

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**Notes to Interim Financial Statements**  
**September 30, 2008 “Reviewed”**  
**December 31, 2007 “Audited”**  
**(Including Notes to Interim Financial Statements for September 30, 2007 “Reviewed”)**

1. BASIS OF INTERIM FINANCIAL STATEMENT PREPARATION AND PRINCIPLES OF CONSOLIDATED

These interim financial statements are prepared in accordance with Accounting Standard No. 41 “Interim Financial Reporting (revised 2007)” and the Company has selected to present condensed interim financial statements. However, the Company has presented the balance sheet, and the statements of income, changes in shareholders’ equity, and cash flows in the same format as that were used for the annual financial statements. The interim financial statements provide the update information. These interim financial statements should therefore be read in conjunction with the financial statements for the year ended December 31, 2007.

The consolidated interim financial statements include the interim financial statements of General Environmental Conservation Public Company Limited and its subsidiaries which the significant intercompany transactions had been eliminated as follows:

<u>Company’s Name</u>	<u>Type of Businesses</u>	<u>Relationship</u>	<u>Paid - up Share Capital (In Thousand Baht)</u>	<u>Percentage of Holding</u>
<b>Directly Owned Subsidiaries</b>				
Asia Patana Land Co., Ltd.	Buy, sale, and land development	Shareholder and directorship	200,000	99.99
Genco Engineering Co., Ltd.	Waste selection and management of waste for recycling facilities	Shareholder and directorship	20,000	99.99
General Logistics Co., Ltd.	Transportation of waste including provide the service of domestic transportation	Shareholder and directorship	5,000	99.99
<b>Indirectly Owned Subsidiary</b>				
Industrial Waste Management (Asia) Co., Ltd.	Industrial waste treatment	Shareholder and directorship	200,000	99.99

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of the interim financial statements for the three-month and nine-month periods ended September 30, 2008 are consistent with those used to prepare the financial statements for the year ended December 31, 2007.

### 3. TRANSACTIONS WITH RELATED PARTIES

A portion of the Company's assets, liabilities, income and expenses arose from transactions with related parties. These parties related through ordinary shareholdings and/or directorships. The effects of these transactions are reflected in the accompanying financial statements on the fair negotiable basis between the Company and the related parties concerned.

Significant contracts entered into by the Company and related parties are as follows:

- a) Rental and exclusive right agreement (Note 21.1)
- b) Land lease agreement (Note 21.2)

Account balances arising from transactions with the said related parties was shown separately in the balance sheets. The major transactions with related parties which are included in the statements of income for the three-month and nine - month periods ended September 30, 2008 and 2007 were as follows:

	In Thousand Baht			
	Three Months			
	Consolidated		Separate	
	Financial Statements	Financial Statements	Financial Statements	Financial Statements
	2008	2007	2008	2007
<b>Real estate development cost</b>				
Asia Patana Land Co., Ltd.	-	-	-	9,600
<b>Sales</b>				
Genco Engineering Co., Ltd.	-	-	-	1,549
<b>Interest income</b>				
Asia Patana Land Co., Ltd.	-	-	753	757
General Logistics Co., Ltd.	-	-	95	83
<b>Transportation expense</b>				
General Logistics Co., Ltd.	-	-	9,111	8,091
<b>Rental and royalty fee</b>				
Industrial Estate Authority of Thailand	1,300	2,018	1,300	2,018
The Department of Industrial Works	814	843	814	843
<b>Other expenses</b>				
Industrial Estate Authority of Thailand	450	633	450	633
<b>Adjustment for increase in impairment on investment in subsidiary</b>				
	-	-	210	1,613

	In Thousand Baht			
	Nine Months			
	Consolidated Financial Statements		Separate Financial Statements	
	2008	2007	2008	2007
<b>Real estate development cost</b>				
Asia Patana Land Co., Ltd.	-	-	-	12,000
<b>Sales</b>				
Genco Engineering Co., Ltd.	-	-	675	5,059
<b>Interest income</b>				
Asia Patana Land Co., Ltd.	-	-	2,991	2,244
General Logistics Co., Ltd.	-	-	260	247
<b>Transportation expense</b>				
General Logistics Co., Ltd.	-	-	25,933	20,139
<b>Rental and royalty fee</b>				
Industrial Estate Authority of Thailand	3,906	5,988	3,906	5,988
The Department of Industrial Works	2,433	2,543	2,433	2,543
<b>Other expenses</b>				
Industrial Estate Authority of Thailand	1,383	1,870	1,383	1,870
<b>Adjustment for increase in impairment on investment in subsidiary</b>	-	-	672	5,516

The balances of receivables from and payables to related parties as of September 30, 2008 and December 31, 2007 were as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	September 30, 2008	December 31, 2007	September 30, 2008	December 31, 2007
<b>Trade account receivables - Billed</b>				
Genco Engineering Co., Ltd.	-	-	-	285
<b>Advance to director</b>	300	300	-	-
<b>Prepaid rent to related party</b>				
Industrial Estate Authority of Thailand	3,242	1,992	3,242	1,992
<b>Deposit for rent to related party</b>				
Industrial Estate Authority of Thailand	31	4,348	31	4,348
<b>Deposits and others</b>				
General Logistics Co., Ltd.	-	-	2,000	-
<b>Trade account payables - Related parties</b>				
General Logistics Co., Ltd.	-	-	2,423	3,722
Industrial Estate Authority of Thailand	42	45	42	45
The Department of Industrial Works	313	302	313	302
Total	355	347	2,778	4,069

**Short - term loans to subsidiary**

	In Thousand Baht			Balance as of September 30, 2008
	Separate Financial Statements			
	Balance as of December 31, 2007	Increase	Decrease	
Asia Patana Land Co., Ltd.				
Principal	240,000	-	(140,500)	99,500
<u>Add</u> Accrued interest	9,409	2,991	(11,607)	793
Total	<u>249,409</u>			<u>100,293</u>

Loans to subsidiary are term loans repayable within one year and have agreements bearing interest at the rate of 3.0% p.a.

**Long - term loans to subsidiary**

	In Thousand Baht			Balance as of September 30, 2008
	Separate Financial Statements			
	Balance as of December 31, 2007	Increase	Decrease	
Principal :-				
- Loan agreement 1	4,000	-	-	4,000
- Loan agreement 2	7,000	-	-	7,000
- Loan agreement 3	-	5,000	-	5,000
<u>Add</u> Accrued interest	539	260	-	799
Total	<u>11,539</u>			<u>16,799</u>

The Company has entered into three loan agreements with General Logistics Co., Ltd. as follows :-

Loan agreement 1, amounted to Baht 4 million repayable within December 2010.

Loan agreement 2, amounted to Baht 7 million repayable within September 2011.

Loan agreement 3, credit facility of Baht 25 million, as of September 30, 2008, the subsidiary company had drawdown Baht 5 million. The said loan repayable within 5 years commencing date of the first drawdown (August 25, 2008). Subsequently, on October 22, 2008, the subsidiary company has drawdown of Baht 10 million.

The above three loan agreements bearing interest rate of 3.0% p.a.

#### 4. CURRENT INVESTMENTS

	In Thousand Baht			
	Consolidated Financial Statements			
	September 30, 2008		December 31, 2007	
	Cost	Fair value	Cost	Fair value
Available-for-sale securities :				
Investments in marketable securities	129,203	60,435	132,835	108,230
<u>Less</u> Loss on changes in fair value	(68,768)	-	(24,605)	-
Available-for-sale securities - Net	60,435	60,435	108,230	108,230
Fixed deposits	9,163	9,163	8,923	8,923
Total Current Investments - Net	<u>69,598</u>	<u>69,598</u>	<u>117,153</u>	<u>117,153</u>

	In Thousand Baht			
	Separate Financial Statements			
	September 30, 2008		December 31, 2007	
	Cost	Fair value	Cost	Fair value
Available-for-sale securities :				
Investments in marketable securities	120,702	54,285	124,335	104,630
<u>Less</u> Loss on changes in fair value	(66,417)	-	(19,705)	-
Available-for-sale securities - Net	54,285	54,285	104,630	104,630
Fixed deposits	9,163	9,163	8,923	8,923
Total Current Investments - Net	<u>63,448</u>	<u>63,448</u>	<u>113,553</u>	<u>113,553</u>

The change of investments in available-for-sale securities during the year 2008 are as follows:

	In Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
Net carrying amount at beginning of period - Net	108,230	104,630
Purchase of securities	27,695	27,695
Sale of securities	(31,327)	(31,327)
The changes in fair value of available-for-sale securities	(44,163)	(46,713)
Net carrying amount at end of period - Net	<u>60,435</u>	<u>54,285</u>

## 5. TRADE ACCOUNT RECEIVABLES - NET

As of September 30, 2008 and December 31, 2007, the trade account receivables are classified by aging as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	September 30, 2008	December 31, 2007	September 30, 2008	December 31, 2007
<u>BILLED :</u>				
Trade account receivables - services				
Current	40,491	36,981	40,491	37,265
Overdue				
Less than 3 months	14,190	19,449	14,190	19,449
Over 3 months to 6 months	277	725	277	725
Over 6 months to 12 months	227	102	227	102
Over than 12 months	6,822	6,254	6,822	6,254
Sub-total	62,007	63,511	62,007	63,795
Trade account receivables - real estate				
Current	-	2,250	-	2,250
Overdue				
Less than 3 months	-	40	-	40
Over 3 months to 6 months	-	85	-	85
Over 6 months to 12 months	2	195	2	195
Over than 12 months	270	80	270	80
Sub-total	272	2,650	272	2,650
Grand-total	62,279	66,161	62,279	66,445
<u>Less</u> Allowance for doubtful account	(5,449)	(5,454)	(5,449)	(5,454)
Trade account receivables - Billed - Net	<u>56,830</u>	<u>60,707</u>	<u>56,830</u>	<u>60,991</u>
<u>UNBILLED :</u>				
Trade account receivables - services	16,302	24,308	16,302	24,308
<u>Less</u> Allowance for doubtful account	-	-	-	-
Trade account receivables - Unbilled - Net	<u>16,302</u>	<u>24,308</u>	<u>16,302</u>	<u>24,308</u>

## 6. REAL ESTATE DEVELOPMENT COST

As of September 30, 2008, land and construction for sale are mortgaged as collateral for loan from a local bank in the amount of Baht 28.46 million.

As of December 31, 2007, a plot of land for sale of a subsidiary company at the book value of Baht 11.38 million has pledged to the Court as collateral to abate the enforcement of the case as mentioned in Note 22 to the financial statement.

## 7. PENDING REFUND TO BE RECEIVED FROM LAND

7.1 On February 6, 2006, a subsidiary company entered into an agreement with other persons to purchase land of Baht 25 million for future development and sale. The said subsidiary company had already made full payment on the agreement date. Subsequently, the seller could not transfer the ownership to the subsidiary company resulting the default of the seller. Thus, the seller has to refund for the payment with interest to the subsidiary company as follow:

<u>Date</u>	<u>Amount</u>
February 2, 2007	Baht 4.0 million
February 13, 2007	Baht 2.5 million
February 20, 2007	Baht 6.0 million
Within June 2007	All remaining amount

On July 5, 2007, the seller has postponed to refund the remaining amount of Baht 12.5 million with interest from within June 2007 to within December 2007. Later on December 28, 2007, the seller has once more postponed to refund for the payment to within May 2008. In June 2008, the seller had already refunded the remaining amount with interest to the subsidiary.

7.2 On February 1, 2007, a subsidiary company entered into an agreement to purchase a plot of land for development with a person who is not the owner. The counter parties agreed to transfer and receive the land ownership within 12 months from the agreement date. The said subsidiary company had already made full payment of Baht 20.57 million. The seller had defaulted the agreement and had not transferred the ownership to the subsidiary company in due time. However, on February 8, 2008 the seller had refunded for the payment with interest to the subsidiary.

## 8. INVESTMENT IN OWNERSHIP OF CONDOMINIUM UNITS

On October 24, 2006, the Company entered into an agreement with a company (seller) to purchase a 205 units condominium in the amount of Baht 31.15 million and entered into a sale back agreement in the amount of Baht 41.30 million. The ownership of condominium units have transferred to the Company on the agreement date with the condition that the seller still have the responsibility to pay public utilities, management fee or other fee which related to condominium units until sale back under the agreement has been made.

Subsequently, in the second quarter of year 2008 when dued to purchase the said condominium units, under the agreement, the seller has not yet contacted the Company to purchase the condominium units. Thus, the Company has begun to renovate the condominium units for sale and transferred the such properties to real estate development cost in the second quarter.

As of September 30, 2008 and December 31, 2007, investment in ownership of condominium units is as follow :

	<u>In Thousand Baht</u>	
	<u>Consolidated and Separate</u>	
	<u>Financial Statements</u>	
	<u>September 30, 2008</u>	<u>December 31, 2007</u>
Investment in ownership of condominium units	31,150	31,150
<u>Less</u> Sale of investment in ownership of condominium unit	(493)	(493)
Transfer to real estate development cost	<u>(30,657)</u>	<u>-</u>
Investment in ownership of condominium units - Net	<u>-</u>	<u>30,657</u>

## 9. LAND AND STRUCTURES HELD FOR FUTURE DEVELOPMENT

9.1 A subsidiary company had appraised the value of the purchased land and structures in year 2004 by Simon Lim & Partners Co., Ltd. According to the appraisal report in March and April 2007, the market value of a plot of land is lower than its book value in the amount of Baht 14.60 million (Cost amount of Baht 40 million, appraised value amount of Baht 25.40 million). The subsidiary company has not recorded allowance for diminution in value of the said land due to the management has planned for future land development and sale. The management of the Company has estimated that the recoverable amount of the project shall be higher than the book value of the said land. Subsequently, on January 28, 2008 and March 18, 2008 Candor Consultant Co., Ltd. and Grand Asset Advisory Co., Ltd. respectively reappraised the land value in the same amount of Baht 39.69 million, resulting in immaterial difference from the book value in the amount only Baht 0.31 million.

9.2 At present, the Company's land held for future development, the management has not yet planned for development. Therefore, the land has been rented to other person for a period of 2 years from September 1, 2008 to August 31, 2010 with the annual rental fee of Baht 1.2 million.

## 10. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries at cost method in the separate financial statements as of September 30, 2008 and December 31, 2007, were as follows:

	Percentage of Holding	In Thousand Baht		
		Separate Financial Statements		
		September 30, 2008		
		At Cost	Allowance for impairment	Net
<b>Subsidiaries - cost method</b>				
Asia Patana Land Co., Ltd.	99.99	200,000	(23,735)	176,265
Genco Engineering Co., Ltd.	99.99	20,000	-	20,000
General Logistics Co., Ltd.	99.99	5,000	-	5,000
Total		<u>225,000</u>	<u>(23,735)</u>	<u>201,265</u>
		In Thousand Baht		
		Separate Financial Statements		
		December 31, 2007		
		At Cost	Allowance for impairment	Net
<b>Subsidiaries - cost method</b>				
Asia Patana Land Co., Ltd.	99.99	200,000	(23,063)	176,937
Genco Engineering Co., Ltd.	99.99	20,000	-	20,000
General Logistics Co., Ltd.	99.99	5,000	-	5,000
Total		<u>225,000</u>	<u>(23,063)</u>	<u>201,937</u>

## 11. PROPERTY, PLANT AND EQUIPMENT - NET

	In Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
Net book value as of December 31, 2007	424,279	233,508
<u>Add</u> Acquisitions during period - at cost	22,822	12,290
<u>Less</u> Sale during period - at net book value	(2,378)	(2,377)
Write - off during period - at net book value	(1)	(1)
Depreciation for the period	(28,166)	(23,112)
Net book value as of September 30, 2008	416,556	220,308

11.1 The Company's building 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 50 million. The carrying value of such assets as of September 30, 2008 and December 31, 2007 amounted to approximately Baht 81.47 million and Baht 88.5 million respectively.

11.2 As of December 31, 2007, the book value of the Company's land amounted to Baht 9 million has pledged to the Court as collateral to abate the enforcement of the case as mentioned in Note 22 to the financial statement.

## 12. INTANGIBLE ASSETS - COMPUTER SOFTWARE - NET

	In Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
Net book value as of December 31, 2007	301	301
<u>Add</u> Acquisitions during period - at cost	155	155
<u>Less</u> Amortization for the period	(118)	(118)
Net book value as of September 30, 2008	338	338

## 13. PROVISIONS FOR TRANSPORTATION AND TREATMENT OF INDUSTRIAL WASTE

The Company is alleged to have illegally dumped toxic industrial waste in Nakhon Ratchasima province; an accusation the Company strenuously denies. Presently, Government agencies are in the process of investigating the matter and identifying the persons responsible for dumping the waste at such place. The Department of Industrial Works issued instructions to the Company on September 17, 2004, requesting the Company to uplift, transport and treat the waste including contaminated ground surface material, with appropriate procedures at the Company's cost. In year 2004, the Company has removed the waste to Map Ta Phut Waste Disposal Plant for processing, and treated the waste with appropriate procedures. The Company has estimated that the total expenses that will be incurred in the process of uplift, transportation, and treatment amount to approximately Baht 20.6 million. In year 2004, the actual expenses incurred amounted to approximately Baht 15.8 million. The remaining amount of approximately Baht 4.8 million is recorded as a provision under current liabilities in the balance sheet. The Company may, however, be able to obtain a refund of such costs incurred from the responsible parties once such parties have been identified.

#### 14. LONG - TERM LOAN

	In Thousand Baht	
	<u>Consolidated and Separate Financial Statements</u>	
	<u>September 30, 2008</u>	<u>December 31, 2007</u>
Loan from bank	23,060	-
<u>Less</u> Current portion	<u>(11,544)</u>	<u>-</u>
Long - term loan - Net	<u>11,516</u>	<u>-</u>

In year 2008, the Company has signed a loan agreement with a local bank in the amount of Baht 34.90 million for working capital of the real estate development project, repayable in installments commencing from February 2008 to February 2014 with interest at the rate as follows :

- In year 1<sup>st</sup> - 4<sup>th</sup> MLR + 1.50% p.a.
- Since year 5<sup>th</sup> MLR + 2.50% p.a.

The above loan is secured by the mortgaged of the Company's land and construction for sale.

#### 15. LEGAL RESERVE

Under the provision of the Public Company Limited Act B.E. 2535, the Company is required to appropriate at least 5% of its annual net income, after deduction of the deficit brought forward (if any), as a legal reserve until the reserve reaches 10% of the authorized capital. As of September 30, 2008 and December 31, 2007, the balance of the legal reserve amounted to Baht 4.8 million. The reserve is not available for dividend distribution.

#### 16. DIVIDEND PAYMENT

At the meeting of the shareholders on April 24, 2008 and April 26, 2007, the shareholders approved to pay dividend at Baht 0.03 and Baht 0.01 per share respectively to the existing shareholders.

#### 17. INCOME TAX EXPENSES

In the separate financial statement, no income tax expense were payable for the three-month and nine - month periods ended September 30, 2008 and 2007 because of the utilization of the tax benefit arising from loss carry forward and an exemption from income tax expense on net profit from the promotion business.

## 18. COMPANY'S SERVICE INCOME

By virtue of the provisions of the Investment Promotion Act B.E. 2520, the Company was granted certain privileges in business of disposal waste, industrial waste or waste water treatment service at Map Ta Phut Industrial Waste Treatment Facilities.

Service income for the three-month and nine-month periods ended September 30, 2008 and 2007 classified under promoted and non - promoted businesses are as follows:

	In Thousand Baht	
	Three Months	
	Consolidated and Separate Financial Statements	
	2008	2007
Promoted Business	75,718	79,841
Non - Promoted Business	24,454	31,286
Total	100,172	111,127

  

	In Thousand Baht	
	Nine Months	
	Consolidated and Separate Financial Statements	
	2008	2007
Promoted Business	243,119	240,772
Non - Promoted Business	79,354	82,972
Total	322,473	323,744

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

## 19. BASIC EARNINGS PER SHARE

Basic earnings per share for the three-month and nine-month periods ended September 30, 2008 and 2007 are determined by dividing the net profit by the weighted average number of common shares outstanding during the periods (900,000,000 shares).

## 20. BUSINESS SEGMENT INFORMATION

Financial information of the Company and its subsidiaries for the three-month and nine-month periods ended September 30, 2008 and 2007, broken down by business segment are as follow:

	In Thousand Baht					
	Three Months					
	Consolidated Financial Statements					
	Services		Real estate		Total	
2008	2007	2008	2007	2008	2007	
Revenues	100,172	111,127	17,469	8,275	117,641	119,402
Net profit from operation	12,356	24,342	5,769	2,489	18,125	26,831
Other income					1,816	10,846
General expense	13,638	16,222	4,094	3,031	17,732	19,253
Directors' remuneration					910	680
Interest expenses					963	350
Income tax expenses					217	338
Net profit					119	17,056

	In Thousand Baht					
	Nine Months					
	Consolidated Financial Statements					
	Services		Real estate		Total	
2008	2007	2008	2007	2008	2007	
Revenues	322,473	323,744	38,026	31,133	360,499	354,877
Net profit from operation	66,216	67,637	13,667	11,915	79,883	79,552
Other income					8,769	19,959
General expense	44,572	48,254	12,623	11,317	57,195	59,571
Directors' remuneration					3,755	2,796
Interest expenses					2,505	1,118
Income tax expenses					413	634
Net profit					24,784	35,392

	In Thousand Baht					
	Consolidated Financial Statements					
	Services		Real estate		Total	
	As of September 30, 2008	As of December 31, 2007	As of September 30, 2008	As of December 31, 2007	As of September 30, 2008	As of December 31, 2007
Assets employed	750,388	945,935	546,571	406,860	1,296,959	1,352,795

## 21. AGREEMENTS

As of September 30, 2008, the Company and subsidiary had entered into the following agreements:

21.1 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 1<sup>st</sup> to year 5<sup>th</sup> amounting to approximately Baht 1.06 million per year, year 6<sup>th</sup> to year 10<sup>th</sup> amounting to approximately Baht 1.37 million per year and royalty fee at a certain percentage of waste served. The agreement commenced from October 1, 2006, and terminates on September 30, 2016.

21.2 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.

On December 19, 2007, the Company had transferred a part of leasehold right under leasehold right transfer agreement which has made since year 2006, with a company and had amended the land lease agreement with The Industrial Estate Authority of Thailand by reducing the size of the leased area from original 86 Rai, 1 Ngarn and 80.17 square Wah to 29 Rai, 1 Ngarn and 82 square Wah. The said leasehold right transfer, resulting the Company occurred gain amounting to Baht 50.81 million which are included in statement of income for the year 2007.

The annual rental fee total approximately Baht 5.1 million.

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

At present, due to the property has been occupied by trespasser, the Company is unable to construct and operate the above project within the date specified in the said contract. The Board of Directors Meeting held on November 9, 2006 had approved to terminate the said contract and take 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 927.68 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.

21.4 On November 21, 2006, the Company has signed a strategic business alliance agreement with a local company for a period of 3 years. The company will be received the fee at the rate specified in the agreement.

## 22. DISPUTE

On August 3, 2004, a local company (Plaintiff) filed a legal action against the judgement of the Nonthaburi Court that the Company is responsible for paying the second installment of land purchasing amounting to Baht 29,988,000 and interest charges at 7.5% per annum from the overdue date since June 18, 2003 up to the date that payment is made.

On September 22, 2004, the Company answered and counterclaimed against the Nonthaburi Court that the agreement was invalid and the plaintiff should return the first installment that the Company paid for land purchasing in September 2002 amounting to Baht 4,998,000 and interest charges at the rate of 7.5% per annum calculated from September 23, 2002 up to the date of filing totaling two years amounting to Baht 749,700. The said amounts total Baht 5,747,700. In addition, the Company asked the plaintiff to pay the interest charge at the rate of 7.5% per annum of the principal amount of Baht 4,998,000 from the date after filing date up to the date that payment is made.

On March 13, 2006, the Company has filed petition to withdraw counterclaimed of the said case.

On April 26, 2006, the Nonthaburi Court had ordered the Company to pay Baht 29,988,000 to plaintiff together with interest at the rate of 7.5 % per annum from June 26, 2003 until the date that payment has been made.

On July 25, 2006, the Company has filed to the Appeal Court. And subsequently, on February 7, 2007, the Appeal Court has ordered the Company to arrange the collateral to abate the enforcement of the case for the sum of Baht 42.7 million. On June 28, 2007, the Company has pledged the Company's land and a plot of land for sale of a subsidiary company as collateral. Subsequently, on August 2, 2007, the Court accepted the said collateral.

On August 22, 2007, the above plaintiff filed a legal action against the judgement of the Nonthaburi Court (the second case) that the Company is responsible for paying the 3<sup>rd</sup> installment to the 8<sup>th</sup> installment (the final payment) of land purchasing amounting to Baht 89,399,670 and interest charge at 7.5% per annum of the principle amount of Baht 69,054,000 from the date after filing date up to the date that payment is made. On September 20, 2007, the Company refused the Plaintiff's accusation, together with the request to cancel the Plaintiff's accusation.

On December 26, 2007, the Appeal Court had confirmed the same judgement with the Civil Court. The Board of Directors had resolved to assign the Company's representative to negotiate and settle the two disputes and approved the paying for the damage in the amount not exceeding Baht 30 million.

Subsequently, on January 21, 2008, the Company and Plaintiff filed the assertion to the Nonthaburi Court that the Company had agreed to settled the cases by paying the compensation in the amount of Baht 10 million to the plaintiff on January 21, 2008, and the Plaintiff had agreed to withdraw the said two cases. However, as of December 31, 2007, the Company has the obligation to pay the negotiators approximately Baht 19.07 million which has recorded as a provisions for dispute settlement cost in the balance sheet.

On February 7, 2008, the Court has returned the land little deed put as collateral, which belonged to the Company and its subsidiary.

## 23. COMMITMENT AND CONTINGENT LIABILITIES

As of September 30, 2008 and December 31, 2007, the Company and subsidiary companies have commitment and contingent liabilities as follows:

	In Million Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	September 30, 2008	December 31, 2007	September 30, 2008	December 31, 2007
23.1 Contingent liabilities to two 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.	38.6	40.6	38.6	40.6
23.2 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.	0.4	0.4	0.4	0.4
23.3 Contingent liability for guarantee a subsidiary company.	-	-	14.3	16.3
23.4 The Company and a subsidiary company have commitment under the construction agreements and others.	14.9	101.1	13.1	98.2
23.5 The Company has commitment from purchase land held for future development.	-	54.9	-	54.9
23.6 The Company has 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	At the rate and basis as stipulated in the proposal	At the rate and basis as stipulated in the proposal	At the rate and basis as stipulated in the proposal

## 24. SUBSEQUENT EVENT

### The Company and its subsidiary

1. At the meeting No. 10/2008 of the Company's Board of Directors held on October 16, 2008, passed a resolution to purchase the share of Industrial Waste Management (Asia) Co., Ltd. from Asia Patana Land Co., Ltd. of 20 million shares at Baht 10 each totaling Baht 200 million. On October 24, 27 and 30, 2008, the Company paid totaling Baht 140.5 million for the said acquisition to Asia Patana Land Co., Ltd. (equivalent to 70.25% of the paid - up share capital of Industrial Waste Management (Asia) Co., Ltd.).

2. On October 24, 2008, Asia Patana Land Co., Ltd. had made the repayment for loan with interest of Baht 100.47 million to the Company.

3. On October 13, 2008, a subsidiary company has entered into an agreement to purchase condominium unit for sale of Baht 110.40 million with other person. On October 13, 24 and 29, 2008, the subsidiary company paid totaling Baht 52 million according to the condition of agreement. The said condominium unit has not yet transferred its ownership to the subsidiary company.

25. RECLASSIFICATION OF ACCOUNTS

Certain accounts in the financial statements as presented herein for comparative purpose have been reclassified to conform with the current period's classification, with no effect on the net profit or shareholders' equity as previously reported.

26. APPROVAL OF FINANCIAL STATEMENTS

These interim financial statements have been approved on November 10, 2008 by an authorized management designated by the Company.