

GENERAL ENVIRONMENTAL CONSERVATION
PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Interim Financial Statements
For the Period Ended September 30, 2010
and Report of Certified Public Accountant

BPR AUDIT AND ADVISORY CO., LTD.
Certified Public Accountants

REVIEW REPORT OF CERTIFIED PUBLIC ACCOUNTANT

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

I have reviewed the consolidated balance sheet of General Environmental Conservation Public Company Limited and its subsidiaries as at September 30, 2010, and the related consolidated statements of income for the three-month and nine-month periods ended September 30, 2010 and 2009, changes in shareholders' equity and cash flows for the nine-month periods ended September 30, 2010 and 2009. I have also reviewed the balance sheet of General Environmental Conservation Public Company Limited as at September 30, 2010, and the related statements of income for the three-month and nine-month periods ended September 30, 2010 and 2009, changes in shareholders' equity and cash flows for the nine-month periods ended September 30, 2010 and 2009. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to issue a report on these financial statements based on my reviews.

I conducted my reviews in accordance with auditing standards applicable to review engagements. This standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit in accordance with generally accepted auditing standards. Accordingly, I do not express an audit opinion on the reviewed financial statements.

Based on my reviews, nothing has come to my attention that causes me to believe that the accompanying financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I have previously audited, in accordance with generally accepted auditing standards, the consolidated financial statements of General Environmental Conservation Public Company Limited and its subsidiaries and the financial statements of General Environmental Conservation Public Company Limited for the year ended December 31, 2009, and in my report dated February 25, 2010, I expressed an unqualified opinion on those financial statements. The consolidated balance sheet of General Environmental Conservation Public Company Limited and its subsidiaries and the balance sheet of General Environmental Conservation Public Company Limited as at December 31, 2009, presented for comparative purpose, are parts of these financial statements on which I have audited and reported. I have not performed any auditing procedures subsequent of the date of that report.

(Mr. Boonlert Kaewphanpurk)
Certified Public Accountant
Registration No. 4165

BPR AUDIT AND ADVISORY CO., LTD.
Bangkok
November 11, 2010

GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
BALANCE SHEETS
AS AT SEPTEMBER 30, 2010 AND DECEMBER 31, 2009

A S S E T S

		In Thousand Baht			
		Consolidated		The Company only	
		September	December	September	December
		30, 2010	31, 2009	30, 2010	31, 2009
		“Unaudited”	“Unaudited”	“Unaudited”	“Unaudited”
Notes		“Reviewed”	“Audited”	“Reviewed”	“Audited”
CURRENT ASSETS					
	Cash and cash equivalents	52,018	68,687	27,337	31,783
	Trade accounts receivable - net				
	Billed receivables	5	30,626	35,248	30,626
	Unbilled receivables	5	12,288	12,631	12,631
	Real estate development costs	6	461,698	515,919	368,924
	Supplies		3,002	3,356	3,002
	Advance payments		10,595	2,999	2,032
	Prepaid rent to related party	4	3,242	1,942	3,242
	Other current assets		2,936	2,693	2,526
	Total Current Assets		<u>576,405</u>	<u>643,475</u>	<u>449,977</u>
NON - CURRENT ASSETS					
	Deposit at financial institution pledged as collaterals		905	905	905
	Investments in subsidiaries accounted for using				
	the cost method - net	7	-	-	330,111
	Other long - term investments - available - for - sales	8	64,570	63,430	64,570
	Land and structures held for future development - net		230,225	243,275	68,910
	Property, plant and equipment - net	9	232,236	237,722	170,724
	Intangible assets - net		231	371	231
	Other non - current assets				
	Costs of landfills - net		17,032	24,502	17,032
	Withholding income tax		45,570	51,380	43,160
	Deposits for rent to related parties	4	31	31	2,031
	Deposits and others		1,847	1,731	1,427
	Total Non - Current Assets		<u>592,647</u>	<u>623,347</u>	<u>699,101</u>
	TOTAL ASSETS		<u><u>1,169,052</u></u>	<u><u>1,266,822</u></u>	<u><u>1,149,078</u></u>
			<u><u>1,277,791</u></u>		

GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
BALANCE SHEETS
AS AT SEPTEMBER 30, 2010 AND DECEMBER 31, 2009

LIABILITIES AND SHAREHOLDERS' EQUITY

		In Thousand Baht			
		Consolidated		The Company only	
		September 30, 2010	December 31, 2009	September 30, 2010	December 31, 2009
		“Unaudited” “Reviewed”	“Audited”	“Unaudited” “Reviewed”	“Audited”
Notes	Notes				
CURRENT LIABILITIES					
Trade accounts payable					
	4	473	496	2,344	6,678
		13,610	25,954	10,806	23,396
	10	16,680	32,090	16,680	32,090
	11	3,019	8,131	1,084	1,404
		13,466	22,053	12,061	19,449
		15,574	17,819	12,505	16,736
		<u>62,822</u>	<u>106,543</u>	<u>55,480</u>	<u>99,753</u>
NON - CURRENT LIABILITIES					
	10	51,996	93,287	30,844	59,181
	11	393	2,610	-	1,367
		34,000	40,304	34,000	40,304
		6,658	6,658	6,658	6,658
		<u>93,047</u>	<u>142,859</u>	<u>71,502</u>	<u>107,510</u>
		<u>155,869</u>	<u>249,402</u>	<u>126,982</u>	<u>207,263</u>
SHAREHOLDERS' EQUITY					
Share capital- common shares, Baht 1 par value					
		<u>900,000</u>	<u>900,000</u>	<u>900,000</u>	<u>900,000</u>
		900,000	900,000	900,000	900,000
		195,672	195,672	195,672	195,672
	8	(58,183)	(59,323)	(58,183)	(59,323)
		6,600	6,600	6,600	6,600
		(30,906)	(25,529)	(21,993)	27,579
		<u>1,013,183</u>	<u>1,017,420</u>	<u>1,022,096</u>	<u>1,070,528</u>
		-	-	-	-
		<u>1,013,183</u>	<u>1,017,420</u>	<u>1,022,096</u>	<u>1,070,528</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY					
		<u>1,169,052</u>	<u>1,266,822</u>	<u>1,149,078</u>	<u>1,277,791</u>

GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF INCOME

“UNAUDITED”

FOR THE THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2010 AND 2009

“REVIEWED”

		In Thousand Baht				
		Consolidated		The Company only		
Notes		2010	2009	2010	2009	
REVENUES						
	Revenues from services - service business	4,14	55,755	68,253	55,755	68,253
	Revenues from sales - real estate development business		14,343	6,472	7,198	6,472
	Gain from fixed assets sold		593	-	(31)	-
	Dividend income		220	350	220	350
	Other income		2,536	1,649	2,518	2,882
	Total Revenues		<u>73,447</u>	<u>76,724</u>	<u>65,660</u>	<u>77,957</u>
EXPENSES						
	Costs of services - service business	4,12	45,957	59,963	45,101	60,775
	Costs of sales - real estate development business		12,120	4,456	5,573	4,456
	Selling expenses		1,227	4,210	829	4,044
	Administrative expenses		11,765	12,836	9,621	11,302
	Management benefits expense		2,907	3,685	2,907	3,685
	Impairment loss on investment in subsidiary		-	-	35	25
	Total Expenses		<u>73,976</u>	<u>85,150</u>	<u>64,066</u>	<u>84,287</u>
PROFIT (LOSS) BEFORE FINANCE COSTS AND INCOME TAX						
			(529)	(8,426)	1,594	(6,330)
	Finance costs	4	114	469	25	258
	PROFIT (LOSS) BEFORE INCOME TAX		(643)	(8,895)	1,569	(6,588)
	Income tax	13	-	11	-	-
	NET PROFIT (LOSS)		<u>(643)</u>	<u>(8,906)</u>	<u>1,569</u>	<u>(6,588)</u>
Attributable to :						
	Owners of the parent		(643)	(8,906)	1,569	(6,588)
	Minority interest		-	-	-	-
			<u>(643)</u>	<u>(8,906)</u>	<u>1,569</u>	<u>(6,588)</u>
Profit (Loss) per share for net profit (loss) attributable to owners of the parent (Baht)						
			<u>(0.00)</u>	<u>(0.01)</u>	<u>0.00</u>	<u>(0.01)</u>

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

GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF INCOME

“UNAUDITED”

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2010 AND 2009

“REVIEWED”

		In Thousand Baht			
		Consolidated		The Company only	
Notes		2010	2009	2010	2009
REVENUES					
	4,14	156,820	193,088	156,820	193,088
		82,342	28,149	64,324	28,149
		1,547	-	679	-
		1,164	1,350	1,164	1,350
		4,149	5,444	4,071	6,213
		<u>246,022</u>	<u>228,031</u>	<u>227,058</u>	<u>228,800</u>
EXPENSES					
	4,12	133,077	172,273	130,930	179,913
		66,636	18,175	50,638	18,175
		3,681	8,822	2,953	5,519
		38,463	49,574	32,761	42,337
		8,922	11,858	8,922	11,858
		-	-	50,141	2,131
		<u>250,779</u>	<u>260,702</u>	<u>276,345</u>	<u>259,933</u>
LOSS BEFORE FINANCE COSTS AND INCOME TAX					
		(4,757)	(32,671)	(49,287)	(31,133)
	4	620	1,740	285	1,026
LOSS BEFORE INCOME TAX					
		(5,377)	(34,411)	(49,572)	(32,159)
	13	-	1,327	-	-
NET LOSS					
		<u>(5,377)</u>	<u>(35,738)</u>	<u>(49,572)</u>	<u>(32,159)</u>
Attributable to :					
		(5,377)	(35,738)	(49,572)	(32,159)
		-	-	-	-
		<u>(5,377)</u>	<u>(35,738)</u>	<u>(49,572)</u>	<u>(32,159)</u>
Loss per share for net loss attributable to owners of the parent (Baht)					
		<u>(0.01)</u>	<u>(0.04)</u>	<u>(0.06)</u>	<u>(0.04)</u>

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

GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2010 AND 2009

‘UNAUDITED’
“REVIEWED”

	In Thousand Baht							
	Consolidated							
	Issued and fully paid-up share capital	Premium on share capital	Unrealized loss from available - for - sale investments	Retained earnings		Equity attributable to owners of the parent	Minority interest of subsidiaries	Total
			Appropriated for legal reserve	Unappropriated				
Balance as at January 1, 2010	900,000	195,672	(59,323)	6,600	(25,529)	1,017,420	-	1,017,420
Unrealized gain from available - for - sale investments recognized in shareholders' equity	-	-	1,140	-	-	1,140	-	1,140
Net loss for the period	-	-	-	-	(5,377)	(5,377)	-	(5,377)
Balance as at September 30, 2010	<u>900,000</u>	<u>195,672</u>	<u>(58,183)</u>	<u>6,600</u>	<u>(30,906)</u>	<u>1,013,183</u>	<u>-</u>	<u>1,013,183</u>
Balance as at January 1, 2009	900,000	195,672	(88,447)	5,700	57,542	1,070,467	-	1,070,467
Unrealized gain from available - for - sale investments recognized in shareholders' equity	-	-	23,997	-	-	23,997	-	23,997
Net loss for the period	-	-	-	-	(35,738)	(35,738)	-	(35,738)
Dividend paid	-	-	-	-	(9,000)	(9,000)	-	(9,000)
Legal reserve	-	-	-	900	(900)	-	-	-
Balance as at September 30, 2009	<u>900,000</u>	<u>195,672</u>	<u>(64,450)</u>	<u>6,600</u>	<u>11,904</u>	<u>1,049,726</u>	<u>-</u>	<u>1,049,726</u>

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

GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2010 AND 2009

“UNAUDITED”
“REVIEWED”

	In Thousand Baht					
	The Company only					
	Issued and fully paid-up share capital	Premium on share capital	Unrealized loss from available - for - sale investments	Retained earnings Appropriated for legal reserve	Unappropriated	Total
Balance as at January 1, 2010	900,000	195,672	(59,323)	6,600	27,579	1,070,528
Unrealized loss from available - for - sale investments recognized in equity	-	-	1,140	-	-	1,140
Net loss for the period	-	-	-	-	(49,572)	(49,572)
Balance as at September 30, 2010	<u>900,000</u>	<u>195,672</u>	<u>(58,183)</u>	<u>6,600</u>	<u>(21,993)</u>	<u>1,022,096</u>
Balance as at January 1, 2009	900,000	195,672	(88,447)	5,700	58,631	1,071,556
Unrealized gain from available - for - sale investments recognized in equity	-	-	23,997	-	-	23,997
Net loss for the period	-	-	-	-	(32,159)	(32,159)
Dividend paid	-	-	-	-	(9,000)	(9,000)
Legal reserve	-	-	-	900	(900)	-
Balance as at September 30, 2009	<u>900,000</u>	<u>195,672</u>	<u>(64,450)</u>	<u>6,600</u>	<u>16,572</u>	<u>1,054,394</u>

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

GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

“UNAUDITED”

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2010 AND 2009

“REVIEWED”

	In Thousand Baht			
	Consolidated		The Company only	
	2010	2009	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before income tax	(5,377)	(34,411)	(49,572)	(32,159)
Adjustments for				
Depreciation and amortization	37,074	38,327	27,318	28,284
Fixed assets written - off	3	68	3	68
Withholding tax written - off	678	-	-	-
Interest income	(119)	(185)	(54)	(601)
Dividend income	(1,164)	(1,350)	(1,164)	(1,350)
Other income from obtaining investment in securities from subsidiary	-	-	-	(1,950)
Impairment loss on investment in subsidiary	-	-	50,141	2,131
Interest expense	620	1,740	285	1,027
Gain from fixed assets sold	(1,547)	(31)	(679)	-
Reversal of provision for doubtful accounts	(671)	(410)	(671)	(410)
Unrealized loss on change in value of current investments	-	750	-	-
Gain from liquidated subsidiary	-	(700)	-	-
Decrease (Increase) in Operating Assets				
Trade accounts receivable	5,636	11,072	5,511	11,196
Real estate development cost	59,424	(40,160)	44,289	(40,312)
Advance to director	-	300	-	-
Supplies	354	1,916	354	1,916
Other current assets	(9,165)	(1,775)	(2,573)	(2,131)
Cost of landfill preparation	(71)	-	(71)	-
Withholding tax refunded	11,483	7,668	11,369	7,668
Other non - current assets	(115)	(278)	(48)	(165)
Increase (Decrease) in Operating Liabilities				
Trade accounts payable				
Related parties	(24)	(202)	(4,334)	1,740
Other parties	(12,344)	(14,124)	(12,590)	(13,150)
Other payables	(8,587)	5,135	(7,388)	4,054
Advance from director	-	(1,200)	-	-
Accrued costs of landfills	(6,304)	(2,170)	(6,304)	-
Other current liabilities	(1,712)	594	(3,697)	373
Cash received (paid) from operations	68,072	(29,426)	50,125	(33,771)
Interest paid	(5,916)	(6,256)	(4,222)	(6,256)
Income tax paid	(6,351)	(7,468)	(5,149)	(6,151)
Net Cash Provided by (Used in) Operating Activities	55,805	(43,150)	40,754	(46,178)

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

GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Continued)

“UNAUDITED”

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2010 AND 2009

“REVIEWED”

	In Thousand Baht			
	Consolidated		The Company only	
	2010	2009	2010	2009
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	145	185	40	601
Cash received from liquidation of subsidiary	-	-	-	10,515
Decrease in Long - term loan to subsidiary	-	-	-	31,996
Increase in deposit of financial institution pledged as collaterals	-	(526)	-	(526)
Dividend received	1,164	1,250	1,164	1,250
Proceeds from sales of fixed assets	3,959	1,495	2,044	-
Acquisitions of property, plant and equipment	(13,246)	(6,271)	(2,861)	(5,613)
Acquisitions of intangible assets - computer software	(27)	(302)	(27)	(302)
Net Cash Provided by (Used in) Investing Activities	(8,005)	(4,169)	360	37,921
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayments of liabilities under financial lease contracts	(7,768)	(7,012)	(1,814)	(1,158)
Preceeds from long - term loan	-	45,450	-	-
Repayments of long - term loan	(56,701)	(9,269)	(43,746)	(9,149)
Dividends paid	-	(9,000)	-	(9,000)
Net Cash Provided by (Used in) Financing Activities	(64,469)	20,169	(45,560)	(19,307)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(16,669)	(27,150)	(4,446)	(27,564)
Cash and Cash Equivalents at Beginning of Period	68,687	103,715	31,783	79,776
CASH AND CASH EQUIVALENTS AT END OF PERIOD	52,018	76,565	27,337	52,212

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

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES**
Notes to Interim Financial Statements
September 30, 2010 and 2009 (Reviewed)
And December 31, 2009 (Audited)

The financial statements were authorized for issue by the directors on November 11, 2010.

1. BASIS OF INTERIM FINANCIAL STATEMENT PREPARATION

These interim financial statements are prepared in accordance with the Accounting Standard No. 34 (Formerly TAS 41 (revised 2007) "Interim Financial Reporting" and Regulations of The Stock Exchange of Thailand (SET) relating to accounting.

w

The interim financial statements are prepared as updated information to the financial statements for the year ended December 31, 2009 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, 2009.

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, 2010 and December 31, 2009, 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, 2010	December 31, 2009	September 30, 2010	December 31, 2009
Asia Patana Land Co., Ltd.	Buy, sale, and land development	200,000	200,000	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

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

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (Continued)
September 30, 2010 and 2009 (Reviewed)
And December 31, 2009 (Audited)**

2. NEW ACCOUNTING STANDARDS

The Federation of Accounting Professions has issued Notification No. 17/2553 and No. 34/2553, published in the Royal Gazette on May 26, 2010 and August 30, 2010, mandating the use of new accounting standards and financial reporting standards as follows:

	<u>Effective date</u>
Framework for the Preparation and Presentation of Financial Statements (revised 2009)	Immediately effective
TAS 1 (revised 2009) Presentation of Financial Statements	January 1, 2011
TAS 2 (revised 2009) Inventories	January 1, 2011
TAS 7 (revised 2009) Statement of Cash Flows	January 1, 2011
TAS 8 (revised 2009) Accounting Policies, Changes in Accounting Estimates and Errors	January 1, 2011
TAS 10 (revised 2009) Events after the Reporting Period	January 1, 2011
TAS 11 (revised 2009) Construction Contracts	January 1, 2011
TAS 12 Income Taxes	January 1, 2013
TAS 17 (revised 2009) Leases	January 1, 2011
TAS 20 (revised 2009) Accounting for Government Grants and Disclosure of Government Assistance	January 1, 2013
TAS 23 (revised 2009) Borrowing Costs	January 1, 2011
TAS 24 (revised 2009) Related Party Disclosures	January 1, 2011
TAS 27 (revised 2009) Consolidated and Separate Financial Statements	January 1, 2011
TAS 28 (revised 2009) Investments in Associates	January 1, 2011
TAS 29 Financial Reporting in Hyperinflationary	January 1, 2011
TAS 31 (revised 2009) Interests in Joint Ventures	January 1, 2011
TAS 33 (revised 2009) Earnings per Share	January 1, 2011
TAS 34 (revised 2009) Interim Financial Reporting	January 1, 2011
TAS 36 (revised 2009) Impairment of Assets	January 1, 2011
TAS 37 (revised 2009) Provisions, Contingent Liabilities and Contingent Assets	January 1, 2011
TAS 38 (revised 2009) Intangible Assets	January 1, 2011
TAS 40 (revised 2009) Investment Property	January 1, 2011
TFRS 3 (revised 2009) Business Combinations	January 1, 2011
TFRS 5 (revised 2009) Non-current Assets Held for Sale and Discontinued Operations	January 1, 2011
TFRS 6 Exploration for and Evaluation of Mineral Resources	January 1, 2011

The management of the Company has assessed the effect of these standards and believes that TAS 11 (revised 2009), TAS 20 (revised 2009), TAS 29, TAS 31 (revised 2009) and TFRS 6 are not relevant to the business of the Company, while the Framework for the Preparation and Presentation of Financial Statements (revised 2009) does not have significant impact on the financial statements for the current period and the remaining 19 accounting standards described above will not have any significant impact on the financial statements for the year in which they are initially applied.

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

Notes to Interim Financial Statements (Continued)

September 30, 2010 and 2009 (Reviewed)

And December 31, 2009 (Audited)

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, 2010 are similar to those which have been applied to the financial statements for the year ended December 31, 2009.

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>
Purchase of assets	Cost plus margin
Transportation expense	Market price
Rental and royalty fee	Market price
Interest income	MLR (Siam Commercial Bank) + 2% p.a.

Significant revenues and expenses derived from transactions with related parties for the three-month and nine-month periods ended September 30, 2010 and 2009 are summarized as follows:

	<u>In Thousand Baht</u>			
	<u>Consolidated</u>			
	<u>For the three-month periods</u>		<u>For the nine-month periods</u>	
	<u>ended September 30</u>		<u>Ended September 30</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Rental and royalty fee				
The Department of Industrial Works	1,362	1,090	3,806	5,159
Industrial Estate Authority of Thailand	1,300	1,300	3,856	3,856
Other expenses				
Industrial Estate Authority of Thailand	430	790	1,222	1,304

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES**
Notes to Interim Financial Statements (Continued)
September 30, 2010 and 2009 (Reviewed)
And December 31, 2009 (Audited)

	In Thousand Baht			
	The Company only			
	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2010	2009	2010	2009
Real estate development cost				
Asia Pattana Land Co.,Ltd.	-	-	-	1,200
Interest income				
Asia Pattana Land Co.,Ltd.	657	-	1,140	-
Industrial Waste Management (Asia) Co., Ltd.	-	-	43	-
General Logistics Co.,Ltd.	-	-	-	461
Transportation expense				
General Logistics Co.,Ltd.	9,608	11,860	29,209	43,653
Rental and royalty fee				
The Department of Industrial Works	1,362	1,090	3,806	5,159
Industrial Estate Authority of Thailand	1,300	1,300	3,856	3,856
Other expenses				
Industrial Estate Authority of Thailand	430	790	1,222	1,304

The balances of receivables from and payables to related parties as of September 30, 2010 and December 31, 2009 are as follows:

	In Thousand Baht			
	Consolidated		The Company only	
	September 30, 2010	December 31, 2009	September 30, 2010	December 31, 2009
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
	31	31	2,031	2,031
Trade accounts payable				
The Department of Industrial Works	411	429	411	429
Industrial Estate Authority of Thailand	62	67	62	67
General Logistics Co.,Ltd.	-	-	1,871	6,182
	473	496	2,344	6,678

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES**
Notes to Interim Financial Statements (Continued)
September 30, 2010 and 2009 (Reviewed)
And December 31, 2009 (Audited)

5. TRADE ACCOUNTS RECEIVABLE - NET

As at September 30, 2010 and December 31, 2009, the trade accounts receivable are classified by aging as follows:

	In Thousand Baht			
	Consolidated		The Company only	
	September 30, 2010	December 31, 2009	September 30, 2010	December 31, 2009
Billed receivables				
Trade accounts receivable - service				
Current	25,518	22,893	25,518	22,769
Overdue				
Less than 3 months	4,719	11,476	4,719	11,476
Over 3 months to 6 months	75	200	75	200
Over 6 months to 12 months	256	404	256	404
Over 12 months	6,430	6,806	6,430	6,806
	<u>36,998</u>	<u>41,779</u>	<u>36,998</u>	<u>41,655</u>
Trade accounts receivable - real estate				
Current	-	32	-	32
Overdue				
Less than 3 months	-	9	-	9
Over 3 months to 6 months	-	20	-	20
Over 6 months to 12 months	10	30	10	30
Over 12 months	119	114	119	114
	<u>129</u>	<u>205</u>	<u>129</u>	<u>205</u>
Total	37,127	41,984	37,127	41,860
Less allowance for doubtful accounts	(6,501)	(6,736)	(6,501)	(6,736)
Net	<u>30,626</u>	<u>35,248</u>	<u>30,626</u>	<u>35,124</u>
Unbilled receivables				
Trade accounts receivable - service	12,288	12,631	12,288	12,631

6. REAL ESTATE DEVELOPMENT COST

As at September 30, 2010 and December 31, 2009, the Company mortgaged its plots of land and constructions for sale and land and structure held for future development in totaling of Baht 377.1 million and Baht 454.8 million, respectively, as collateral for loan from a local bank in credit facilities totaling of Baht 181.4 million.

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

	The Company only					
	Percentage of holding		In Thousand Baht			
			Paid – up share capital		Investment	
September 30, 2010	December 30, 2009	September 30, 2010	December 31, 2009	September 30, 2010	December 31, 2009	
Asia Patana Land Co., Ltd.	99.99	99.99	200,000	200,000	200,000	200,000
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>405,000</u>
Less Impairment loss on investments					<u>(74,889)</u>	<u>(24,748)</u>
Net					<u>330,111</u>	<u>380,252</u>

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (Continued)
September 30, 2010 and 2009 (Reviewed)
And December 31, 2009 (Audited)**

8. OTHER LONG – TERM INVESTMENTS – AVAILABLE – FOR – SALES

	In Thousand Baht			
	Consolidated and The Company only			
	September 30, 2010		December 31, 2009	
	Cost	Fair value	Cost	Fair value
Available-for-sale securities				
Investment in marketable securities	122,753	64,570	122,753	63,430
Less unrealized loss recognized in shareholders' equity	(58,183)	-	(59,323)	-
Net	<u>64,570</u>	<u>64,570</u>	<u>63,430</u>	<u>63,430</u>

9. PROPERTY, PLANT AND EQUIPMENT - NET

	In Thousand Baht	
	Consolidated	The Company only
Net book value as at January 1, 2010	237,722	188,842
Acquisitions during the period-at cost	13,246	2,861
Transfer in (out)	13,050	-
Cost of fixed asset sold during the period	(2,415)	(1,368)
Depreciation for the period	(29,367)	(19,611)
Net book value as at September 30, 2010	<u>232,236</u>	<u>170,724</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 carrying value of such assets as of September 30, 2010 and December 31, 2009 amounted to approximately Baht 62.8 million and Baht 69.8 million, respectively.

10. LONG - TERM LOANS

	In Thousand Baht			
	Consolidated		The Company only	
	September 30, 2010	December 31, 2009	September 30, 2010	December 31, 2009
Loans from bank				
Loan 1	-	6,475	-	6,475
Loan 2	47,524	84,796	47,524	84,796
Loan 3	21,152	34,106	-	-
Total	68,676	125,377	47,524	91,271
Less Current portion	(16,680)	(32,090)	(16,680)	(32,090)
Net	<u>51,996</u>	<u>93,287</u>	<u>30,844</u>	<u>59,181</u>

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 use as 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 :

- 1st year - 4th year at MLR (Siam Commercial Bank) + 1.50% p.a.
- 5th year onward at MLR (Siam Commercial Bank) + 2.50% p.a.

The above loan is secured by the mortgage of the Company's land and structures for sales. As at September 30, 2010, the Company repaid all of such outstanding loan.

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (Continued)
September 30, 2010 and 2009 (Reviewed)
And December 31, 2009 (Audited)**

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, 2010	December 31, 2009	September 30, 2010	December 31, 2009
Liabilities under financial lease contracts				
Trucks and chassis	821	5,876	-	-
Transportation equipment	2,713	5,426	1,115	2,929
	3,534	11,302	1,115	2,929
Less Deferred interest	(122)	(561)	(31)	(158)
	3,412	10,741	1,084	2,771
Less Current portion	(3,019)	(8,131)	(1,084)	(1,404)
Net	393	2,610	-	1,367

As at September 30, 2010 and December 31, 2009, the Company and subsidiary have liabilities under financial lease contracts with the period of payment as follows:

	In Thousand Baht					
	Consolidated					
	September 30, 2010			December 31, 2009		
	Principal	Deferred interest	Total	Principal	Deferred interest	Total
Payment due 1 year	3,019	116	3,135	8,131	489	8,620
Payment due over 1 year to 5 years	393	6	399	2,610	72	2,682
Total	3,412	122	3,534	10,741	561	11,302

	In Thousand Baht					
	The Company only					
	September 30, 2010			December 31, 2009		
	Principal	Deferred interest	Total	Principal	Deferred interest	Total
Payment due 1 year	1,084	31	1,115	1,404	141	1,545
Payment due over 1 year to 5 years	-	-	-	1,367	17	1,384
Total	1,084	31	1,115	2,771	158	2,929

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (Continued)
September 30, 2010 and 2009 (Reviewed)
And December 31, 2009 (Audited)**

12. EXPENSES BY NATURE

The significant expenses classified by nature for the three-month and nine-month periods ended September 30, 2010 and 2009 are as follows:

	In Thousand Baht			
	Consolidated			
	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2010	2009	2010	2009
Change in real estate development cost	12,120	4,456	66,636	18,175
Employee benefits expenses	10,961	15,005	33,306	62,185
Management benefit expenses	2,907	3,685	8,922	11,858
Depreciation and amortization	12,390	12,787	37,074	38,327
Transportation expenses	8,288	10,927	24,135	28,437
Chemical, supplies and lab analysis expenses	13,293	19,444	39,058	48,244
Other expenses	14,017	18,846	41,648	53,476
Total	73,976	85,150	250,779	260,702

	In Thousand Baht			
	The Company only			
	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2010	2009	2010	2009
Change in real estate development cost	5,573	4,456	50,638	18,175
Employee benefits expenses	9,012	12,800	27,603	55,060
Management benefit expenses	2,907	3,685	8,922	11,858
Depreciation and amortization	9,189	9,457	27,318	28,284
Transportation expenses	11,766	17,030	35,242	48,985
Chemical, supplies and lab analysis expenses	13,042	19,292	38,378	47,491
Impairment loss on investment in subsidiary	35	-	50,141	2,131
Other expenses	12,542	17,567	38,103	47,949
Total	64,066	84,287	276,345	259,933

13. INCOME TAX

No income tax expenses were payable for the three-month and nine-month periods ended September 30, 2010 and 2009 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 5 years from the expiration date such period, etc.

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES**
Notes to Interim Financial Statements (Continued)
September 30, 2010 and 2009 (Reviewed)
And December 31, 2009 (Audited)

Service income for the three-month and nine-month periods ended September 30, 2010 and 2009 classified under promoted and non-promoted businesses are as follows:

	In Thousand Baht			
	Consolidated and The Company only			
	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2010	2009	2010	2009
Promoted business	49,278	34,073	144,866	107,170
Non-promoted business	6,133	34,180	10,807	85,918
Total	55,411	68,253	155,673	193,088

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

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, 2010 and 2009 are as follows:

	In Thousand Baht							
	for the three-month periods ended September 30,							
	Service		Real estate		Elimination		Consolidation	
	2010	2009	2010	2009	2010	2009	2010	2009
Revenues	65,363	80,113	14,343	6,472	(9,608)	(11,860)	70,098	74,725
Profit from operations	9,799	8,289	2,222	2,017	-	-	12,021	10,306
Other income							3,349	1,999
Administrative expenses	9,774	9,385	3,218	7,697	-	(36)	(12,992)	(17,046)
Management benefit expenses							(2,907)	(3,685)
Finance cost							(114)	(469)
Income tax							-	(11)
Net loss							(643)	(8,906)

	In Thousand Baht							
	for the nine-month periods ended September 30,							
	Service		Real estate		Elimination		Consolidation	
	2010	2009	2010	2009	2010	2009	2010	2009
Revenues	186,029	236,741	82,342	29,349	(29,209)	(44,853)	239,162	221,237
Profit from operations	23,743	20,815	15,099	10,190	607	(216)	39,449	30,789
Other income							6,860	6,794
Administrative expenses	32,787	42,843	9,357	17,684	-	(2,131)	(42,144)	(58,396)
Management benefit expenses							(8,922)	(11,858)
Finance cost							(620)	(1,740)
Income tax							-	(1,327)
Net loss							(5,377)	(35,738)

	In Thousand Baht					
	Service		Real estate		Consolidation	
	September 30, 2010	December 31, 2009	September 30, 2010	December 31, 2009	September 30, 2010	December 31, 2009
Property, plant and equipment-net	211,952	237,483	20,284	239	232,236	237,722
Other assets	306,252	321,220	630,564	707,880	936,816	1,029,100
Total assets	518,204	558,703	650,848	708,119	1,169,052	1,266,822

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (Continued)
September 30, 2010 and 2009 (Reviewed)
And December 31, 2009 (Audited)**

16. AGREEMENTS

As at September 30, 2010, the Company and its subsidiaries had entered into 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 1.06 million per year, year 6th to year 10th amounting to approximately Baht 1.37 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.

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

	<u>In Million Baht</u>
1 year	1.1
2 to 5 years	5.5
Over 5 years	1.4

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 agreement of Investing in Reception Facility at Leam chabang Port with the Port Authority of Thailand (PAT). The agreement shall be effective on July 1, 2004 and terminate on June 30, 2024. The Company has the right to request for renewal of the agreement 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 agreement, the Company agreed to pay PAT an annual fee pursuant to amount and time as specified in the agreement and pay additional fee based on a percentage of service income from treatment of waste with marine oil.

Because the property has been occupied by trespasser, the Company was unable to construct and operate the above project within the date specified in the said agreement. The Board of Directors' Meeting held on November 9, 2006 had approved to terminate the said contract and took 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 927.7 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.

17. COMMITMENTS AND CONTINGENT LIABILITIES

As at September 30, 2010, 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 38 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 2.9 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.