

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

Interim Financial Statements

For the Period Ended March 31, 2011

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 statement of financial position of General Environmental Conservation Public Company Limited and its subsidiaries as at March 31, 2011, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month periods ended March 31, 2011 and 2010. I have also reviewed the statement of financial position of General Environmental Conservation Public Company Limited as at March 31, 2011, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month periods ended March 31, 2011 and 2010. 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, 2010, and in my report dated February 25, 2011, I expressed an unqualified opinion on those financial statements. The consolidated statement of financial position of General Environmental Conservation Public Company Limited and its subsidiaries and the statement of financial position of General Environmental Conservation Public Company Limited as at December 31, 2010, 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.

As discussed in notes 2 3 and 12 to interim financial statements, the Company and its subsidiaries adopted new and revised accounting standards and financial reporting standards announced by the Federal Accounting Profession which become operative for financial statements covering periods beginning on or after January 1, 2011. For interim financial statement preparation and presentation, the Company opted to adjust an effect from change in accounting policy of employee benefits to beginning deficit of the accounting period of 2011. Accordingly, I have also audited the adjustments that were applied to such financial statements and in my opinion, such adjustments are appropriate and have been properly applied. Furthermore, the consolidated interim financial statements and the separate interim financial statements for the three-month period ended March 31, 2010 and the consolidated financial statements and the separate financial statements as at December 31, 2010, presented for comparative purpose as new format in accordance with the consolidated financial statements and the separate financial statements for the three-month period ended March 31, 2011.

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

BPR AUDIT AND ADVISORY CO., LTD.
Bangkok
May 18, 2011

GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2011 AND DECEMBER 31, 2010

A S S E T S

	In Thousand Baht				
	Consolidated		The Company only		
	March	December	March	December	
	31, 2011	31, 2010	31, 2011	31, 2010	
	Notes	“Unaudited” “Reviewed”	“Unaudited” “Audited”	“Unaudited” “Reviewed”	“Unaudited” “Audited”
CURRENT ASSETS					
Cash and cash equivalents		67,703	65,576	49,068	51,861
Trade accounts receivable - net					
Billed receivables	5	26,972	32,156	26,972	32,156
Unbilled receivables	5	14,814	14,532	14,814	14,532
Real estate development costs	6	454,316	449,011	361,703	355,818
Supplies		3,249	3,359	3,249	3,359
Advance payments		2,208	6,517	1,076	1,380
Prepaid rent to related party	4	2,280	1,942	2,280	1,942
Other current assets		1,938	1,541	1,909	1,501
Total Current Assets		573,480	574,634	461,071	462,549
NON - CURRENT ASSETS					
Deposit at financial institution pledged as collaterals		905	905	905	905
Investments in subsidiaries accounted for using the cost method - net	7	-	-	325,103	325,103
Other receivable and long-term loans to subsidiary		-	-	7,010	-
Long - term loan to other company		35,466	34,793	-	-
Long - term investments - available - for - sales	8	58,072	62,450	58,072	62,450
Land and structures held for future development - net		233,177	233,177	68,910	68,910
Property, plant and equipment - net	9	191,513	193,009	160,384	166,178
Intangible assets - net		148	182	148	182
Other non - current assets					
Costs of landfills - net		13,304	14,862	13,304	14,862
Withholding income tax		46,714	45,110	46,199	44,611
Deposits for rent to related parties	4	24	31	24	31
Deposits and others		3,709	3,725	3,299	3,426
Total Non - Current Assets		583,032	588,244	683,358	686,658
TOTAL ASSETS		1,156,512	1,162,878	1,144,429	1,149,207

GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2011 AND DECEMBER 31, 2010

LIABILITIES AND SHAREHOLDERS' EQUITY

		In Thousand Baht			
		Consolidated		The Company only	
		March	December	March	December
		31, 2011	31, 2010	31, 2011	31, 2010
		“Unaudited”	“Unaudited”	“Unaudited”	“Unaudited”
Notes		“Reviewed”	“Audited”	“Reviewed”	“Audited”
CURRENT LIABILITIES					
Trade accounts payable					
	Related parties	4	370	392	370
	Other parties		13,523	15,226	13,215
	Current portion of long - term loans	10	42,010	38,336	42,010
	Current portion of liabilities under hire-purchase and financial lease contracts	11	656	872	656
	Other payables		10,830	10,097	9,562
	Other current liabilities		10,704	12,891	10,250
	Total Current Liabilities		78,093	77,814	76,063
NON - CURRENT LIABILITIES					
	Long-term loans-net of current portion	10	20,946	24,826	-
	Liabilities under hire - purchase and financial lease contracts-net of current portion	11	-	-	-
	Employee benefit obligations	12	3,101	-	3,101
	Other non-current liabilities				
	Accrued costs of landfills		34,035	34,035	34,035
	Accrued environmental protection fund		6,658	6,658	6,658
	Total Non - Current Liabilities		64,740	65,519	43,794
	Total Liabilities		142,833	143,333	119,857
SHAREHOLDERS' EQUITY					
Share capital- common shares, Baht 1 par value					
	Authorized share capital -900,000,000 shares, Baht 1 par value		900,000	900,000	900,000
	Issued and fully paid-up share capital				
	- 900,000,000 shares, Baht 1 par value		900,000	900,000	900,000
	Premium on share capital		195,672	195,672	195,672
	Unrealized loss from available - for - sale investments	8	(64,681)	(60,303)	(64,681)
	Retained earnings				
	- Appropriated for legal reserve		6,600	6,600	6,600
	- Unappropriated (deficit)		(23,912)	(22,424)	(13,019)
	Total equity holders of the parent Company		1,013,679	1,019,545	1,024,572
	Non - controlling interest		-	-	-
	Total Shareholders' Equity		1,013,679	1,019,545	1,024,572
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,156,512	1,162,878	1,144,429

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

GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2011 AND 2010

“UNAUDITED”

“REVIEWED”

	Notes	In Thousand Baht			
		Consolidated		The Company only	
		2011	2010	2011	2010
REVENUES					
Revenues from services - service business	4,15	47,042	46,065	47,042	46,065
Revenues from sales - real estate development business		4,252	32,816	2,787	26,180
Other income					
Gain from fixed assets sold		-	435	-	435
Dividend income		286	594	286	594
Others		3,477	728	2,803	692
Total Revenues		55,057	80,638	52,918	73,966
EXPENSES					
Costs of services - service business	4,13	35,901	43,134	35,901	42,684
Costs of sales - real estate development business		3,385	24,651	2,088	19,290
Selling expenses		199	736	183	459
Administrative expenses		11,122	13,652	9,488	12,251
Management benefit expenses		2,918	3,078	2,678	3,078
Impairment loss on investment in subsidiary		-	-	-	49,939
Total Expenses		53,525	85,251	50,338	127,701
PROFIT (LOSS) BEFORE FINANCE COSTS AND INCOME TAX		1,532	(4,613)	2,580	(53,735)
Finance costs	4	46	324	46	184
PROFIT (LOSS) BEFORE INCOME TAX		1,486	(4,937)	2,534	(53,919)
Income tax	14	-	-	-	-
PROFIT (LOSS) FOR THE PERIOD		1,486	(4,937)	2,534	(53,919)
Other comprehensive loss - net of tax		(4,378)	(2,950)	(4,378)	(2,950)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(2,892)	(7,887)	(1,844)	(56,869)
Profit (loss) for the period attributable to :					
Equity holders of the parent Company		1,486	(4,937)	2,534	(53,919)
Non - controlling interest		-	-	-	-
		1,486	(4,937)	2,534	(53,919)
Comprehensive loss for the period attributable to :					
Equity holders of the parent Company		(2,892)	(7,887)	(1,844)	(56,869)
Non - controlling interest		-	-	-	-
		(2,892)	(7,887)	(1,844)	(56,869)
Profit (loss) per share for profit (loss) for the period attributable to the equity holders of the parent Company (Baht)					
		0.00	(0.01)	0.00	(0.06)

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

GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

“UNAUDITED”

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

“REVIEWED”

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2011 AND 2010

		In Thousand Baht							
		Consolidated							
		Equity attributable to owners of the parent							
		Retained earnings			Other comprehensive loss				
		Issued and paid-up share capital	Premium on share capital	Appropriated for legal reserve	Unappropriated	Unrealized loss from available - for - sale investments	Equity attributable to owners of the parent	Non - controlling interest	Total shareholder's equity
Note		share capital	share capital	legal reserve	Unappropriated	investments	the parent	interest	equity
	Balance as at January 1, 2011 as previous reported	900,000	195,672	6,600	(22,424)	(60,303)	1,019,545	-	1,019,545
	Effect to the adoption of new and revised accounting standard	-	-	-	(2,974)	-	(2,974)	-	(2,974)
3	Balance as at January 1, 2011 as adjusted	900,000	195,672	6,600	(25,398)	(60,303)	1,016,571	-	1,016,571
	Total comprehensive loss for the period	-	-	-	1,486	(4,378)	(2,892)	-	(2,892)
	Balance as at March 31, 2011	<u>900,000</u>	<u>195,672</u>	<u>6,600</u>	<u>(23,912)</u>	<u>(64,681)</u>	<u>1,013,679</u>	<u>-</u>	<u>1,013,679</u>
	Balance as at January 1, 2010	900,000	195,672	6,600	(25,529)	(59,323)	1,017,420	-	1,017,420
	Total comprehensive loss for the period	-	-	-	(4,937)	(2,950)	(7,887)	-	(7,887)
	Balance as at March 31, 2010	<u>900,000</u>	<u>195,672</u>	<u>6,600</u>	<u>(30,466)</u>	<u>(62,273)</u>	<u>1,009,533</u>	<u>-</u>	<u>1,009,533</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 THREE-MONTH PERIODS ENDED MARCH 31, 2011 AND 2010

“UNAUDITED”

“REVIEWED”

In Thousand Baht							
The Company only							
	Note	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other comprehensive loss	Total shareholder's equity
				Appropriated for legal reserve	Unappropriated	Unrealized loss from available - for - sale investments	
Balance as at January 1, 2011 as previous reported		900,000	195,672	6,600	(12,579)	(60,303)	1,029,390
Effect to the adoption of new and revised accounting standard	3	-	-	-	(2,974)	-	(2,974)
Balance as at January 1, 2011 as adjusted		900,000	195,672	6,600	(15,553)	(60,303)	1,026,416
Total comprehensive loss for the period		-	-	-	2,534	(4,378)	(1,844)
Balance as at March 31, 2011		<u>900,000</u>	<u>195,672</u>	<u>6,600</u>	<u>(13,019)</u>	<u>(64,681)</u>	<u>1,024,572</u>
Balance as at January 1, 2010		900,000	195,672	6,600	27,579	(59,323)	1,070,528
Total comprehensive loss for the period		-	-	-	(53,919)	(2,950)	(56,869)
Balance as at March 31, 2010		<u>900,000</u>	<u>195,672</u>	<u>6,600</u>	<u>(26,340)</u>	<u>(62,273)</u>	<u>1,013,659</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
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2011 AND 2010

“UNAUDITED”

REVIEWED”

	In Thousand Baht			
	Consolidated		The Company only	
	2011	2010	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (Loss) before income tax	1,486	(4,937)	2,534	(53,919)
Adjustments for				
Depreciation and amortization	7,522	12,159	7,500	8,879
Interest income	(81)	(41)	(77)	(19)
Dividend income	(286)	(594)	(286)	(594)
Impairment loss on investment in subsidiary	-	-	-	49,939
Interest expense	13	324	13	184
Gain from fixed assets sold	-	(435)	-	(435)
Provision for doubtful accounts	-	354	-	354
Provisions for employee benefit obligations	127	-	127	-
Decrease (Increase) in Operating Assets				
Trade accounts receivable	4,901	13,306	4,901	13,194
Real estate development cost	(4,061)	21,585	(5,076)	17,037
Supplies	110	-	110	-
Other current assets	3,656	(8,606)	(374)	(4,152)
Other non - current assets	24	11,365	135	11,365
Increase (Decrease) in Operating Liabilities				
Trade accounts payable				
Related parties	(22)	(46)	(22)	(1,354)
Other parties	(1,704)	(9,563)	(1,704)	(9,574)
Other payables	732	(3,266)	581	(2,392)
Other current liabilities	(2,128)	(3,968)	(2,182)	(3,951)
Cash received from operations	10,289	27,637	6,180	24,562
Interest paid	(1,303)	(2,679)	(328)	(2,052)
Income tax paid	(1,604)	(2,326)	(1,589)	(1,905)
Net Cash Provided by Operating Activities	7,382	22,632	4,263	20,605

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 THREE-MONTH PERIODS ENDED MARCH 31, 2011 AND 2010

REVIEWED”

	In Thousand Baht			
	Consolidated		The Company only	
	2011	2010	2011	2010
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	-	60	10	-
Dividend received	286	594	286	594
Short-term loans to subsidiary	-	-	(7,010)	-
Long-term loans to other party	(673)	-	-	-
Proceeds from sales of fixed assets	-	1,800	-	1,800
Acquisitions of property, plant and equipment	(4,434)	(350)	(114)	(350)
Net Cash Provided by (Used in) Investing Activities	<u>(4,821)</u>	<u>2,104</u>	<u>(6,828)</u>	<u>2,044</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayments of liabilities under financial lease contracts	(228)	(3,395)	(228)	(1,410)
Repayments of long - term loan	(206)	(18,309)	-	(15,438)
Net Cash Used in Financing Activities	<u>(434)</u>	<u>(21,704)</u>	<u>(228)</u>	<u>(16,848)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,127	3,032	(2,793)	5,801
Cash and Cash Equivalents-Beginning of Period	<u>65,576</u>	<u>68,687</u>	<u>51,861</u>	<u>31,783</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>67,703</u></u>	<u><u>71,719</u></u>	<u><u>49,068</u></u>	<u><u>37,584</u></u>

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES**
Notes to Interim Financial Statements
March 31, 2011 and 2010 (Reviewed)
And December 31, 2010 (Audited)

The financial statements were authorized for issue by the directors on May 18, 2011.

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.

The interim financial statements are prepared as updated information to the financial statements for the year ended December 31, 2010 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, 2010.

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 March 31, 2011 and December 31, 2010, 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		Percentage of direct and indirect holdings (%)	
		(In Thousand Baht)			
		March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
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	-	-	-	-
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

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

2. 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 periods ended March 31, 2011 are similar to those which have been applied to the financial statements for the year ended December 31, 2010, except as described below;

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES**
Notes to Interim Financial Statements (Continued)
March 31, 2011 and 2010 (Reviewed)
And December 31, 2010 (Audited)

Employee benefits

The Company and its subsidiaries have applied TAS 19 Employee Benefits.

Under the new policy, the Company and its subsidiaries's obligation in respect of post-employment benefits under defined benefit plans and other long-term employee benefits recognised in the financial statements based on calculations by a qualified actuary using the projected unit credit method. Previously, this obligation was recognised as occurred.

The Company and its subsidiaries have opted to record the entire amount of this liability as an adjustment to deficit as at January 1, 2011 first, in accordance with the transitional provisions of TAS 19 as disclosed in note 3 to the financial statement.

3. NEW ACCOUNTING STANDARDS

The Federation of Accounting Professions has issued the 1) Notification of Federation of Accounting Professions No. 17/2553 dated April 9, 2010, announced in the Royal Gazette on May 26, 2010; 2) Notification of Federation of Accounting Professions No. 50-55/2553 dated November 24, 2010, announced in the Royal Gazette on December 15, 2010; 3) Notification of Federation of Accounting Professions No.16-19/2554 dated April 12, 2011, announced in Royal Gazette on May 6, 2011; regarding the Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS) and Thai Financial Reporting Interpretation (TFRIC) that have been effective as follows:

a) 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 Interim Financial Statements (Continued)
March 31, 2011 and 2010 (Reviewed)
And December 31, 2010 (Audited)**

Starting from January 1, 2011, consequent to the adoption of new and revised TFRS, the Company and its subsidiaries have an adoption of new and revise accounting standards, which effected to the financial statements as follow:

	In Thousand Baht	
	Consolidated	The Company only
Statements of financial position as at March 31, 2011		
Deficit at December 31, 2010 - as reported	(22,424)	(12,579)
Adjustment for employee benefit obligations	(2,974)	(2,974)
Deficit as at January 1, 2011	(25,398)	(15,553)
Statements of comprehensive income for the three-month period ended March 31, 2011		
Increase in employee benefit expenses	127	127
Increase in loss the period	127	127
Decrease in loss per share (in Baht)	0.00	0.00

b) 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

The management of the Company has assessed the effect of these standards and believes that accounting standards described above will not have any significant impact on the financial statements for the year in which they are initially applied.

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:

Name of Related parties	Type of business	Type of relationship
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 transactions are described as follows:

Transactions	Pricing policies
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 Interim Financial Statements (Continued)
March 31, 2011 and 2010 (Reviewed)
And December 31, 2010 (Audited)**

Significant revenues and expenses derived from transactions with related parties for the three-month periods ended March 31, 2011 and 2010 are summarized as follows:

	In Thousand Baht			
	Consolidated		The Company only	
	2011	2010	2011	2010
Transportation expense				
General Logistics Co.,Ltd.	-	-	-	9,994
Rental and royalty fee				
Industrial Estate Authority of Thailand	1,282	1,271	1,282	1,271
The Department of Industrial Works	905	1,203	905	1,203
Other expenses				
Industrial Estate Authority of Thailand	419	368	419	368

The balances of receivables from and payables to related parties as of March 31, 2011 and December 31, 2010 are as follows:

	In Thousand Baht			
	Consolidated		The Company only	
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
Prepaid rent				
Industrial Estate Authority of Thailand	2,280	1,942	2,280	1,942
Deposit for rent				
Industrial Estate Authority of Thailand	24	31	24	31
Trade accounts payable				
Industrial Estate Authority of Thailand	35	20	35	20
The Department of Industrial Works	335	372	335	372
	370	392	370	392

5. TRADE ACCOUNTS RECEIVABLE - NET

As at March 31, 2011 and December 31, 2010, the trade accounts receivable are classified by aging as follows:

	In Thousand Baht			
	Consolidated		The Company only	
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
Billed receivables				
Trade accounts receivable - service				
Current	19,624	21,404	19,624	21,404
Overdue				
Less than 3 months	7,025	9,758	7,025	9,758
Over 3 months to 6 months	145	745	145	745
Over 6 months to 12 months	14	200	14	200
Over 12 months	6,607	6,446	6,607	6,446
	33,415	38,553	33,415	38,553

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (Continued)
March 31, 2011 and 2010 (Reviewed)
And December 31, 2010 (Audited)**

	In Thousand Baht			
	Consolidated		The Company only	
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
Trade accounts receivable – real estate				
Current	-	37	-	37
Overdue				
Less than 3 months	-	-	-	-
Over 3 months to 6 months	-	-	-	-
Over 6 months to 12 months	-	10	-	10
Over 12 months	107	106	107	106
	<u>107</u>	<u>153</u>	<u>107</u>	<u>153</u>
Total	33,522	38,706	33,522	38,706
Less allowance for doubtful accounts	(6,550)	(6,550)	(6,550)	(6,550)
Net	<u>26,972</u>	<u>32,156</u>	<u>26,972</u>	<u>32,156</u>
Unbilled receivables				
Trade accounts receivable - service	14,814	14,532	14,814	14,532

6. REAL ESTATE DEVELOPMENT COST

As at March 31, 2011 and December 31, 2010, the Company mortgaged its plots of land and constructions for sale and land and structure held for future development in totaling of Baht 371.8 million and Baht 371.3 million, respectively, as collateral for loan from a local bank in credit facilities totaling of Baht 181.4 million. and Baht 181.4 million, respectively.

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

	The Company only					
	Percentage of holding		In Thousand Baht			
	March 31, 2011	December 31, 2010	Paid – up share capital		Investment	
			March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
Asia Patana Land Co., Ltd.	99.99	99.99	200,000	200,000	200,000	200,000
Industrial Waste Management (Asia) Co., Ltd.	99.99	99.99	200,000	200,000	200,000	200,000
Total					<u>400,000</u>	<u>400,000</u>
Less Impairment loss on investments					<u>(74,897)</u>	<u>(74,897)</u>
Net					<u>325,103</u>	<u>325,103</u>

8. LONG – TERM INVESTMENTS – AVAILABLE FOR SALES

	In Thousand Baht			
	Consolidated and The Company only			
	March 31, 2011		December 31, 2010	
	Cost	Fair	Cost	Fair
Available-for-sale securities				
Investment in marketable securities	122,753	58,072	122,753	62,450
Less unrealized loss recognized in shareholders' equity	(64,681)	-	(60,303)	-
Net	<u>58,072</u>	<u>58,072</u>	<u>62,450</u>	<u>62,450</u>

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (Continued)
March 31, 2011 and 2010 (Reviewed)
And December 31, 2010 (Audited)**

9. PROPERTY, PLANT AND EQUIPMENT - NET

	In Thousand Baht	
	Consolidated	The Company only
Net book value as at January 1, 2011	193,009	166,178
Acquisitions during the period-at cost	4,438	118
Cost of fixed asset sold during the period	-	-
Depreciation for the period	(5,934)	(5,912)
Net book value as at March 31, 2011	191,513	160,384

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 March 31, 2011 and December 31, 2010 amounted to approximately Baht 58.9 million and Baht 60.8 million, respectively.

10. LONG - TERM LOANS

	In Thousand Baht			
	Consolidated		The Company only	
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
Loans from bank				
Loan 1	-	-	-	-
Loan 2	42,010	42,010	42,010	42,010
Loan 3	20,946	21,152	-	-
Total	62,956	63,162	42,010	42,010
Less Current portion	(42,010)	(38,336)	(42,010)	(38,336)
Net	20,946	24,826	-	3,674

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 Company repaid all loan in the fourth quarter of 2010 and released its collateral from a local bank.

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.

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (Continued)
March 31, 2011 and 2010 (Reviewed)
And December 31, 2010 (Audited)**

11. LIABILITIES UNDER FINANCIAL LEASE CONTRACTS

	In Thousand Baht			
	Consolidated		The Company only	
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
Liabilities under financial lease contracts				
Transportation equipment	658	887	658	887
	658	887	658	887
Less Deferred interest	(2)	(15)	(2)	(15)
	656	872	656	872
Less Current portion	(656)	(872)	(656)	(872)
Net	-	-	-	-

As at March 31, 2011 and December 31, 2010, the Company and subsidiary have liabilities under financial lease contracts with the period of payment as follows:

	In Thousand Baht					
	Consolidated					
	March 31, 2011			December 31, 2010		
	Principal	Deferred interest	Total	Principal	Deferred interest	Total
Payment due 1 year	656	2	658	872	15	887
Payment due over 1 year to 5 years	-	-	-	-	-	-
Total	656	2	658	872	15	887

	In Thousand Baht					
	The Company only					
	March 31, 2011			December 31, 2010		
	Principal	Deferred interest	Total	Principal	Deferred interest	Total
Payment due 1 year	656	2	658	872	15	887
Payment due over 1 year to 5 years	-	-	-	-	-	-
Total	656	2	658	872	15	887

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (Continued)
March 31, 2011 and 2010 (Reviewed)
And December 31, 2010 (Audited)**

12. EMPLOYEE BENEFIT OBLIGATIONS

The Company and its subsidiaries adopted TAS 19 Employee Benefits with effect from January 1, 2011 and the effect on the financial statements is disclosed in note 3 to the financial statement.

The Company operate post employment benefit and pension based on the requirement of Thai Labour Protection Act B.E. 2541 to provide retirement benefits and other long term benefit to employees based on pensionable remuneration and length of service.

Movement in the present value of the defined benefit obligations for the three-month period ended March 31, 2011:

	<u>In Thousand Baht</u> <u>Consolidated and</u> <u>The Company only</u>
Defined benefit obligations as at January 1, 2011	2,974
Benefits paid by the plan	-
Current service costs and interest	127
Actuarial (gains) losses in profit or loss	-
Defined benefit obligations as at March 31, 2011	<u>3,101</u>

Expense recognised in profit or loss for the three-month period ended March 31, 2011:

	<u>In Thousand Baht</u> <u>Consolidated and</u> <u>The Company only</u>
Current service costs	94
Interest on obligation	33
Total	<u>127</u>

The above expense recognised in profit or loss is recognised in the following line items. the three-month period ended March 31, 2011:

	<u>In Thousand Baht</u> <u>Consolidated and</u> <u>The Company only</u>
Cost of services	21
Selling expenses	60
Administrative expenses	13
Total	<u>94</u>

Principal actuarial assumptions at the reporting date for the three-month period ended March 31, 2011:

	<u>Percentage</u> <u>Consolidated and</u> <u>The Company only</u>
Discount rate	4.5
Salary increase rate	6.0
Employee turnover rate	5.0
	(depend on period service)

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (Continued)
March 31, 2011 and 2010 (Reviewed)
And December 31, 2010 (Audited)**

13. EXPENSES BY NATURE

The significant expenses classified by nature for the three-month periods ended March 31, 2011 and 2010 are as follows

	In Thousand Baht			
	Consolidated		The Company only	
	2011	2010	2011	2010
Change in real estate development cost	3,385	24,651	2,088	19,290
Employee benefits expenses	8,658	11,599	8,620	9,671
Management benefit expenses	2,918	3,078	2,678	3,078
Depreciation and amortization	7,522	12,159	7,500	8,879
Transportation expenses	13,131	7,385	13,131	11,447
Chemical, supplies and lab analysis expenses	7,308	12,769	7,308	12,545
Impairment loss on investment in subsidiary	-	-	-	49,939
Other expenses	10,603	13,610	9,013	12,852
Total	53,525	85,251	50,338	127,701

14. INCOME TAX

No income tax expenses were payable for the three – month periods ended March 31, 2011 and 2010 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.

15. COMPANY'S SERVICE INCOME

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

Service income for the three-month periods ended March 31, 2011 and 2010 classified under promoted and non - promoted businesses are as follows:

	In Thousand Baht	
	Consolidated and The Company only	
	2011	2010
Promoted business	7,993	1,301
Non-promoted business	39,049	44,764
Total	47,042	46,065

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

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (Continued)
March 31, 2011 and 2010 (Reviewed)
And December 31, 2010 (Audited)**

16. BUSINESS SEGMENT INFORMATION

The segment financial information of the Company and its subsidiary for the three-month periods ended March 31, 2011 and 2010 are as follows:

	In Thousand Baht							
	for the three-month period ended March 31,							
	Service		Real estate		Elimination		Consolidation	
	2011	2010	2011	2010	2011	2010	2011	2010
Revenues	47,042	56,059	4,252	32,816	-	(9,994)	51,294	78,881
Profit from operations	11,142	2,931	866	7,558	-	607	12,008	11,096
Other income							3,763	1,757
Selling expenses	66	-	133	736	-	-	(199)	(736)
Administrative expenses	9,069	60,581	2,053	3,009	-	(49,938)	(11,122)	(13,652)
Management benefit expenses							(2,918)	(3,078)
Finance cost							(46)	(324)
Income tax							-	-
Net profit (loss)							1,486	(4,937)

	In Thousand Baht					
	Service		Real estate		Consolidation	
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
Property, plant and equipment-net	160,384	166,178	31,129	26,831	191,513	193,009
Other assets	340,077	351,973	624,922	617,896	964,999	969,869
Total assets	500,461	518,151	656,051	644,727	1,156,512	1,162,878

17. AGREEMENTS

As at March 31, 2011, the Company and subsidiaries had entered into the following agreements:

1) Rental and exclusive right agreement with the Department of Industrial Works whereby the Company is granted the right to operate in the Industrial Waste Facility at Samae Dam including the Research and Development Center for Environmental Conservation (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:

	In Million Baht
1 year	1.2
2 to 5 years	4.1
Over 5 years	0.7

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:

	In Million Baht
1 year	5.3
2 to 5 years	26.5
Over 5 years	60.6

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (Continued)
March 31, 2011 and 2010 (Reviewed)
And December 31, 2010 (Audited)**

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.

18. COMMITMENTS AND CONTINGENT LIABILITIES

As at March 31, 2011, the Company and subsidiary companies have

- 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 37.5 million.
- 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.
- 3) commitment under the construction agreements and others amounting to Baht 2.9 million.
- 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.