

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

**Financial Statements**

**For the Years Ended December 31, 2010 and 2009**

**and Report of Certified Public Accountant**

***BPR AUDIT AND ADVISORY CO., LTD.***

***Certified Public Accountants***

## **REPORT OF CERTIFIED PUBLIC ACCOUNTANT**

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

I have audited the consolidated balance sheets of General Environmental Conservation Public Company Limited and its subsidiaries as at December 31, 2010 and 2009, and the related consolidated statements of income, changes in shareholders' equity and cash flows for the years then ended. I have also audited the balance sheets of General Environmental Conservation Public Company Limited as at December 31, 2010 and 2009, and the related statements of income, changes in shareholders' equity and cash flows for the years then ended. The Management of the Company is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respect, the consolidated financial position of General Environmental Conservation Public Company Limited and its subsidiaries as at December 31, 2010 and 2009, and the consolidated results of their operations and their cash flows for the years then ended, and the financial position of General Environmental Conservation Public Company Limited as at December 31, 2010 and 2009, and the results of its operations and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

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

BPR AUDIT AND ADVISORY CO., LTD.  
Bangkok  
February 25, 2011

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

**A S S E T S**

		In Thousand Baht			
		Consolidated		The Company only	
Notes		2010	2009	2010	2009
<b>CURRENT ASSETS</b>					
	Cash and cash equivalents	65,576	68,687	51,861	31,783
	Trade accounts receivable - net				
	Billed receivables	6	32,156	35,248	32,156
	Unbilled receivables	6	14,532	12,631	14,532
	Real estate development costs	7	449,011	515,919	355,818
	Supplies		3,359	3,356	3,359
	Other current assets				
	Advance payments		6,517	2,999	1,380
	Prepaid rent to related party	5	1,942	1,942	1,942
	Others		1,541	2,693	1,501
	<b>Total Current Assets</b>		<u>574,634</u>	<u>643,475</u>	<u>462,549</u>
<b>NON - CURRENT ASSETS</b>					
	Deposits at financial institution pledged as collaterals		905	905	905
	Investments in subsidiaries accounted for using the cost method - net	10	-	-	325,103
	Long - term loans to other company		34,793	-	-
	Long - term investments - available - for - sales	8	62,450	63,430	62,450
	Land and structures held for future development - net	9	233,177	243,275	68,910
	Property, plant and equipment - net	11	193,009	237,722	166,178
	Intangible assets - net	12	182	371	182
	Other non - current assets				
	Costs of landfills - net		14,862	24,502	14,862
	Withholding tax		45,110	51,380	44,611
	Deposits for rent to related parties	5	31	31	31
	Deposits and others		3,725	1,731	3,426
	<b>Total Non - Current Assets</b>		<u>588,244</u>	<u>623,347</u>	<u>686,658</u>
	<b>TOTAL ASSETS</b>		<u><u>1,162,878</u></u>	<u><u>1,266,822</u></u>	<u><u>1,149,207</u></u>

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

**LIABILITIES AND SHAREHOLDERS' EQUITY**

		In Thousand Baht				
		Consolidated		The Company only		
Notes		2010	2009	2010	2009	
<b>CURRENT LIABILITIES</b>						
Trade accounts payable						
	Related parties	5	392	496	392	6,678
	Other parties		15,226	25,954	14,919	23,396
	Current portion of long - term loans	13	38,336	32,090	38,336	32,090
	Current portion of liabilities under hire-purchase and financial lease contracts	14	872	8,131	872	1,404
	Other payables		10,097	22,053	8,981	19,449
	Other current liabilities		12,890	17,819	11,950	16,736
	<b>Total Current Liabilities</b>		<u>77,813</u>	<u>106,543</u>	<u>75,450</u>	<u>99,753</u>
<b>NON - CURRENT LIABILITIES</b>						
	Long-term loans-net of current portion	13	24,826	93,287	3,674	59,181
	Liabilities under hire - purchase and financial lease contracts-net of current portion	14	-	2,610	-	1,367
	Other non-current liabilities					
	Accrued costs of landfills		34,035	40,304	34,035	40,304
	Accrued environmental protection fund		6,658	6,658	6,658	6,658
	<b>Total Non - Current Liabilities</b>		<u>65,519</u>	<u>142,859</u>	<u>44,367</u>	<u>107,510</u>
	<b>Total Liabilities</b>		<u>143,332</u>	<u>249,402</u>	<u>119,817</u>	<u>207,263</u>
<b>SHAREHOLDERS' EQUITY</b>						
Share capital- common shares, Baht 1 par value						
	Authorized share capital -900,000,000 shares, Baht 1 par value		<u>900,000</u>	<u>900,000</u>	<u>900,000</u>	<u>900,000</u>
	Issued and fully paid-up share capital					
	- 900,000,000 shares, Baht 1 par value		900,000	900,000	900,000	900,000
	Premium on share capital		195,672	195,672	195,672	195,672
	Unrealized loss from available - for - sale investments	8	(60,303)	(59,323)	(60,303)	(59,323)
	Retained earnings					
	- Appropriated for legal reserve	17	6,600	6,600	6,600	6,600
	- Unappropriated		(22,424)	(25,529)	(12,579)	27,579
	Total equity holders of the parent company		1,019,545	1,017,420	1,029,390	1,070,528
	Minority interest of subsidiaries		-	-	-	-
	<b>Total Shareholders' Equity</b>		<u>1,019,545</u>	<u>1,017,420</u>	<u>1,029,390</u>	<u>1,070,528</u>
	<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<u>1,162,877</u>	<u>1,266,822</u>	<u>1,149,207</u>	<u>1,277,791</u>

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	Notes	In Thousand Baht			
		Consolidated		The Company only	
		2010	2009	2010	2009
<b>REVENUES</b>					
Revenues from services - service business	5,18	205,684	254,152	205,684	254,152
Revenues from sales - real estate development business		109,656	59,706	86,100	32,767
Other income					
Gain on sales of assets and investment		5,690	31	7,669	-
Dividend income		1,164	1,350	1,164	1,350
Others		5,073	8,605	4,845	9,391
<b>Total Revenues</b>		<u>327,267</u>	<u>323,844</u>	<u>305,462</u>	<u>297,660</u>
<b>EXPENSES</b>	5,14				
Costs of services - service business		175,251	190,955	173,409	199,453
Costs of sales - real estate development business		84,446	45,485	65,295	21,530
Selling expenses		3,992	11,416	3,264	8,673
Administrative expenses		48,377	130,682	91,927	72,923
Management benefit expenses		11,423	15,002	11,423	15,002
<b>Total Expenses</b>		<u>323,489</u>	<u>393,540</u>	<u>345,318</u>	<u>317,581</u>
<b>PROFIT (LOSS) BEFORE FINANCE COSTS AND INCOME TAX</b>		3,778	(69,696)	(39,856)	(19,921)
Finance costs	5	<u>673</u>	<u>2,120</u>	<u>302</u>	<u>1,231</u>
<b>PROFIT (LOSS) BEFORE INCOME TAX</b>		3,105	(71,816)	(40,158)	(21,152)
Income tax	16	<u>-</u>	<u>1,355</u>	<u>-</u>	<u>-</u>
<b>NET PROFIT (LOSS)</b>		<u>3,105</u>	<u>(73,171)</u>	<u>(40,158)</u>	<u>(21,152)</u>
<b>Attributable to:</b>					
Equity holders of the parent company		3,105	(73,171)	(40,158)	(21,152)
Minority interest		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>3,105</u>	<u>(73,171)</u>	<u>(40,158)</u>	<u>(21,152)</u>
<b>Earnings (Loss) per share for net profit (loss) attributable to the equity holders of the parent company (Baht)</b>		<u>0.00</u>	<u>(0.08)</u>	<u>(0.04)</u>	<u>(0.02)</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 YEARS ENDED DECEMBER 31, 2010 AND 2009**

In Thousand Baht								
Consolidated								
	Issued and paid-up	Premium on share capital	Unrealized loss from available - for - sale investments	Retained earnings		Total equity holders of the parent company	Minority interest of subsidiaries	Total
Note	share capital	share capital	share capital	Appropriated for legal reserve	Unappropriated	share capital	share capital	share capital
<b>Balance as at January 1, 2009</b>	900,000	195,672	(88,447)	5,700	57,542	1,070,467	-	1,070,467
Changes in shareholder's equity for 2009								
Available-for-sale investments								
Unrealized gain (loss) recognized in shareholders' equity	-	-	29,124	-	-	29,124	-	29,124
Income (expense) recognized directly in shareholders' equity	-	-	29,124	-	-	29,124	-	29,124
Net loss	-	-	-	-	(73,171)	(73,171)	-	(73,171)
Total recognized income (expense)	-	-	29,124	-	(73,171)	(44,047)	-	(44,047)
Dividends paid	-	-	-	-	(9,000)	(9,000)	-	(9,000)
Legal reserve	-	-	-	900	(900)	-	-	-
	17							
<b>Balance as at December 31, 2009</b>	900,000	195,672	(59,323)	6,600	(25,529)	1,017,420	-	1,017,420
Available-for-sale investments								
Unrealized gain (loss) from available - for - sale investments recognized in shareholders' equity	-	-	(980)	-	-	(980)	-	(980)
Income (expense) recognized directly in shareholders' equity	-	-	(980)	-	-	(980)	-	(980)
Net loss	-	-	-	-	3,105	3,105	-	3,105
<b>Balance as at December 31, 2010</b>	900,000	195,672	(60,303)	6,600	(22,424)	1,019,545	-	1,019,545

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 YEARS ENDED DECEMBER 31, 2010 AND 2009**

In Thousand Baht							
The Company only							
	Note	Issued and paid-up share capital	Premium on share capital	Unrealized loss from available - for - sale investments	Retained earnings		Total
					Appropriated for legal reserve	Unappropriated	
<b>Balance as at January 1, 2009</b>		900,000	195,672	(88,447)	5,700	58,631	1,071,556
Changes in shareholder's equity for 2009							
Available-for-sale investments							
Unrealized gain (loss) from available - for - sale investments recognized in shareholders' equity		-	-	29,124	-	-	29,124
Income (expense) recognized directly in shareholders' equity		-	-	29,124	-	-	29,124
Net loss		-	-	-	-	(21,152)	(21,152)
Total recognized income (expense)		-	-	29,124	-	(21,152)	7,972
Dividends paid		-	-	-	-	(9,000)	(9,000)
Legal reserve	17	-	-	-	900	(900)	-
<b>Balance as at December 31, 2009</b>		900,000	195,672	(59,323)	6,600	27,579	1,070,528
Changes in shareholder's equity for 2010							
Available-for-sale investments							
Unrealized gain (loss) from available - for - sale investments recognized in shareholders' equity		-	-	(980)	-	-	(980)
Income (expense) recognized directly in shareholders' equity		-	-	(980)	-	-	(980)
Net loss		-	-	-	-	(40,158)	(40,158)
<b>Balance as at December 31, 2010</b>		900,000	195,672	(60,303)	6,600	(12,579)	1,029,390

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

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	In Thousand Baht			
	Consolidated		The Company only	
	2010	2009	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Loss before income tax	(3,105)	(71,816)	(40,158)	(21,152)
Adjustments for				
Depreciation and amortization	48,835	36,700	35,758	23,310
Fixed assets written - off	3	132	3	132
Withholding tax written - off	678	-	-	-
Interest income	(166)	(240)	(90)	(642)
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	-	-	50,149	2,148
Impairment loss from real estate development cost	-	14,000	-	14,000
Impairment loss on land and structures held for future development	-	49,600	-	-
Interest expenses	673	2,120	301	1,231
Gain on sales of investment	(4,152)	-	(7,669)	-
Gain of fixed assets sold	(1,538)	(31)	-	-
Provision for doubtful accounts (Reversal)	(621)	1,663	(621)	1,663
Unrealized loss on change in value of current investments	-	750	-	-
Gain from liquidated subsidiary	-	(700)	-	-
Decrease (Increase) in Operating Assets				
Trade accounts receivable	(3,739)	14,762	1,688	14,886
Real estate development cost	73,436	(16,952)	58,302	(40,665)
Advance to director	-	300	-	-
Supplies	(63)	1,896	(3)	1,896
Other current assets	(4,394)	2,441	391	1,426
Cost of landfill preparation	(119)	-	(119)	-
Withholding tax refunded	11,483	-	11,369	-
Other non - current assets	232	7,409	(48)	7,552
Increase (Decrease) in Operating Liabilities				
Trade accounts payable				
Related parties	(104)	(120)	(6,286)	3,528
Other parties	(8,015)	(28,837)	(8,477)	(28,196)
Other payables	(11,009)	7,616	(10,469)	7,243
Advance from director	-	(1,200)	-	-
Provision for transportation and treatment of industrial waste	-	(4,840)	-	(4,840)
Accrued costs of landfills	(6,269)	(16,395)	(6,269)	(16,395)
Other current liabilities	(3,434)	1,881	(4,303)	2,726
<b>Cash generated (paid) from operations</b>	<b>87,448</b>	<b>(1,211)</b>	<b>72,285</b>	<b>(33,449)</b>
Interest paid	(6,346)	(10,444)	(5,078)	(8,721)
Income tax paid	(8,133)	(9,761)	(6,599)	(8,018)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>72,969</b>	<b>(21,416)</b>	<b>60,608</b>	<b>(50,188)</b>

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)**  
**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	In Thousand Baht			
	Consolidated		The Company only	
	2010	2009	2010	2009
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	224	240	88	642
Cash received from liquidate subsidiary	-	-	-	10,515
Deposit pledged as collaterals	-	(526)	-	(526)
Decrease (Increase) in long - term loan to subsidiary	-	-	-	31,996
Dividends received	1,164	1,250	1,164	1,250
Proceeds from sales of fixed assets	3,960	1,495	2,044	-
Proceeds from sales of investments in subsidiary	11,333	-	12,000	-
Proceeds from sales of land and structures held for future development	2,952	-	-	-
Acquisitions of property, plant and equipment	(24,354)	(9,261)	(4,496)	(8,603)
Acquisitions of intangible assets - computer software	(27)	(302)	(27)	(302)
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>(4,748)</b>	<b>(7,104)</b>	<b>10,773</b>	<b>34,972</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayments of liabilities under hire - purchase and financial lease contracts	(9,117)	(9,478)	(2,042)	(1,641)
Preceeds from long - term loan	-	45,450	-	-
Repayments of long - term loan	(62,215)	(33,480)	(49,261)	(22,136)
Dividends paid	-	(9,000)	-	(9,000)
<b>Net Cash Used in Financing Activities</b>	<b>(71,332)</b>	<b>(6,508)</b>	<b>(51,303)</b>	<b>(32,777)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(3,111)</b>	<b>(35,028)</b>	<b>20,078</b>	<b>(47,993)</b>
Cash and Cash Equivalents - Beginning of Year	68,687	103,715	31,783	79,776
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>65,576</b>	<b>68,687</b>	<b>51,861</b>	<b>31,783</b>

**Supplemental Disclosure of Cash Flow Information**

**Non - cash transactions**

For the year ended December 31, 2010

- In the consolidated financial statements and the separate financial statements, accrued interest expense of Baht 0.90 million is capitalized as real estate development cost.
- In the consolidated and the separate financial statements, the Company and its subsidiary companies recognized unrealized losses from available-for-sale investment of Baht 0.98 million.
- In the fourth quarter of 2010, the Company sold all investments in shares of General Logistic (99.99%) in the amount of Baht 12 million. Proceeds from sales of investment in subsidiaries

	In Thousand Baht
Cash receivable from sales of investment in subsidiaries	12,000
Less Cash and cash equivalents	(667)
Net	11,333
Less Other current assets	(7,581)
Other non-current assets	(43,154)
Add Other current liabilities	43,554
Gain on sales of investments in subsidiaries	4,152

For the year ended December 31, 2009

- In the consolidated financial statements and the separate financial statements, accrued interest expense of Baht 0.53 million is capitalized as real estate development cost.
- In the consolidated and the separate financial statements, the Company and its subsidiary companies recognized unrealized losses from available-for-sale investment of Baht 29.12 million.

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED  
AND ITS SUBSIDIARIES  
Notes to Financial Statements  
December 31, 2010 and 2009**

The financial statements were authorized for issue by the directors on February 25, 2010.

**1. GENERAL INFORMATION**

General Environmental Conservation Public Company Limited (“the Company”) was incorporated in Thailand and Presently, the Company’s offices located at the following addresses :

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

The Company was listed on the Stock Exchange of Thailand in 1997.

The Company and its subsidiary operate on Thailand and principally activity are the treatment of industrial waste and unavoidable by – products of manufacturing processes.

The consolidated financial statements as at December 31, 2010 and 2009, include the accounts of the Company and its subsidiary 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 (%)	
		2010	2009	2010	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

\* The company sold its subsidiary as at December 23, 2010

**2. BASIS OF FINANCIAL STATEMENT PRESENTATION**

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

The financial statements are prepared in accordance with Thai Accounting Standards (“TAS”) including related interpretations and guidelines promulgated by the Federal of Accounting Professions (“FAP”) and with generally accepted accounting principles in Thailand.

The financial statements are presented in Thai Baht unless otherwise stated. They are prepared on the historical cost basis except where otherwise disclosed in the accounting policies.

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

**Notes to Financial Statements (Continued)**

**December 31, 2010 and 2009**

The preparation of financial statements in conformity with TAS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

**3. NEW ACCOUNTING STANDARDS**

The Federation of Accounting Professions has issued the Notifications of Federation of Accounting Professions No. 17/2553 dated April 9, 2010, announced in the Royal Gazette on May 26, 2010; and No. 50-55/2553 dated November 24, 2010, announced in the Royal Gazette on December 15, 2010, regarding the Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS) and Thai Financial Reporting Interpretation (TFRIC) that have been effective as follows:

- a) Immediately effective  
Accounting Framework (Revised 2009)
- b) Effective for the period beginning on or after January 1, 2011

TAS 1(Revised 2009)	Presentation of Financial Statements
TAS 2 (Revised 2009)	Inventories
TAS 7 (Revised 2009)	Statement of Cash Flows
TAS 8 (Revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2009)	Events after the Reporting Period
TAS 11 (Revised 2009)	Construction Contracts
TAS 16 (Revised 2009)	Property, Plant and Equipment
TAS 17 (Revised 2009)	Leases
TAS 18 (Revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (Revised 2009)	Borrowing Costs
TAS 24 (Revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (Revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (Revised 2009)	Interests in Joint Ventures
TAS 33 (Revised 2009)	Earnings per Share
TAS 34 (Revised 2009)	Interim Financial Reporting
TAS 36 (Revised 2009)	Impairment of Assets
TAS 37 (Revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2009)	Intangible Assets
TAS 40 (Revised 2009)	Investment Property
TFRS 2 (Revised 2009)	Share-based Payment
TFRS 3 (Revised 2009)	Business Combinations
TFRS 5 (Revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources
TFRIC 15	Agreements for the Construction of Real Estate

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED  
AND ITS SUBSIDIARIES  
Notes to Financial Statements (Continued)  
December 31, 2010 and 2009**

c) Effective for the period beginning on or after January 1, 2013

TAS 12	Income tax
TAS 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates

Management is presently considering the potential initial impact of these new and revised TAS, TFRS and TFRIC on the financial statements.

#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### ***Basis of Consolidation***

The consolidated financial statements relate to the Company and its subsidiary

Significant intercompany transactions between the Company and its subsidiary included in the consolidated financial statements have been eliminated.

##### ***Subsidiary***

Subsidiary is a company controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of a company so as to obtain benefits from its activities. The financial statements of subsidiary is included in the consolidated financial statements from the date that control commences until the date that control ceases.

##### ***Foreign Currencies***

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognized in the statement of income.

##### ***Cash and Cash Equivalents***

Cash and cash equivalents consist of cash in hand, cheque in-transit, deposits at financial institutions and fixed deposit and current investment with a maturity period not over 3 months except for cash at bank held as collateral.

##### ***Trade Accounts Receivable***

Trade accounts receivable is stated at their invoice value less allowance for doubtful accounts. The allowance for doubtful accounts is an estimate of those amounts which may prove to be uncollectible based on a review of the current status of the existing receivables. Bad debts are written off when incurred.

##### ***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.

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED  
AND ITS SUBSIDIARIES  
Notes to Financial Statements (Continued)  
December 31, 2010 and 2009**

***Supplies***

Supplies are stated at the lower of cost (moving average method) or net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sales.

***Investments***

***Investments in subsidiary company***

Investments in subsidiary company in the separate financial statements of the Company are accounted for using the cost method less impairment loss (if any).

***Investments in equity securities***

Marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognized in the statement of income.

Marketable equity securities other than those securities held for trading or intended to be held to maturity, are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss being recognized directly in equity. The exceptions are impairment losses and foreign exchange gains and losses, which are recognized in the statement of income.

***Disposal of investments***

On disposal of investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognized in the statement of income.

If the Company and its subsidiaries disposes of part of its holding of a particular investment, 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.

***Investment in Ownership of Condominium Units***

Investment in ownership of condominium units is stated at cost. When such investments are sold back, their cost are eliminated from the accounts on the basis of weighted average of the total area. Gain on such transaction is included in the statement of income.

***Land and Structures Held for Future Development***

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

***Property, Plant and Equipment and Depreciation***

***Owned assets***

Land is stated at cost less impairment loss (if any).

Buildings and building improvements are stated at appraisal value 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.

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED  
AND ITS SUBSIDIARIES  
Notes to Financial Statements (Continued)  
December 31, 2010 and 2009**

Construction-in-progress represents plant and assets 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:

	No. of Years
Improvements for rental land	Period of leasehold right (10 and 30)
Leasehold land 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	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.

*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.

*Intangible assets*

Intangible assets that are acquired by the Company, which have definite useful lives, are stated at cost less accumulated amortization and impairment losses.

*Amortization*

Amortization is charged to the statement of income on a straight-line basis from the date that intangible assets are available for use over the estimated useful lives of the assets. The estimated useful lives are as follows:

Computer software	3 to 5 Years
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*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 asset. 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.

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED  
AND ITS SUBSIDIARIES  
Notes to Financial Statements (Continued)  
December 31, 2010 and 2009**

***Impairment of Assets***

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and as and when indicators of impairment are identified.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized in the statement of income.

***Calculation of recoverable amount***

The recoverable amount of the non-financial assets is the greater of the assets' net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

***Reversals of impairment***

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

***Trade and Other Accounts Payable***

Trade and other accounts payable are stated at cost.

***Provisions***

A provision is recognized in the balance sheet when the Company and its subsidiaries 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.

***Income and Expense Recognition***

***Services Income and Costs of Services***

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

***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 houses by allocation of the total estimated costs and the incurred cost on the basis of the sales area.

***Interest and dividend income***

Interest income is recognized in the statement of income as it accrues. Dividend income is recognized in the statement of income on the date the Company and its subsidiaries's right to receive payments is established which in the case of quoted securities is usually the ex-dividend date.

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED  
AND ITS SUBSIDIARIES  
Notes to Financial Statements (Continued)  
December 31, 2010 and 2009**

**Expenses**

*Operating leases*

Payments made under operating leases are recognized in the statement of income on a straight line basis over the term of the lease.

*Financial Leases*

The Company and subsidiary 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.

**Income Tax**

Income tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

**Earnings (Loss) per Share**

Earnings (loss) per share is calculated by dividing the net profit (loss) for the year by the weighted average number of common shares outstanding during the year. (900,000,000 shares)

**5. TRANSACTIONS WITH RELATED PARTIES**

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

Types of relationship of related companies are as follows:

<u>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
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

\* The Company sold its subsidiary as at December 23, 2010

Pricing policies for each transaction 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	MLR (Siam Commercial Bank) + 2% p.a.

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED  
AND ITS SUBSIDIARIES  
Notes to Financial Statements (Continued)  
December 31, 2010 and 2009**

Significant revenues and expenses derived from transactions with related parties for the year ended December 31, 2010 and 2009 are summarized as follows:

	In Thousand Baht			
	Consolidated		The Company only	
	2010	2009	2010	2009
<b>Real estate development cost</b>				
Asia Patana Land Co., Ltd.	-	-	-	3,082
<b>Interest income</b>				
General Logistics Co., Ltd.	-	-	-	461
<b>Transportation expense</b>				
General Logistics Co., Ltd.	-	-	-	56,410
<b>Rental and royalty fee</b>				
Industrial Estate Authority of Thailand	5,156	5,156	5,156	5,156
The Department of Industrial Works	4,886	6,320	4,886	6,320
<b>Other expenses</b>				
Industrial Estate Authority of Thailand	1,594	1,763	1,594	1,763

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

	In Thousand Baht			
	Consolidated		The Company only	
	2010	2009	2010	2009
<b>Prepaid rent</b>				
Industrial Estate Authority of Thailand	1,942	1,942	1,942	1,942
<b>Deposit for rent</b>				
Industrial Estate Authority of Thailand	31	31	31	31
General Logistics Co., Ltd.	-	-	-	2,000
	31	31	31	2,031
<b>Trade accounts payable</b>				
General Logistics Co., Ltd.	-	-	-	6,182
Industrial Estate Authority of Thailand	20	67	20	67
The Department of Industrial Works	372	429	372	429
	392	496	392	6,678

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

- a) Rental and exclusive right agreement (Note 20.1)
- b) Land lease agreement (Note 20.2)

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED  
AND ITS SUBSIDIARIES**  
**Notes to Financial Statements (Continued)**  
**December 31, 2010 and 2009**

**6. TRADE ACCOUNTS RECEIVABLE - NET**

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

	In Thousand Baht			
	Consolidated		The Company only	
	2010	2009	2010	2009
<b>Billed receivables</b>				
Trade accounts receivable - service				
Current	21,404	22,893	21,404	22,769
Overdue				
Less than 3 months	9,758	11,476	9,758	11,476
Over 3 months to 6 months	745	200	745	200
Over 6 months to 12 months	200	404	200	404
Over 12 months	6,446	6,806	6,446	6,806
	<u>38,553</u>	<u>41,779</u>	<u>38,553</u>	<u>41,655</u>
Trade accounts receivable – real estate				
Current	37	32	37	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	106	114	106	114
	<u>153</u>	<u>205</u>	<u>153</u>	<u>205</u>
Total	38,706	41,984	38,706	41,860
Less allowance for doubtful accounts	(6,550)	(6,736)	(6,550)	(6,736)
Net	<u>32,156</u>	<u>35,248</u>	<u>32,156</u>	<u>35,124</u>
<b>Unbilled receivables</b>				
Trade accounts receivable - service	14,532	12,631	14,532	12,631

**7. REAL ESTATE DEVELOPMENT COST**

	In Thousand Baht			
	Consolidated		The Company only	
	2010	2009	2010	2009
Townhouses for sales	27,119	37,538	27,119	37,538
Commercial building for sales	36,146	40,695	36,146	44,353
Commercial buildings purchase for sales	2,200	4,400	-	-
Condominium purchase for sales	-	105,495	-	-
Condominium units purchase for sales	119,352	28,360	28,360	28,360
Land and structures under development	278,194	313,431	278,194	313,431
Total	463,011	529,919	369,819	423,682
Less Allowance for decline in value of real estate development cost	(14,000)	(14,000)	(14,000)	(14,000)
Net	<u>449,011</u>	<u>515,919</u>	<u>355,819</u>	<u>409,682</u>

As at December 31, 2010 and 2009, 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 443.6 million and Baht 445.3 million, respectively, as collateral for loan from a local bank in credit facilities totaling of Baht 216.3 million and Baht 216.3 million, respectively.

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED  
AND ITS SUBSIDIARIES**  
Notes to Financial Statements (Continued)  
December 31, 2010 and 2009

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

	In Thousand Baht			
	Consolidated and The Company only			
	2010		2009	
	Cost	Fair value	Cost	Fair value
Available-for-sale securities				
Investment in marketable equity securities	122,753	62,450	122,753	63,430
Less unrealized loss recognized in shareholders' equity	(60,303)	-	(59,323)	-
Net	<u>62,450</u>	<u>62,450</u>	<u>63,430</u>	<u>63,430</u>

**9. LAND AND STRUCTURES HELD FOR FUTURE DEVELOPMENT - NET**

Description	Area (Rai)	In Thousand Baht			
		Consolidated		The Company only	
		2010	2009	2010	2009
Land					
- Chaengwattana	0-2-83	68,910	68,910	68,910	68,910
- Pathumthani	39-2-75	40,000	40,000	-	-
- Bangbuehthong	3-1-49	10,405	10,405	-	-
- Raminthra	0-1-78	-	3,048	-	-
- Nonthaburi	0-1-00	6,000	-	-	-
		<u>125,315</u>	<u>122,363</u>	<u>68,910</u>	<u>68,910</u>
Land and structures					
- Asia Commercial Bangbuehthong on1 Project	1-1-57	-	12,578	-	-
- Kaomaikew Project, Chonburi	524-1-5	154,404	154,404	-	-
Other related cost		3,058	3,530	-	-
		<u>157,462</u>	<u>170,512</u>	<u>-</u>	<u>-</u>
Total		<u>282,777</u>	<u>292,875</u>	<u>68,910</u>	<u>68,910</u>
Less impairment loss on land and structures held for future development		(49,600)	(49,600)	-	-
Net		<u>233,177</u>	<u>243,275</u>	<u>68,910</u>	<u>68,910</u>

A parcel of the Company's land held for future development which has not yet planned for development. Therefore, the land has been rented to other person for a period of 1 year from December 1, 2010 to December 31, 2010 with the annual rental fee of Baht 1.3 million.

**10. INVESTMENTS IN SUBSIDIARY ACCOUNTED FOR USING THE COST METHOD - NET**

	The Company only					
	Percentage of holdings		In Thousand Baht			
	2010	2009	Paid – up share capital		Investment	
			2010	2009	2010	2009
Asia Patana Land Co., Ltd.	99.99	99.99	200,000	200,000	200,000	200,000
General Logistics Co., Ltd.	-	99.99	-	5,000	-	5,000
Industrial Waste Management (Asia) Co., Ltd.	99.99	99.99	200,000	200,000	200,000	200,000
Total					<u>400,000</u>	<u>405,000</u>
Less Impairment loss on investments					<u>(74,897)</u>	<u>(24,748)</u>
Net					<u>325,103</u>	<u>380,252</u>

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED  
AND ITS SUBSIDIARIES  
Notes to Financial Statements (Continued)  
December 31, 2010 and 2009**

**11. PROPERTY, PLANT AND EQUIPMENT – NET**

In Thousand Baht

Consolidated

	Land	Improvements for rental land	Buildings and improvements	Machinery and equipment	Furniture fixtures and office equipment	Vehicles	Trucks and chassis	Containers	Work in progress	Total
<u>Cost / appraisal value</u>										
Balance as at January 1, 2009	9,000	164,556	92,511	294,605	47,855	22,545	68,212	36,545	57	735,886
Acquisitions	-	-	4,410	2,079	313	-	656	1,803	-	9,261
Disposal/write-off	-	-	-	(718)	(40)	(1,670)	-	-	-	(2,428)
Transfers in/(out)	-	-	-	57	-	-	-	-	(57)	-
Liquidation	-	-	-	(1,511)	(64)	-	-	-	-	(1,575)
Balance as at December 31, 2009	9,000	164,556	96,921	294,512	48,064	20,875	68,868	38,348	-	741,144
Acquisitions	-	230	-	573	233	565	6,558	-	16,195	24,354
Disposal/write-off	-	-	-	(958)	(113)	(3,697)	(3,630)	-	-	(8,398)
Transfers in/(out)	-	-	281	-	-	-	-	-	12,728	13,009
Liquidation	-	-	-	(1,895)	(11)	(5,743)	(70,558)	(245)	-	(78,452)
Balance as at December 31, 2010	9,000	164,786	97,202	292,232	48,173	12,000	1,238	38,103	28,923	691,657

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED  
AND ITS SUBSIDIARIES  
Notes to Financial Statements (Continued)  
December 31, 2010 and 2009**

In Thousand Baht

Consolidated

	Land	Improvements for rental land	Buildings and improvements	Machinery and equipment	Furniture fixtures and office equipment	Vehicles	Trucks and chassis	Containers	Work in progress	Total
<u>Accumulated depreciation</u>										
Balance as at January 1, 2009	-	100,613	43,622	223,442	40,822	8,208	14,026	31,319	-	462,052
Depreciation for the year	-	3,594	3,568	16,009	2,433	3,689	11,171	2,131	-	42,595
Disposal/write-off	-	-	-	(589)	(37)	(206)	-	-	-	(832)
Transfers in/(out)	-	-	-	(360)	(33)	-	-	-	-	(393)
Balance as at December 31, 2009	-	104,207	47,190	238,502	43,185	11,691	25,197	33,450	-	503,422
Depreciation for the year	-	3,598	3,675	14,474	1,958	2,572	11,276	1,306	-	38,859
Disposal/write-off liquidation	-	-	-	(864)	(112)	(2,332)	(2,664)	-	-	(5,972)
	-	-	-	(1,771)	(7)	(2,709)	(33,002)	(172)	-	(37,661)
Balance as at December 31, 2010	-	107,805	50,865	250,341	45,024	9,222	807	34,584	-	498,648
<u>Net book value</u>										
December 31, 2009	9,000	60,349	49,731	56,010	4,879	9,184	43,671	4,898	-	237,722
December 31, 2010	9,000	56,981	46,337	41,891	3,149	2,778	431	3,519	28,923	193,009
<u>Depreciations included in the statement of income for the year</u>										
2009										42,595
2010										38,859

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED  
AND ITS SUBSIDIARIES  
Notes to Financial Statements (Continued)  
December 31, 2010 and 2009**

In Thousand Baht

The Company only

	Land	Improvements for rental land	Buildings and improvements	Machinery and equipment	Furniture fixtures and office equipment	Vehicles	Trucks and chassis	Containers	Work in progress	Total
<u>Cost / appraisal value</u>										
Balance as at January 1, 2009	9,000	164,556	92,511	290,398	47,385	13,692	788	36,300	58	654,688
Acquisitions	-	-	4,410	2,079	311	-	-	1,803	-	8,603
Disposal/write-off	-	-	-	(718)	(39)	-	-	-	-	(757)
Transfers in/(out)	-	-	-	58	-	-	-	-	(58)	-
Balance as at December 31, 2009	9,000	164,556	96,921	291,817	47,657	13,692	788	38,103	-	662,534
Acquisitions	-	230	-	573	233	565	450	-	2,445	4,496
Disposal/write-off	-	-	-	(158)	(113)	(3,697)	-	-	-	(3,968)
Transfers in/(out)	-	-	281	-	-	-	-	-	(281)	-
Balance as at December 31, 2010	9,000	164,786	97,202	292,232	47,777	10,560	1,238	38,103	2,164	663,062

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED  
AND ITS SUBSIDIARIES  
Notes to Financial Statements (Continued)  
December 31, 2010 and 2009**

In Thousand Baht

The Company only

	Land	Improvements for rental land	Buildings and improvements	Machinery and equipment	Furniture fixtures and office equipment	Vehicles	Trucks and chassis	Containers	Work in progress	Total
<u>Accumulated depreciation</u>										
Balance as at January 1, 2009	-	100,613	43,622	221,590	40,583	6,730	729	31,246	-	445,113
Depreciation for the year	-	3,594	3,567	15,470	2,351	2,087	54	2,082	-	29,205
Disposal/write-off	-	-	-	(589)	(37)	-	-	-	-	(626)
Transfer in /(out)	-	-	-	-	-	-	-	-	-	-
Balance as at December 31, 2009	-	104,207	47,189	236,471	42,897	8,817	783	33,328	-	473,692
Depreciation for the year	-	3,598	3,676	14,016	1,898	1,314	24	1,256	-	25,782
Disposal/write-off	-	-	-	(146)	(112)	(2,332)	-	-	-	(2,590)
Transfer in /(out)	-	-	-	-	-	-	-	-	-	-
Balance as at December 31, 2010	-	107,805	50,865	250,341	44,683	7,799	807	34,584	-	496,884
<u>Net book value</u>										
December 31, 2009	9,000	60,349	49,732	55,346	4,760	4,875	5	4,775	-	188,842
December 31, 2010	9,000	56,981	46,337	41,891	3,094	2,761	431	3,519	2,164	166,178
<u>Depreciations included in the statement of income for the year</u>										
2009										29,205
2010										25,782

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED  
AND ITS SUBSIDIARIES  
Notes to Financial Statements (Continued)  
December 31, 2010 and 2009**

As at December 31, 2010 and 2009, 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 and Baht 45 million, respectively. The net carrying value of such amounted to approximately Baht 60.8 million and Baht 69.8 million, respectively.

As at December 31, 2010 and 2009, certain buildings and equipment of the Company and its subsidiary fully depreciated but are still in use, their original cost, before deducting accumulated depreciation, of those assets amounted to Baht 274.9 million and Baht 236.0 million, respectively. (The Company only: Baht 273.5 million and Baht 236.0 million, respectively)

As at December 31, 2010 and 2009 The Company and its subsidiary are vehicles and trucks, which have come under hire purchase contracts and finance leases with a net book value amounting to 1.4 million and 25.0 million respectively (the Company: 1.4 million and 3.4 million Baht respectively).

**12. INTANGIBLE ASSETS - NET**

	<u>In Thousand Baht</u> <u>Consolidated</u> <u>and</u> <u>The Company only</u>
Cost	
As at January 1, 2009	4,385
Increase	302
As at December 31, 2009	<u>4,687</u>
Increase	27
As at December 31, 2010	<u>4,714</u>
Accumulated amortization	
As at January 1, 2009	4,091
Amortization for the year	225
As at December 31, 2009	<u>4,316</u>
Amortization for the year	216
As at December 31, 2010	<u>4,532</u>
Net book value	
As at December 31, 2009	<u>371</u>
As at December 31, 2010	<u>182</u>

**13. LONG - TERM LOANS**

	<u>In Thousand Baht</u>			
	<u>Consolidated</u>		<u>The Company only</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Loans from bank				
-Loan 1	-	6,475	-	6,475
-Loan 2	42,010	84,796	42,010	84,796
-Loan 3	21,152	34,106	-	-
Total	<u>63,162</u>	<u>125,377</u>	<u>42,010</u>	<u>91,271</u>
Less Current portion	<u>(38,336)</u>	<u>(32,090)</u>	<u>(38,336)</u>	<u>(32,090)</u>
Net	<u>24,826</u>	<u>93,287</u>	<u>3,674</u>	<u>59,181</u>

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED  
AND ITS SUBSIDIARIES  
Notes to Financial Statements (Continued)  
December 31, 2010 and 2009**

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 + 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.

**14. LIABILITIES UNDER HIRE-PURCHASE AND FINANCIAL LEASE CONTRACTS**

	In Thousand Baht			
	Consolidated		The Company only	
	2010	2009	2010	2009
Liabilities under financial lease contracts and hire – purchase contract				
Trucks and chassis	-	5,876	-	-
Vehicles	887	5,426	887	2,929
	887	11,302	887	2,929
Less Deferred interest	(15)	(561)	(15)	(158)
	872	10,741	872	2,771
Less Current portion	(872)	(8,131)	(872)	(1,404)
Net	-	2,610	-	1,367

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

	In Thousand Baht					
	Consolidated					
	2010			, 2009		
	Principal	Deferred interest	Total	Principal	Deferred interest	Total
Due within 1 year	872	15	887	8,131	489	8,620
Due over 1 year to 5 years	-	-	-	2,610	72	2,682
Total	872	15	887	10,741	561	11,302

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED  
AND ITS SUBSIDIARIES  
Notes to Financial Statements (Continued)  
December 31, 2010 and 2009**

	In Thousand Baht					
	The Company only					
	2010			2009		
	Principal	Deferred interest	Total	Principal	Deferred interest	Total
Due within 1 year	872	15	887	1,404	141	1,545
Due over 1 year to 5 years	-	-	-	1,367	17	1,384
Total	872	15	887	2,771	158	2,929

**15. EXPENSES BY NATURE**

The significant expenses classified by nature for the year ended December 31, 2010 and 2009 are as follows:

	In Thousand Baht			
	Consolidated		The Company only	
	2010	2009	2010	2009
Change in real estate development cost	84,446	45,485	65,295	21,530
Employee benefit expenses	40,521	81,760	32,395	72,399
Management benefit expenses	11,423	15,002	11,423	15,002
Depreciation and amortization	48,835	36,700	35,758	23,309
Provision for doubtful accounts	(621)	1,663	(621)	1,663
Transportation expenses	32,069	14,591	50,638	40,333
Chemical, supplies and lab analysis expenses	49,719	67,457	48,825	66,504
Impairment loss on land and structures held for future development	-	49,600	-	-
Impairment loss from real estate development cost	-	14,000	-	14,000
Unrealized loss on change in value of current investments	-	750	-	-
Impairment loss on investment in subsidiary	-	-	50,149	2,148
Other expenses	57,097	66,532	51,456	60,693
Total	323,489	393,540	345,318	317,581

**16. INCOME TAX**

No income tax expenses were payable for the year ended December 31, 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.

**17. PREMIUM ON SHARE CAPITAL AND LEGAL RESERVE**

*Premium on share capital*

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“premium on share capital”). Premium on share capital is not available for dividend distribution.

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED  
AND ITS SUBSIDIARIES  
Notes to Financial Statements (Continued)  
December 31, 2010 and 2009**

*Legal reserve*

Under the provisions of the Limited Public Company 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 reserve fund until the reserve equal to 10% of authorized share capital. The reserve is not available for dividend distribution.

**18. 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 year ended December 31, 2010 and 2009 classified under promoted and non - promoted businesses are as follows:

	In Thousand Baht			
	Consolidated		The Company only	
	2010	2009	2010	2009
Promoted business	20,672	130,322	20,672	130,322
Non-promoted business	185,012	123,830	185,012	123,830
Total	<u>205,684</u>	<u>254,152</u>	<u>205,684</u>	<u>254,152</u>

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

**19. BUSINESS SEGMENT INFORMATION**

The segment financial information of the Company and its subsidiary for the year ended December 31, 2010 and 2009 are as follows:

	In Thousand Baht							
	Service		Real estate		Elimination		Consolidation	
	2010	2009	2010	2009	2010	2009	2010	2009
Revenue from sales and services	<u>250,823</u>	<u>310,562</u>	<u>105,826</u>	<u>62,787</u>	<u>(41,309)</u>	<u>(59,491)</u>	<u>315,340</u>	<u>313,858</u>
Profit from operations	34,263	63,197	20,772	14,632	607	(411)	55,642	77,418
Other income							11,927	9,986
Selling and administrative expenses	41,762	110,568	10,606	33,678	-	(2,148)	(52,368)	(142,098)
Management benefit expenses							(11,423)	(15,002)
Finance costs							(673)	(2,120)
Income tax							-	(1,355)
Net profit (loss)							<u>3,105</u>	<u>(73,171)</u>

	In Thousand Baht					
	Service		Real estate		Consolidation	
	2010	2009	2010	2009	2010	2009
Property, plant and equipment-net	166,178	237,174	26,831	239	193,009	237,413
Other assets	351,973	321,529	617,896	707,880	969,869	1,029,409
Total assets	<u>518,151</u>	<u>558,703</u>	<u>644,727</u>	<u>708,119</u>	<u>1,162,878</u>	<u>1,266,822</u>

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED  
AND ITS SUBSIDIARIES  
Notes to Financial Statements (Continued)  
December 31, 2010 and 2009**

**20. AGREEMENTS**

As at December 31, 2010, the Company and subsidiary had agreements as follows :

20.1 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 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	1.0

20.2 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

20.3 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.

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED  
AND ITS SUBSIDIARIES  
Notes to Financial Statements (Continued)  
December 31, 2010 and 2009**

**21. DISCLOSURES OF FINANCIAL INSTRUMENTS**

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

21.1 Interest Rate Risk

As to December 31, 2010 and 2009, the Company and subsidiary have financial assets and financial liabilities exposed to interest rate risk as follows:

	Consolidated Financial Statements											
	In Thousand Baht											
	Floating Interest Rate		Fixed Interest Rate and Maturity in:						Average Interest Rate (%)			
			1 Year or less		Over 1 to 5 Years		More than 5 Years		Floating		Fixed	
2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	
Cash in banks	65,076	68,132	966	960	-	-	-	-	0.6	0.5	-	1.5
Long - term loans	63,162	125,377	-	-	-	-	-	-	7.56	7.5	-	-
Liabilities under hire – purchase and finance lease contracts	-	-	872	8,131	-	2,610	-	-	-	-	7.01	7.7
	Separate Financial Statements											
	In Thousand Baht											
	Floating Interest Rate		Fixed Interest Rate and Maturity in:						Average Interest Rate (%)			
			1 Year or less		Over 1 to 5 Years		More than 5 Years		Floating		Fixed	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Cash in banks	51,361	31,228	966	960	-	-	-	-	0.6	0.5	-	-
Long - term loans	42,010	91,271	-	-	-	-	-	-	7.56	7.35	-	-
Liabilities under hire – purchase and finance lease contracts	-	-	872	1,404	-	1,367	-	-	-	-	7.01	7.0

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED  
AND ITS SUBSIDIARIES  
Notes to Financial Statements (Continued)  
December 31, 2010 and 2009**

21.2 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.

21.3 Liquidity Risk

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

21.4 Fair Value

Financial instruments include cash 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 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.

**22. COMMITMENTS AND CONTINGENT LIABILITIES**

As at December 31, 2010, the Company and its subsidiaries companies have

22.1 contingent liabilities to a local bank for letters of guarantee issued to related parties, private companies and government agency to guarantee rental agreements, treatment service agreements and investing in Reception Facility at Laem Chabang port amounting to Baht 38.0 million.

22.2 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.

22.3 commitment under the construction agreements and others amounting to Baht 2.9 million.

22.4 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.