

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

**Interim Financial Statements
For the Period Ended March 31, 2010
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 balance sheet of General Environmental Conservation Public Company Limited and its subsidiaries as at March 31, 2010, and the related consolidated statements of income, changes in shareholders' equity and cash flows for the three-month periods ended March 31, 2010 and 2009. I have also reviewed the balance sheet of General Environmental Conservation Public Company Limited as at March 31, 2010, and the related statements of income, changes in shareholders' equity and cash flows for the three-month periods ended March 31, 2010 and 2009. 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, 2009, and in my report dated February 25, 2010, I expressed an unqualified opinion on those financial statements. The consolidated balance sheet of General Environmental Conservation Public Company Limited and its subsidiaries and the balance sheet of General Environmental Conservation Public Company Limited as at December 31, 2009, 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.

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

BPR AUDIT AND ADVISORY CO., LTD.
Bangkok
May 13, 2010

GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
BALANCE SHEETS
AS AT MARCH 31,2010 AND DECEMBER 31, 2009 AND 200

A S S E T S

	In Thousand Baht			
	Consolidated		The Company only	
	March	December	March	December
	31, 2010	31, 2009	31, 2010	31, 2009
	“Unaudited”	“Unaudited”	“Unaudited”	“Unaudited”
Notes	“Reviewed”	“Audited”	“Reviewed”	“Audited”
CURRENT ASSETS				
Cash and cash equivalents	71,719	68,687	37,584	31,783
Trade accounts receivable - net				
Billed receivables	4	25,072	35,248	25,060
Unbilled receivables	4	9,146	12,631	9,146
Real estate development costs	5	496,499	515,919	394,157
Supplies		2,947	3,356	2,946
Advance payments		7,972	2,999	1,853
Prepaid rent to related party	3	2,144	1,942	2,144
Other current assets		6,516	2,693	5,798
Total Current Assets		622,015	643,475	478,688
NON - CURRENT ASSETS				
Deposit at financial institution pledged as collaterals		905	905	905
Investments in subsidiaries accounted for using the cost method - net	6	-	-	330,313
Long - term investments - available - for - sales	7	60,480	63,430	60,480
Land and structures held for future development - net		243,275	243,275	68,910
Property, plant and equipment - net	8	226,874	237,722	181,274
Intangible assets - net		316	371	315
Other non - current assets				
Costs of landfills - net		22,231	24,502	22,231
Withholding income tax		42,337	51,380	39,916
Deposits for rent to related parties	3	31	31	2,031
Deposits and others		1,735	1,731	1,383
Total Non - Current Assets		598,184	623,347	707,758
TOTAL ASSETS		1,220,199	1,266,822	1,186,446

GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
BALANCE SHEETS
AS AT MARCH 31,2010 AND DECEMBER 31, 2009 AND 200

LIABILITIES AND SHAREHOLDERS' EQUITY

	Notes	In Thousand Baht			
		Consolidated		The Company only	
		March	December	March	December
		31, 2010	31, 2009	31, 2010	31, 2009
		“Unaudited”	“Unaudited”	“Unaudited”	“Unaudited”
		“Reviewed”	“Audited”	“Reviewed”	“Audited”
CURRENT LIABILITIES					
Trade accounts payable					
Related parties	3	450	496	5,325	6,678
Other parties		16,392	25,954	13,821	23,396
Current portion of long - term loans	9	16,830	32,090	16,830	32,090
Current portion of liabilities under hire-purchase and financial lease contracts	10	6,001	8,131	841	1,404
Other payables		18,787	22,053	17,057	19,449
Other current liabilities		18,716	17,819	17,624	16,736
Total Current Liabilities		77,176	106,543	71,498	99,753
NON - CURRENT LIABILITIES					
Long-term loans-net of current portion	9	90,239	93,287	59,003	59,181
Liabilities under hire - purchase and financial lease contracts-net of current portion	10	1,567	2,610	602	1,367
Other non-current liabilities					
Accrued costs of landfills		35,026	40,304	35,026	40,304
Accrued environmental protection fund		6,658	6,658	6,658	6,658
Total Non - Current Liabilities		133,490	142,859	101,289	107,510
Total Liabilities		210,666	249,402	172,787	207,263
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	900,000
Issued and fully paid-up share capital					
- 900,000,000 shares, Baht 1 par value		900,000	900,000	900,000	900,000
Premium on share capital		195,672	195,672	195,672	195,672
Unrealized loss from available - for - sale investments	7	(62,273)	(59,323)	(62,273)	(59,323)
Retained earnings					
- Appropriated for legal reserve		6,600	6,600	6,600	6,600
- Unappropriated		(30,466)	(25,529)	(26,340)	27,579
Total equity holders of the parent company		1,009,533	1,017,420	1,013,659	1,070,528
Minority interest of subsidiaries		-	-	-	-
Total Shareholders' Equity		1,009,533	1,017,420	1,013,659	1,070,528
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,220,199	1,266,822	1,186,446	1,277,791

GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF INCOME

“UNAUDITED”

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2010 AND 2009

“REVIEWED”

		In Thousand Baht			
		Consolidated		The Company only	
Notes		2010	2009	2010	2009
REVENUES					
	Revenues from services - service business	46,065	65,778	46,065	65,778
	Revenues from sales - real estate development business	32,816	12,708	26,180	12,708
	Gain from fixed assets sold	435	-	435	-
	Dividend income	594	850	594	850
	Other income	728	3,122	692	2,487
	Total Revenues	80,638	82,458	73,966	81,823
EXPENSES					
	Costs of services - service business	43,134	57,295	42,684	62,087
	Costs of sales - real estate development business	24,651	7,912	19,290	7,912
	Selling and administrative expenses	14,388	25,424	12,710	19,903
	Managements' benefits	3,078	4,287	3,078	4,287
	Impairment loss on investment in subsidiary	-	-	49,939	883
	Total Expenses	85,251	94,918	127,701	95,072
LOSS BEFORE FINANCE COSTS AND INCOME TAX					
		(4,613)	(12,460)	(53,735)	(13,249)
	Finance costs	324	669	184	411
LOSS BEFORE INCOME TAX					
		(4,937)	(13,129)	(53,919)	(13,660)
	Income tax	-	881	-	-
NET LOSS					
		(4,937)	(14,010)	(53,919)	(13,660)
Attributable to :					
	Owners of the parent	(4,937)	(14,010)	(53,919)	(13,660)
	Minority interest	-	-	-	-
NET LOSS					
		(4,937)	(14,010)	(53,919)	(13,660)
Loss per share for net loss attributable to owners of the parent (Baht)					
		(0.01)	(0.02)	(0.06)	(0.02)

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

GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2010 AND 2009

“UNAUDITED”
“REVIEWED”

	In Thousand Baht							
	Consolidated							
	Issued and paid-up share capital	Premium on share capital	Unrealized loss from available - for - sale investments	Retained earnings		Equity attributable to owners of the parent	Minority interest of subsidiaries	Total
			Appropriated for legal reserve	Unappropriated				
Balance as at January 1, 2010	900,000	195,672	(59,323)	6,600	(25,529)	1,017,420	-	1,017,420
Unrealized loss from available - for - sale investments recognized in shareholders' equity	-	-	(2,950)	-	-	(2,950)	-	(2,950)
Net loss for the period	-	-	-	-	(4,937)	(4,937)	-	(4,937)
Balance as at March 31, 2010	<u>900,000</u>	<u>195,672</u>	<u>(62,273)</u>	<u>6,600</u>	<u>(30,466)</u>	<u>1,009,533</u>	<u>-</u>	<u>1,009,533</u>
Balance as at January 1, 2009	900,000	195,672	(88,447)	5,700	57,542	1,070,467	-	1,070,467
Unrealized loss from available - for - sale investments recognized in shareholders' equity	-	-	(3,508)	-	-	(3,508)	-	(3,508)
Net loss for the period	-	-	-	-	(14,010)	(14,010)	-	(14,010)
Balance as at March 31, 2009	<u>900,000</u>	<u>195,672</u>	<u>(91,955)</u>	<u>5,700</u>	<u>43,532</u>	<u>1,052,949</u>	<u>-</u>	<u>1,052,949</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, 2010 AND 2009

“UNAUDITED”
“REVIEWED”

	In Thousand Baht					
	The Company only					
	Issued and paid-up share capital	Premium on share capital	Unrealized loss from available - for - sale investments	Retained earnings		Total
				Appropriated for legal reserve	Unappropriated	
Balance as at January 1, 2010	900,000	195,672	(59,323)	6,600	27,579	1,070,528
Unrealized loss from available - for - sale investments recognized in equity	-	-	(2,950)	-	-	(2,950)
Net loss for the period	-	-	-	-	(53,919)	(53,919)
Balance as at March 31, 2010	<u>900,000</u>	<u>195,672</u>	<u>(62,273)</u>	<u>6,600</u>	<u>(26,340)</u>	<u>1,013,659</u>
Balance as at January 1, 2009	900,000	195,672	(88,447)	5,700	58,631	1,071,556
Unrealized loss from available - for - sale investments recognized in equity	-	-	(3,508)	-	-	(3,508)
Net loss for the period	-	-	-	-	(13,660)	(13,660)
Balance as at March 31, 2009	<u>900,000</u>	<u>195,672</u>	<u>(91,955)</u>	<u>5,700</u>	<u>44,971</u>	<u>1,054,388</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 THREE-MONTH PERIODS ENDED MARCH 31, 2010 AND 2009

“REVIEWED”

	In Thousand Baht			
	Consolidated		The Company only	
	2010	2009	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before income tax	(4,937)	(13,129)	(53,919)	(13,660)
Adjustments for				
Depreciation and amortization	12,159	12,451	8,879	9,114
Interest income	(41)	(104)	(19)	(312)
Dividend income	(594)	(850)	(594)	(850)
Impairment loss on investment in subsidiary	-	-	49,939	883
Interest expense	324	669	184	411
Gain from fixed assets sold	(435)	-	(435)	-
Provision for doubtful accounts	354	2	354	2
Unrealized loss on change in value of current investments	-	750	-	-
Decrease (Increase) in Operating Assets				
Trade accounts receivable	13,306	11,093	13,194	11,092
Real estate development cost	21,585	(16,633)	17,037	(17,472)
Advance to director		300	-	-
Other current assets	(8,606)	(851)	(4,152)	(1,438)
Other non - current assets	11,365	(382)	11,365	(297)
Increase (Decrease) in Operating Liabilities				
Trade accounts payable				
Related parties	(46)	(10,607)	(1,354)	(10,124)
Other parties	(9,563)	255	(9,574)	2,291
Other payables	(3,266)	(3,620)	(2,392)	(2,989)
Other current liabilities	(3,968)	563	(3,951)	964
Cash received (paid) from operations	27,637	(20,093)	24,562	(22,385)
Interest paid	(2,679)	(2,121)	(2,052)	(2,121)
Income tax paid	(2,326)	(2,891)	(1,905)	(2,400)
Net Cash Provided by (Used in) Operating Activities	22,632	(25,105)	20,605	(26,906)

GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Continued)

UNAUDITED”

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2010 AND 2009

“REVIEWED”

	In Thousand Baht			
	Consolidated		The Company only	
	2010	2009	2010	2009
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	60	104	-	83
Dividend received	594	750	594	750
Proceeds from sales of fixed assets	1,800	-	1,800	-
Acquisitions of property, plant and equipment	(350)	(1,186)	(350)	(1,014)
Net Cash Provided by (Used in) Investing Activities	2,104	(332)	2,044	(181)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayments of liabilities under financial lease contracts	(3,395)	(2,270)	(1,410)	(386)
Repayments of long - term loan	(18,309)	(662)	(15,438)	(662)
Net Cash Used in Financing Activities	(21,704)	(2,932)	(16,848)	(1,048)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,032	(28,369)	5,801	(28,135)
Cash and Cash Equivalents-Beginning of Period	68,687	103,715	31,783	79,776
CASH AND CASH EQUIVALENTS AT END OF PERIOD	71,719	75,346	37,584	51,641

**GENERAL ENVIRONMENTAL CONSERVATION PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES**
Notes to Interim Financial Statements
March 31, 2010 and 2009 (Reviewed)
And December 31, 2009 (Audited)

The financial statements were authorized for issue by the directors on May 13, 2010.

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, 2009 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, 2009.

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, 2010 and December 31, 2009, 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 (%)	
		March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009
Asia Patana Land Co., Ltd.	Buy, sale, and land development	200,000	200,000	99.99	99.99
Genco Engineering Co., Ltd.*	Waste selection and management of waste for recycling facilities	20,000	20,000	99.99	99.99
General Logistics Co., Ltd.	Transportation of waste including provide the service of domestic transportation	5,000	5,000	99.99	99.99
Industrial Waste Management (Asia) Co., Ltd.	Industrial waste treatment	200,000	200,000	99.99	99.99

* This subsidiary was liquidated in the second quarter of year 2009.

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

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

Notes to Interim Financial Statements (Continued)

March 31, 2010 and 2009 (Reviewed)

And December 31, 2009 (Audited)

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, 2010 are similar to those which have been applied to the financial statements for the year ended December 31, 2009.

3. TRANSACTIONS WITH RELATED PARTIES

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

Types of relationship of related companies are as follows:

<u>Name of Related parties</u>	<u>Type of business</u>	<u>Type of relationship</u>
The Department of Industrial Works, The Ministry of Industry	The Government enterprise	Shareholders & Co directors
Industrial Estate Authority of Thailand	The Government enterprise	Shareholders & Co directors
Asia Patana Land Co., Ltd.	Buy, sale, and land development	Subsidiary
Genco Engineering Co., Ltd.	Waste selection and management of waste for recycling facilities	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

Pricing policies for each transactions are described as follows:

<u>Transactions</u>	<u>Pricing policies</u>
Purchase of assets	Cost plus margin
Transportation expense	Market price
Rental and royalty fee	Market price
Interest income	Interest rate at 3% p.a.

Significant revenues and expenses derived from transactions with related parties for the three-month periods ended March 31, 2010 and 2009 are summarized as follows:

	<u>In Thousand Baht</u>			
	<u>Consolidated</u>		<u>The Company only</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Purchase of assets				
Asia Pattana Land Co.,Ltd.	-	-	6,636	1,200
Interest income				
Asia Pattana Land Co.,Ltd.	-	-	240	-
General Logistics Co.,Ltd.	-	-	-	229
Transportation expense				
General Logistics Co.,Ltd.	-	-	9,994	17,369
Rental and royalty fee				
Industrial Estate Authority of Thailand	1,271	1,271	1,271	1,271
The Department of Industrial Works	1,203	2,294	1,203	2,294
Other expenses				
Industrial Estate Authority of Thailand	368	438	368	438

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

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

	In Thousand Baht			
	Consolidated		The Company only	
	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009
Prepaid rent				
Industrial Estate Authority of Thailand	2,144	1,942	2,144	1,942
Deposit for rent				
Industrial Estate Authority of Thailand	31	31	31	31
General Logistics Co.,Ltd.	-	-	2,000	2,000
	31	31	2,031	2,031
Trade accounts payable				
General Logistics Co.,Ltd.	-	-	4,875	6,182
Industrial Estate Authority of Thailand	5	67	5	67
The Department of Industrial Works	445	429	445	429
	451	496	5,325	6,678

4. TRADE ACCOUNTS RECEIVABLE - NET

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

	In Thousand Baht			
	Consolidated		The Company only	
	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009
Billed receivables				
Trade accounts receivable - service				
Current	17,693	22,893	17,680	22,769
Overdue				
Less than 3 months	7,183	11,476	7,183	11,476
Over 3 months to 6 months	495	200	495	200
Over 6 months to 12 months	171	404	171	404
Over 12 months	6,385	6,806	6,385	6,806
	31,927	41,779	31,914	41,655
Trade accounts receivable – real estate				
Current	83	32	83	32
Overdue				
Less than 3 months	6	9	6	9
Over 3 months to 6 months	-	20	-	20
Over 6 months to 12 months	50	30	50	30
Over 12 months	96	114	96	114
	235	205	235	205
Total	32,162	41,984	32,149	41,860
Less allowance for doubtful accounts	(7,090)	(6,736)	(7,090)	(6,736)
Net	25,072	35,248	25,059	35,124
Unbilled receivables				
Trade accounts receivable - service	9,146	12,631	9,146	12,631

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

Notes to Interim Financial Statements (Continued)

March 31, 2010 and 2009 (Reviewed)

And December 31, 2009 (Audited)

5. REAL ESTATE DEVELOPMENT COST

As at March 31, 2010 and December 31, 2009, the Company mortgaged its plots of land and constructions for sale and land and structure held for future development in totaling of Baht 439.4 million and Baht 455.3 million, respectively, as collateral for loan from a local bank in credit facilities totaling of Baht 216.3 million.

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

	The Company only					
	In Thousand Baht					
	Percentage of holding		Paid – up share capital		Investment	
	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009
Asia Patana Land Co., Ltd.	99.99	99.99	200,000	200,000	200,000	200,000
General Logistics Co., Ltd.	99.99	99.99	5,000	5,000	5,000	5,000
Industrial Waste Management (Asia) Co., Ltd.	99.99	99.99	200,000	200,000	200,000	200,000
Total					405,000	405,000
Less Impairment loss on investments					(74,687)	(24,748)
Net					<u>330,313</u>	<u>380,252</u>

7. LONG – TERM INVESTMENTS – AVAILABLE FOR SALES

	In Thousand Baht			
	Consolidated and The Company only			
	March 31, 2010		December 31, 2009	
	Cost	Fair	Cost	Fair
Available-for-sale securities				
Investment in marketable securities	122,753	60,480	122,753	63,430
Less unrealized loss recognized in shareholders' equity	(62,273)	-	(59,323)	-
Net	<u>60,480</u>	<u>60,480</u>	<u>63,430</u>	<u>63,430</u>

8. PROPERTY, PLANT AND EQUIPMENT - NET

	In Thousand Baht	
	Consolidated	The Company only
	Net book value as at January 1, 2010	237,722
Acquisitions during the period-at cost	350	350
Cost of fixed asset sold during the period	(1,365)	(1,365)
Depreciation for the period	(9,833)	(6,553)
Net book value as at March 31, 2010	<u>226,874</u>	<u>181,274</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 March 31, 2010 and December 31, 2009 amounted to approximately Baht 67.5 million and Baht 69.8 million, respectively.

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

9. LONG - TERM LOANS

	In Thousand Baht			
	Consolidated		The Company only	
	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009
Loans from bank				
Loan 1	3,607	6,475	3,607	6,475
Loan 2	72,226	84,796	72,226	84,796
Loan 3	31,236	34,106	-	-
Total	107,069	125,377	75,833	91,271
Less Current portion	(32,090)	(32,090)	(16,830)	(32,090)
Net	90,239	93,287	59,003	59,181

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

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

- 1st year - 4th year at MLR + 1.50% p.a.
- 5th year onward at MLR + 2.50% p.a.

The above loan is secured by the mortgage of the Company's land and structures for sales.

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

The above loan is secured by the mortgage of the Company's land and structures under development.

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

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

The above loan is secured by the mortgage of the subsidiary's land and structures under development.

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10. LIABILITIES UNDER FINANCIAL LEASE CONTRACTS

	In Thousand Baht			
	Consolidated		The Company only	
	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009
Liabilities under financial lease contracts				
Trucks and chassis	4,191	5,876	-	-
Transportation equipment	3,716	5,426	1,519	2,929
	7,907	11,302	1,519	2,929
Less Deferred interest	(339)	(561)	(76)	(158)
	7,568	10,741	1,443	2,771
Less Current portion	(6,001)	(8,131)	(841)	(1,404)
Net	1,567	2,610	602	1,367

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

	In Thousand Baht					
	Consolidated					
	March 31, 2010			December 31, 2009		
	Principal	Deferred interest	Total	Principal	Deferred interest	Total
Payment due 1 year	6,001	302	6,303	8,131	489	8,620
Payment due over 1 year to 5 years	1,567	37	1,604	2,610	72	2,682
Total	7,568	339	7,907	10,741	561	11,302

	In Thousand Baht					
	The Company only					
	March 31, 2010			December 31, 2009		
	Principal	Deferred interest	Total	Principal	Deferred interest	Total
Payment due 1 year	841	73	914	1,404	141	1,545
Payment due over 1 year to 5 years	602	3	605	1,367	17	1,384
Total	1,443	76	1,519	2,771	158	2,929

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11. EXPENSES BY NATURE

The significant expenses classified by nature for the three-month periods ended March 31, 2010 and 2009 are as follows:

	In Thousand Baht			
	Consolidated		The Company only	
	2010	2009	2010	2009
Change in real estate development cost	24,651	7,912	19,290	7,912
Employee benefits expenses	11,599	29,072	9,671	26,275
Management benefit expenses	3,078	4,287	3,078	4,287
Depreciation and amortization	12,159	12,451	8,879	9,114
Transportation expenses	7,385	6,029	11,447	16,684
Chemical, supplies and lab analysis expenses	12,769	14,149	12,545	13,887
Impairment loss on investment in subsidiary	-	-	49,939	883
Other expenses	13,610	21,018	12,852	16,030
Total	85,251	94,918	127,701	95,072

12. INCOME TAX

No income tax expenses were payable for the three – month periods ended March 31, 2010 and 2009 because of the utilization of the tax benefit arising from loss carry forward and an exemption from income tax expenses on net profit from the promotion business.

13. 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, 2010 and 2009 classified under promoted and non - promoted businesses are as follows:

	In Thousand Baht	
	Consolidated and The Company only	
	2010	2009
Promoted business	1,301	43,763
Non-promoted business	44,764	22,015
Total	46,065	65,778

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

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14. BUSINESS SEGMENT INFORMATION

The segment financial information of the Company and its subsidiary for the three-month periods ended March 31, 2010 and 2009 are as follows:

	In Thousand Baht							
	for the three-month periods ended March 31,							
	Service		Real estate		Elimination		Consolidation	
	2010	2009	2010	2009	2010	2009	2010	2009
Revenues	56,059	83,147	32,816	13,908	(9,994)	(18,569)	78,881	78,186
Profit from operations	2,931	8,483	7,558	5,012	607	(216)	11,096	13,279
Other income							1,757	3,972
Administrative expenses	61,215	20,073	3,111	5,351	(49,938)	-	(14,388)	(25,424)
Management benefit expenses							(3,078)	(4,287)
Finance cost							(324)	(669)
Income tax							-	(881)
Net loss							(4,937)	(14,010)

	In Thousand Baht					
	Service		Real estate		Consolidation	
	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009
Property, plant and equipment-net	226,726	237,174	148	239	226,874	237,413
Other assets	304,232	321,529	689,093	707,880	993,325	1,029,409
Total assets	530,958	558,703	689,241	708,119	1,220,199	1,266,822

15. AGREEMENTS

As at March 31, 2010, the Company and subsidiaries had entered into the following agreements :

16.1 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 1.06 million per year, year 6th to year 10th amounting to approximately Baht 1.37 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	1.1
2 to 5 years	5.3
Over 5 years	2.1

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15.2 Three land lease agreements with The Industrial Estate Authority of Thailand (which is one of the Company's shareholders) for a period of 30 years up to May 2026, August 2026 and March 2031. The Company is committed to pay fees at the rate specified in the agreements.

Future minimum payments under the above operating lease agreements are as follows :

	<u>In Million Baht</u>
1 year	5.2
2 to 5 years	21.1
Over 5 years	79.2

15.3 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.

16. COMMITMENTS AND CONTINGENT LIABILITIES

As at March 31, 2010, the Company and subsidiary companies have

16.1 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 40 million.

16.2 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.

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

16.4 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.