

Ref No: GENCO 265/2007

August 14, 2007

To: President  
The Stock Exchange of Thailand

Subject: The reviewed interim financial statements for the second quarter of the year 2007

Dear Sir,

With reference to the submission of reviewed interim financial statements of General Environmental Conservation Public Company Limited and subsidiary (consolidated) for the second quarter of the year 2007 and reviewed interim report of certified public accountant.

The company and subsidiaries would like to report the results of its operation for the second quarter of the year 2007, as follows:

**Three Months** performance ended June 30, 2007 comparing to the same period of the year 2006

The company showed **net profit** of Baht 6.6 million for the three months ended June 30, 2007 comparing to **net profit** Baht 0.3 million for the same period of the year 2006. The net profit increased Baht 6.3 million as the result of :

(1) Service Income (Disposal, Landfill and Transportation Charge)

The company has service income increased from Baht 93.4 million in the year 2006 to Baht 107.6 million in the year 2007. The service income increased Baht 14.2 million or 15.2% by the result of : 1) Map Ta Put Office : increased Baht 12.4 million which resulted from increasing in average service price in the year 2006 approximately 5.3% and quantities increasing about 12.2% 2) Samaedum Office : increased Baht 1.8 million which resulted of average service price increased about 7.9%.

(2) Revenue from Sale -Real Estate Development Business

The company has revenue from sale real estate development increased from Baht 7.6 million in the year 2006 to Baht 12.3 million in the year 2007. The revenue from sale real estate development increased Baht 4.7 million or 61.8%.

The company had cost of sale real estate development increased from Baht 3.4 million in the year 2006 to Baht 7.7 million in the year 2007. The cost of its sale increased Baht 4.3 million or 126.5%.

(3) Costs of Service

The company has costs of service decreased from 84.5% of service income in the year 2006 to 82.9% of service income in the year 2007 since increasing in average service price charge to customer.

(4) Administrative Expense

The company has administrative expense decreased from Baht 20.6 million in the year 2006 to Baht 20.3 million in the year 2007. The administrative expense decreased Baht 0.3 million or 1.5%.

(5) Other income

The company had dividend income of Baht 2.9 million in year 2007 comparing to Baht 2.4 million in year 2006. The dividend income decreased Baht 0.5 million or 20.8%.

**Six Months** performance ended June 30, 2007 comparing to the same period of the year 2006

The company showed **net profit** of Baht 18.3 million for the six months ended June 30, 2007 comparing to **net profit** Baht 0.1 million for the same period of the year 2006. The net profit increased Baht 18.2 million.

(1) Service Income (Disposal, Landfill and Transportation Charge)

The company has service income increased from Baht 179.4 million in the year 2006 to Baht 212.6 million in the year 2007. The service income increased Baht 33.2 million or 18.5% by increasing from 2 branch offices as follows : 1) Map Ta Put Office : increased Baht 32.3 million which resulted from increasing in average service price in the year 2006 approximately 11.6% and disposal quantities increased about 12.1% 2) Samaedum Office : increased Baht 0.9 million which resulted from increasing in average service price approximately 7.2% while as disposal quantities decreasing about 5.2%

(2) Revenue from Sale- Real Estate Development Business

The company has revenue from sale real estate development increased from Baht 19.3 million in the year 2006 to Baht 22.8 million in the year 2007. The revenue from sale real estate development increased Baht 3.5 million or 18.1%.

The company had cost of sale real estate development increased from Baht 9.7 million in the year 2006 to Baht 13.4 million in the year 2007. The cost of its sale increased Baht 3.7 million or 38.1%.

(3) Costs of Service

The company has costs of service decreased from 87.4% of service income in the year 2006 to 79.6% of service income in the year 2007 which resulted increasing in average service price charge to customer.

(4) Administrative Expense

The company has administrative expense increased from Baht 36.9 million in the year 2006 to Baht 40.3 million in the year 2007. The administrative expense increased Baht 3.4 million or 9.2%

(5) Other Income

The company had dividend income of Baht 3.7 million in year 2007 comparing to Baht 4.9 million in year 2006. The dividend income decreased Baht 1.2 million or 24.5%.

Change in accounting policy

Beginning the 1<sup>st</sup> quarter in year 2007, the Company had changed its accounting policy for its investments in subsidiaries in the separate financial statements from the equity method to the cost method in accordance with the Accounting Standard No.44 "Consolidated and Separate Financial Statements" (revised 2007). The change in accounting policy is recorded retrospectively to the years in which the investments were made and had also recorded the allowance for impairment of the investments, resulted in the retain earnings beginning of year 2007 and 2006 increased by Baht 0.4 million and decreased by Baht 2.2 million respectively, the net profit for the three – month periods ended June 30, 2007 and

2006 decreased by Baht 0.9 million and increased by Baht 0.1 million respectively, the net profit for the six-month periods ended June 30, 2007 and 2006 decreased by Baht 1.4 million and increased by Baht 0.1 million respectively, and investments in subsidiaries as of December 31, 2006 increased by Baht 0.4 million.

The above change in accounting policy had no effect on the consolidated financial statements of the Company and its subsidiaries.

For your acknowledgement.

Yours Sincerely,

Dr.Somyot Sangsuwan  
Director and Deputy Managing Director