

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

Interim Financial Statements

For the Period Ended June 30, 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 June 30, 2011, and the related consolidated statements of comprehensive income for the three-month and six-month periods ended June 30, 2011 and 2010, changes in shareholders' equity and cash flows for the six-month periods ended June 30, 2011 and 2010. I have also reviewed the statement of financial position of General Environmental Conservation Public Company Limited as at June 30, 2011, and the related statements of comprehensive income for the three-month and six-month periods ended June 30, 2011 and 2010, changes in shareholders' equity and cash flows for the six-month periods ended June 30, 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 six-month period ended June 30, 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 six-month period ended June 30, 2011.

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

BPR AUDIT AND ADVISORY CO., LTD.
Bangkok
August 11, 2011

GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2011 AND DECEMBER 31, 2010

A S S E T S

	Notes	In Thousand Baht			
		Consolidated		The Company only	
		June	December	June	December
		30, 2011	31, 2010	30, 2011	31, 2010
		“Unaudited”	“Unaudited”	“Unaudited”	“Unaudited”
		“Reviewed”	“Audited”	“Reviewed”	“Audited”
CURRENT ASSETS					
Cash and cash equivalents		54,725	65,576	40,243	51,861
Trade accounts receivable - net					
Billed receivables	5	27,835	32,156	27,835	32,156
Unbilled receivables	5	8,804	14,532	8,804	14,532
Real estate development costs	6	455,087	449,011	363,184	355,818
Supplies		3,225	3,359	3,225	3,359
Advance payments		5,310	6,517	4,183	1,380
Prepaid rent to related party	4	2,878	1,942	2,878	1,942
Other current assets		2,946	1,541	2,905	1,501
Total Current Assets		560,810	574,634	453,257	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 loan to related party	4	-	-	7,115	-
Long - term loan to other company		36,175	34,793	-	-
Long - term investments - available - for - sales	8	58,970	62,450	58,970	62,450
Land and structures held for future development - net		233,177	233,177	68,910	68,910
Property, plant and equipment - net	9	189,793	193,009	155,498	166,178
Intangible assets - net		116	182	116	182
Other non - current assets					
Costs of landfills - net		11,328	14,862	11,328	14,862
Withholding income tax		48,241	45,110	47,711	44,611
Deposits for rent to related parties	4	24	31	24	31
Deposits and others		3,721	3,725	3,311	3,426
Total Non - Current Assets		582,450	588,244	678,991	686,658
TOTAL ASSETS		1,143,260	1,162,878	1,132,248	1,149,207

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

GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2011 AND DECEMBER 31, 2010

LIABILITIES AND SHAREHOLDERS' EQUITY

		In Thousand Baht			
		Consolidated		The Company only	
		June	December	June	December
		30, 2011	31, 2010	30, 2011	31, 2010
		“Unaudited”		“Unaudited”	
Notes		“Reviewed”	“Audited”	“Reviewed”	“Audited”
CURRENT LIABILITIES					
Trade accounts payable					
	Related parties	4	289	392	289
	Other parties		11,935	15,226	11,628
	Current portion of long - term loans	10	29,951	38,336	29,951
	Current portion of liabilities under hire-purchase and financial lease contracts	11	-	872	-
	Other payables		11,686	10,097	10,462
	Other current liabilities		9,508	12,891	9,002
	Total Current Liabilities		63,369	77,814	61,332
NON - CURRENT LIABILITIES					
	Long-term loans-net of current portion	10	20,289	24,826	-
	Liabilities under hire - purchase and financial lease contracts-net of current portion	11	-	-	-
	Employee benefit obligations	12	3,228	-	3,228
	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		64,210	65,519	43,921
	Total Liabilities		127,579	143,333	105,253
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	(63,783)	(60,303)	(63,783)
	Retained earnings				
	- Appropriated for legal reserve		6,600	6,600	6,600
	- Unappropriated (deficit)		(22,808)	(22,424)	(11,494)
	Total equity holders of the parent company		1,015,681	1,019,545	1,026,995
	Non - controlling interest		-	-	-
	Total Shareholders' Equity		1,015,681	1,019,545	1,026,995
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,143,260	1,162,878	1,132,248

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 JUNE 30, 2011 AND 2010

“UNAUDITED”

“REVIEWED”

		In Thousand Baht			
		Consolidated		The Company only	
Notes		2011	2010	2011	2010
REVENUES					
	Revenues from services - service business	45,927	54,198	45,927	54,198
	Revenues from sales - real estate development business	3,596	35,985	2,052	31,749
	Other income				
	Gain from fixed assets sold	336	519	336	274
	Dividend income	60	350	60	350
	Others	2,736	885	1,991	861
	Total Revenues	52,655	91,937	50,366	87,432
EXPENSES					
	Costs of services - service business	35,351	43,986	35,351	43,145
	Costs of sales - real estate development business	2,146	29,865	860	25,775
	Selling expenses	587	1,453	540	1,369
	Administrative expenses	10,266	13,312	9,129	11,185
	Management benefit expenses	3,165	2,936	2,926	2,936
	Impairment loss on investment in subsidiary	-	-	-	167
	Total Expenses	51,515	91,552	48,806	84,577
	PROFIT BEFORE FINANCE COSTS AND INCOME TAX	1,140	385	1,560	2,855
	Finance costs	35	182	35	77
	PROFIT BEFORE INCOME TAX	1,105	203	1,525	2,778
	Income tax	-	-	-	-
	PROFIT FOR THE PERIOD	1,105	203	1,525	2,778
	Other comprehensive profit (loss) - net of tax	898	(3,780)	898	(3,780)
	TOTAL COMPREHENSIVE PROFIT (LOSS) FOR THE PERIOD	2,003	(3,577)	2,423	(1,002)
Profit for the period attributable to :					
	Equity holders of the parent company	1,105	203	1,525	2,778
	Non - controlling interest	-	-	-	-
		1,105	203	1,525	2,778
Comprehensive profit (loss) for the period attributable to :					
	Equity holders of the parent company	2,003	(3,577)	2,423	(1,002)
	Non - controlling interest	-	-	-	-
		2,003	(3,577)	2,423	(1,002)
	Profit per share for profit for the period attributable to the equity holders of the parent company (Baht)	0.00	0.00	0.00	0.00

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

GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 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	92,969	100,262	92,969	100,262
Revenues from sales - real estate development business		7,848	68,802	4,839	57,929
Other income					
Gain from fixed assets sold		336	954	336	710
Dividend income		346	944	346	944
Others		6,213	1,613	4,794	1,553
Total Revenues		107,712	172,575	103,284	161,398
EXPENSES					
Costs of services - service business	4,13	71,252	87,120	71,252	85,829
Costs of sales - real estate development business		5,531	54,516	2,947	45,065
Selling expenses		786	2,189	723	1,828
Administrative expenses		21,388	26,964	18,617	23,437
Managements' benefits expense		6,083	6,014	5,604	6,014
Impairment loss on investment in subsidiary		-	-	-	50,105
Total Expenses		105,040	176,803	99,143	212,278
PROFIT (LOSS) BEFORE FINANCE COSTS AND INCOME TAX		2,672	(4,228)	4,141	(50,880)
Finance costs	4	82	506	82	261
PROFIT (LOSS) BEFORE INCOME TAX		2,590	(4,734)	4,059	(51,141)
Income tax	14	-	-	-	-
PROFIT (LOSS) FOR THE PERIOD		2,590	(4,734)	4,059	(51,141)
Other comprehensive loss - net of tax		(3,480)	(6,730)	(3,480)	(6,730)
TOTAL COMPREHENSIVE PROFIT (LOSS) FOR THE PERIOD		(890)	(11,464)	579	(57,871)
Profit (Loss) for the period attributable to :					
Equity holders of the parent company		2,590	(4,734)	4,059	(51,141)
Non - controlling interest		-	-	-	-
		2,590	(4,734)	4,059	(51,141)
Comprehensive profit (loss) for the period attributable to :					
Equity holders of the parent company		(890)	(11,464)	579	(57,871)
Non - controlling interest		-	-	-	-
		(890)	(11,464)	579	(57,871)
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 SIX-MONTH PERIODS ENDED JUNE 30, 2011 AND 2010

In Thousand Baht								
Consolidated								
Equity attributable to owners of the parent								
Note	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other comprehensive loss	Equity attributable to owners of the parent	Non - controlling interest	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	(22,424)	(60,303)	1,019,545	-	1,019,545
Effect to the adoption of new and revised accounting standard	3	-	-	(2,974)	-	(2,974)	-	(2,974)
Balance as at January 31, 2011 as adjusted	900,000	195,672	6,600	(25,398)	(60,303)	1,016,571	-	1,016,571
Total comprehensive profit (loss) for the period	-	-	-	2,590	(3,480)	(890)	-	(890)
Balance as at June 30, 2011	900,000	195,672	6,600	(22,808)	(63,783)	1,015,681	-	1,015,681
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	-	-	-	(4,734)	(6,730)	(11,464)	-	(11,464)
Balance as at June 30, 2010	900,000	195,672	6,600	(30,263)	(66,053)	1,005,956	-	1,005,956

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 SIX-MONTH PERIODS ENDED JUNE 30, 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 31, 2011 as adjusted		900,000	195,672	6,600	(15,553)	(60,303)	1,026,416
Total comprehensive profit (loss) for the period		-	-	-	4,059	(3,480)	579
Balance as at June 30, 2011		<u>900,000</u>	<u>195,672</u>	<u>6,600</u>	<u>(11,494)</u>	<u>(63,783)</u>	<u>1,026,995</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		-	-	-	(51,141)	(6,730)	(57,871)
Balance as at June 30, 2010		<u>900,000</u>	<u>195,672</u>	<u>6,600</u>	<u>(23,562)</u>	<u>(66,053)</u>	<u>1,012,657</u>

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

GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

“UNAUDITED”

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2011 AND 2010

REVIEWED”

	In Thousand Baht			
	Consolidated		The Company only	
	2011	2010	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (Loss) before income tax	2,590	(4,734)	4,059	(51,141)
Adjustments for				
Depreciation and amortization	15,338	24,684	15,298	18,129
Fixed asset written - off	-	2	-	3
Withholding tax written - off	-	678	-	-
Interest income	(179)	(86)	(247)	(40)
Dividend income	(346)	(944)	(346)	(944)
Impairment loss on investment in subsidiary	-	-	-	50,105
Interest expense	15	506	15	261
Gain from fixed assets sold	(336)	(954)	(336)	(710)
Provision for doubtful account (Reversal)	69	(340)	69	(340)
Provisions for employee benefit obligations	254	-	254	-
Decrease (Increase) in Operating Assets				
Trade accounts receivable	9,980	6,285	9,980	6,173
Real estate development cost	(3,532)	49,031	(5,831)	40,141
Supplies	134	631	134	631
Other current assets	(1,010)	(6,390)	(5,026)	(2,126)
Other non - current assets	12	11,252	123	11,349
Increase (Decrease) in Operating Liabilities				
Trade accounts payable				
Related parties	(104)	(41)	(104)	(3,823)
Other parties	(3,291)	(11,419)	(3,291)	(11,199)
Other payables	1,589	(7,946)	1,482	(7,022)
Other current liabilities	(3,171)	(6,758)	(3,277)	(7,137)
Cash received from operations	18,012	53,457	12,956	42,310
Interest paid	(3,131)	(4,624)	(1,207)	(3,380)
Income tax paid	(2,755)	(4,358)	(3,100)	(3,489)
Net Cash Provided by Operating Activities	12,126	44,475	8,649	35,441

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 SIX-MONTH PERIODS ENDED JUNE 30, 2011 AND 2010

REVIEWED”

	In Thousand Baht			
	Consolidated		The Company only	
	2011	2010	2011	2010
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	55	144	130	40
Dividend received	346	944	346	944
Other receivable and long-term loans to subsidiary	-	-	(7,115)	-
Long-term loans to other party	(1,382)	-	-	-
Proceeds from sales of fixed assets	337	2,402	337	2,075
Acquisitions of property, plant and equipment	(8,524)	(5,726)	(1,020)	(1,876)
Acquisitions of intangible assets - computer software	-	(27)	-	(27)
Net Cash Provided by (Used in) Investing Activities	(9,168)	(2,263)	(7,322)	1,156
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayments of liabilities under financial lease contracts	(886)	(5,598)	(886)	(1,629)
Repayments of long - term loan	(12,923)	(50,009)	(12,059)	(43,086)
Net Cash Used in Financing Activities	(13,809)	(55,607)	(12,945)	(44,715)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(10,851)	(13,395)	(11,618)	(8,118)
Cash and Cash Equivalents-Beginning of Period	65,576	68,687	51,861	31,783
CASH AND CASH EQUIVALENTS AT END OF PERIOD	54,725	55,292	40,243	23,665

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

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES**
Notes to Interim Financial Statements
June 30, 2011 and 2010 (Reviewed)
And December 31, 2010 (Audited)

The financial statements were authorized for issue by the directors on August 11, 2011.

1. BASIS OF INTERIM FINANCIAL STATEMENT PREPARATION

These interim financial statements are prepared in accordance with the Accounting Standard No. 34 “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 June 30, 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 (In Thousand Baht)		Percentage of direct and indirect holdings (%)	
		June 30, 2011	December 31, 2010	June 30, 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 and six-month periods ended June 30, 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)
June 30, 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 statements.

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)

June 30, 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 June 30, 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 six-month period ended June 30, 2011		
Increase in employee benefit expenses	254	254
Increase in loss for the period	254	254
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 and its subsidiaries 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 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)
June 30, 2011 and 2010 (Reviewed)
And December 31, 2010 (Audited)**

Significant revenues and expenses derived from transactions with related parties for the three-month and six-month periods ended June 30, 2011 and 2010 are summarized as follows:

	In Thousand Baht			
	Consolidated			
	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2011	2010	2011	2010
Rental and royalty fee				
Industrial Estate Authority of Thailand	1,327	1,286	2,610	2,557
The Department of Industrial Works	873	1,242	1,778	2,445
Other expenses				
Industrial Estate Authority of Thailand	411	424	830	792
	In Thousand Baht			
	The Company only			
	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2011	2010	2011	2010
Interest income				
Asia Pattana Land Co., Ltd.	105	-	115	-
Transportation expense				
General Logistics Co., Ltd.	-	9,607	-	19,601
Rental and royalty fee				
Industrial Estate Authority of Thailand	1,327	1,286	2,610	2,557
The Department of Industrial Works	873	1,242	1,778	2,445
Other expenses				
Industrial Estate Authority of Thailand	411	424	830	792

The balances of receivables from and payables to related parties as of June 30, 2011 and December 31, 2010 are as follows:

	In Thousand Baht			
	Consolidated		The Company only	
	June 30, 2011	December 31, 2010	June 30, 2011	December 31, 2010
Prepaid rent				
Industrial Estate Authority of Thailand	2,878	1,942	2,878	1,942
Other receivable				
Asia Pattana Land Co., Ltd.	-	-	115	-
Long - term loans to subsidiary				
Asia Pattana Land Co., Ltd.	-	-	7,000	-
Total	-	-	7,115	-
Deposit for rent				
Industrial Estate Authority of Thailand	24	31	24	31
Trade accounts payable				
Industrial Estate Authority of Thailand	1	20	1	20
The Department of Industrial Works	288	372	288	372
Total	289	392	289	392

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (Continued)
June 30, 2011 and 2010 (Reviewed)
And December 31, 2010 (Audited)**

5. TRADE ACCOUNTS RECEIVABLE - NET

As at June 30, 2011 and December 31, 2010, the trade accounts receivable are classified by aging as follows:

	In Thousand Baht			
	Consolidated		The Company only	
	June 30, 2011	December 31, 2010	June 30, 2011	December 31, 2010
Billed receivables				
Trade accounts receivable - service				
Current	20,770	21,404	20,770	21,404
Overdue				
Less than 3 months	6,519	9,758	6,519	9,758
Over 3 months to 6 months	356	745	356	745
Over 6 months to 12 months	152	200	152	200
Over 12 months	6,619	6,446	6,619	6,446
	<u>34,416</u>	<u>38,553</u>	<u>34,416</u>	<u>38,553</u>
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	34,523	38,706	34,523	38,706
Less allowance for doubtful accounts	(6,688)	(6,550)	(6,688)	(6,550)
Net	<u>27,835</u>	<u>32,156</u>	<u>27,835</u>	<u>32,156</u>
Unbilled receivables				
Trade accounts receivable - service	8,804	14,532	8,804	14,532

6. REAL ESTATE DEVELOPMENT COST

As at June 30, 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 371.1 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			
			Paid – up share capital		Investment	
June 30, 2011	December 31, 2010	June 30, 2011	December 31, 2010	June 30, 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					400,000	400,000
Less Impairment loss on investments					(74,897)	(74,897)
Net					<u>325,103</u>	<u>325,103</u>

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (Continued)
June 30, 2011 and 2010 (Reviewed)
And December 31, 2010 (Audited)**

8. LONG – TERM INVESTMENTS – AVAILABLE FOR SALES

	In Thousand Baht			
	Consolidated and The Company only			
	June 30, 2011		December 31, 2010	
	Cost	Fair	Cost	Fair
Available-for-sale securities				
Investment in marketable securities	122,753	58,970	122,753	62,450
Less unrealized loss recognized in shareholders' equity	(63,783)	-	(60,303)	-
Net	<u>58,970</u>	<u>58,970</u>	<u>62,450</u>	<u>62,450</u>

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	8,524	1,020
Cost of fixed asset sold during the period	-	-
Depreciation for the period	(11,740)	(11,700)
Net book value as at June 30, 2011	<u>189,793</u>	<u>155,498</u>

The Company's buildings and machinery at Map Ta Phut Industrial Waste Treatment Facilities are mortgaged as collateral for a letter of guarantee line obtained from a local bank totaling approximately Baht 45 million. The carrying value of such assets as of June 30, 2011 and December 31, 2010 amounted to approximately Baht 56.5 million and Baht 60.8 million, respectively.

10. LONG - TERM LOANS

	In Thousand Baht			
	Consolidated		The Company only	
	June	December	June	December
	30, 2011	31, 2010	30, 2011	31, 2010
Loans from bank				
Loan 1	-	-	-	-
Loan 2	29,951	42,010	29,951	42,010
Loan 3	20,289	21,152	-	-
Total	<u>50,240</u>	<u>63,162</u>	<u>29,951</u>	<u>42,010</u>
Less Current portion	(29,951)	(38,336)	(29,951)	(38,336)
Net	<u>20,289</u>	<u>24,826</u>	<u>-</u>	<u>3,674</u>

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

Loan 1, credit lines of Baht 34.9 million for use as working capital of the real estate development project and the Company had completely drawdown the loan, repayable in installments commencing from February 2008 to February 2014 with interest at the rates as follows

- 1st year - 4th year at MLR + 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.

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

Notes to Interim Financial Statements (Continued)

June 30, 2011 and 2010 (Reviewed)

And December 31, 2010 (Audited)

Loan 2, credit lines of Baht 120.9 million for project development cost, the Company had drawdown Baht 95.9 million. Such loan is repayable in six - month installments commencing from November 2009 and full repayment is to be paid within November 2014 with interest at the rate MLR (Siam Commercial Bank) + 1.50% p.a. The above loan is secured by the mortgage of the Company's land and structures under development.

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

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

11. LIABILITIES UNDER HIRE-PURCHASE AND FINANCIAL LEASE CONTRACTS

	In Thousand Baht	
	Consolidated and The Company only	
	June 30, 2011	December 31, 2010
Liabilities under hire-purchase and financial lease contracts		
Transportation	-	887
	-	887
Less Deferred interest	-	(15)
	-	872
Less Current portion	-	(872)
Net	-	-

As at June 30, 2011 and December 31, 2010, the Company and its subsidiaries have liabilities under financial lease contracts with the period of payment as follows:

	In Thousand Baht					
	Consolidated and The Company only					
	June 30, 2011			December 31, 2010		
	Principal	Deferred interest	Total	Principal	Deferred interest	Total
Payment due 1 year	-	-	-	872	15	887
Payment due over 1 year to 5 years	-	-	-	-	-	-
Total	-	-	-	872	15	887

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.

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (Continued)
June 30, 2011 and 2010 (Reviewed)
And December 31, 2010 (Audited)**

Movement in the present value of the defined benefit obligations for the six-month period ended June 30, 2011 are as follows:

	<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	254
Actuarial (gains) losses in the statement of comprehensive income	-
Defined benefit obligations as at June 30, 2011	<u>3,228</u>

Expenses recognised in the statement of comprehensive income for the six-month period ended June 30, 2011 are as follows:

	<u>In Thousand Baht</u> <u>Consolidated and</u> <u>The Company only</u>
Current service costs	187
Interest on obligation	67
Total	<u>254</u>

The above expenses recognised in the statement of comprehensive income for the six-month period ended June 30, 2011 are as follows:

	<u>In Thousand Baht</u> <u>Consolidated and</u> <u>The Company only</u>
Cost of services	42
Selling expenses	119
Administrative expenses	26
Total	<u>187</u>

Principal actuarial assumptions at the reporting date for the six-month period ended June 30, 2011 are as follows:

	<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)
June 30, 2011 and 2010 (Reviewed)
And December 31, 2010 (Audited)**

13. EXPENSES BY NATURE

The significant expenses classified by nature for the three-month and six-month periods ended June 30, 2011 and 2010 are as follows

	In Thousand Baht			
	Consolidated			
	For the three-month periods		For the six-month periods	
	ended June 30		ended June 30	
	2011	2010	2011	2010
Change in real estate development cost	2,146	29,865	5,531	54,516
Employee benefits expenses	6,059	10,746	14,717	22,345
Management benefit expenses	3,165	2,936	6,083	6,014
Depreciation and amortization	7,816	12,525	15,338	24,684
Transportation expenses	12,188	8,462	25,319	15,847
Chemical, supplies and lab analysis expenses	8,356	12,996	15,664	25,765
Other expenses	11,785	14,022	22,388	27,632
Total	51,515	91,552	105,040	176,803

	In Thousand Baht			
	The Company only			
	For the three-month periods		For the six-month periods	
	ended June 30		ended June 30	
	2011	2010	2011	2010
Change in real estate development cost	860	25,775	2,947	45,065
Employee benefits expenses	6,024	8,920	14,644	18,591
Management benefit expenses	2,926	2,936	5,604	6,014
Depreciation and amortization	7,798	9,250	15,298	18,129
Transportation expenses	12,188	12,029	25,319	23,476
Chemical, supplies and lab analysis expenses	8,356	12,791	15,664	25,336
Impairment loss on investment in subsidiary	-	167	-	50,105
Other expenses	10,654	12,709	19,667	25,562
Total	48,806	84,577	99,143	212,278

14. INCOME TAX

No income tax expenses were payable for the three – month and six – month periods ended June 30, 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.

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (Continued)
June 30, 2011 and 2010 (Reviewed)
And December 31, 2010 (Audited)**

Service income for the three-month and six-month periods ended June 30, 2011 and 2010 classified under promoted and non - promoted businesses are as follows:

	In Thousand Baht			
	Consolidated and The Company only			
	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2011	2010	2011	2010
Promoted business	7,846	3,374	15,839	4,675
Non-promoted business	38,080	50,824	77,130	95,587
Total	45,926	54,198	92,969	100,262

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

16. BUSINESS SEGMENT INFORMATION

The segment financial information of the Company and its subsidiaries for the three-month and six-month periods ended June 30, 2011 and 2010 are as follows:

	In Thousand Baht							
	for the three-month periods ended June 30,							
	Service		Real estate		Elimination		Consolidation	
	2011	2010	2011	2010	2011	2010	2011	2010
Revenues	45,927	64,607	3,596	35,183	-	(9,607)	49,523	90,183
Profit from operations	10,575	11,013	1,451	5,319	-	-	12,026	16,332
Other income							3,132	1,754
Selling expenses	475	31	112	1,422	-	-	(587)	(1,453)
Administrative expenses	8,653	12,506	1,613	973	-	(167)	(10,266)	(13,312)
Management benefit expenses							(3,165)	(2,936)
Finance cost							(35)	(182)
Income tax							-	-
Net profit							1,105	203

	In Thousand Baht							
	for the six-month periods ended June 30,							
	Service		Real estate		Elimination		Consolidation	
	2011	2010	2011	2010	2011	2010	2011	2010
Revenues	92,969	120,666	7,848	68,000	-	(19,602)	100,817	169,064
Profit from operations	21,717	13,944	2,317	12,877	-	607	24,034	27,428
Other income							6,895	3,511
Selling expenses	541	31	245	2,158	-	-	(786)	(2,189)
Administrative expenses	17,722	73,087	3,666	3,982	-	(50,105)	(21,388)	(26,964)
Management benefit expenses							(6,083)	(6,014)
Finance cost							(82)	(506)
Income tax							-	-
Net profit (loss)							2,590	(4,734)

	In Thousand Baht					
	Service		Real estate		Consolidation	
	June 30, 2011	December 31, 2010	June 30, 2011	December 31, 2010	June 30, 2011	December 31, 2010
Property, plant and equipment-net	155,498	166,178	34,295	26,831	189,793	193,009
Other assets	331,144	351,973	622,323	617,896	953,467	969,869
Total assets	486,642	518,151	656,618	644,727	1,143,260	1,162,878

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (Continued)
June 30, 2011 and 2010 (Reviewed)
And December 31, 2010 (Audited)**

17. AGREEMENTS

As at June 30, 2011, the Company and its subsidiaries 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:

	<u>In Million Baht</u>
1 year	1.3
2 to 5 years	5.5
Over 5 years	0.3

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	5.3
2 to 5 years	21.2
Over 5 years	65.9

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. As at July 8, 2011, the Arbitration Institute sent a letter to the Company to notify that 1) both parties should terminate the contract reciprocally 2) the Company's compensation paid to PAT should belong to PAT 3) PAT should return securities of construction and compensation and work performance to the Company and 4) PAT should return the whole money placed by the Company with the Central Deposit Bureau, Legal Execution Department in amount of Baht 1.7 million to the Company.

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

Notes to Interim Financial Statements (Continued)

June 30, 2011 and 2010 (Reviewed)

And December 31, 2010 (Audited)

18. COMMITMENTS AND CONTINGENT LIABILITIES

As at June 30, 2011, the Company and its subsidiaries 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 37.7 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.