,947,039)	-	(24,605,274)	-
Transfer to trading security	(2,000,000)	(2,000,000)	-	-
Available-for-sale securities - Net	32,256,000	32,256,000	108,230,000	108,230,000
Fixed deposits	-	-	8,922,660	8,922,660
Total Current Investments - Net	34,256,000	34,256,000	117,152,660	117,152,660

	Baht			
	Separate Financial Statements			
	2008		2007	
	Cost	Fair value	Cost	Fair value
Available-for-sale securities :				
Investments in marketable securities	120,703,039	32,256,000	124,335,274	104,630,000
<u>Less</u> Loss on changes in fair value	(88,447,039)	-	(19,705,274)	-
Available-for-sale securities - Net	32,256,000	32,256,000	104,630,000	104,630,000
Fixed deposits	-	-	8,922,660	8,922,660
Total Current Investments - Net	32,256,000	32,256,000	113,552,660	113,552,660

At the Board of Directors' meeting of a subsidiary company held on January 5, 2009, the directors has passed a resolution to transfer investment in marketable security from available-for-sale securities to trading security effectively on December 31, 2008. The subsidiary company recorded the said transfer based on the fair value as of December 31, 2008 and the different between book value of the investment and fair value amounted to Baht 6.5 million are included in the statements of income.

The change of investments in available-for-sale securities during the year 2008 are as follows:

	Baht	
	Consolidated Financial Statements	Separate Financial Statements
Net carrying amount at beginning of year - Net	108,230,000	104,630,000
Purchase of securities	27,695,265	27,695,265
Sale of securities	(31,327,500)	(31,327,500)
The changes in fair value of available-for-sale securities	(70,341,765)	(68,741,765)
Transfer to trading security	(2,000,000)	-
Net carrying amount at end of year - Net	32,256,000	32,256,000

## 5. TRADE ACCOUNT RECEIVABLES - NET

As of December 31, 2008 and 2007, the trade account receivables are classified by aging as follows:

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2008	2007	2008	2007
<b><u>BILLED :</u></b>				
Trade account receivables - services				
Current	27,141,295	36,980,425	27,141,295	37,264,925
Overdue				
Less than 3 months	16,474,102	19,449,120	16,474,102	19,449,120
Over 3 months to 6 months	1,017,659	724,934	1,017,659	724,934
Over 6 months to 12 months	60,014	101,873	60,014	101,873
Over than 12 months	6,823,071	6,254,503	6,823,071	6,254,503
Sub-total	51,516,141	63,510,855	51,516,141	63,795,355
Trade account receivables - real estate				
Current	110,000	2,250,000	110,000	2,250,000
Overdue				
Less than 3 months	-	40,000	-	40,000
Over 3 months to 6 months	-	85,000	-	85,000
Over 6 months to 12 months	-	195,000	-	195,000
Over than 12 months	232,000	80,000	232,000	80,000
Sub-total	342,000	2,650,000	342,000	2,650,000
Grand-total	51,858,141	66,160,855	51,858,141	66,445,355
<u>Less</u> Allowance for doubtful account	(5,508,496)	(5,454,143)	(5,508,496)	(5,454,143)
Trade account receivables - Billed - Net	<u>46,349,645</u>	<u>60,706,712</u>	<u>46,349,645</u>	<u>60,991,212</u>
<b><u>UNBILLED :</u></b>				
Trade account receivables - services	<u>17,954,519</u>	<u>24,308,222</u>	<u>17,954,519</u>	<u>24,308,222</u>

The movement of allowance for doubtful - trade account receivables during the year ended December 31, 2008 are follow :

	Baht	
	Consolidated Financial Statements	Separate Financial Statements
Beginning balance	(5,454,143)	(5,454,143)
Addition during the year	(54,353)	(54,353)
Received repayment during the year	-	-
End balance	<u>(5,508,496)</u>	<u>(5,508,496)</u>

## 6. REAL ESTATE DEVELOPMENT COST

	Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2008	2007	2008	2007
Townhouses for sales	42,512,386	65,138,756	42,512,386	65,138,756
Commercial buildings for sales	47,317,964	17,188,953	49,777,849	20,414,306
Commercial buildings purchase for sales	8,800,000	8,800,000	-	-
Condominium purchase for sales	110,509,786	-	-	-
Condominium units purchase for sales	30,660,838	-	30,660,838	-
Land for sales	11,377,410	11,377,410	-	-
Land and structures under development	241,899,171	147,062,104	241,899,171	147,062,104
Capitalized borrowing costs	2,218,103	-	2,218,103	-
Other related cost	8,816,900	10,530,837	8,816,900	10,530,837
Total	<u>504,112,558</u>	<u>260,098,060</u>	<u>375,885,247</u>	<u>243,146,003</u>

As of December 31, 2008, a plot of land and structures for sales and a plot of land and structures under development are mortgaged as collateral for loans from a local bank in the amount of Baht 146.19 million.

As of December 31, 2007, a plot of land for sale of a subsidiary company at the book value of Baht 11.38 million has pledged to the Court as collateral to abate the enforcement of the case as mentioned in Note 24 to the financial statement.

## 7. PENDING REFUND TO BE RECEIVED FROM LAND

7.1 On February 6, 2006, a subsidiary company entered into an agreement with other persons to purchase land of Baht 25 million for future development and sale. The said subsidiary company had already made full payment on the agreement date. Subsequently, the seller could not transfer the ownership to the subsidiary company resulting the default of the seller. Thus, the seller has to refund for the payment with interest to the subsidiary company as follow:

Date	Amount
February 2, 2007	Baht 4.0 million
February 13, 2007	Baht 2.5 million
February 20, 2007	Baht 6.0 million
Within June 2007	All remaining amount

On July 5, 2007, the seller has postponed to refund the remaining amount of Baht 12.5 million with interest from within June 2007 to within December 2007. Later on December 28, 2007, the seller has once more postponed to refund for the payment to within May 2008. In June 2008, the seller had already refunded the remaining amount with interest to the subsidiary.

7.2 On February 1, 2007, a subsidiary company entered into an agreement to purchase a plot of land for development with a person who is not the owner. The counter parties agreed to transfer and receive the land ownership within 12 months from the agreement date. The said subsidiary company had already made full payment of Baht 20.57 million. The seller had defaulted the agreement and had not transferred the ownership to the subsidiary company in due time. However, on February 8, 2008 the seller had refunded for the payment with interest to the subsidiary.

## 8. INVESTMENT IN OWNERSHIP OF CONDOMINIUM UNITS

On October 24, 2006, the Company entered into an agreement with a company (seller) to purchase a 205 units condominium in the amount of Baht 31.15 million and entered into a sale back agreement in the amount of Baht 41.30 million. The ownership of condominium units have transferred to the Company on the agreement date with the condition that the seller still have the responsibility to pay public utilities, management fee or other fee which related to condominium units until sale back under the agreement has been made.

Subsequently, in the second quarter of year 2008 when dued to purchase the said condominium units, under the agreement, the seller has not yet contacted the Company to purchase the condominium units. Thus, the Company has begun to renovate the condominium units for sale and transferred the such properties to real estate development cost in the second quarter.

As of December 31, 2008 and 2007, investment in ownership of condominium units is as follow :

	Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2008	2007	2008	2007
Investment in ownership of condominium units	31,150,000	31,150,000	31,150,000	31,150,000
<u>Less</u> Sale of investment in ownership of condominium unit	(493,162)	(493,162)	(493,162)	(493,162)
Transfer to real estate development cost	(30,656,838)	-	(30,656,838)	-
Investment in ownership of condominium units - Net	-	30,656,838	-	30,656,838

In year 2007, gain on sale of investment in ownership of condominium unit amounted to Baht 92,404 is included in the statements of income.

## 9. LAND AND STRUCTURES HELD FOR FUTURE DEVELOPMENT

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2008	2007	2008	2007
Land	121,910,000	53,000,000	68,910,000	-
Land and structures	12,578,125	12,578,125	-	-
Other related cost	924,481	924,481	-	-
Total	<u>135,412,606</u>	<u>66,502,606</u>	<u>68,910,000</u>	<u>-</u>

9.1 A subsidiary company had appraised the value of the purchased land and structures in year 2004 by Simon Lim & Partners Co., Ltd. According to the appraisal report in March and April 2007, the market value of a plot of land is lower than its book value in the amount of Baht 14.60 million (Cost amount of Baht 40 million, appraised value amount of Baht 25.40 million). The subsidiary company has not recorded allowance for diminution in value of the said land due to the management has planned for future land development and sale. The management of the Company has estimated that the recoverable amount of the project shall be higher than the book value of the said land. Subsequently, on January 28, 2008 and March 18, 2008 Candor Consultant Co., Ltd. and Grand Asset Advisory Co., Ltd. respectively reappraised the land value in the same amount of Baht 39.69 million, resulting in immaterial difference from the book value in the amount only Baht 0.31 million.

9.2 At present, the Company's land held for future development, the management has not yet planned for development. Therefore, the land has been rented to other person for a period of 2 years from September 1, 2008 to August 31, 2010 with the annual rental fee of Baht 1.2 million.

## 10. INVESTMENTS IN SUBSIDIARIES

Company's Name	Type of Businesses	Relationship	Paid - up Share Capital (Baht)
Asia Patana Land Co., Ltd.	Buy, sale, and land development	Shareholder and directorship	200,000,000
Industrial Waste Management (Asia) Co., Ltd.	Industrial waste treatment	Shareholder and directorship	200,000,000
Genco Engineering Co., Ltd.	Waste selection and management of waste for recycling facilities	Shareholder and directorship	20,000,000
General Logistics Co., Ltd.	Transportation of waste including provide the service of domestic transportation	Shareholder and directorship	5,000,000

Investments in subsidiaries at cost method in the separate financial statements as of December 31, 2008 and 2007, were as follows:

	Percentage of Holding	Baht		
		Separate Financial Statements		
		As of December 31, 2008		
		At Cost	Allowance for impairment	Net
<b>Subsidiaries - cost method</b>				
Asia Patana Land Co., Ltd.	99.99	199,999,930	-	199,999,930
* Industrial Waste Management (Asia) Co., Ltd.	99.99	199,999,930	(23,784,894)	176,215,036
** Genco Engineering Co., Ltd.	99.99	19,999,930	(8,300,000)	11,699,930
General Logistics Co., Ltd.	99.99	4,999,930	-	4,999,930
Total		<u>424,999,720</u>	<u>(32,084,894)</u>	<u>392,914,826</u>

	Percentage of Holding	Baht		
		Separate Financial Statements		
		As of December 31, 2007		
		At Cost	Allowance for impairment	Net
<b>Subsidiaries - cost method</b>				
Asia Patana Land Co., Ltd.	99.99	199,999,930	(23,062,415)	176,937,515
Genco Engineering Co., Ltd.	99.99	19,999,930	-	19,999,930
General Logistics Co., Ltd.	99.99	4,999,930	-	4,999,930
Total		<u>224,999,790</u>	<u>(23,062,415)</u>	<u>201,937,375</u>

\* At the meeting No. 10/2008 of the Company's Board of Directors held on October 16, 2008, passed a resolution to purchase the share of Industrial Waste Management (Asia) Co., Ltd. from Asia Patana Land Co., Ltd. of 20 million shares at Baht 10 each totaling Baht 200 million. In October and November 2008, the Company paid totaling Baht 200 million for the said acquisition to Asia Patana Land Co., Ltd. As a result, the Company holds directly 99.99% of interest in Industrial Waste Management (Asia) Co., Ltd.

\*\* At the meeting No. 12/2008 of the Company's Board of Directors held on December 25, 2008, passed a resolution to dissolve Genco Engineering Co., Ltd.

11.1 The Company's building and machinery at Map Ta Phut Industrial Waste Treatment Facilities are mortgaged as collateral for a letter of guarantee line obtained from a local bank totalling approximately Baht 50 million. The carrying value of such assets as of December 31, 2008 and 2007 amounted to approximately Baht 79.1 million and Baht 88.5 million respectively.

11.2 As of December 31, 2007, the book value of the Company's land amounted to Baht 9 million has pledged of the court as collateral to abate the enforcement of the case as mentioned in Note 24 to the financial statement.

11.3 As of December 31, 2008 and 2007, the Company has fully depreciation fixed assets but is still in use in the original cost of Baht 136.24 million and Baht 136.19 million respectively.

11.4 As of December 31, 2008 and 2007, the company and subsidiary have the assets under finance lease agreements in the original cost and its accumulated depreciation as follows :

	Baht			
	Consolidated		Separate	
	Financial Statements	Financial Statements	Financial Statements	Financial Statements
	2008	2007	2008	2007
Trucks and chassis				
Cost	26,510,655	24,190,488	-	-
<u>Less</u> : Accumulated depreciation	(5,596,510)	(2,960,659)	-	-
Net book value	<u>20,914,145</u>	<u>21,229,829</u>	<u>-</u>	<u>-</u>
Transportation equipment				
Cost	9,578,000	-	5,068,000	-
<u>Less</u> : Accumulated depreciation	(720,931)	-	(701,215)	-
Net book value	<u>8,857,069</u>	<u>-</u>	<u>4,366,785</u>	<u>-</u>

## 12. INTANGIBLE ASSETS - COMPUTER SOFTWARE - NET

	Baht		
	Consolidated and Separate Financial Statements		
	2007	Increase	2008
Cost - Computer software	4,229,698	155,000	4,384,698
<u>Less</u> : Accumulated amortization	(3,928,919)	(161,600)	(4,090,519)
Computer software - Net	<u>300,779</u>		<u>294,179</u>
Amortization for the year	<u>62,799</u>		<u>161,600</u>

## 13. PROVISIONS FOR TRANSPORTATION AND TREATMENT OF INDUSTRIAL WASTE

The Company is alleged to have illegally dumped toxic industrial waste in Nakhon Ratchasima province; an accusation the Company strenuously denies. Presently, Government agencies are in the process of investigating the matter and identifying the persons responsible for dumping the waste at such place. The Department of Industrial Works issued instructions to the Company on September 17, 2004, requesting the Company to uplift, transport and treat the waste including contaminated ground surface material, with appropriate procedures at the Company's cost. In year 2004, the Company has removed the waste to Map Ta Phut Waste Disposal Plant for processing, and treated the waste with appropriate procedures. The Company has estimated that the total expenses that will be incurred in the process of uplift, transportation, and treatment amount to approximately Baht 20.6 million. In year 2004, the actual expenses incurred amounted to approximately Baht 15.8 million. The remaining amount of approximately Baht 4.8 million is recorded as a provision under current liabilities in the balance sheet. The Company may, however, be able to obtain a refund of such costs incurred from the responsible parties once such parties have been identified.



#### 14. LONG - TERM LOANS

	Baht	
	<u>Consolidated and Separate Financial Statements</u>	
	<u>2008</u>	<u>2007</u>
Loans from bank		
- Loan 1	17,507,265	-
- Loan 2	95,900,000	-
Total	<u>113,407,265</u>	<u>-</u>
<u>Less</u> Current portion	<u>(13,164,500)</u>	<u>-</u>
Long - term loans - Net	<u><u>100,242,765</u></u>	<u><u>-</u></u>

In year 2008, the Company has signed the loan agreements with a local bank in the amount of Baht 155.8 million as follows :

- Loan 1, Credit lines of Baht 34.90 million for working capital of the real estate development project and the Company had completely drawdown the loan, repayable in installments commencing from February 2008 to February 2014 with interest at the rate as follows :

- In year 1<sup>st</sup> - 4<sup>th</sup> MLR + 1.50% p.a.
- Since year 5<sup>th</sup> MLR + 2.50% p.a.

The above loan is secured by the mortgaged of the Company's land and structures for sales.

- Loan 2, Credit lines of Baht 120.90 million for project development cost, the Company had drawdown Baht 95.90 million. The said loan is repayable in six - month installments commencing from November 2009 and full repayment is to be paid within November 2014 with interest at the rate MLR (SCB) + 1.50% p.a.

The above loan is secured by the mortgaged of the Company's land and structures under development.

## 15. FINANCE LEASE OBLIGATIONS

	Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2008	2007	2008	2007
Finance lease obligations				
- trucks and chassis	12,615,695	16,341,729	-	-
- transportation equipment	8,164,567	-	4,569,355	-
Total	20,780,262	16,341,729	4,569,355	-
<u>Less</u> Deferred interest	(1,704,665)	(1,893,248)	(411,852)	-
<u>Less</u> Current portion	(8,251,695)	(4,478,856)	(1,303,200)	-
Finance lease obligations - Net	<u>10,823,902</u>	<u>9,969,625</u>	<u>2,854,303</u>	<u>-</u>

As of December 31, 2008 and 2007, the Company and subsidiary have finance lease obligations with the period of payment as follows :-

	Baht					
	Consolidated Financial Statements					
	2008			2007		
	Principal	Deferred interest	Total	Principal	Deferred interest	Total
Payment due 1 year	8,251,695	1,130,984	9,382,679	4,478,856	1,256,135	5,734,991
Payment due over 1 year to 5 years	10,823,902	573,681	11,397,583	9,969,625	637,113	10,606,738
Total	<u>19,075,597</u>	<u>1,704,665</u>	<u>20,780,262</u>	<u>14,448,481</u>	<u>1,893,248</u>	<u>16,341,729</u>

As of December 31, 2008 and 2007, the Company has finance lease obligations with the period of payment as follows :

	Baht					
	Separate Financial Statements					
	2008			2007		
	Principal	Deferred interest	Total	Principal	Deferred interest	Total
Payment due 1 year	1,303,200	241,464	1,544,664	-	-	-
Payment due over 1 year to 5 years	2,854,303	170,388	3,024,691	-	-	-
Total	<u>4,157,503</u>	<u>411,852</u>	<u>4,569,355</u>	<u>-</u>	<u>-</u>	<u>-</u>

Under the term certain lease contracts referred to above, the Company and subsidiary shall have the right to purchase the asset at the quoted price at the expiry date of the leases contracts and the Company and subsidiary shall have to comply with certain conditions and restriction as specified in the lease contracts.

## 16. LEGAL RESERVE

Under the provision of the Public Company Limited Act B.E. 2535, the Company is required to appropriate at least 5% of its annual net income, after deduction of the deficit brought forward (if any), as a legal reserve until the reserve reaches 10% of the authorized capital. As of December 31, 2008 and 2007, the balance of the legal reserve amounted to Baht 5.7 million and Baht 4.8 million, respectively. The reserve is not available for dividend distribution.

## 17. DIVIDEND PAYMENT

At the meeting of the shareholders on April 24, 2008 and April 26, 2007, the shareholders approved to pay dividend at Baht 0.03 and Baht 0.01 per share respectively totaling Baht 27 million and Baht 9 million respectively to the existing shareholders.

## 18. EXPENSES BY NATURE

The significant expenses classified by nature for the years ended December 31, 2008 and 2007 are as follows :

	Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2008	2007	2008	2007
Employee benefits expenses	99,682,069	102,722,624	91,537,148	94,958,437
Depreciation and amortization expenses	58,342,846	73,175,876	50,476,112	67,647,099
Transportation expense	90,739,080	72,198,408	109,530,226	88,474,906
Chemical, supplies and lab analysis expenses	84,354,893	82,637,716	82,790,799	80,653,713
Compensation and expenses for dispute settlement	-	29,073,000	-	29,073,000

## 19. INCOME TAX EXPENSES

In the separate financial statement, no income tax expenses were payable for the years ended December 31, 2008 and 2007 because of the utilization of the tax benefit arising from loss carry forward and an exemption from income tax expenses on net profit from the promotion business.

## 20. PROMOTIONAL PRIVILEGES

By virtue of the provisions of the Investment Promotion Act B.E. 2520, the Company was granted by the Board of Investment certain privileges which include, among other things, the following:

- 20.1 Exemption from payment of import duty on machinery as approved by the Board of Investment.
- 20.2 Exemption from payment of income tax on net income from the promoted business for a period of eight years from the date of operations.
- 20.3 Reduction of the income tax at the rate of 50% of the net income from promoted business for the period of 5 years from the expiration date as prescribed in 20.2
- 20.4 Allow to deduct the transportation expenses, electricity and water two-fold of such expenses for a period of 10 years from the start of the commercial operations.
- 20.5 Allow to deduct investments in installation and construction of the facility at 25% of the investments in addition to the normal depreciation rates, etc.

Under the promotional privileges, the Company must comply with certain terms and conditions specified in the promotional certificate.

Service income for the years ended December 31, 2008 and 2007 classified under promoted and non - promoted businesses are as follows:

	<u>Baht</u>	
	<u>Consolidated and</u>	
	<u>Separate Financial Statements</u>	
	<u>2008</u>	<u>2007</u>
Promoted Business	311,320,728	325,516,412
Non-Promoted Business	104,845,707	112,349,221
Total	<u>416,166,435</u>	<u>437,865,633</u>

## 21. REGISTERED PROVIDENT FUND PLAN

The Company has established a contributory registered provident fund in accordance with the Provident Fund Act B.E. 2530. Under the plan, the Company and employees contribute to the fund at a certain percentage of the employees' basic salary. The employees are entitled to receive the Company's contribution upon resignation from the Company after completion of their two years membership at the specified contribution rates.

The Company's contributions to the fund during 2008 and 2007 amounted to approximately Baht 2.1 million.

## 22. BUSINESS SEGMENT INFORMATION

Financial information of the Company and its subsidiaries for the years ended December 31, 2008 and 2007, broken down by business segment are as follow:

	Baht					
	Consolidated Financial Statements					
	Service		Real estate		Total	
2008	2007	2008	2007	2008	2007	
Revenues	416,166,435	437,865,633	52,381,660	44,861,320	468,548,095	482,726,953
Net profit from operation	74,297,134	93,109,204	18,556,432	17,682,813	92,853,566	110,792,017
Other income					10,981,533	77,054,675
General expense	61,041,315	67,172,069	13,643,904	16,438,404	74,685,219	83,610,473
Dispute settlement cost and compensation	-	29,073,000	-	-	-	29,073,000
Directors' remuneration					4,730,000	3,476,000
Unrealized loss on change in value of current investments					6,500,000	-
Impairment loss on assets					1,182,735	-
Interest expenses					3,227,674	1,444,006
Income tax expenses					530,779	1,549,593
Net profit					12,978,692	68,693,620
Assets employed	717,424,500	945,934,719	641,318,335	406,859,816	1,358,742,835	1,352,794,535

## 23. AGREEMENTS

As of December 31, 2008, the Company and subsidiary had entered into the following agreements :

- 23.1 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 (Rajburi) for a period of 10 years. Under the terms of the agreement, the Company agreed to pay annual rental fee from year 1<sup>st</sup> to year 5<sup>th</sup> amounting to approximately Baht 1.06 million per year, year 6<sup>th</sup> to year 10<sup>th</sup> amounting to approximately Baht 1.37 million per year and royalty fee at a certain percentage of waste served. The agreement commenced from October 1, 2006, and terminates on September 30, 2016.

Rental for the years 2008 and 2007 amounted to Baht 1.06 million.

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

	In Million Baht
Not later than one year	1.06
Later than one year and not later than five years	4.94
Later than five years	3.78

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

On December 19, 2007, the Company had transferred a part of leasehold right under leasehold right transfer agreement which has made since year 2006, with a company and had amended the land lease agreement with The Industrial Estate Authority of Thailand by reducing the size of the leased area from original 86 Rai, 1 Ngarn and 80.17 square Wah to 29 Rai, 1 Ngarn and 82 square Wah. The said leasehold right transfer, resulting the Company occurred gain amounting to Baht 50.81 million which are included in statement of income for the year 2007.

Rental for the years 2008 and 2007 amounted to Baht 5.1 million.

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

	<u>In Million Baht</u>
Not later than one year	5.16
Later than one year and not later than five years	21.07
Later than five years	79.21

- 23.3 The contract of Investing in Reception Facility at Leam chabang Port with the Port Authority of Thailand (PAT). The contract shall be effective on July 1, 2004 and terminate on June 30, 2024. The Company has the right to request for renewal of the contract for two times with renewal periods of 5 years per time by giving not less than 1 year advance written notice. Under the terms of the contract, the Company agreed to pay PAT an annual fee pursuant to amount and time as specified in the contract and pay additional fee based on a percentage of service income from treatment of waste with marine oil.

At present, due to the property has been occupied by trespasser, the Company is unable to construct and operate the above project within the date specified in the said contract. The Board of Directors Meeting held on November 9, 2006 had approved to terminate the said contract and take legal action against the Port Authority of Thailand.

On April 11, 2007, the Company has terminated the contract with the Port Authority of Thailand. And on May 23, 2007, the Company filed the dispute of Investing in Reception Facility at Leam chabang Port to the Arbitration Institute by requesting the Port Authority of Thailand to pay for the damages to the Company amounted to Baht 927.68 million and the Arbitration Institute had ordered to accept the case for consideration. On August 9, 2007, the Port Authority of Thailand has filed the protestation. At present, the dispute is in the process of the Arbitration Institute.

- 23.4 On November 21, 2006, the Company has signed a strategic business alliance agreement with a local company for a period of 3 years. The company will be received the fee at the rate specified in the agreement.

## 24. DISPUTE

On August 3, 2004, a local company (Plaintiff) filed a legal action against the judgement of the Nonthaburi Court that the Company is responsible for paying the second installment of land purchasing amounting to Baht 29,988,000 and interest charges at 7.5% per annum from the overdue date since June 18, 2003 up to the date that payment is made.

On September 22, 2004, the Company answered and counterclaimed against the Nonthaburi Court that the agreement was invalid and the plaintiff should return the first installment that the Company paid for land purchasing in September 2002 amounting to Baht 4,998,000 and interest charges at the rate of 7.5% per annum calculated from September 23, 2002 up to the date of filing totaling two years amounting to Baht 749,700. The said amounts total Baht 5,747,700. In addition, the Company asked the plaintiff to pay the interest charge at the rate of 7.5% per annum of the principal amount of Baht 4,998,000 from the date after filing date up to the date that payment is made.

On March 13, 2006, the Company has filed petition to withdraw counterclaimed of the said case.

On April 26, 2006, the Nonthaburi Court had ordered the Company to pay Baht 29,988,000 to plaintiff together with interest at the rate of 7.5 % per annum from June 26, 2003 until the date that payment has been made.

On July 25, 2006, the Company has filed to the Appeal Court. And subsequently, on February 7, 2007, the Appeal Court has ordered the Company to arrange the collateral to abate the enforcement of the case for the sum of Baht 42.7 million. On June 28, 2007, the Company has pledged the Company's land and a plot of land for sale of a subsidiary company as collateral. Subsequently, on August 2, 2007, the Court accepted the said collateral.

On August 22, 2007, the above plaintiff filed a legal action against the judgement of the Nonthaburi Court (the second case) that the Company is responsible for paying the 3<sup>rd</sup> installment to the 8<sup>th</sup> installment (the final payment) of land purchasing amounting to Baht 89,399,670 and interest charge at 7.5% per annum of the principle amount of Baht 69,054,000 from the date after filing date up to the date that payment is made. On September 20, 2007, the Company refused the Plaintiff's accusation, together with the request to cancel the Plaintiff's accusation.

On December 26, 2007, the Appeal Court had confirmed the same judgement with the Civil Court. The Board of Directors had resolved to assign the Company's representative to negotiate and settle the two disputes and approved the paying for the damage in the amount not exceeding Baht 30 million.

Subsequently, on January 21, 2008, the Company and Plaintiff filed the assertion to the Nonthaburi Court that the Company had agreed to settled the cases by paying the compensation in the amount of Baht 10 million to the plaintiff on January 21, 2008, and the Plaintiff had agreed to withdraw the said two cases. However, as of December 31, 2007, the Company has the obligation to pay the negotiators approximately Baht 19.07 million which has recorded as a provisions for dispute settlement cost in the balance sheet.

On February 7, 2008 the Court has returned the land little deed put as collateral, which belonged to the Company and its subsidiary.

## 25. COMMITMENT AND CONTINGENT LIABILITIES

As of December 31, 2008 and 2007, the Company and subsidiary companies have commitment and contingent liabilities as follows:

	In Million Baht				
	Consolidated Financial Statements		Separate Financial Statements		
	2008	2007	2008	2007	
25.1	Contingent liabilities to a local bank for letters of guarantee issued to related parties, private companies and government agencies to guarantee rental agreements, treatment service agreements and investing in Reception Facility at Leam chabang port.	39.0	40.6	39.0	40.6
25.2	Contingent liability to a local bank for letter of guarantee issued to a government agency to guarantee for performance under utility construction, which has secured by company's fixed deposit account.	0.4	0.4	0.4	0.4
25.3	Contingent liability for guarantee a subsidiary company.	-	-	12.6	16.3
25.4	The Company and a subsidiary company have commitment under the construction agreements and others.	12.7	101.1	11.0	98.2
25.5	The Company has commitment from purchase land held for future development.	-	54.9	-	54.9
25.6	The Company has commitment under the attorney's consultant proposal in case of dispute the contract of Investing in Reception Facility at Laem chabang Port.	At the rate and basis as stipulated in the proposal	At the rate and basis as stipulated in the proposal	At the rate and basis as stipulated in the proposal	At the rate and basis as stipulated in the proposal



## 26. DISCLOSURES OF FINANCIAL INSTRUMENTS

The Company and subsidiaries do not engage in any off-balance sheet transactions concerning the speculation or trading of derivatives.

### 26.1 Interest Rate Risk

As of December 31, 2008 and 2007, the Company and subsidiaries have financial assets and financial liabilities exposed to interest rate risk as follows:

	Consolidated Financial Statements											
	Baht											
	Floating Interest Rate		Fixed Interest Rate Maturing In:						Average Interest Rate (%)			
			1 Year or less		Over 1 to 5 Years		More than 5 Years		Floating		Fixed	
2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	
Cash in banks	103,332,184	239,689,209	422,028	21,355,144	-	-	-	-	0.5	0.5	2.25	2.3
Long - term loans	113,407,265	-	-	-	-	-	-	-	8.25	-	-	-
Finance lease obligations	-	-	8,251,695	4,478,856	10,823,902	9,969,625	-	-	-	-	7.7	8.5

	Separate Financial Statements											
	Baht											
	Floating Interest Rate		Fixed Interest Rate Maturing In:						Average Interest Rate (%)			
			1 Year or less		Over 1 to 5 Years		More than 5 Years		Floating		Fixed	
2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	
Cash in banks	79,432,797	84,733,908	422,028	21,338,357	-	-	-	-	0.5	0.5	2.25	2.3
Short - term loans to subsidiary	-	-	-	240,000,000	-	-	-	-	-	-	-	3.0
Long - term loans to subsidiary	-	-	10,560,000	-	20,440,000	11,000,000	-	-	-	-	3.0	3.0
Long - term loans	113,407,265	-	-	-	-	-	-	-	8.25	-	-	-
Finance lease obligations	-	-	1,303,200	-	2,854,303	-	-	-	-	-	7.0	-

## 26.2 Credit Risk

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

## 26.3 Liquidity Risk

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

## 26.4 Fair Value

Financial instruments include cash on hand and in banks, trade account receivables, other receivables, investments, loan to related parties, trade account payables, other payables, loans from bank and finance lease obligations.

The fair values of cash on hand and in banks, trade account receivables, other receivables, trade account payables and other payables approximate carrying value due to the relatively short-term maturity.

The fair values of marketable securities are estimated based on their quoted market prices.

The fair value of loan to related parties, loans from bank and finance lease obligations approximates carrying value as the interest rate of this loan approximates the current market interest rate.

## 27. SUBSEQUENT EVENT

27.1 The Company has adopted the early retirement plan (Map Ta Phut Center only) and opened for application from February 6 - 13, 2009 as per company's notification no. 13/2552 dated February 6, 2009 signed by Managing Director. There were 113 applicants with the total amount to be paid of Baht 11.01 million.

27.2 At the meeting No. 2/2009 of the executive committee held on February 19, 2009, had resolved to pay dividend at Baht 0.01 per share totaling Baht 9 million, pending for approval by the board of director meeting and the shareholders' meeting.

## 28. RECLASSIFICATION OF ACCOUNTS

Certain accounts in the financial statements as presented herein for comparative purpose have been reclassified to conform with the current period's classification, with no effect on the net profit (loss) or shareholders' equity as previously reported.

## 29. APPROVAL OF FINANCIAL STATEMENTS

The financial statements for the year ended December 31, 2008 have been approved by an authorized management designated by the Company on February 20, 2009.