

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

**Notes to Interim Financial Statements
September 30, 2009 and 2008 (Reviewed)
And December 31, 2008 (Audited)**

The financial statements were authorized for issue by the directors on November 10, 2009.

1. BASIS OF INTERIM FINANCIAL STATEMENT PREPARATION

These interim financial statements are prepared in accordance with the Accounting Standard No. 41 (Revised 2007) “Interim Financial Reporting” and Regulations of The Stock Exchange of Thailand (SET) relating to accounting.

The interim financial statements are prepared as updated information to the financial statements for the year ended December 31, 2008 with an emphasis on the more current information about activities, events and situations, not a duplicate of information previously reported. These interim financial statements should therefore be read in conjunction with the financial statements for the year ended December 31, 2008.

The accompanying financial statements are prepared in Thai Baht and in the Thai language in conformity with generally accepted accounting principles in Thailand. The accompanying financial statements are intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in Thailand.

For the convenience of the reader, an English translation of financial statements has been prepared from the statutory Thai language financial statements which are issued for domestic reporting purposes.

The consolidated financial statements as at September 30, 2009 and December 31, 2008, include the accounts of the Company and its subsidiaries which the Company has controlling power or directly and indirectly holdings on those subsidiaries as follows :

| Name of Companies | Type of business | Paid-up share capital (In Thousand Baht) | | Percentage of direct and indirect holdings (%) | |
|--|--|---|----------------------|--|----------------------|
| | | September 30, 2009 | December 31, 2008 | September 30, 2009 | December 31, 2008 |
| Asia Patana Land Co., Ltd. | Buy, sale, and land development | 200,000 | 200,000 | 99.99 | 99.99 |
| Genco Engineering Co., Ltd. * | Waste selection and management of waste for recycling facilities | 20,000 | 20,000 | 99.99 | 99.99 |
| General Logistics Co., Ltd. | Transportation of waste including provide the service of domestic transportation | 5,000 | 5,000 | 99.99 | 99.99 |
| Industrial Waste Management (Asia) Co., Ltd. | Industrial waste treatment | 200,000 | 200,000 | 99.99 | 99.99 |

* This subsidiary was liquidated in the second quarter of year 2009.

All significant intercompany transactions between the Company and subsidiaries included in the consolidated financial statements have been eliminated.

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2. EFFECTIVE ACCOUNTING STANDARDS

The Federation of Accounting Professions (FAP) has issued Notification No. 86/2551 and 16/2552 regarding Accounting Standards. The notification mandates the use of the following new accounting standards.

TAS 36 (revised 2007) - Impairment of Assets
TAS 54 (revised 2007) - Non-current Assets Held for Sale and Discontinued Operations
Accounting Framework (revised 2007) (effective on June 26, 2009)

These accounting standards became effective for the financial statements for fiscal years beginning on or after January 1, 2009. The Managements of the Company and its subsidiaries have assessed the effect of these revised accounting standards and believes that they did not have any significant impact on the financial statements for the current year.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying interim financial statements have been prepared in accordance with generally accepted accounting principles. Accounting policies that have been applied in the preparation of the interim financial statements for the three-month and nine-month periods ended September 30, 2009 are similar to those which have been applied to the financial statements for the year ended December 31, 2008.

4. 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>Name of Related parties</u> | <u>Type of business</u> | <u>Type of relationship</u> |
|--|--|-----------------------------|
| The Department of Industrial Works, The Ministry of Industry | The Government enterprise | Shareholders & Co directors |
| Industrial Estate Authority of Thailand | The Government enterprise | Shareholders & Co directors |
| Asia Patana Land Co., Ltd. | Buy, sale, and land development | Subsidiary |
| Genco Engineering Co., Ltd. | Waste selection and management of waste for recycling facilities | Subsidiary |
| General Logistics Co., Ltd. | Transportation of waste including provide the service of domestic transportation | Subsidiary |
| Industrial Waste Management (Asia) Co., Ltd. | Industrial waste treatment | Subsidiary |

Pricing policies for each transactions are described as follows:

| <u>Transactions</u> | <u>Pricing policies</u> |
|------------------------------|--------------------------|
| Real estate development cost | Cost plus margin |
| Transportation expense | Market price |
| Rental and royalty fee | Market price |
| Interest income | Interest rate at 3% p.a. |

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Significant revenues and expenses derived from transactions with related parties for the three-month and nine-month periods ended September 30, 2009 and 2008 are summarized as follows:

| | In Thousand Baht | | | |
|---|---|-------|--|--------|
| | Consolidated | | | |
| | For the three-month periods ended September 30 | | For the nine-month periods ended September 30 | |
| | 2009 | 2008 | 2009 | 2008 |
| Rental and royalty fee | | | | |
| Industrial Estate Authority of Thailand | 1,300 | 1,300 | 3,856 | 3,906 |
| The Department of Industrial Works | 1,090 | 814 | 5,159 | 2,433 |
| Other expenses | | | | |
| Industrial Estate Authority of Thailand | 790 | 450 | 1,304 | 1,383 |
| | | | | |
| | In Thousand Baht | | | |
| | The Company only | | | |
| | For the three-month periods ended September 30 | | For the nine-month periods ended September 30 | |
| | 2009 | 2008 | 2009 | 2008 |
| Real estate development cost | | | | |
| Asia Patana Land Co., Ltd. | - | - | 1,200 | - |
| Sales | | | | |
| Genco Engineering Co., Ltd. | - | - | - | 675 |
| Interest income | | | | |
| Asia Patana Land Co., Ltd. | - | 753 | - | 2,991 |
| General Logistics Co., Ltd. | - | 95 | 461 | 260 |
| Transportation expense | | | | |
| General Logistics Co., Ltd. | 11,860 | 9,123 | 43,653 | 25,933 |
| Rental and royalty fee | | | | |
| Industrial Estate Authority of Thailand | 1,300 | 1,300 | 3,856 | 3,906 |
| The Department of Industrial Works | 1,090 | 814 | 5,159 | 2,433 |
| Other expenses | | | | |
| Industrial Estate Authority of Thailand | 790 | 450 | 1,304 | 1,383 |

The balances of receivables from and payables to related parties as of September 30, 2009 and December 31, 2008 are as follows:

| | In Thousand Baht | | | |
|---|-----------------------|----------------------|-----------------------|----------------------|
| | Consolidated | | The Company only | |
| | September 30, 2009 | December 31, 2008 | September 30, 2009 | December 31, 2008 |
| Advance to director | - | 300 | - | - |
| Prepaid rent | | | | |
| Industrial Estate Authority of Thailand | 3,242 | 1,942 | 3,242 | 1,942 |
| Deposit for rent | | | | |
| Industrial Estate Authority of Thailand | 31 | 31 | 31 | 31 |
| General Logistics Co., Ltd. | - | - | 2,000 | 2,000 |
| | <u>31</u> | <u>31</u> | <u>2,031</u> | <u>2,031</u> |

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| | In Thousand Baht | | | |
|---|-----------------------|----------------------|-----------------------|----------------------|
| | Consolidated | | The Company only | |
| | September 30, 2009 | December 31, 2008 | September 30, 2009 | December 31, 2008 |
| Long-term loan and interest receivable | | | | |
| General Logistics Co.,Ltd. | | | | |
| Long-term loan (interest rate at 3%p.a.) | - | - | - | 31,000 |
| Interest receivable | - | - | - | 996 |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>31,996</u> |
| Trade accounts payable | | | | |
| General Logistics Co.,Ltd. | - | - | 4,475 | 2,533 |
| Industrial Estate Authority of Thailand | 37 | 35 | 37 | 35 |
| The Department of Industrial Works | 378 | 582 | 378 | 582 |
| | <u>415</u> | <u>617</u> | <u>4,890</u> | <u>3,150</u> |
| Advance from director | <u>-</u> | <u>1,200</u> | <u>-</u> | <u>-</u> |

The significant movements of loans to related parties during the period are as follows

| | In Thousand Baht | | | |
|------------------|----------------------|----------|---------------|-----------------------|
| | The Company only | | | |
| | December 31, 2008 | Increase | Decrease | September 30, 2009 |
| Principal | | | | |
| Loan agreement 1 | 4,000 | - | 4,000 | - |
| Loan agreement 2 | 7,000 | - | 7,000 | - |
| Loan agreement 3 | 20,000 | - | 20,000 | - |
| Total | <u>31,000</u> | <u>-</u> | <u>31,000</u> | <u>-</u> |

The Company 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 at December 31, 2008, the subsidiary company had drawdown Baht 20 million. Such loan is repayable within 5 years commencing from date of the first drawdown (August 25, 2008).

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

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

a) Rental and exclusive right agreement (Note 16.1)

b) Land lease agreement (Note 16.2)

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5. TRADE ACCOUNTS RECEIVABLE - NET

As at September 30, 2009 and December 31, 2008, the trade accounts receivable are classified by aging as follows:

| | In Thousand Baht | | | |
|---|-----------------------|----------------------|-----------------------|----------------------|
| | Consolidated | | The Company only | |
| | September 30, 2009 | December 31, 2008 | September 30, 2009 | December 31, 2008 |
| Billed receivables | | | | |
| Trade accounts receivable - service | | | | |
| Current | 28,216 | 27,141 | 28,091 | 27,141 |
| Overdue | | | | |
| Less than 3 months | 8,218 | 16,474 | 8,218 | 16,474 |
| Over 3 months to 6 months | 154 | 1,018 | 154 | 1,018 |
| Over 6 months to 12 months | 550 | 60 | 550 | 60 |
| Over 12 months | 6,562 | 6,823 | 6,562 | 6,823 |
| | <u>43,700</u> | <u>51,516</u> | <u>43,575</u> | <u>51,516</u> |
| Trade accounts receivable – real estate | | | | |
| Current | 41 | 110 | 41 | 110 |
| Overdue | | | | |
| Less than 3 months | 23 | - | 23 | - |
| Over 3 months to 6 months | 40 | - | 40 | - |
| Over 6 months to 12 months | - | - | - | - |
| Over 12 months | 232 | 232 | 232 | 232 |
| | <u>336</u> | <u>342</u> | <u>336</u> | <u>342</u> |
| Total | 44,036 | 51,858 | 43,911 | 51,858 |
| Less allowance for doubtful accounts | (5,098) | (5,508) | (5,098) | (5,508) |
| Net | <u>38,938</u> | <u>46,350</u> | <u>38,813</u> | <u>46,350</u> |
| Unbilled receivables | | | | |
| Trade accounts receivable - service | <u>14,705</u> | <u>17,954</u> | <u>14,705</u> | <u>17,954</u> |

6. REAL ESTATE DEVELOPMENT COST

As at September 30, 2009 and December 31, 2008, the Company and a subsidiary mortgaged its plots of land and constructions for sale and land and structure held for future development in totaling of Baht 460.9 million and Baht 295.4 million, respectively, as collateral for loan from a local bank in credit facilities totaling of Baht 216.3 million.

7. LONG – TERM INVESTMENTS – AVAILABLE – FOR – SALES

| | In Thousand Baht | | | |
|--|--------------------|---------------|-------------------|---------------|
| | Consolidated | | | |
| | September 30, 2009 | | December 31, 2008 | |
| | Cost | Fair value | Cost | Fair value |
| Available-for-sale securities | | | | |
| Investment in marketable equity securities | 122,753 | 58,303 | 122,703 | 34,256 |
| Less unrealized loss recognized in shareholders' equity | (64,450) | - | (88,447) | - |
| Net | <u>58,303</u> | <u>58,303</u> | <u>34,256</u> | <u>34,256</u> |

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| | In Thousand Baht | | | |
|--|--------------------|---------------|-------------------|---------------|
| | The Company only | | | |
| | September 30, 2009 | | December 31, 2008 | |
| | Cost | Fair value | Cost | Fair value |
| Available-for-sale securities | | | | |
| Investment in marketable equity securities | 122,753 | 58,303 | 120,703 | 32,256 |
| Less unrealized loss recognized in shareholders' equity | (64,450) | - | (88,447) | - |
| Net | <u>58,303</u> | <u>58,303</u> | <u>32,256</u> | <u>32,256</u> |

**8. INVESTMENTS IN SUBSIDIARIES ACCOUNTED FOR USING
THE COST METHOD - NET**

| | The Company only | | | | | |
|---|------------------------|----------------------|-------------------------|----------------------|-----------------------|----------------------|
| | Percentage of holdings | | In Thousand Baht | | | |
| | | | Paid – up share capital | | Investment | |
| | September 30, 2009 | December 31, 2008 | September 30, 2009 | December 31, 2008 | September 30, 2009 | December 31, 2008 |
| Asia Patana Land Co., Ltd. | 99.99 | 99.99 | 200,000 | 200,000 | 200,000 | 200,000 |
| Genco Engineering Co., Ltd. | - | 99.99 | - | 20,000 | - | 20,000 |
| General Logistics Co., Ltd. | 99.99 | 99.99 | 5,000 | 5,000 | 5,000 | 5,000 |
| Industrial Waste Management (Asia) Co., Ltd. | 99.99 | 99.99 | 200,000 | 200,000 | 200,000 | 200,000 |
| Total | | | | | <u>405,000</u> | <u>425,000</u> |
| Less Impairment loss on investments | | | | | (24,731) | (32,085) |
| Net | | | | | <u>380,269</u> | <u>392,915</u> |

9. PROPERTY, PLANT AND EQUIPMENT - NET

| | In Thousand Baht | |
|--|------------------|------------------|
| | Consolidated | The Company only |
| Net book value as at January 1, 2009 | 430,114 | 209,575 |
| Acquisitions during the period-at cost | 6,271 | 5,613 |
| Written – off during period – net book value at disposal and written – off date | (68) | (68) |
| Cost of fixed asset sold during the period | (1,464) | - |
| Depreciation for the period | (31,962) | (21,919) |
| Net book value as at September 30, 2009 | <u>402,891</u> | <u>193,201</u> |

The Company's buildings and machinery at Map Ta Phut Industrial Waste Treatment Facilities are mortgaged as collateral for a letter of guarantee line obtained from a local bank totaling approximately Baht 45 million. The net carrying value of such assets as of September 30, 2009 and December 31, 2008 amounted to approximately Baht 72.1 million and Baht 79.1 million, respectively.

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10. LONG - TERM LOANS

| | In Thousand Baht | | | |
|----------------------|-----------------------|----------------------|-----------------------|----------------------|
| | Consolidated | | The Company only | |
| | September 30, 2009 | December 31, 2008 | September 30, 2009 | December 31, 2008 |
| Loans from bank | | | | |
| Loan 1 | 8,358 | 17,508 | 8,358 | 17,508 |
| Loan 2 | 95,900 | 95,900 | 95,900 | 95,900 |
| Loan 3 | 45,330 | - | - | - |
| Total | 149,588 | 113,408 | 104,258 | 113,408 |
| Less Current portion | (27,914) | (13,165) | (27,604) | (13,165) |
| Net | 121,674 | 100,243 | 76,654 | 100,243 |

In 2008, the Company entered into loan agreements with a local bank in the amount of Baht 155.8 million details are as follows :

Loan 1, credit lines of Baht 34.9 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 rates as follows :

- In 1st year - 4th year at MLR + 1.50% p.a.
- 5th year onward at MLR + 2.50% p.a.

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

Loan 2, credit lines of Baht 120.9 million for project development cost, the Company had drawdown Baht 95.9 million. Such 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 (Siam Commercial Bank) + 1.50% p.a.

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

In the second quarter of 2009, a subsidiary entered into a loan agreement with a local bank in the amount of Baht 60.5 million details are as follows:

Loan 3, credit lines of Baht 60.5 million for project development cost, the Company had drawdown Baht 45.5 million. Such loan is repayable in six - month installments commencing from June 2010 and full repayment is to be paid within June 2015 with interest at the rate MLR (Siam Commercial Bank) + 2% p.a.

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

11. LIABILITIES UNDER FINANCIAL LEASE CONTRACTS

| | In Thousand Baht | | | |
|---|-----------------------|----------------------|-----------------------|----------------------|
| | Consolidated | | The Company only | |
| | September 30, 2009 | December 31, 2008 | September 30, 2009 | December 31, 2008 |
| Liabilities under financial lease contracts | | | | |
| Trucks and chassis | 7,561 | 12,616 | - | - |
| Transportation equipment | 6,207 | 8,164 | 3,411 | 4,569 |
| | 13,768 | 20,780 | 3,411 | 4,569 |
| Less Deferred interest | (801) | (1,705) | (222) | (412) |
| | 12,967 | 19,075 | 3,189 | 4,157 |
| Less Current portion | (8,823) | (8,251) | (1,374) | (1,303) |
| Net | 4,144 | 10,824 | 1,815 | 2,854 |

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As at September 30, 2009 and December 31, 2008, the Company and subsidiary have liabilities under financial lease contracts with the period of payment as follows:

| | In Thousand Baht | | | | | |
|------------------------------------|--------------------|-------------------|--------|-------------------|-------------------|--------|
| | Consolidated | | | | | |
| | September 30, 2009 | | | December 31, 2008 | | |
| | Principal | Deferred interest | Total | Principal | Deferred interest | Total |
| Payment due 1 year | 8,823 | 660 | 9,483 | 8,251 | 1,131 | 9,382 |
| Payment due over 1 year to 5 years | 4,144 | 141 | 4,285 | 10,824 | 574 | 11,398 |
| Total | 12,967 | 801 | 13,768 | 19,075 | 1,705 | 20,780 |

| | In Thousand Baht | | | | | |
|------------------------------------|--------------------|-------------------|-------|-------------------|-------------------|-------|
| | The Company only | | | | | |
| | September 30, 2009 | | | December 31, 2008 | | |
| | Principal | Deferred interest | Total | Principal | Deferred interest | Total |
| Payment due 1 year | 1,374 | 171 | 1,545 | 1,303 | 242 | 1,545 |
| Payment due over 1 year to 5 years | 1,815 | 51 | 1,866 | 2,854 | 170 | 3,024 |
| Total | 3,189 | 222 | 3,411 | 4,157 | 412 | 4,569 |

12. EXPENSES BY NATURE

The significant expenses classified by nature for the three-month and the nine-month periods ended September 30, 2009 and 2008 are as follows:

| | In Thousand Baht | | | |
|--|--|---------|---|---------|
| | Consolidated | | | |
| | For the three-month periods ended September 30 | | For the nine-month periods ended September 30 | |
| | 2009 | 2008 | 2009 | 2008 |
| Change in real estate development cost | 4,456 | 11,700 | 18,175 | 24,359 |
| Employee benefit expenses | 15,005 | 21,466 | 62,185 | 64,815 |
| Management benefit expenses | 3,685 | 3,923 | 11,858 | 14,879 |
| Depreciation and amortization | 12,787 | 14,865 | 38,327 | 44,354 |
| Transportation expenses | 10,927 | 26,607 | 28,437 | 81,069 |
| Chemical, supplies and lab analysis expenses | 19,444 | 26,684 | 48,244 | 76,601 |
| Other expenses | 18,846 | 12,913 | 53,476 | 35,489 |
| Total | 85,150 | 118,158 | 260,702 | 341,566 |

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| | In Thousand Baht | | | |
|--|-----------------------------|----------------|----------------------------|----------------|
| | The Company only | | | |
| | For the three-month periods | | For the nine-month periods | |
| | ended September 30 | | ended September 30 | |
| | 2009 | 2008 | 2009 | 2008 |
| Change in real estate development cost | 4,456 | 11,700 | 18,175 | 24,359 |
| Employee benefit expenses | 12,800 | 19,568 | 55,060 | 59,119 |
| Management benefit expenses | 3,685 | 3,923 | 11,858 | 14,879 |
| Depreciation and amortization | 9,457 | 13,069 | 28,284 | 39,299 |
| Transportation expenses | 17,030 | 29,700 | 48,985 | 88,657 |
| Chemical, supplies and lab analysis expenses | 19,292 | 26,509 | 47,491 | 75,612 |
| Other expenses | 17,567 | 13,837 | 50,080 | 38,620 |
| Total | 84,287 | 118,306 | 259,933 | 340,545 |

13. INCOME TAX

No income tax expenses were payable for the three-month and nine-month periods ended September 30, 2009 and 2008 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.

14. COMPANY'S SERVICE INCOME

By virtue of the provisions of the Investment Promotion Act B.E. 2520, the Company was granted certain privileges in business of disposal waste, industrial waste or waste water treatment service at Map Ta Phut Industrial Waste Treatment Facilities such as exemption from payment of income tax on net profit from the promoted business for a period of eight years from the date of operations and reduction of income tax at the rate of 50% of the net profit from the promoted business for the period of five years from the expiration date such period, etc.

Service income for the three-month and the nine-month periods ended September 30, 2009 and 2008 classified under promoted and non - promoted businesses are as follows:

| | In Thousand Baht | | | |
|-----------------------|-----------------------------------|----------------|----------------------------|----------------|
| | Consolidated and The Company only | | | |
| | For the three-month periods | | For the nine-month periods | |
| | ended September 30 | | ended September 30 | |
| | 2009 | 2008 | 2009 | 2008 |
| Promoted business | 34,073 | 75,718 | 107,170 | 243,119 |
| Non-promoted business | 34,180 | 24,454 | 85,918 | 79,354 |
| Total | 68,253 | 100,172 | 193,088 | 322,473 |

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

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15. BUSINESS SEGMENT INFORMATION

The segment financial information of the Company and its subsidiary for the three-month and nine-month periods ended September 30, 2009 and 2008 are as follows:

| | In Thousand Baht | | | | | | | |
|---------------------------------|---|---------|-------------|--------|-------------|---------|---------------|----------|
| | for the three-month periods ended September 30, | | | | | | | |
| | Service | | Real estate | | Elimination | | Consolidation | |
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Revenue from sales and services | 80,113 | 109,295 | 6,472 | 17,469 | (11,860) | (9,123) | 74,725 | 117,641 |
| Profit from operations | 8,289 | 12,390 | 2,017 | 5,769 | - | (34) | 10,306 | 18,125 |
| Other income | | | | | | | 1,999 | 1,816 |
| Administrative expenses | 9,385 | 11,044 | 7,697 | 4,094 | (36) | (419) | (17,046) | (14,719) |
| Management benefit expenses | | | | | | | (3,685) | (3,923) |
| Finance costs | | | | | | | (469) | (963) |
| Income tax | | | | | | | (11) | (217) |
| Net profit (loss) | | | | | | | (8,906) | 119 |

| | In Thousand Baht | | | | | | | |
|---------------------------------|--|---------|-------------|--------|-------------|----------|---------------|----------|
| | for the nine-month periods ended September 30, | | | | | | | |
| | Service | | Real estate | | Elimination | | Consolidation | |
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Revenue from sales and services | 236,741 | 348,451 | 29,349 | 38,026 | (44,853) | (25,978) | 221,237 | 360,499 |
| Profit from operations | 20,815 | 66,217 | 10,190 | 13,667 | (216) | - | 30,789 | 79,884 |
| Other income | | | | | | | 6,794 | 8,769 |
| Administrative expenses | 42,843 | 34,793 | 17,684 | 12,623 | (2,131) | (1,344) | (58,396) | (46,072) |
| Management benefit expenses | | | | | | | (11,858) | (14,879) |
| Finance costs | | | | | | | (1,740) | (2,505) |
| Income tax | | | | | | | (1,327) | (413) |
| Net profit (loss) | | | | | | | (35,738) | 24,784 |

| | In Thousand Baht | | | | | |
|-----------------------------------|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|
| | Service | | Real estate | | Consolidation | |
| | September 30, 2009 | December 31, 2008 | September 30, 2009 | December 31, 2008 | September 30, 2009 | December 31, 2008 |
| Property, plant and equipment-net | 402,560 | 429,508 | 331 | 606 | 402,891 | 430,114 |
| Other assets | 224,210 | 287,917 | 730,030 | 640,712 | 954,240 | 928,629 |
| Total assets | 626,770 | 717,425 | 730,361 | 641,318 | 1,357,131 | 1,358,743 |

16. AGREEMENTS

As at September 30, 2009, the Company and subsidiaries had the following agreements :

16.1 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 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 commenced from October 1, 2006, and terminates on September 30, 2016.

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

| | <u>In Million Baht</u> |
|--------------|------------------------|
| 1 year | 1.1 |
| 2 to 5 years | 5.2 |
| Over 5 years | 2.75 |

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

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

| | <u>In Million Baht</u> |
|--------------|------------------------|
| 1 year | 5.2 |
| 2 to 5 years | 21.1 |
| Over 5 years | 79.2 |

16.3 The contract of Investing in Reception Facility at Laem 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 Laem chabang Port to the Arbitration Institute by requesting the Port Authority of Thailand to pay for the damages to the Company amounted to Baht 927.7 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.

16.4 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.

17. COMMITMENTS AND CONTINGENT LIABILITIES

As at September 30, 2009, the Company and subsidiary companies have

17.1 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 Laem Chabang port amounting to Baht 39.5 million.

17.2 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 amounting to Baht 0.9 million.

17.3 commitment under the construction agreements and others amounting to Baht 3.0 million.

17.4 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.

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18. DIVIDENDS PAID AND LEGAL RESERVE

At the Ordinary Shareholders' Meeting held on April 29, 2009, the shareholders resolved to declare total dividends at Baht 0.01 per share, in totaling of Baht 9 million. The payment was paid on May 21, 2009 and appropriated for legal reserve amounting to Baht 0.9 million.

19. RECLASSIFICATION OF ACCOUNTS

Certain accounts in 2008 were reclassified to conform with those in the 2009 financial statements.