

รายงานประจำปี 2554

ANNUAL REPORT 2011



บริษัท เจนเนอรัล เอนจิเนียริง จำกัด (มหาชน)
GENERAL ENGINEERING PUBLIC COMPANY LIMITED



Property & Construction / Construction Materials

*50th
Anniversary*



www.gel.co.th / E-mail : gel@gel.co.th

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Message from Chairman of the Board

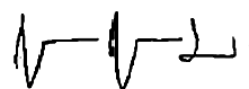
In 2011, overall Thai economy highly grew with supreme trend between the first quarter and the third quarter because of good signs in political after national election in July 2011. Even though, world economy was facing trouble in America and Europe as well as disaster in Japan, Thai economy did not get any effect from terribly outside and it could grow by averaged 3% per quarter. Once heavy inundation, one of the big disasters in Thailand, Thai economy's growth rate in the fourth quarter of 2011 was dramatically decreased to 9% and the growth rate in 2011 could be only 0.1%.

This flood had directly influent to many main industries in Thailand and also effected to supply chain deficiency in both domestic and off-shore. General Engineering Pubic Company is the one who cannot avoid this situation. The company could not produce and deliver products to customers fully since October 2011 and then we had to stop all production in late October due to flooding all our factories. After flood was gone in early December 2011, the company could be resumed production immediately because we did not have any complicated or electronic machines.

Business trend in 2012 should grow up higher than business in last year because of huge investment from government and public sector. It will drive construction industry highly increased. Moreover, high demand of residential sector and explanation of new factories are crucial to raise construction sector continuously. However, production costs such as cement and steel including transportation cost will build up highly as oil price is constantly accelerated. Minimum wage is going to adjust since April 2012 but the labor market is still insufficient. With many problems encountered, the company has to adjust product prices to accord with all such expenses increased.

According to the company to reach the 50th anniversary this year, the company has been proud to produce the good quality of products to fulfill demand in Thai community for years. Moreover, the company always focuses in innovation, qualified products, and good services that it is an inspiration for us to aim forever.

In the name of company's directors, we would say thank you to our customers and all shareholders who always support the company well and we also thank to directors, management team, and all staffs as a crucial part to share and scarify their great work to the company.



M.L. Tossuwan Thongtham

Chairman of the Board

General Information

Company	:	General Engineering Public Company Limited
Initial	:	GEN
Nature of Business	:	Building Materials, Prestressed concrete pile products, Concrete slab and wall products, Fiber glass reinforced concrete product (GRC), Being non-shrink cement and In-situ precast concrete slab without beams.
Head Office	:	44/2, Moo 2, Tivanon Road, Tambon Bangkadee, Ampoe Muang, Pathumthani Province 12000
Register Number	:	0107536001338
Website	:	www.gel.co.th
Telephone	:	Telephone : 66 (0) 2501-2020, 501-1055 Fax : 66 (0) 2501-2134, 501-2468
Registered Share Capital	:	32,861,093,310 Baht
Paid – up Capital	:	15,313,845,540 Baht
Accounting period	:	1 January - 31 December
Share Registrar	:	Securities Depository Centre (Thailand) Co., Ltd. 62, The Stock Exchange of Thailand Building, Ratchadaphisek Road Khwaeng Khlongtoei, Khet Khlongtoei Bangkok Metropolis 10110 Telephone : 66 (0) 2640-0777, (0) 2661-9191 Fax : 66(0) 2264-0789-90, (0) 2661-9192
The Company's Auditor	:	BPR Audit and Advisory Co.,Ltd. 152 Chartered Square Bldg, 12A Floor, Suite 08, North Sathorn Road, Silom, Bangrak, Bangkok 10500, Thailand. Telephone : 66 (0) 2634-5398 Fax : 66 (0) 2634-5399

General information of the subsidiary

1) Company	:	G.E.L. General Engineering Service Co., Ltd.
Nature of Business	:	Installation and driving Pile service
Head Office	:	44/2 Moo 2, Tivanoon Road, Tambon Bangkadee, Ampoe Muang Pathumthani Province 12000 Telephon : 66 (0) 2501-2020, 501-1055 Fax : 66 (0) 2501-2134, 501-2468
Registered capital.	:	14,000,000 Baht (Number of 140,000 shares, 100 Baht per share)
Paid-up capital	:	14,000,000 Baht
Ratio Shareholders	:	99.99%
Related status	:	Subsidiary
2) Company	:	Chut Chieb Co., Ltd.
Nature of Business	:	Real Estate For rental
Head Office	:	44/2 Moo 2, Tivanoon Road, Tambon Bangkadee, Ampoe Muang Pathumthani Province 12000 Telephon : 66 (0) 2501-2020, 501-1055 Fax : 66 (0) 2501-2134, 501-2468
Registered capital.	:	220,000,000 Baht (Number of 2,200,000 shares, 100 Baht per share)
Paid-up capital	:	220,000,000 Baht
Ratio Shareholders	:	95.45%
Related status	:	Subsidiary

Operation Performance

		UNIT: MILLION BAHT		
		2011	2010	2009
<u>OPERATING RESULTS</u>				
SALES		925.35	946.37	724.08
TOTAL REVENUES		940.16	957.69	732.31
COST OF SALES		816.41	847.87	678.63
GROSS PROFIT		108.94	98.50	45.45
NET PROFIT AND LOSS		(273.39)	(88.70)	(122.20)
<u>FINANCIAL POSITION</u>				
TOTAL ASSETS		1,120.43	1,141.22	1,068.75
TOTAL LIABILITIES		368.05	413.71	425.04
ISSUED AND PAID-UP CAPITAL		15,313.85	3,756.48	939.12
TOTAL SHAREHOLDERS' EQUITY		752.38	727.52	643.72
CASH AND CASH EQUIVALENTS		20.76	162.77	230.72
<u>DATA PER SHARE</u>				
EARNING PER SHARE		(0.24)	(0.48)	(0.24)
BOOK VALUE PER SHARE		0.49	0.19	0.69
PAR VALUE PER SHARE		10.00	1.00	1.00
<u>FINANCIAL RATIOS</u>				
CURRENT RATIO	TIMES	2.20	2.41	2.10
DEBT TO EQUITY RATIO	TIMES	0.49	0.57	0.66
RATIO OF GROSS PROFIT	%	11.77	10.41	6.28
RATIO OF NET PROFIT	%	(29.08)	(9.26)	(15.79)
RATE OF RETURN ON ASSETS	%	(21.96)	(7.21)	(12.15)
RATE OF RETURN ON EQUITY	%	(48.92)	(56.87)	(66.03)

Board of Directors

As at December 31, 2011, Board of Directors consists of: -

Board of directors

1. M.L.Tossuwan	Thongtaem	Chairman of the Board of Director
2. Mr.Amnat	Tangurimarn	Director
3. Mr. Apinunthakan	Pongsathabordee	Director
4. Miss Sarunya	Sawangwongchinsri	Director
5. Mr. Chamnan	Chotcomwongse	Independent Director
6. Mr.Takorn	Laohapongchana	Independent Director
7. Mr.Kitja	Charoenkiatkong	Independent Director

Executive Committee

1. Mr.Amnat	Tangurimarn	Chairman of the Executive Committee
2. Mr. Apinunthakan	Pongsathabordee	Executive Committee
3. Mr. Premchai	Kusolrerkrdee	Executive Committee

Audit Committee

1. Mr. Chamnan	Chotcomwongse	Chairman of Audit Committee
2. Mr.Takorn	Laohapongchana	Audit Committee
3. Mr.Kitja	Charoenkiatkong	Audit Committee

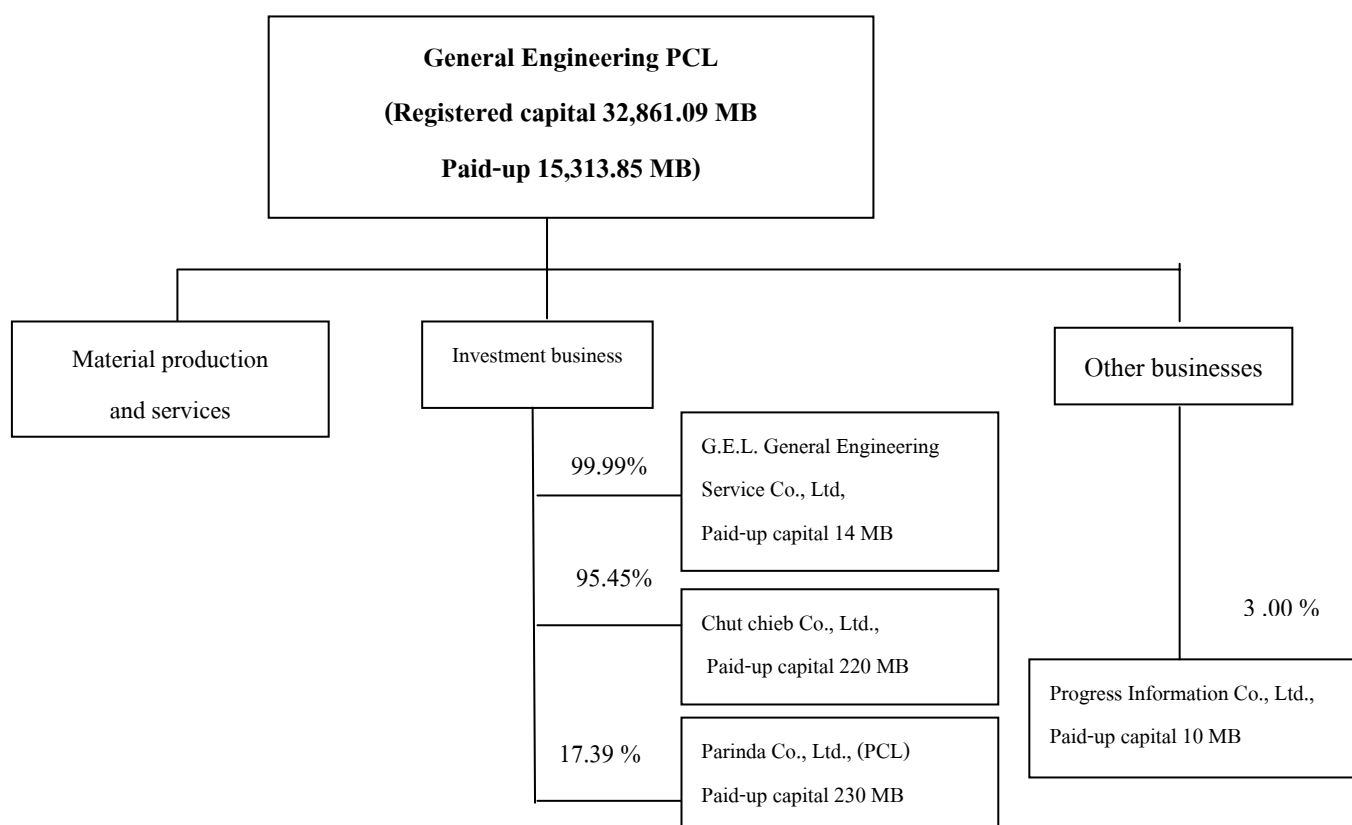
Nominating & Compensation Committee

1. Mr. Chamnan	Chotcomwongse	Chairman of Nominating & Compensation Committee
2. Mr.Amnat	Tangurimarn	Nominating & Compensation Committee
3. Mr.Takorn	Laohapongchana	Nominating & Compensation Committee

BOARD OF DIRECTORS**1. BOARD OF DIRECTORS GENERAL ENGINEERING PUBLIC COMPANY LIMITED**

Name	Position	Age (Years)	Education	Share holding (%)	Working Experience for the Past 5 years		
					Experience	Position	Company
1. M.L.Tossuwan Thongtaem	Chairman of the Board and Director	59	- Mini M.B.A. , University of the Thai Chamber of Commerce	-	Oct.2010 - present 2007 - present 2004 - 2007	Chairman of the Board and Director Director Executive Director.	General Engineering Public Company Limited Ban Nava Company Limited Napa Resort & Spa Company Limited
2. Mr.Amnat Tangurimarn	Director	53	- Bachelor's Degree of Laws, Ramkhamheang University - A Barrister at Low, The Bar Association - Master Degree of Administration, Dhurakkj Pundit University	-	Oct.2010 - present 2005 - present 2005 - present 2003 - present 2001 - present 2000 - present	Director Executive Director. Executive Director. Executive Director. Director Executive Director.	General Engineering Public Company Limited Ek Tana Engineering Limited A.C.P. Consultant Company Limited Chiang Mai New Lux Company Limited A.S.Law and Business Company Limited Fish Latex Planer Company Limited
3. Mr.Apinunthakan Pongsathabordee	Director	36	-Bachelor's degree of Laws Ramkhamhaeng University	-	Oct.2010 - present 2010 - present 2010 - present Oct.2009- May.2010 2007 - Sep.2009 2004 - 2007	Director Lawyer Lawyer Lawyer Lawyer Lawyer	General Engineering Public Company Limited Comseven International Company Limited Bunglung office lawyer Grand Prix International Company Limited Comseven International Company Limited Preeda sudto office Lawyer and business
4. Miss Sarunya Sawangwongchinsri	Director	41	B.B.A. Assumption University MSIB South Bank University London	-	2011 - present 2008 - present 2005 -2007 - 2007	Director Client Service Director General Manager Managing Director	General Engineering Public Company Limited Phoenix Corporation Ltd. (Thailand) Moloco International Co., Ltd. TR system Unity Ltd.
5. Mr.Chamnan Chotcomwongse	Chairman of Auditor Committee and Independent Director	61	- Master's degree academic account Thammasat University	-	Oct.2010 - present 1999 - present	Chairman of Auditor Committee and Independent Senior Director of Internal Audit	General Engineering Public Company Limited Loxley Public Company Limited

Name		Position	Age (Years)	Education	Share holding (%)	Working Experience for the Past 5 years		
						Experience	Position	Company
6.	Mr.Takorn Laohapongchana	Auditor Committee and Independent Director	31	- Master's degree in marketing and Management expertise. University of Canberra, Canberra, Australia	-	Oct.2010 - present 2009 - present 2010 - present 2010 - present	Auditor Committee and Independent Director Assistant Managing Director Director Director	General Engineering Public Company Limited Chao Phaya Insurance Public Company Limited TRJ Solution Company Limited Champion Enterprise (1980) Company Limited
7.	Mr.Kitja Charoenkiatkong	Auditor Committee	43	- Bachelor of Arts Kasem Bundit University	-	Oct.2010 - present 1994 - present 1993 - 1994 1992 - 1993	Auditor Committee Reporter-soldier and stability Reporter-politics Reporter General Inspector of wires	General Engineering Public Company Limited Live News newspaper Live News newspaper Live News newspaper
8.	Mr. Premchai Kusolrerkrdee	Managing director / Executive Committee	47	- MBA, Management ; Texas A&M University, Commerce, USA - Director Accreditation Program DAP Class 89/2011	-	2011- present 2546-2553	Managing director Vice President	General Engineering Public Company Limited United Overseas Bank (Thai) Plc.
9.	Mr.Kreangsak Chana	Executive Vice President	56	- Bachelor Degree of Engineering, Kasetsart University - Directors Certification Program (DCP 92/2007)	-	2007 - present 2003 - 2006 2000 - 2003	Executive Vice President Senior Vice President Vice President	General Engineering Public Company Limited General Engineering Public Company Limited General Engineering Public Company Limited
10.	Mrs.Wisadja Kochsena	Vice President of the Accounting & Finance	42	- Bachelor Degree of Accounting, Ramkhamhaeng University	-	Nov.2008 - present 1994 - 2008	Vice President of the Accounting & Finance Accounting Manager	General Engineering Public Company Limited P Plus P Public Company Limited

Business Structure of General Engineering Group**Shareholding structure of the General Engineering PCL****As of 31 December 2011****Remarks:** There were no shareholders with conflicts in subsidiary and associated companies exceeding 10%.

Nature of Business

Business Operation of Each Product Line

1. Description of Products and Services

- Projects for construction material manufacturing and service businesses are implemented by General Engineering Public Company Limited.

Product Group	Product Name	Properties	Usage
Prestressed concrete pile products	<ul style="list-style-type: none"> ■ Rectangular pile ■ Hollow rectangular pile ■ I-shape pile 	Being efficient piles saving time and costs of construction	Government units, state enterprises, department stores, factory, universities, airports, housing Developments and bridge works etc.
Concrete slab and wall products	<ul style="list-style-type: none"> ■ Fiber glass reinforced concrete product (GRC) ■ Prefabricated Concrete Wall ■ Semi-finished slab 	<p>Fiberglass reinforced concrete without steel reinforcement can make products in various shapes with resolution inform. They are attractive light-weighted and easy for installation. It is difficult for ordinary concrete to do so.</p> <p>Quality and standard can be regularly controlled on the whole piece for quick construction as designed by the project owner.</p> <p>Designed for use on a slab with a column distance wider than normal standard, it can replace model timber and support weights as needed by the designer. It can be installed quickly.</p>	<p>For a customer who wants to use a product of a unique and specific Description.</p> <p>Factory, department store, high-rise building, stadium etc.</p> <p>Factory work, bridge work</p>

Product Group	Product Name	Properties	Usage
	<ul style="list-style-type: none"> ■ In-situ precast Concrete slab without beams 	Used for space that requires an exceptionally wide distance of columns and requires no slab supporting beam so that the building has few columns and more space for use and that the construction can be made quickly.	Car park building, High rise building floor
Special products	<ul style="list-style-type: none"> ■ DENKA special cement 	Being non-shrink cement and supporting a high pressure,used for machinery Installation works. It is the one and only product of tens of products, which has passed quality tests and granted approval for use in the installation of generators of the Electricity Generating Authority of Thailand.	EGAT power plants, IPP and SPP power Plants petro chemical Plants, oil refineries, Steel works, paper Factories sugar mills, etc.
	<ul style="list-style-type: none"> ■ Soundproof wall 	Being a product used for the prevention of noise pollution resulting from traffic or machinery	Special expressways, highways, underground tunnels, power plants and factories
	<ul style="list-style-type: none"> ■ Super Skim coat 	There is a thin plaster adhesion. Used for wall decorations, Precast work surface to smooth out beautifully. There are no cracks. Savings color of the painting.	In general, high-rise buildings. The finished wall. In general decoration.

* Being a product with quality certification under the ISO 9001: 2008 Standard

2. Lists of subsidiary & associated companies as of 31 December 2011

Name/Address	Type of Business	%	Paid-up Capital (Million Baht)	At Cost (Million Baht)	At Equity (Million Baht)
<u>SubsidiariesCompanies</u>					
G.E.L. General Engineering Service Co.,Ltd. 44/2 Moo2, Tivanon Road, Tambon Bangkadee, Ampoe Mung Pathumthani Province 12000 Telephone : 66 (0)2501-2020 Fax : 66 (0)2501-2134	Installation and driving Pile service	99.99	14.00	13.99	13.99
Chut Chieb Co.,Ltd. 44/2 Moo2, Tivanon Road, Tambon Bangkadee, Ampoe Mung Pathumthani Province 12000 Telephone : 66 (0)2501-2020 Fax : 66 (0)2501-2134	Real Estate For rental	95.45	220.00	210.00	172.59
Prinda Pcl. 151 Moo7, Soi Kirinakorn Sukumvit Road, Tambon Huykapi, Ampoe Muang Cholburi Province 2000 Telephone : (038) 276-800 Fax : (038) 276-800	Sand and Aggregate for construction	17.39	23.00	87.13	-

Note: There is no opposition party has a stake in its subsidiary and associated companies more than10%

INCOME STRUCTURE

The income structure from business operation of the company with subsidiary companies from the year 2009 - 2011 could be divided by business groups as follows:

Type of Business	Operated by	% of Equity Held by the company	Year 2011		Year 2010		Year 2009	
			Million Baht	%	Million Baht	%	Million Baht	%
Construction material								
- Prestressed Concrete Pile	General	-	473.57	50.37	372.43	38.89	235.27	32.13
- Special Concrete	Engineering		185.23	19.70	208.77	21.80	174.33	23.81
- Special Products	Pcl.		15.80	1.68	17.97	1.88	29.58	4.04
- Special Projects			167.30	17.79	245.22	25.61	253.48	34.61
Total			841.90	89.55	844.39	88.17	692.66	94.59
Income from service	GEL General Engineering Service Co.,Ltd.	99.99	4.96	0.53	43.58	4.55	0.33	0.05
Income from selling and service			846.86	90.08	887.97	92.72	692.99	94.64
Income from shop rental and service charges	Chut Chieb Co.,Ltd.	95.45	78.49	8.35	58.40	6.10	31.09	4.24
Investment Business	General Engineering Pcl.							
Turn particulars of allowance for doubtful debts								
Profit, loss from selling			2.33	0.25	0.07	0.01	0.93	0.13
Income from selling scrap			0.91	0.10	1.14	0.12	0.77	0.11
Receivable interest and discounts			3.08	0.33	7.03	0.73	4.20	0.57
Profit from exchange rate			-	-	-	-	0.08	0.01
Others Income			7.15	0.75	3.11	0.32	1.31	0.18
Total			13.47	1.43	10.21	1.07	7.29	1.00
Investment business	GEL General Engineering Service Co.,Ltd.	99.99						
Receivable interest and other			0.30	0.03	0.15	0.02	0.50	0.07
Total			0.30	0.03	0.15	0.02	0.50	0.07
Investment business	Chut Chieb Co., Ltd.	95.45						
Income from advertising support			1.04	0.11	0.96	0.10	0.43	0.06
Receivable interest and other								
Total			1.04	0.11	0.96	0.10	0.43	0.06
Total income from investment business			14.81	1.57	11.32	1.19	8.22	1.13
Total Income			940.16	100.00	957.69	100.00	732.30	100.00

Marketing and competition condition

Total image of the business, since the petrol and raw material prices adjusted higher including the heavy flood that occurred in the fourth quarter of 2011, these factors resulted negative to the expansion of construction material business, caused retardation in construction industry according to total economic situation, since industrial construction would go along with the nation economic situation.

In the year 2011, the industry of construction material was quite high competition. The factors with effects to the customers' decision at first rank would be the price, since the customers from each project required low cost of construction management in order to maintain profit rate at their targets. Therefore, price comparison and negotiation were necessary so much, while the offerings could not much adjust the price to the raw material price which was increased higher.

1) Industries of construction material production are comprised of the following customers;

1. Large contractors	-The companies with their potentials to bid in large project, such as high sky building and utilities works.
2. Project owners	-Require to purchase material for construction by themselves, since the confidence in the quality of products and services without the construction contractors.
3. Architectures and engineers	-The designers and drawing calculators with their knowledge and understanding for application to those products very well, with their capability to suggest to the project owners to use those products.
4. General	-Customers with their intention to use with their buildings or to decorate for their beauty.

2) Marketing strategies

(1) Strategy of products and service

The company has its policy to focus on the quality of products and services by producing the quality products to meet with international standard with safety, with responsibility to social and various products to respond to the customers' need. While the teamwork with expertise always improve those services regularly, to take care, to protect delay delivery or damage with experience of operation on construction material for long time of 49 years to ensure to the customers in the quality of products and services of the company.

(2) Strategy of price

The company has its policy to produce the products and services with quality for long life usage. There are experts to offer consultation to the customers and to take care closely including the potentials of the company to work for the customers to fulfill on time without any damage to cause more costs to the customers, and to satisfy the price and the services of the company.

(3) Strategy on market promotion

The company has various products for customers to buy those construction material from the sole manufacturer such as for building construction, the company shall provide the reinforced concrete piles with putting service, no-beam reinforced concrete floor, ready-made wall, fiberglass concrete products to decorate the building as designed by the architect etc. While the company shall have good relationship to the architects and engineers who trust on the quality of the products including the company has emphasized to all customers' importance. Publicizing the organization by putting the post at the project area operated by the company, allowing students and interested people to visit the factories in order to aware to the qualifications of our products are the important factors.

(4) Strategy of development

The company has realized very that maintaining of business leader shall be focused to the product development, production process in order to obtain qualified products different from other competitors, while increasing various products to respond to the customers' demand and to comply to the current design to the building are being emphasized.

Risk factors

Risks of business of the company and its subsidiary companies

1) Risks of income

Income of the company is from selling construction material. Currently, there are many manufacturers, so the competition on price is quite serious while some consumers need cheaper products and sometimes they overlook the quality of products with long lasting usage with more safety. However, the company has operated the business for 49 years, so the products of the company are accepted of good quality, also some groups of consumers need good quality and good service with capable to operate on time, cause no damage to the buyer from delay of work.

2) Risk of price of raw material adjustment

In the year 2011, price of some raw materials such as wire and steel, cement has been adjusted both up and down during the year, and the price adjusted higher at the end of the year, causing the company has to catch up the price of raw material continuously. In addition, the company has solved the problem by planning to purchase products with the raw material producer when the company has accepted large projects, while the price has been pre-agreed before the company offered the price to those customers. The products had been purchased and kept as stock in order to solve a problem in one step.

3) Risk of raw material procurement

The company uses domestic raw material for production at 99% of all raw materials used. When the price of raw materials adjusted higher, then the problem of deficit came after in some duration. Some materials were in form of monopoly, cause of less negotiation.

In this case, the company has solved by following up the information and news of prices and raw material sources closely. There was planning to purchase those raw materials reasonably and sufficiently for production. While pre-purchase has been made if the signal of deficit occurred. In addition, the company is reliable from those raw material producers, so purchasing each time was in high volume, so those producers could provide raw material sufficiently and on time for the demand.

4) Risk of competition

In business of construction material producers, there is high competition among domestic manufacturers; mostly are price competitions, since each business has to maintain their business liquidation with continuous production.

The company tries to adjust its strategies by cost management, regular production process development so that the cost can be competed. Techniques and quality have been brought to use for production in order to obtain different products from other competitors, then the products are in high value. There are various products to respond to the customers' needs, with acceptable quality. While the important supportive aspects are the company has its own potentials to work within on time with no cause damage to the customers or cause no additional costs.

5) Risk of offering credits to customers

The customers of the company mostly are large contractors. There are not many large contractors in Thailand, if such payment from those customers are in trouble, it will effect to the company.

The company has determined the policy of credit more strictly by distribution selling to many customers, selling directly to the work owners including request for guarantee of purchasing and service providing such as advance payment or bank letter from the bank etc.

6) Risk of nation economic conditions

Construction business is a kind of business growing with total nation economic condition. The nation development projects such as public utility projects, housing buildings and office buildings ect. In the year 2011, the flood situation in several provinces of Thailand, Including political situation changed much more with uncertainty causing large projects of the government and private sectors were postponed.

From such situations, the direct effects to the business of the company occurred, but the company has various products with capability to make income for the company including the company has pre-orders from many projects; therefore, the operation results appeared in the year 2011 was that the company still had income from selling. Although decrease in the fourth quarter because heavy flood.

7) Risk of exercise of right in warrant to purchase ordinary stocks of the company

The company issued warrant to purchase ordinary stocks of the company and the company expected that the ordinary stock of the company in the Stock Exchange would be in high price to make the warrant holders to exercise their right within due time in order to be a channel to capital increase. From such fluctuation of foreign economic conditions affected to the share price in the Stock Exchange greatly, the price of shares decreased greatly, would be effected top the warrant holders who still no exercise their right to purchase ordinary stocks.

The company realizes that the operation result of the company would effect to the confidence of the company and also being the push to the ordinary stocks in the Stock Exchange are traded at high price. Therefore, the company has to take care on operation result regularly with transparency of operation for all investors' confidence.

Shareholding Structure

1) Securities of the company

1.1) Registered capital and capital issued and paid-up as of 9 March 2012

Registered capital	:	32,861,093,310 baht; consisted of
		Ordinary stocks 3,286,109,331 shares
		Par value for each 10 baht
Capital issued and	:	15,313,845,540 baht; consisted of
Paid-up		Ordinary stocks 1,531,384,554 shares
		Par value for each 10 baht

1.2) Warrants

On December 25, 2009, the Company issued and offered warrants (GEN-W2) totaling 172,270,833 units to the existing shareholders whose name appears on the share register on November 26, 2009 at no cost at the ratio of 3 existing shares for one unit of warrant. The warrants are allowed to be traded in the Stock Exchange of Thailand totaling 140,768,648 units and the outstanding 31,502,185 units had been cancelled and are identifiable and transferable. The term of the said warrants is 2 years commencing from December 25, 2009. The warrants can be exercised every six month. The first exercise date is on June 30, 2010 and the last exercise is on December 24, 2011. One warrant will be entitled to purchase 2.77966 new common share at the exercise price of Baht 0.359 per share, effective from December 30, 2010 onward. However, the exercise ratio and price can be changed when there is a change in conditions of right definition.

As at December 24, 2011, the remaining of unexercised warrants (GEN-W2) were 140,768,648 units. The Company cancelled all of such warrants.

On May 16, 2011, the Company issued and offered warrants (GEN-W3) totaling 939,119,305 units to the existing shareholders whose name appears on the share register on February 16, 2011 at no cost at the ratio of 2 existing shares for one unit of warrant. The warrants are allowed to be traded in the Stock Exchange of Thailand totaling 577,868,385 units and the outstanding 361,250,920 units had been cancelled and are identifiable and transferable. The term of the said warrants is 3 years commencing from May 16, 2011. The warrants can be exercised on the last business day of December of each year until the date of maturity. The first exercise date is on December 30, 2011 and the last exercise is on May 14, 2014. One warrant will be entitled to purchase one new common share at the exercise price of Baht 1 per share.

As at December 31, 2011, the remaining of unexercised warrants (GEN-W3) were 577,868,385 units.

2) Shareholders

2.1) Structure of shareholders on 9 March 2012

Distribution of shareholding as per nationalities.

Thai shareholders				Foreign shareholders			
Juristic person	%	Ordinary person	%	Juristic person	%	Ordinary person	%
43,530,527	2.84	1,487,244,125	97.12	-	-	609,902	0.04

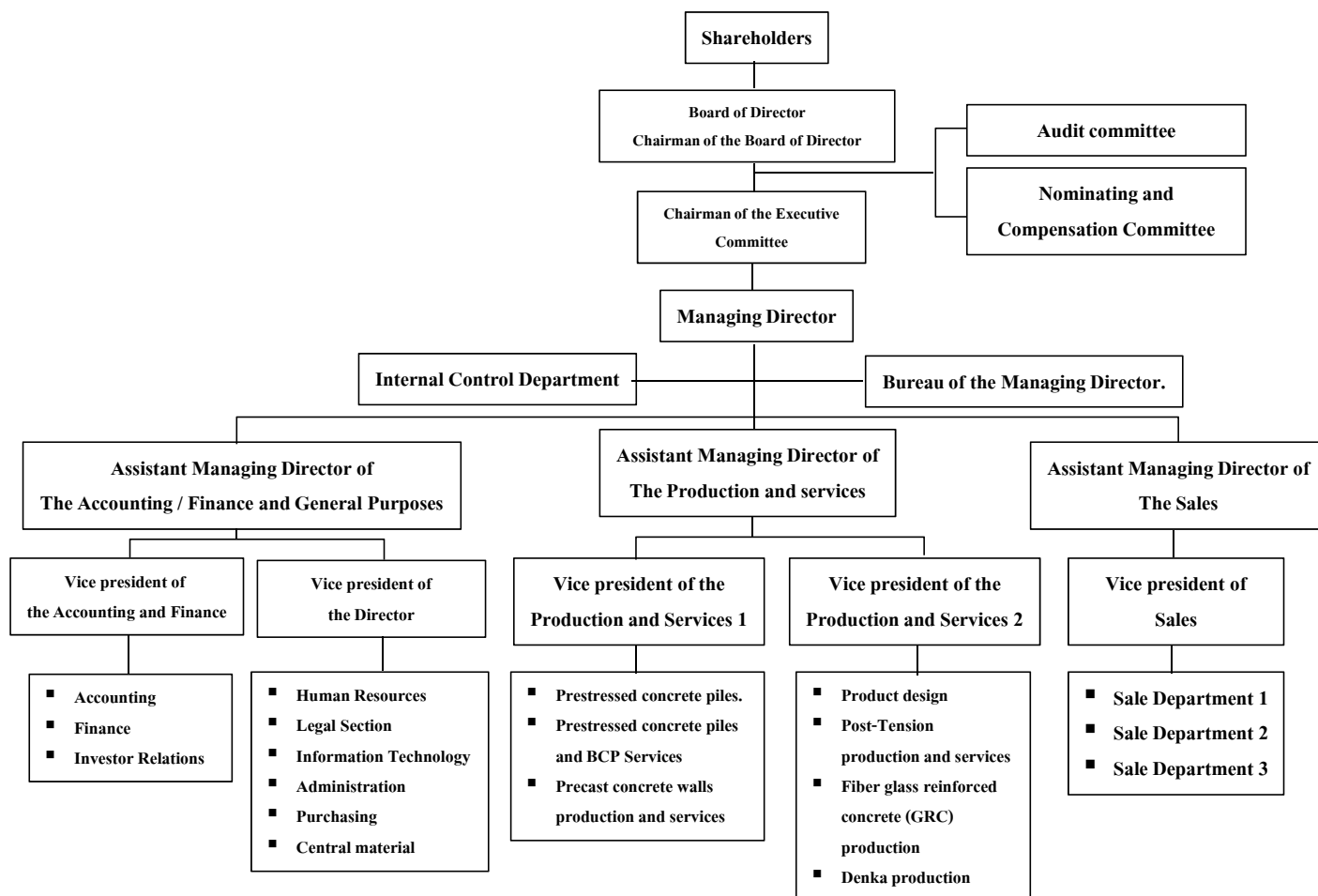
2.2) Large shareholders at 10 first ranks (as of the closing registration book; on 9 March 2012)

Names of shareholders	Nationality	Shares holding	
		Share	%
Mr. Rot Limsawat	Thai	70,000,043	4.57
Mr. Issarapong Imjai	Thai	60,769,700	3.97
Mr. Somchai Un-on	Thai	50,029,400	3.27
Thai NVFR Co.,Ltd.	Thai	42,196,230	2.76
Mr. Aroonroong Aramwattanakul	Thai	28,679,300	1.87
Mr. Narong Jiantanakanon	Thai	27,000,000	1.76
Mr. Sumeth Tiyaworanan	Thai	27,000,000	1.76
Mr. Wanchai Tangjakwaranon	Thai	26,040,000	1.70
Mrs.Kamploy Kemnimit	Thai	25,531,300	1.67
Mr. Surapol Tangkaprasert	Thai	24,600,009	1.61
TOTAL		381,845,982	24.93

3) The policy to pay the dividend

In the ordinary shareholders' meeting No. 1/2008, dated 24 April 2008, the meeting had a resolution unanimously to the company to change the policy of dividend payment to "not exceeding 60% of net profit after income tax and to reserve legally and the company shall not has accrued loss; anyhow, in order to comply to the cash flow and business expansion plan of the company in the future" while dividend payment shall be paid as per amount of shares, each share equally.

The company still has its accrued loss, causing incapability to pay the dividend to the shareholders according to the law, while those shareholders had risk of non-payment of dividend as per the dividend policy determined since the company has net accrued loss.

ORGANIZATIONAL CHART**ORGANIZATIONAL CHART****GENERAL ENGINEERING PUBLIC COMPANY LIMITED****As at 31 December 2011**

Management Structure

The structure of management of the company is consisted of 4 committees; those are Board of Directors, Audit Committee, Nominating & Compensation Committee and Executive Committee with the following details:

(1) Board of directors

As of the date 31 December 2011, the board of directors of the company was consisted of the following 7 directors;

<u>Name</u>		<u>Position</u>
1. M.L.Tossuwan	Thongtaem	Chairman of the Board of Director
2. Mr.Amnat	Tangurimarn	Chairman of the Executive Committee
3. Mr. Apinunthakan	Pongsathabordee	Executive Committee
4. Mr. Chamnan	Chotcomwongse	Director
5. Mr.Takorn	Laohapongchana	Director
6. Mr.Kitja	Charoenkiatkong	Director
7. Miss Sarunya	Sawangwongchinsri *	Director

* Appointed as Director from April 1, 2011

Anyhow, by Mrs. Wisadja Kochsena, Vice president of Accounting and Financial Department acting as a secretary, taking charge of the activities of the directors, to record the minutes and to collect documents of meeting completely and correctly.

Scope with authority of board of directors

1. Corporate governance and to manage for the business operation to comply to the law under the objectives and regulations of the company including the shareholders' meeting resolutions and to maintain the benefits of the company to comply to the principle of good governance including to perform according to the rules and regulations of the Stock Exchange of Thailand, and Office of Securities And Stock Exchange of Thailand.

2. To determine the policy and the direction of operation of the company, to govern, to control and to take care to the management department to operate for compliance to the policies determined with efficiencies, to increase value of economy for the business and for the shareholders.

3. To organize the annual general shareholders' meeting not exceeding 4 months from the closing account date of the company and to organize the extraordinary shareholders' meeting when it is necessary.

4. To organize the board of directors' meeting every quarter and the directors shall attend the meeting no less than 50% of all directors, while umpire of the meeting shall be of majority votes as a resolution, if the votes are in equal, the chairperson of the meeting shall put another vote as an umpire.

5. Has power to assign to any director or many directors or other person to act for the board of directors as reasonably and within the reasonable duration, and the board of directors may cancel, dissolve or change or revise such authority as reasonably.

6. Consider and determine the name of authorized directors who sign the name binding to the company including setting the sub-committee as necessary and reasonably to operate nay business of the company.

7. To consider and to approve to the budget of investment and in the business operation of the company annually including to take care to resources of the company.

8. To organize financial information report and general important information to all shareholders completely and sufficiently including to confirm to the inspection and certification to the information reported.

9. To determine the principles related to the general trade agreement to conduct among the companies and subsidiary companies, the executives, or related persons.

“Trade Agreement as in description of the persons of ordinary prudence shall make with contract parties generally in the same situations with trading bargain power without influence as oneself being a director, executives and related persons”

10. Consider to approve to the company to pay the dividend during the times to the shareholders from time to time as reasonably under the provisions of the law.

11. To prohibit to the directors to conduct as being a partners or being a director to other juristic person with the same descriptions and to compete with the business of the company; except the notification has been notified to the shareholder for acknowledging prior appointment.

The regulations of the company related to the directors are as follows:

The company shall consist of the board of directors no less than 5 persons, and the directors with no less than a half of total directors with domicile in the kingdom of Thailand, and the directors shall be qualified as determined by the law. While the shareholders' meeting shall select the committee as to the rules and regulation with the method as follows:

1. One shareholder shall his vote of one share per one vote
2. Shareholder, while each shareholder shall sue his vote available as per (1) to select one person or many persons to be directors, but the vote shall not be divided to any person more or less.

3. Any person with maximum votes and secondarily respectively shall be selected as a director equally to the amount of directors to be available or to be selected for such time. In case of a person be selected in the secondary rank has the votes equally, and exceeding to the amount of directors to be available, or to be selected for such time, then the chairperson shall be an umpire.

Authorized directors to sign the name binding to the company

Authorized directors are consisted of Mr. Amnat Tangurimarn, Mr. Apinunthakan Pongsathabordee and Miss Sarunya Sawangwongchinsri two of third directors sign their names jointly with affixes the important seal of the company.

(2) Audit Committee

The Audit Committee consisted of 3 directors with the following names;

<u>Name</u>		<u>Position</u>
1. Mr. Chamnan	Chotcomwongse	Chairman of Audit Committee
2. Mr. Takorn	Laohapongchana	Audit Committee
3. Mr. Kitja	Charoenkiatkong	Audit Committee
And Mr. Worapan	Jonkrajang	Secretary of Audit Committee

There is 3 years in office period, anyhow, the Audit Committee who is retired as per the term may be appointed for another term as reasonably considered by the board of directors of the company or the shareholder's meeting.

There is at least 1 audit committee who has knowledge and experience on accounting according to Act of Securities (Volume 4) B.E. 2008.

Scope of duties and responsibilities of the Audit Committee

The Audit Committee has duties assigned by the Board of Directors of the company as follows:

1. Review for the company to have correct and sufficient financial report.
2. Review for the company to have reasonable internal control system with efficiency and consider to the independency of internal audit unit including giving approval for consideration and appointment, transfer, lay off of internal audit unit or any working unit in charge of internal audit.
3. Review for the company to follow the law on securities and stock exchange, regulations of stock of exchange, Act of Public Company, Act of Accounting or related law to the business of the company.
4. Review for the company to have suitable risk management with efficiency.

5. Consideration to select, to propose and to appoint the independent persons to do auditing for the company and to propose the compensation to such person including to attend to the meeting with the auditor without management department to attend the meeting at least once a year.

6. Consideration to the related particulars or the particulars may be in conflict to the benefits to comply to the law and regulations of the stock exchange to ensure that such particulars are reasonable with maximum benefits to the company.

7. To make report of audit committee openly in the annual report of the company, such report shall be signed by the chairperson of audit committee and must be consisted of at least the following information;

- 7.1 Opinion on accuracy, completeness reasonably of such financial report of the company
- 7.2 Opinion on sufficiency of internal control system of the company
- 7.3 Opinion on performance by the law of securities and stock exchange, regulations of stock exchange or related law to the business of the company.
- 7.4 Opinion on the auditor's suitability
- 7.5 Opinion on particulars may be conflict to the benefits
- 7.6 The times of audit committee's meeting and attending to the meeting of each audit committee
- 7.7 Opinion or notes totally that the audit committee received from follow up the charter
- 7.8 Other particulars seen that the shareholders, general investors should know under the scope and duties of responsibilities assigned by the board of directors.

8. To do other duties assigned by the board of directors with from the audit committee's approval

Performance by the first paragraph, the audit committee shall have responsibility to the board of directors of the company directly and the boards of directors still have their responsibilities to the operation of the company to the outsiders.

In case of changing the audit committee's duty, the company shall notify such resolution of changing duty with making list name with scope of operation of the audit committee's changing as to the form determined by the stock exchange and to deliver to the stock exchange within 3 working days from the date of such changing by the method with regulations of the stock exchange on the report via electronic system.

9. Performance of audit committee, if found or suspect in some particulars or any action may be affect significantly to the financial status and operation results of the company, then the audit committee shall report to board of directors of the company in order to improve, to revise within the time determined by the audit committee see as appropriate consider approve.

Definition of independent directors of the company

1. Shareholding no exceeding 1 % of shares with right of total votes of the company, large company, subsidiary companies, associated companies or juristic person may be in conflict, anyhow, including shareholding of related person of such independent directors.

2. Not being or has never been directors taking part of administration, employee, staff, advisor with permanent salary or authorized person to control the company, large company, subsidiary companies, associated companies or juristic person may be in conflict, except to be retired from such descriptions no less than two years prior appointment.

3. Not being a person with blood relationship or by legal registration in description of being father, mother, spouse, siblings and children, including the spouse of children of the executives, large shareholders, authorized persons to control or persons to be proposed as executive or authorized person to control to company or subsidiary company.

4. Not having or has been in business relationship such as normal business transaction in order to conduct of renting or leasing properties, particulars of assets or services or offering or accepting financial assistance including other similar behaviors with the company, large company, subsidiary companies, associated companies or juristic person may be in conflict to be obstructed to the self-consideration independently including not being large shareholder, director which is non-independent director or executive of the person with business relationship to the company, large company, subsidiary companies, associated companies or juristic person may be in conflict, except to be exempted from such description no less than 2 years prior appointment.

5. Has never been or has been the auditor of the company, large company, subsidiary companies, associated companies or juristic person may be in conflict, and not being large shareholder, director which is non-independent director, executive or managing partner of auditing office with the auditor of the company, large company, subsidiary companies, associated companies or juristic person may be in conflict available, except to be exempted from such description no less than 2 years prior appointment.

6. Not being or has been any professional provider including legal advisor or financial advisor with service charge more than 2 MB a year from the company, large company, subsidiary companies, associated companies or juristic person may be in conflict, anyhow, in case the professional provider is a juristic person, it shall include the large shareholder, director which is not independent director, executive or managing partner of such professional provider as well, except to be exempted from such description no less than 2 years prior appointment.

7. Not being a director appointed to be a representative of the board of directors, large shareholders or shareholders who is related to the large shareholder of the company.

8. Not being a director assigned from the board of directors to decide in business operation of the company, large company, subsidiary companies, associated companies or juristic person may be in conflict.

9. If the independent directors hold the position of independent director in large company, subsidiary company and subsidiary company in the same ranks, the company shall disclose such information of position holding with remuneration received by such independent director in or 56-1 and or 56-2 too.

10. Has no other aspect cause inability to give opinion independently on the operation of the company.

(3) Nominating & Compensation Committee

The Nominating & Compensation Committee consisted of 3 directors;

- | | | |
|----------------|----------------|---|
| 1. Mr. Chamnan | Chotcomwongse | Chairman of Nominating & Compensation Committee |
| 2. Mr. Amnat | Tangurimarn | Nominating & Compensation Committee |
| 3. Mr. Takorn | Laohapongchana | Nominating & Compensation Committee |

Scopes of authority with responsibilities of Nominating & Compensation Committee are as follows:

1. Consideration to nominate the directors assigned by the board of director of the company by nominating from the persons with ability, knowledge, time dedication, qualified person and to propose to the board of directors of the company.

2. Consideration to nominate to the high rank executive assigned by the board of directors of the company by nominating from the person with ability, to make benefits for the company, and to propose to the board of directors of the company.

3. To propose the policy and the rules of determination to the remuneration with other benefits as to the positions of high rank executives of the company; those are Chief of Executive, Managing Director and Deputy Managing Director and Assistant Managing Director.

4. Consideration to propose on salary adjustment, benefits to the positions, welfare and conditions with regulations on employment to the high rank executives, those are Chief of Executive, Managing Director and Deputy Managing Director and Assistant Managing Director.

5. To propose the policy and rules with regulations to determine the remuneration and other benefits to the directors and directors in sub-committees

6. Determine the names of directors and employee who shall receive the warrant exceeding 5 % of all warrants for each period.

7. Determine amount of warrants to allocate to the directors and employees who shall receive by allocation exceeding 5 % of total warrants each period.

8. Providing opinion, reasons, necessities and benefits that the company shall receive allocation to such warrants.

(4) Executive Committee

At present the executive officers comprise:

<u>Name</u>	<u>Position</u>
1. Mr.Amnat Tangurimarn	Chairman of the Executive Committee (CEO)
2. Mr. Apinunthakan Pongsathabordee	Executive Committee
3. Mr. Premchai Kusolrerkrdee	Executive Committee

Scope of power, duty and responsibility of the executive committee are as follows:

1. Control and supervise the routine business of the Company to comply with the policy and budget approved by the board of directors to go effectively, including defining the business plans, direction, and strategies under the framework of the law and the scope of power set by the board of directors.

2. Perform other businesses as assigned by the board of directors, including approving the operations of the Company, according to the scope given by the board of directors, which is reviewed regularly.

3. Consider presenting the matters above the scope of their power for the board to consider.

Secretary of the Company

In the board meeting No. 4/2009 held on May 14, 2009, the Company appointed Mrs. Wisadja Kochsena as its secretary, having the duty pursuant to the Securities and Exchange Act (No. 4) 2008. The Company's secretary shall prepare and keep the registration of the directors, the meeting appointments, and the minutes of the meetings; prepares and keeps the annual reports, sends a copy and keeps a report on the conflict of interest, and arranges the Company's documentation.

REMUNERATION FOR DIRECTORS AND EXECUTIVES

At the Annual Meeting of Shareholders year 2010 held on April 23, 2010, a resolution was passed that the remuneration for directors be fixed as proposed by the Nominating and Compensation Committee and the Board of Directors.

■ Remuneration for the Board of Directors consists of monthly meeting allowances. The chairman of the Board of Directors receives a monthly meeting allowance Baht 20,000 per month. Each director receives a monthly meeting allowance of Baht 10,000 per month.

■ Remuneration for Audit Committee consists of monthly compensation. The Chairman of the Audit committee receives a monthly retainer fee of Baht 15,000 per month. Each Audit Committee member receives a monthly retainer fee of Baht 10,000 per month.

■ Remuneration for Nominating and compensation Committee consists of meeting allowances. All nominating and Compensation member receives a meeting allowance of Baht 3,000 per meeting.

1) Monetary Remuneration

A. The monetary remuneration, only the Board of Directors and Audit Committee of THB 1.38 million are as follows.

Name	The amount of remuneration for 2011			Note
	Board of Directors. Remuneration (Baht / year)	Audit Committee Remuneration (Baht / year)	Total	
1. M.L.Tossuwan Thongtaem	240,000		240,000	Appoint 01/04/2554 Resign 01/04/2554
2. Mr.Amnat Tangurimarn	120,000		120,000	
3. Mr. Apinunthakan Pongsathabordee	120,000		120,000	
4. Miss Sarunya Sawangwongchinsri	90,000		90,000	
5. Mr. Sorasak Wongchinsrisakul	30,000		30,000	
6. Mr. Chamnan Chotcomwongse	120,000	180,000	300,000	
7. Mr.Takorn Laohapongchana	120,000	120,000	240,000	
8. Mr.Kitja Charoenkiatkong	120,000	120,000	240,000	
Total	960,000	420,000	1,380,000	

B. Remuneration of executive committee and executives

Remuneration	Year 2011		
	Number	Amount (Baht)	The Remuneration Monthly
Remuneration of the Executive Committee	7	2,370,000	Salary
remuneration of the executive	7	6,848,789	Salary
Total	14	9,218,789	

Note: "The executives" In this case meaning, the executives as defined in Notification of Securities and Exchange Commission Thailand

Other Remunerations

- Contributions to Provident Fund.

The Company makes contributions to the Provident Fund for the employees. It pays monthly contributions to the Fund equally at 3 percent of the salaries. In 2011, the contribution paid to the Fund was as follows:

5 Executives, was amounted by Baht 194,306.10

Personnel**1. Number of employees**

As of December 31, 2011, the company has in total 360 employees, who are in the main lines of activities as follows:-

Main Lines of Activities	Number of Employees
Management office	5
Organizational Administration and Service	32
Human Resource	5
Finance and Accounting	11
Sales service and design	121
Factory	186
Total	360

The labor dispute in the past 3 years

--None--

2. Policy on Personnel Development

The Company has the policy on recruitment, development and preservation of its personnel, as it has realized that the personnel is an important thing enabling the company to achieve the goal and success. So the Company has developed the personnel continuously by providing training/seminars internally and externally by qualified trainers, especially in the building conscience and training on teamwork, good service, love of organization, and development of the job system.

The Company has given priority to creation of morale and spirit and pride in working to the employees by setting the remuneration and progress in the organization based on knowledge, capability and equity, including providing suitable fringe benefit, as well as developing the livelihood of the personnel better.

The Human Resources Department has organized an annual training plan considering from the information and necessity from the various units. In 2011 the company spent on training and development of the personnel totaling 334,964.78 baht.

Corporate Governance Policy (Code of Best Practice)

The Company has realized of the importance of good governance to benefit its business to build confidence for the shareholders, investors and all the involved parties so the management can be transparent, accountable and equitable. It has considered the right and equity of the shareholders, responsibility of the stakeholders as the important factors in increasing long-term value and promotes its sustainable growth.

The good governance policy is consistent with the good governance principle of the SET and the regulations of the SEC, which the Company has practiced continuously as follows:

- 1) Right of the shareholders.
- 2) Equitable treatment of the shareholders.
- 3) Role of the stakeholders.
- 4) Revelation of information and transparency.
- 5) Responsibility of the board of directors.

Chapter 1 Right of the shareholders

The Company gives priority to the right of the shareholders with the realization that the shareholders have the right of ownership by controlling the company through the appointment of the board of directors to act on their behalf, and the right to make the decision relating the important changes of the Company.

The basic rights of the shareholders are participating to appoint and remove the directors; appointment of the auditor and the matters that affect the Company, e.g. a revision of the rules and the articles of association, a reduction or increase of capital, allocation of dividends, and approval of the related items. The shareholders are also given the right to transact or transfer their shares, profit-sharing, or dividends, including receiving information from the Company continuously. The Company shall not do anything to violate or derogate the right of the shareholders with the good guidelines toward them as follows:

1. The Company has appointed Thailand Securities Depository Co., Ltd. as its registrar to send a meeting invitation to the shareholders and the supplemental documents to all the shareholders before a meeting date a minimum of 7 days in advance. The meeting invitation shall contain complete information and opinions of the board of directors on each item clearly.
2. The Company shall bring the meeting invitation with the supplemental documents to announce to the shareholders via the channel of the SET and in its Web site 20 days in advance before the meeting date to open the opportunity for the shareholders to study the information before the meeting date.

3. The Company has arranged the meeting venue of the shareholders at a convenient location, provided convenience for the shareholders to exercise their right to attend the meetings, and vote fully without limiting the opportunity to attend the meeting. It is to promote the right of the shareholders and opens an opportunity for the shareholders to inquire and talk informally with the board of directors.

4. The chairman of the board, chairman of the committees, the president, and everyone attend the shareholders' meetings, as well as the auditor to attend the annual general meeting (AGM) with the directors to answer the involved issues.

5. The Company has notified the method of voting and counting using the ballots to the shareholders in advance before the meeting, which is not complicated. There are minutes of the meeting clearly recording the accepted and rejected votes, and the absence on each voting item.

Chapter 2 Equitable Treatment of the Shareholders

For building confidence to the shareholders, the board of directors and the management shall supervise the spending of the shareholders' money suitably as the important factor toward confidence in the investment with the Company. Therefore, the board of directors has supervised the shareholders to be treated and protected of their basic rights equitably.

1. The board of directors manages the process of the shareholders' meetings in terms of supporting by sending a proxy form to all shareholders, in case the shareholder is not convenient to attend the meeting in person it can appoint someone to attend by proxy. The format of the proxy form makes the shareholder can vote by proxy by agreeing, disagreeing, or abstaining. Also the Company shall arrange for its Chairman and the three Audit committees as the alternative for the proxy, supplemented by the qualified four directors.

2. Giving the right to the minor shareholders to present in the agenda of the shareholders' meeting, or present the name of the people to be elected as a board director before the meeting date of shareholders' meeting. There was no headings stated in the website officially, but the shareholders can send information asking to increase the agenda, or present a name of the directors with his qualification to the Company's website. However, in the past 2010 there did not have any information sent in.

3. Giving the right to the shareholders to vote, with one share one vote.

4. Establishing a measure to prevent from using the inside information to find interest to himself or other people dishonestly by the board directors. It has to disseminate the measure to the executives for acknowledgement, while the board directors and the executives of the Company have to report a change of its holding of securities to the SEC on each time. The Company's employees shall not disclose the publicly undisclosed information to other people. A disclosure of information may have impact on the business and the

price of the Company's securities; it is required approval from the executives first. It is prohibited the board directors and the executives from utilizing the inside information, which can cause damage to the overall shareholders.

The Company has submitted the documents on utilizing inside information and the offenses occurred to the board directors and the Company's employees on each new regulation issued by the SEC. If there is a director or employee that takes the opportunity to seek the undue benefit, he shall be disciplined by the Company.

In the past, at no time there was a director or executive alleged to abuse the inside information.

5. A revelation of the related items and the opinions of the board of directors on the aforesaid items to the shareholders. There was no making of a related item that was in violation or non-compliance with the guidelines of the SEC.

6. In the annual general meeting of the shareholders on the appointment of the directors, the shareholders shall vote to elect the directors on an individual basis.

Chapter 3 Role of Stakeholders

The Company gives priority on the supervision and consideration of the stakeholders in all groups inside and outside the Company are the shareholders, directors, employees, customers, trading partners, creditors, competitors, and other agencies that the Company has implemented internal and external activities. It includes a responsibility towards the society and the environment, as well as the public sectors with the guidelines on the stakeholders are as follows:

1. The shareholders.

The Company shall perform the duty with loyalty, honesty, and equity. It has determined to create growth for the shareholders to receive sustainable returns from the results of its operations. The Company has treated the shareholders equitably according to the good governance principle on the chapter of the rights of the shareholders and their equitable treatment. The Company has provided its website: www.gel.co.th as a channel for the shareholders or the vested interests can contact or complain on the matter that can cause damage to it.

2. The employees

The Company has realized and given priority to its employees, as it deemed that they are a factor of success and achievement of its goal. It has established the policy that is clear on developing its personnel. It has developed training to provide thorough knowledge to develop the ability of the employees at all levels continuously to give an opportunity for the job advancement.

The Company has set up the Organizational Safety Health and Environment Committee by providing training to the committees to supervise and notify the information concerning the working safety and the environment, including preventing from accidents while working, so the employees can implement correctly. It has provided safety equipment that is suitable with the job characteristics together with good fringe benefits and the employment conditions that are suitable with the market situation for the employees to have good ethics.

The Company has arranged for the knowledgeable monks to give fair lectures, and ideas on how to make a living. It has helped by giving out scholarships to the employees' children who made good grades, including organizing various activities, e.g. learning art during the school vacation for their children, and providing visual observation for the employees with a small income.

The Company has also provided a complaint box to receive opinions from its employees. If an employee sees an abnormal or unsuitable thing, it can send a message to tell the president. For giving a tip to the independent directors, the Company has provided their names, phone numbers, and e-mail address to contact them without going through the Company's channel to investigate the facts directly.

3. Customers

The Company has realized the importance on building satisfaction and confidence for the customers to receive the quality goods and service at the fair prices. It has listened to the opinions and suggestions from the customers for review, and improvement. Moreover, the Company has regularly surveyed the satisfaction of the customers. It has developed the good quality and administrative system, received standard quality system certification of the ISO 9001-2008 QC standard from the Thai Industrial Standard Institute (TISI) as well as providing service to all the customers equitably, regardless of being a large, medium or small customer.

4. Trading Partners.

It has established a policy and guidelines toward its trade partners equitably based on the decision-making by comparing conditions, prices, quality and various services transparently and accountably. It is aimed to develop and maintain the sustainable relations.

5. Competitors

The Company has treated its trade competitors under the good competition guidelines, emphasizing the ethical business operations, transparency, and fair competition. It has competed using the goods quality and reliable service as the competing points, and with honest competition with our competitors. The Company shall maintain good relations as the mutual operators in the same industry, as it has no dispute concerning its trade competitors.

6. Creditors

The Company has complied with the contractual obligations toward its trade creditors and the financial institution creditors by showing responsibility toward its debts. It has treated its creditors fairly throughout the business operations, and maintained good relations with each other.

7. Society/Community and the Environment

The Company has consideration on the society/community and the environment by complying with the laws and regulations on various matters, so as not to take advantage of the overall society. It has realized about its responsibility not to cause noise pollution and dust to the nearby communities. It has set up a particular unit to take care of the environment closely and is friendly to the environment.

It has considered the value and priority to benefit the society and the social environs of the factory. It has developed and improved the classrooms and toilets of the school nearby, supported them with sport equipment, scholarships, and joined the Children's Day activities, as well as joining the activities of the nearby temple in accordance with the religious holidays. The important thing was our employees donated blood to the Red Cross Society twice a year regularly.

Code of Conduct

The Company has been in the business for 49 years with its reputation is acceptable in the business circle, so it gives priority to the business ethics that shows loyalty, honesty, and reliability toward the vested interests. Inside the Company it has organized activities, which the executives can communicate on the business ethics and code of conduct that the employees should have made toward it, its trade partners, competitors, and colleagues for acknowledgement regularly.

Conflict of Interest

The Company has set up a policy so that its directors, the management and employees cannot take the opportunity from the employment to seek personal interest. It was approved by the board of directors in principle relating the trade agreements with the general trade conditions in dealing with the Company or its subsidiaries and the directors, the management or the involved persons. In case of qualifying as a related item under the notification of the SET, it has to comply with the guidelines strictly and disclose the information on it.

The Company has set up a prohibition to prevent from using an opportunity or information from being a director, the management or employee to seek a personal gain, or does business that competes with the Company or the related business. This includes preventing from using the inside information for personal benefit to transact the shares of the Company or give information to other people.

Chapter 4 Revelation of Information and Transparency

The Company gives priority to a disclosure of information sufficiently and transparently by defining it as the role and duty of the board of directors. In the disclosure of the information, it must be correct, complete, in time, and transparent on the finance, and other involved information so the shareholders and the vested interests can receive the information equitably via the information channel and communication by dissemination from the SET, the SEC, and the Company's Web site at www.gel.co.th.

Moreover, it has set up a unit to be responsible for supervising the job on the investor relations and secretarial job as its representative in communicating useful information to the shareholders, investors, securities analysts, and the involved persons. They can contact to inquire about the Company conveniently by the phone number 02-501-2020 and by fax at 02-501-2468, 02-963-9814

Chapter 5 Responsibility of the Board of Directors

The Company has realized about the importance of the role and duty of the board of directors toward it and its shareholders. The board of directors comprises the persons with knowledge, ability, skill and working experience from diverse fields, so it can perform the duty with effectiveness. The board must have leadership, vision, knowledge, ability, and various experiences, having loyalty, honesty and independence in decision-making for optimization of the Company and the overall shareholders. The board also has participated in setting the vision, goal, policy, operation direction, strategy, business plans, and the fiscal budget, including supervision for the management to perform according to the work plans and the set budget regularly. It shall follow up on the operations considering the legal principles, regulations and resolutions of the shareholders' meetings loyally, honestly, and ethically. It also shall supervise the administration of the management to comply with the targets and the guidelines for optimum benefits to the shareholders and sustainable growth of the organization.

Structure of the Board of Directors

According to the articles of association, the board of directors comprises at least five directors. As of December 31, 2011 the Company has a total of 7 directors comprising two executives, two outsiders, and three independent directors, or 42.86 of the total directors were sufficient to create the checks and balances within the board.

Independence of the Management and the Board of Directors

The board focused on transparency of the business operations and has decentralized its decision-making. It has set up its role and duty clearly, including the three audit committees are independent, no conflict of interest in finance and administration of the Company and performs the supervision and examine on the working of the executives.

Evaluation of the Performance of the Board of Directors

The board of directors has approved the board evaluation form in the whole set for use on self-evaluation. The Company has a form for evaluation of the board performance, so the directors can evaluate their weak point and strong point in the supervision and bring the results for summarization and notify the board for acknowledgement later.

Nominating and Compensation Committee

There are three committees comprising an independent, non-managerial, and managerial committees to work jointly, which they all had knowledge and experience with the role and duty according to clause 9 on “Management.”

Meeting Attendance of Each Director

In 2011, the presence of each member of the Board of Directors can be summoned as follows:-

	Term of Office	Board of Directors	Audit Committee	Remark
Times of the meeting		14 times	5 times	
1. M.L.Tossuwan Thongtaem	20 May 2011 – April 2014	14/14	-	Appoint 01/04/2554 Resign 01/04/2554
2. Mr.Amnat Tangurimarn	20 May 2011 – April 2014	14/14	-	
3. Mr. Apinunthakan Pongsathabordee	20 May 2011 – April 2014	10/14	-	
4. Miss Sarunya Sawangwongchinsri	1 April 2011 – April 2012	5/14	-	
5. Mr. Sorasak Wongchinsrisakul	11 Oct 2010 – April 2012	-	-	
6. Mr. Chamnan Chotcomwongse	6 Oct 2010 – April 2012	12/14	5/5	
7. Mr.Takorn Laohapongchana	6 Oct 2010 – April 2012	12/14	5/5	
8. Mr.Kitja Charoenkiatkong	11 Oct 2010 – April 2012	13/14	4/5	

Supervision on the Use of Inside Information

The Company has a policy on the revelation of the information, financial report, and operations by revealing the financial information and those relating to the business and results of its operations to be correct, complete, sufficient, reliable, in time, and regular to the shareholders, investors, securities analysts and the general public. The Company has complied with the laws, regulations, and rules involving the revelation of information strictly. The directors and the executives, upon there is a transaction of securities, have to prepare a report on securities holding, according to the Securities and Exchange Act (No. 4) 2008, and report the change of the securities holding in the prescribed form within the specified time.

In the supervision of the inside information, it is the responsibility of the directors, the management and the employees may not reveal the inside information in essence, which may affect the business and price of the securities of the Company, and not yet revealed to the public. They shall not use the opportunity or information derived from being a director, management or employee to seek personal interest, or give information to other people for transacting the securities of the Company, and on the business competing with the Company or its related businesses. The Company has established a preventive measure by limiting the information realization to only the involved directors and the senior management only, including prohibiting them from transacting its securities one month before announcing the financial statement.

Any violation to cause the Company to be damaged or lost of the business opportunity, it is regarded as against its policy and business ethics, punishable by a severe disciplinary action, as well as being charged pursuant to the Securities and Exchange Act (No. 4) 2008.

Transaction with Related Companies

Interrelated transactions of the company and its subsidiary companies with related companies during the year 2010-2011.

■ Items related to the subsidiary companies

Interrelated persons	Description of relationship	Classification	Total Financial Statement		Specific Financial Statement		Description of items	Contract period
			Year 2011	Year 2010	Year 2011	Year 2010		
Chut Chieb Co., Ltd.	A subsidiary company with shareholding as of 95.45%	Services and other income	-	-	360	36	Being employment on accounting and others of Chut Chieb Co., Ltd.	Each month 3,000 baht and renew every year.
		Interest receivable.	-	-	755	607		
		Other debtors	-	-	350	6	The items of financial assistance for current capital in the business of Chut Chieb Co., Ltd., with interest rate as of amount 4-12 % per year with the credit not over 40 million baht.	Issued Promissory Notes with repayment on demand.
		Short-term loans	-	-	16,000	19,000		
		Accrued interest receivable	-	-	26	589		
G E L General Engineering Service Co., Ltd.	A subsidiary company with shareholding as of 99.99%.	Services and other income	-	-	300	300	Being employment on accounting and others of G E L General Engineering Service Co., Ltd.	Each month 25,000 baht and renew every year.
		Administration income	-	-	-	4,596		
		Interest receivable.	-	-	384	294		
		Other debtors	-	-	3,269	467	The items of financial assistance for current capital in the business of G E L General Engineering Service Co., Ltd., with interest rate as of amount 8-12 % per year. Other debtors are charged for the construction of subsidiaries.	Issued Promissory Notes with repayment on demand.
		Short-term loans	-	-	1,000	8,400		
		Accrued interest receivable	-	-	10	251		
		Rental	-	-	391	491	Being 2 car rental items and land on the content of 2-3-88 rais.	Each month 10,000 and 30,888 baht respectively, contract renew every year.
		Other creditors	-	-	5,031	5,042	Provide bank guarantees to the subsidiaries by the Company's credit facility of 5 million baht	Charged amount of 5 million baht

Interrelated persons	Description of relationship	Classification	Total Financial Statement		Specific Financial Statement		Description of items	Contract period
			Year 2011	Year 2010	Year 2011	Year 2010		
Parinda Co., Ltd. (Public)	Affiliated company with shareholding as of amount 17.39 %.	Materials purchase	-	1,663	-	1,663	Bought rock and sand.	-
Aqua Corporation Co., Ltd., (Public)	Having joint directors with the company (Terminate 12/10/2010)	Administration costs	-	1,133	-	1,133	Being payment for management to the high executive on accounting and finance and internal auditing team.	Each month 125,000 baht, terminated on 31 December 2010.
		Interest payable	-	89	-	89	The items of financial assistance as of amount 15 million baht to spend for payment to the account payable of construction project contractor.	On the day 26-27/8/10 and 5/9/10 paid already on due date within 30/9/10.
		Rental income	-	27	-	27	Being an item of area letting 800 square meters to store material pile.	Each month 3,000 baht; duration 1 Jan -31 Dec. 10.
Mida Asset Co., Ltd., (Public)	Having joint directors with the company (Terminate 04/10/2010)	Interest receivable.	-	17	-	17	The items of financial assistance as of amount 80 million baht to spend for short term current capital with interest rate as of 8%.	Duration of 1 days and return on due date.

Measures or procedure to Approve Related Transactions

To protect investors in case of the company's carrying out of related transactions with the person possibly causing conflict of interest in the future, the company will have the transaction types, prices and conditions of each party arranged clearly for the account auditor to check and disclose them in the Notes to Financial Statements. In regard to the normal related transaction, i.e., arising earlier and related to the company's main business, and /or the transactions that might cause conflict of interest, the Audit Committee shall check the justification and reasonability of the transactions and report its opinions to the meeting of the Board of Directors.

In case of the company's committing any unordinary business transaction or the transaction not in relation to the company's main business and possibly causing the conflict of interest, the company will ask the Audit Committee to make preliminary check prior to issuing the approval. The company shall arrange for the meeting of the Board of Directors attended by the Audit Committee to take the related transaction into consideration for fair practice and at proper pricing policy, in which the Directors with interest in that related transaction shall not have the voting right onto such transaction. Should the Audit Committee do not have skills in considering any related transaction, the company will ask an independent expert or its account auditor to give opinions on the issue and submit the resultant report to the Board of Directors or shareholders as deemed appropriate.

Policies and Trends of the Related Transactions in the Future

The company is adopting the earlier mentioned policy of the related transactions and shall abide by it in the future. As for a related transaction for normal business practices, the company will stipulate the price and conditions clearly and comparable to those of other firms and the company shall ask for the Audit Committee to take the matter into consideration and give opinions in regard to the properness of prices and reasonable actions of the transaction.

The related transactions to arise in the future shall conform to the laws on Securities and Securities Exchange of Thailand and the regulations, announcements, orders, or requirements of the Securities Exchange of Thailand including the regulation on the disclosure of the related transaction and the company or subsidiary's acquisition or disposal of important assets and in accordance with the accounting standard stipulated by the Accountant Association

Explanation and Analysis on Financial Status and Operation Results

Overall image

The year 2011 was the year that the economy of the country tended to grow better in quarters 1st to 3rd, a result of political started stability after the elections on July 2011. The growth of the Thai economy to grow 3 % per quarter, although the global economy will begin to have problems both in Europe and America, including the impact of the disaster in Japan, but the Thai economy has not been affected even with the worst flooding resulted in economic growth in the 4th quarter of negative 9 %, resulted in economy of year growth just 0.1 %.

This big flood affected sectors of the country's major manufacturing industry and as a result industrial parts shortage both domestic and abroad. General Engineering Public Company Limited. The General Engineering Co., Ltd. (the Company) is faced with a disaster; the company cannot produce and exports fully since October until end of October 2011, and the company ceased production due to flooded plants. After low tide in the beginning of December 2011 the company returned to start production immediately since the factory of the company does not have a mechanical system or any complex electronic systems, the company was able to return to operation quickly.

Operation results

In 2011, the company had a net loss of amount of 272.14 million baht, or loss of 0.24 baht per share; when comparing to the year 2010, the company had its loss of amount of 89.78 million baht, or loss of 0.48 baht per share with the following details:

1. Income from sales and services

In 2011, the company had income from sales and service of amount of 925.35 million baht or calculated as 98.42 %, from total income, which decreased 21.02 million baht from the year 2010 which had income from sales and service as of amount of 946.37 million baht or calculated as 98.83 % from total in the same year, with the following details:

Income structure separated by products

Business sections	Year 2011		Year 2010		Difference	
	Million Baht	%	Million Baht	%	Million Baht	%
Pre-stressed concrete pile products	473.57	50.37	372.42	38.89	101.14	27.16
Special concrete products	185.23	19.70	199.01	20.78	-13.78	-6.92
Special products	15.80	1.68	17.97	1.88	-2.17	-12.08
Construction/Special Project	172.26	18.32	298.57	31.18	-126.30	-42.30
Letting immovable properties	78.49	8.35	58.40	6.10	20.09	34.40
Total	925.35	98.42	946.37	98.83	-21.02	-2.22

2. Other income

Other income such as interest receivable, income from selling from scrap, profit from selling assets and other income.

In 2011, other income of amount of 14.81 million baht or calculated as 1.57% of total income, increased 3.49 million baht from the year 2010, with other income as of amount of 11.32 million baht or calculated as 1.18 % of total income with the details of other income as follows:

Other income (Unit: Thousand baht)	Total consolidated Financial Statement	
	Year 2011	Year 2010
1. Income from sale of scrap	906	1,141
2. Interest receivable	2,753	3,223
3. Profit from selling fixed assets	2,607	70
4. Other income	8,543	6,884
Total	14,809	11,318

3. Cost of sales

In 2011, the company has its costs of sales with service of amount of 816.41 million baht or calculated as 88.22% of income from sales and service, which was lower than the year 2010 with costs of sale of amount of 847.89 million baht or calculated as 89.59 % of income from sales and service, with the following details:

Percentage of costs of sales and service

Unit : Million baht	Year 2011			Year 2010		
	Income	Costs	%	Income	Costs	%
1. Selling products	694.53	607.81	87.51	693.23	601.60	86.78
2. Construction and installation	152.33	174.62	114.63	194.74	220.94	113.46
3. Real estate for rental and related services	78.49	33.98	43.29	58.40	25.35	43.41
Total	925.35	816.41	88.22	946.37	847.89	89.59

4. Costs of sales and service

In 2011, the company had its costs of sales and administration of amount of 372.12 million baht or calculated as 39.58 % of total income, increased as of amount of 182.67 million baht from the year 2010, which of amount of 189.45 million baht or calculated as 19.78 % of total income, with the following details:

Costs of sales and administration (Unit : Thousand baht)	consolidated Financial Statement		Increased (Decreased)
	Year 2011	Year 2010	
1. Costs of sales	7,789	4,308	3,481
2. Costs of administration	123,886	139,587	-15,701
3. Remuneration to the executives	10,598	22,747	-12,149
4. Loss on temporary investments and sale of investments	168,903	22,805	146,098
5. Loss on impairment of non-current assets held for sale	60,941	-	60,941
Total	372,117	189,447	182,670

5. Interest payable

In 2011, the company had interest payable of amount of 20.36 million baht, an increase of 11.34 million baht from the year 2010 which was of amount of 9.02 million baht. The cause of the increased interest expense was from the repayment of loans from financial institutions of subsidiary delay in the contract.

6. Corporate Income Tax

In 2011, corporate income tax in consolidated Financial Statement of amount of 4.67 million baht, as a result of tax burden of subsidiary whole amount. The company is not liable for corporate income tax due to a loss in the year 2011 and 2010.

Financial status

Assets

The balance sheet of the year 2011, the company has total assets of amount of 1,120.43 million baht, decreased of amount of 20.79 million baht or decreased by 1.82 % from the year 2010; the company had total assets of amount of 1,141.22 million baht with the following details:

1. Current assets

As of 31 December 2011, the company had current assets of amount of 757.51 million baht, increased of amount of 152.80 million baht or calculated as 25.27 % of current assets compared to the previous year with current assets of amount of 604.71 million baht, the current assets as of 31 December 2011 were the following items.

1.1 Cash and cash equivalent

In 2011, the company had cash with cash equivalent of amount of 20.76 million baht, decreased of amount of 142.01 million baht, from the year 2010 which was of amount of 162.77 million baht, since it was spent in the activities of operation of amount of 5.40 million baht, spending in the activities of

investment of amount of 507.82 million baht and obtaining from activities of procurement of amount of 360.41 million baht.

1.2 Temporary investments

In 2011, the company had net temporary investment of amount of 101.65 million baht, increased of amount of 79.90 million baht, from year 2010 with amount of 21.75 million baht.

(Unit : million baht)	Consolidated Financial Statement	
	Year 2011	Year 2010
Temporary investments – PLUS-W2		
Book value at beginning of the period	21.75	37.53
Purchases during the period	550.21	7.03
Sales during the period	-302.45	-
Loss not incurred	-167.86	-22.81
Net Book value	101.65	21.75

1.3 Account receivable

In 2011, the company had account receivable of amount of 128.46 million baht, decreased of amount of 87.60 million baht from the year 2010 with the amount of 216.06 million baht, as the company had income from service of construction and installation decrease, as a resulted of decrease of account receivable , respectively.

The debtors' quality of the company was as follows:

Debt duration	2011		2010	
	Million baht	%	Million baht	%
Accounts receivable uncollected	-	-	52.40	19.94
Accounts receivable not due	90.11	52.17	91.18	34.70
Overdue payment of 1-3 months	27.48	15.91	60.25	22.93
Overdue payment exceeding 4-6 months	9.22	5.34	11.13	4.24
Overdue payment exceeding 7-12 months	3.83	2.22	2.30	0.88
Overdue payment exceeding 12 months	42.07	24.36	45.47	17.31
Total account receivable	172.71	100.00	262.73	100.00
<u>Less</u> Allowance for doubtful debts	-44.25	-25.62	-46.67	-17.76
Total net account receivable	128.46	74.38	216.06	82.24

1.4 Value of construction uncollected from customers

In 2011, the company recognized revenue from the construction of the percentage of completion exceeding the period paid which the amount of 40.29 million baht, an increase of amount of 14.82 million baht from the end of 2010, which amounted to 25.47 million baht.

1.5 Inventory

In 2011, the company had inventory of amount of 91.28 million baht, decreased of amount of 33.49 million baht from the year 2010 with the amount of 124.77 million baht, as October-November 2011 flooded the manufacturing facilities. The Company needed to stop the production temporarily, as a result inventories decreased.

1.6 Other current assets

In 2011, the company had other current assets of amount of 18.43 million baht, or calculated as 1.64% of total assets, decreased of amount of 15.46 million baht, from the year 2010 with the amount of 33.89 million baht, with the causes from the following;

Other current assets	Consolidated Financial Statement		Increased (Decreased)
	Year 2011	Year 2010	
Value added tax debts	10.55	13.01	-2.46
Advance payment	1.93	11.74	-9.81
Pre-costs	4.20	3.05	1.15
Others	1.75	6.09	-4.34
Total	18.43	33.89	-15.46

1.7 Non-current assets held for sales and liabilities directly associated to non-current assets held for sale

On December 1, 2011 the subsidiary entered into an agreement to transfer the sales rights of land lease and buildings on the land lease for long term, total compensation of amount of 390 million baht to Sputnik Co., Ltd., and Beer the Beach Co., Ltd., with detailed non-current assets held for sale and liabilities directly associated with assets held for sale are as follows.

(Unit : million baht)	Consolidated Financial Statement	
	Year 2011	Year 2010
Non-current assets hold for sales		
Building and building improvements and leasehold	333.28	-
Accounts receivable and claims - net	84.29	-
Less allowance for impairment	-60.94	-
Total	356.63	-
Liabilities directly associated to Non-current assets held for sale		
Loans from financial institutions	150.56	-
Overdrafts	9.98	-
Accrued interest	1.05	-
Total	161.59	-

2. Non-current assets

2.1 Investments available for sale

On May 2011, The company invested in equity securities of P Plus P Public Company Limited of amount of 315,500,080 shares, average price per share of 0.72 baht, totaling 228.32 million baht and loss of value of such investment of amount of 95.81 million baht, the remaining investment net available for sale of 132.51 million baht.

2.2 Other long term investment

On January 2011, the company invested in shares of Aura Dream Co., Ltd., to the number of 4,500,000 shares, at 10 baht per share, totaling 45 million baht, the company operates in hotel business in Nakhon Pathom province, at present the company has not been established.

2.3 Advance payment for stock subscription-net

In quarter 2/2010, the company paid advance payment for the stocks of amount of 20 million baht to Parking Management Co., Ltd., for such, the company to spend, a guarantee to issue the bank a Guarantee Letter of a bank to enable to make the contract with the Airport Authority of Thailand in order to receive the right of management to the parking of Suvarnabhumi Airport in 2010, and the company had set the allowance for money impairment of advance payment for the stock subscription in whole amount, since the opportunity to be refunded was little.

2.4 Land, building and equipment-net

In 2011, the company had net land, building and equipment of amount of 74.20 million baht or calculated as 6.62 % of total assets, increased to 7.23 million baht from 2010 with the amount of 66.97 million baht or calculated as 5.87% of total assets, in 2011 the company purchased vehicles used in operations which increased by 20 vehicles as to the operation of the former car lifetime of more than 10 years, and the cost of repair and maintenance was very high.

Liabilities

In 2011, the company had total liabilities of amount of 368.05 million baht, compared to year 2010, and decreased of amount of 45.66 million baht from year 2010 with total liabilities of amount of 413.71 million baht due to the repayment of long-term loans from financial institution of the subsidiary under the contract of 20 million baht and the company paid short-term loans to financial institutions with 10 million baht which resulted in liabilities of the consolidated financial statement of the companies to reduce, respectively.

Shareholders' equity

In 2011, the company had shareholders' equity of amount of 752.38 million baht which increased of amount of 24.86 million baht or calculated as 3.42 % from year 2010 with the shareholders' proportion of amount of 727.52 million baht. Since May 2011, the company received a capital increase from the issuance of new shares offered to existing shareholders of amount of 404.5 million baht and the minimum from the measurement of value of investments available for sale of 95.81 million baht, net loss from operations of shareholders' equity of 273.39 million baht, and recorded accumulated loss increases from affected Financial Reporting Standards issued and revised for use in the calculation of benefits of employees of 10.44 million baht.

Liquidation

In 2011 the company had cash flow from business operation activities of amount of 5.40 million baht, net cash flow from investment activities were in deficit of amount of 507.82 million baht since the company had to invest in temporary securities investments of amount of 248.80 million baht, and to invest in securities available for sale of 228.32 million baht and other long-term investment of 45 million baht. Net cash provided by financing activities of amount of 360.41 million baht, the company received from the issuance of new additional shares to existing shareholders of 1,155,736,832 shares at 0.35 baht per share, totaling 404.51 million baht. As of 31 December 2011, the company had a cash balance of 20.76 million baht, compared to year 2010 cash flow from operating activities of a deficit of 118.42 million baht, net cash used in investing activities was a deficit of 120.87 million baht and net cash provided from financing activities of 171.34 million baht.

Important liquidity ratio

At the end of 2011, the liquidity ratio was 2.20 times decreased from year 2010 with a liquidity ratio of 2.41 times, while quick ratio of the company was 0.73 times decreased from year 2010 with a ratio of 1.60 times.

Sources of fund

In 2011, the sources of fund for the company obtained from selling common stocks of capital increased to the existing shareholders as of amount of 1,155,736,832 shares at 0.35 baht per share, totaling 404.51 million baht.

The current Company's share structure is as follows.

- Register capital of 32,861,093,310 baht; consisting of shares of 3,286,109,331, par value 10.00 baht/share.
- Paid-up capital of 15,313,845,540 baht; consisting of shares of 1,531,384,554, par value 10.00 baht/share.
- The Warrant to Purchase Common Stock No. 3 (GEN-W3) of amount of 577,868,385 units

Remuneration for the auditor

As the resolution of the annual general meeting of shareholders for the year 2011, held on 20 May 2011, had the resolution to appoint Mr. Bunlert Kaewphanpruek, CPA No. 4165 from BPR Audit & Advisor Co., Ltd., to be an auditor of the company and the subsidiaries for the year 2011, the remuneration specific company of amount of 850,000 baht and the subsidiaries of amount of 1,200,000 baht.

Report of the Audit Committee

Dear Shareholders:

Currently the Audit Committee comprises three independent directors, chaired by Mr. Chamnan Chotcomwongse, Mr. Takorn Laohapongchana and Mr. Mr. Kitja Charoenkiatkong, as the committees, and all the audit committees are qualified as required by the Security and Exchange Commission (SEC) to work independently without holding shares of the Company. They have no participation in the management, nor are administrative officials, employees, consultants, partners or having the power to control the Company and its subsidiaries. They had no direct and indirect interests, including not being appointed to oversee the interests of the directors or major shareholders.

The Audit Committee has performed the duty according to the scope, duty and responsibility assigned by the board of directors, which is consistent with the requirements of the Stock Exchange of Thailand. In 2011 the Audit Committee convened 5 times, by the quarterly meetings and other important meetings, as appropriate. The meeting invited the external auditor to audit the consolidated and the specific financial statement, including the internal auditor as appropriate, which can be summarized as follows.

1) Audited quarterly financial statements and annual financial statements for 2011 with the questions and listen explanation of the Management and auditors, in the accuracy and completeness of financial statements. There was a revelation of the important information completely, sufficiently and in time in the essence according to the opinion of the licensed auditor attached in the financial statement before submitting to the board of directors for approval. Including the comments about the qualification of the auditor to comply with the notifications of the SEC that will act as auditor of the company.

2) Audited information of operation performance and internal controls to assess the adequacy appropriate, and effectiveness of internal controls that will enhance to achieve the target. Consideration from the internal audit annual report 2011. The Audit Committee comments that the company has also monitors the operations of the company and subsidiaries as appropriate, except control system on investment in securities in the market demand that define and enforce on the fourth quarter of 2011. However, the Audit Committee was assigned to the internal audit department to monitoring and Audited of compliance with regulations on investment in securities to provide the Audit Committee regularly.

3) Audited legal compliance with Securities and Exchange Commission, Regulations of the SET and related laws with the Company's business. The Audit Committee comments that not found significant issues regarding non-compliance with the law

4) Review and approve the related transactions or transactions that may have a conflict of interest, including the disclosure of such transaction with Regulations of the SET and the Securities and Exchange Commission. The Audit Committee comments that such transactions as reasonable and benefits to business of the Company, including the accurate and complete disclosure of information to achieve transparency.

The Audit Committee comments that the Board of Directors and executive officers focus on the process of operated under the good Corporate Governance. The management is committed within the framework of ethical regularly.



(Mr. Chamnan Chotcomwongse)

Chairman of Audit Committee

Report of the Board of Directors' Responsibility in Financial Statement

The Company's Board of Directors is responsible for financial statements of General Engineering Public Company Limited and its subsidiaries, including the financial information that appears within their annual reports. The financial statements have been prepared according to generally accepted accounting standards. An appropriate accounting policy has been selected, applied and consistently adhered to under cautious consideration. In addition, an effective internal control system has been set up. Material information has been adequately disclosed in the Notes to the Financial Statements. These are implemented for benefits of shareholders and investors, with an aim to create confidence in the Company's financial statements, to take care and keep good maintenance of the Company's assets, and to prevent dishonest acts or any irregular operations of material substance.

The financial statements of the Company and its subsidiaries have been audited by Mr. Boonlert Kaewphanpurk the Certified Public Accountant from BPR Audit and advisory Co.,ltd. who has been certified by the Securities and Exchange Commission. The Company has provided information and various documents to the auditor to enable him to conduct the audit and express his opinion in accordance with generally accepted auditing standards. The auditor's opinion appears in the Report of the Certified Public Accountant within the Annual Report.

The Company's Board of Directors has appointed the Audit Committee to be responsible for reviewing the Company's accounting policies, quality of financial reports, internal control system, internal audit system and risk management system. The opinion of the Audit Committee on this matter appears in the Audit Committee's Report within the Annual Report.

The Company's Board of Directors believes that the Company's overall internal control system is at satisfactory level, except control system on investment in securities in the market demand that define and enforce on the fourth quarter of 2011. Financial statements of General Engineering Public Company Limited and its subsidiaries as at 31 December 2011 substantially portray the Company's financial position, operating performance and cash flow in an accurate and reasonable manner and comply with generally accepted accounting principles and related laws and regulations.



(Mr. Amnat Tangurimarn)

Chairman of the Executive Committee



(Mr. Apinunthakan Pongsathabordee)

The Executive Committee

REPORT OF CERTIFIED PUBLIC ACCOUNTANT

To the Shareholders and the Board of Directors of General Engineering Public Company Limited

I have been appointed to audit the consolidated statement of financial position of General Engineering Public Company Limited and its subsidiaries as at December 31, 2011, and the related consolidated statement of comprehensive income, changes in shareholders' equity and cash flows for the year then ended and the statement of financial position of General Engineering Public Company Limited as at December 31, 2011, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. I have previously audited, in accordance with generally accepted auditing standards, the consolidated financial statements of General Engineering Public Company Limited and its subsidiaries and the financial statements of General Engineering 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.

As discussed in Note 7 to the financial statements, at the extraordinary shareholders' meeting No. 1/2011 held on March 28, 2011 resolved that the Company appropriates and offers to sell its increase share capital at Baht 657 million, by the objectives of acquiring plots of land which main factory is located at approximately Baht 300 million, using as funds for electricity plant for alternative energy at approximately Baht 300 million, and the rest amount for using as working capital of the Company and its affiliates. On May 6, 2011, the Company reported that its increase share capital can raise funds totaling Baht 404.5 million. Subsequently, June 7, 2011, the Company announced that the Board of Executive Committee No. 1/2011, on May 1, 2011, had a resolution to invest in shares of P Plus P Public Company Limited (PLUS) not exceed 24% of its authorized share capital of PLUS and warrants – PLUS-W2 approximately 250 million units, totaling of investments approved at Baht 350 million. The Company purchased shares and warrants of PLUS during May 13 to May 27, 2011 at market price through the Stock Exchange of Thailand, net of sales of Baht 497.8 million which subsequently, the Board of Directors' meeting No. 9/2011, on June 6, 2011 ratified for such investments in shares and warrants of PLUS. The Company explained that such investments are funded by its increase share capital. This is not comply with its objectives to increase its share capital. I reported such findings to the Company's audit committees to examine such matter on August 10, 2011. Subsequently, I was informed by the audit committee that the examination concluded that 1) investing in shares and warrants of PLUS were made over the line approved and then there is a resolution to ratify such purchases of shares and warrants of PLUS by the Board of Director later. In the report explained that an operator who has been authorized by the Company to purchase shares and warrants for the Company, informed to the Management that there is a misunderstanding by himself to execute

the purchase exceeds its line approved. The operator had resigned and the Company is not able to ask such operator anymore. This lasts 4 month for working with the Company. 2) The Company informed that there is no written investment policy during that time, However the Company already defined its written investment policy in late of 2011. Based on my audit, while there is an approval to buy more shares and warrants, the Company sold certain shares at price lower than market significantly and bought shares back at higher price. That caused to the Company incurred loss from sales of investments suddenly in amounting to Baht 6.8 million. The Company informed that it appointed a lawyer to sue such operator and it is now in process. I also found that the Company bought such shares and warrants throughout beginning of 2011 until May 27, 2011, not only after having an approval to buy. As at December 31, 2011 the Company incurred loss from such investment in shares and warrants of Baht 265 million. Based on such matters caused me to doubt on the actions made by the Management may breach the Securities and Stock Exchange Act, B.E.2535 and I found that there is significant weakness on internal control managed by the Management because I found that the Company did not have proper control on its purchase of shares and warrants until it exceeds the approved line and that caused to the Company damages. Furthermore, I cannot interview the operator who resigned for the reason of transaction which happened and the Management did not also know the reason of such transactions. I was unable to satisfy myself to audit the correctness and completeness of purchasing of such shares and warrants.

Because of the significant matters described in the preceding paragraph, I am unable to express and do not express an opinion on such financial statements.

I draw attention to as discussed in Note 2, 3 and 24, Starting from January 1, 2011, the Company and its subsidiaries adopted new and revised accounting standards issued by the Federal Accounting Professional, in preparation and presentation of the accompanying financial statements.



(Mr. Boonlert Kaewphanpurk)

Certified Public Accountant

Registration No. 4165

BPR AUDIT AND ADVISORY CO., LTD.

Bangkok

February 27, 2012

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2011 AND 2010

		In Baht			
		Consolidated		The Company Only	
	Notes	2011	2010	2011	2010
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6	20,759,127	162,772,410	19,908,565	161,043,971
Current investments	7	101,651,148	21,749,971	101,651,148	21,749,971
Trade accounts receivable - net	8	128,463,536	216,058,616	125,355,853	143,719,943
Unbilled construction work in progress	9	40,290,561	25,466,095	40,290,561	17,610,837
Receivable from and short-term loan to subsidiaries	5	-	-	20,654,893	28,713,244
Short - term loan to other	10	-	20,000,000	-	-
Inventories - net	11	91,276,676	124,768,371	91,255,007	124,614,284
Other current assets	12	18,435,661	33,894,369	8,314,419	20,596,175
Non - current assets held for sale	17	356,632,280	-	-	-
Total current assets		757,508,989	604,709,832	407,430,446	518,048,425
NON - CURRENT ASSETS					
Deposits at financial institutions pledged as collaterals	33	56,581,406	57,400,000	55,181,406	56,000,000
Investments in subsidiaries and associated companies accounted for using the cost method - net	13	-	-	186,590,325	212,893,036
Available - for - sale investments	7	132,510,034	-	132,510,034	-
Other long-term investments	14	45,000,000	-	45,000,000	-
Advance payment for share subscription - net	15	-	-	-	-
Investment properties - net	16	-	360,419,366	-	-
Property, plant and equipment - net	18	74,205,949	66,971,927	67,077,864	59,840,344
Other non-current assets	19	54,626,466	51,722,389	49,126,844	46,063,879
Total non - current assets		362,923,855	536,513,682	535,486,473	374,797,259
TOTAL ASSETS		1,120,432,844	1,141,223,514	942,916,919	892,845,684

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2011 AND 2010

		In Baht			
		Consolidated		The Company Only	
	Notes	2011	2010	2011	2010
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from financial institutions	20	-	20,167,407	-	10,976,725
Trade accounts payable		87,481,397	83,882,516	87,087,665	83,444,731
Other payable to related parties	5	-	-	5,030,888	5,041,588
Payable to non-controlling interests	5	297,975	297,975	-	-
Current portion of long-term loan from financial institution	21	-	42,849,714	-	-
Current portion of liabilities under hire-purchase contracts	22	2,321,836	898,737	2,321,837	898,736
Income tax payable		3,453,224	-	-	-
Other current liabilities	23	88,773,754	102,645,480	82,935,617	92,546,044
Liabilities directly associated with non - current assets held for sale	17	161,596,539	-	-	-
Total current liabilities		343,924,725	250,741,829	177,376,007	192,907,824
NON – CURRENT LIABILITIES					
Long-term loan from financial institution - net of current portion	21	-	139,378,716	-	-
Liabilities under hire-purchase contracts - net of current portion	22	4,652,674	675,969	4,652,674	675,969
Deferred leasehold right and rental income	16	-	8,581,138	-	-
Employee benefit obligations	3,24	14,811,710	3,224,360	14,811,710	3,224,360
Other non - current liabilities		4,660,449	11,106,029	4,660,449	11,106,029
Total non - current liabilities		24,124,833	162,966,212	24,124,833	15,006,358
Total liabilities		368,049,558	413,708,041	201,500,840	207,914,182
SHAREHOLDERS' EQUITY					
Share capital - common shares					
Authorized share capital					
- 3,286,109,331 shares, Baht 10 par value in 2011					
- 4,895,364,463 shares, Baht 1 par value in 2010	25	32,861,093,310	4,895,364,463	32,861,093,310	4,895,364,463
Issued and fully paid-up share capital					
- 1,531,384,554 shares, Baht 10 par value in 2011					
- 3,756,477,215 shares, Baht 1 par value in 2010	25	15,313,845,540	3,756,477,215	15,313,845,540	3,756,477,215
Premium on share capital	26	31,729,260	31,729,260	31,729,260	31,729,260
Discount on share capital	25	(14,012,330,038)	(2,859,469,609)	(14,012,330,038)	(2,859,469,609)
Deficit		(528,500,819)	(247,054,868)	(526,547,610)	(275,464,618)
Other components of shareholders equity		(60,589,363)	36,350,964	(65,281,073)	31,659,254
Equity attributable to owners of the parent company - net		744,154,580	718,032,962	741,416,079	684,931,502
Non - controlling interests		8,228,706	9,482,511	-	-
Total shareholders' equity		752,383,286	727,515,473	741,416,079	684,931,502

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY

1,120,432,844

1,141,223,514

942,916,919

892,845,684

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	Notes	In Baht			
		Consolidated		The Company Only	
		2011	2010	2011	2010
REVENUES	5, 30				
Revenue from sale of goods		694,533,841	693,235,170	694,533,841	693,235,170
Construction and installation services income		152,330,862	194,735,424	147,369,864	151,149,760
Real estate rental and leasehold right assignment income		78,488,122	58,401,184	-	-
Other income		14,809,849	11,318,244	15,276,137	16,028,638
Total Revenues		<u>940,162,674</u>	<u>957,690,022</u>	<u>857,179,842</u>	<u>860,413,568</u>
EXPENSES	5, 29, 30				
Cost of sales of goods		607,813,076	601,595,072	607,813,076	601,595,072
Cost of construction and installation services		174,618,633	220,940,603	170,034,857	183,064,505
Cost of real estate rental and leasehold right assignment		33,977,442	25,334,877	-	-
Selling expenses		7,789,697	4,308,054	7,789,698	4,308,054
Administrative expenses		184,827,425	139,587,259	132,902,023	112,141,910
Loss on current investments and loss from sales of investments	7	168,903,604	22,804,853	168,903,604	22,804,853
Management benefit expenses		10,598,789	22,747,710	10,598,789	22,747,710
Total Expenses		<u>1,188,528,666</u>	<u>1,037,318,428</u>	<u>1,098,042,047</u>	<u>946,662,104</u>
LOSS BEFORE FINANCE COSTS AND INCOME TAX		<u>(248,365,992)</u>	<u>(79,628,406)</u>	<u>(240,862,205)</u>	<u>(86,248,536)</u>
Finance costs		<u>(20,355,198)</u>	<u>(9,016,069)</u>	<u>(910,940)</u>	<u>(702,693)</u>
LOSS BEFORE INCOME TAX		<u>(268,721,190)</u>	<u>(88,644,475)</u>	<u>(241,773,145)</u>	<u>(86,951,229)</u>
Income tax		<u>(4,668,719)</u>	<u>(51,235)</u>	<u>-</u>	<u>-</u>
LOSS FOR THE YEAR		<u>(273,389,909)</u>	<u>(88,695,710)</u>	<u>(241,773,145)</u>	<u>(86,951,229)</u>
OTHER COMPREHENSIVE INCOME (LOSS)					
Loss on valuation of available-for-sale investments	7	<u>(95,814,250)</u>	<u>-</u>	<u>(95,814,250)</u>	<u>-</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEARS		<u>(369,204,159)</u>	<u>(88,695,710)</u>	<u>(337,587,395)</u>	<u>(86,951,229)</u>
Income (Loss) for the year attributable to :					
Owners of the parent		<u>(272,136,104)</u>	<u>(89,776,263)</u>	<u>(241,773,145)</u>	<u>(86,951,229)</u>
Non - controlling interests		<u>(1,253,805)</u>	<u>1,080,553</u>	<u>-</u>	<u>-</u>
		<u>(273,389,909)</u>	<u>(88,695,710)</u>	<u>(241,773,145)</u>	<u>(86,951,229)</u>
Total comprehensive income (loss) for the year attributable to :					
Owners of the parent company		<u>(367,950,354)</u>	<u>(89,776,263)</u>	<u>(337,587,395)</u>	<u>(86,951,229)</u>
Non - controlling interests		<u>(1,253,805)</u>	<u>1,080,553</u>	<u>-</u>	<u>-</u>
		<u>(369,204,159)</u>	<u>(88,695,710)</u>	<u>(337,587,395)</u>	<u>(86,951,229)</u>
Loss per share (Baht)					
Basic and diluted	28	<u>(0.24)</u>	<u>(0.48)</u>	<u>(0.21)</u>	<u>(0.46)</u>

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

In Baht										
Equity attributable to owners of the parent company										
	Note					Other components of shareholders equity				
						Other comprehensive income (loss)		Total other components of shareholders' equity	Total equity attributable to owners of the parent	Non - controlling interests
	s	Issued and paid-up share capital	Premium on share capital	Discount on share capital	Deficit	Available - for - sale investment	Surplus on assets revaluation			
Balance as at January 1, 2010		939,119,199	31,729,260	(211,153,349)	(158,493,957)	-	37,566,316	37,566,316	638,767,469	4,949,763
Equity from change of equity interest		-	-	-	-	-	-	-	-	3,452,195
Increase of common shares	25	2,817,358,016	-	(2,648,316,260)	-	-	-	-	169,041,756	-
Total comprehensive income (loss) for the year		-	-	-	(89,776,263)	-	-	-	(89,776,263)	1,080,553
Reversal of surplus on assets revaluation		-	-	-	1,215,352	-	(1,215,352)	(1,215,352)	-	-
Balance as at December 31, 2010 as previously reported		3,756,477,215	31,729,260	(2,859,469,609)	(247,054,868)	-	36,350,964	36,350,964	718,032,962	9,482,511
Effect to the adoption of new and revised accounting standard	3	-	-	-	(10,435,924)	-	-	-	(10,435,924)	-
Balance as at December 31, 2011 as adjusted		3,756,477,215	31,729,260	(2,859,469,609)	(257,490,792)	-	36,350,964	36,350,964	707,597,038	9,482,511
Increase of common shares	25	11,557,368,325	-	(11,152,860,429)	-	-	-	-	404,507,896	-
Total comprehensive income (loss) for the year		-	-	-	(272,136,104)	(95,814,250)	-	(95,814,250)	(367,950,354)	(1,253,805)
Reversal of surplus on assets revaluation		-	-	-	1,126,077	-	(1,126,077)	(1,126,077)	-	-
Balance as at December 31, 2011		15,313,845,540	31,729,260	(14,012,330,038)	(528,500,819)	(95,814,250)	35,224,887	(60,589,363)	744,154,580	8,228,706

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

In Baht								
The Company Only								
Notes	Issued and paid-up share capital	Premium on share capital	Discount on share capital	Deficit	Other components of shareholders' equity			
					Other comprehensive income (loss)		Total	
					Available - for - sale investments	Surplus on assets revaluation	other components of shareholders' equity	Total shareholders' equity
Balance as at January 1, 2010		939,119,199	31,729,260	(211,153,349)	(189,728,741)	-	32,874,606	602,840,975
Increase of common shares	25	2,817,358,016	-	(2,648,316,260)	-	-	-	169,041,756
Total comprehensive loss for the year		-	-	(86,951,229)	-	-	-	(86,951,229)
Reversal of surplus on assets revaluation		-	-	1,215,352	-	(1,215,352)	(1,215,352)	-
Balance as at December 31, 2010 as previously reported		3,756,477,215	31,729,260	(2,859,469,609)	(275,464,618)	-	31,659,254	684,931,502
Effect to the adoption of new and revised accounting standard	3	-	-	(10,435,924)	-	-	-	(10,435,924)
Balance as at December 31, 2011 as adjusted		3,756,477,215	31,729,260	(2,859,469,609)	(285,900,542)	-	31,659,254	674,495,578
Increase of common shares	25	11,557,368,325	-	(11,152,860,429)	-	-	-	404,507,896
Total comprehensive loss for the year		-	-	(241,773,145)	(95,814,250)	-	(95,814,250)	(337,587,395)
Reversal of surplus on assets revaluation		-	-	1,126,077	-	(1,126,077)	(1,126,077)	-
Balance as at December 31, 2011		15,313,845,540	31,729,260	(14,012,330,038)	(526,547,610)	(95,814,250)	(65,281,073)	741,416,079

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	In Baht			
	Consolidated		The Company Only	
	2011	2010	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before income tax	(268,721,190)	(88,644,475)	(241,773,145)	(86,951,229)
Adjustments for				
Depreciation and amortization	39,594,164	32,309,017	12,453,519	10,374,133
Written off income tax deducted at source	826,980	-	-	-
Impairment loss from non - current assets held for sale	60,940,538	-	-	-
Income from amortization of deferred leasehold right and rental income	(934,579)	(1,019,541)	-	-
Loss on disposals of current investment	1,038,786	-	1,038,786	-
Loss on value adjustment of current investments	167,864,818	22,804,853	167,864,818	22,804,854
Loss on impairment of advanced payment for share subscription	-	20,000,000	-	20,000,000
Loss on impairment of advanced payment	-	1,401,869	-	1,401,869
Foreseeable losses from construction work	-	8,725,997	-	8,725,997
Bad debts and provision for doubtful debts	18,959,832	3,534,923	2,678,480	3,534,923
Loss on obsolete inventories and damage	13,827,191	1,416,388	13,827,191	1,416,388
Impairment loss on investment in subsidiaries (Reversal)	-	-	26,302,710	(19,214,054)
Reversal of impairment loss on assets not used in operation	-	(732,822)	-	-
Gain on disposals of and written off assets	31 (2,606,934)	(142,416)	(2,328,432)	(140,567)
Loss from change of equity interest	-	3,452,196	-	-
Reversal of impairment loss on buildings	-	-	-	(732,822)
Provisions for employee benefit obligations	1,948,844	-	1,948,844	-
Interest income	(2,752,849)	(3,222,593)	(2,837,638)	(3,271,457)
Interest expense	20,355,198	9,016,069	910,940	702,693
Decrease (Increase) in operating assets:				
Trade accounts receivable	(58,683,894)	(101,148,260)	15,685,610	(68,654,194)
Unbilled construction work in progress	(14,824,466)	37,675,463	(22,679,724)	45,530,721
Receivable to related party	-	-	(3,145,529)	(414,022)
Inventories	19,664,503	(31,990,894)	19,532,087	(31,987,696)
Other current assets	15,283,925	(14,187,886)	12,347,308	(8,822,017)
Other non - current assets	(4,946,552)	11,670,395	(3,062,964)	14,795,441
Increase (Decrease) in operating liabilities :				
Trade accounts payable - other companies	3,598,881	9,933,358	3,642,935	9,495,573
Accounts payable - related parties	-	(589,561)	-	(589,560)
Other payable - related parties	-	338,197	(10,700)	4,866,250
Other current liabilities	22,562,957	(34,826,245)	(9,610,427)	(28,460,538)
Other non - current liabilities	(6,445,580)	6,201,268	(6,445,580)	6,201,267
Cash generated (paid) from operations	26,550,573	(108,024,700)	(13,660,911)	(99,388,047)
Employee benefit paid	(1,321,830)	-	(1,321,830)	-
Interest paid	(19,831,007)	(10,340,517)	(386,528)	10,182
Income tax paid	-	(51,235)	-	-
Net Cash Provided by (Used in) Operating Activities	5,397,736	(118,416,452)	(15,369,269)	(99,377,865)

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	In Baht			
	Consolidated		The Company Only	
	2011	2010	2011	2010
CASH FLOWS FROM INVESTING ACTIVITIES				
Deposits at financial institutions pledged as collaterals	818,594	35,000,000	818,594	35,000,000
Increase in current investment	(248,804,781)	(7,025,567)	(248,804,781)	(7,025,567)
Decrease in short - term loan to subsidiaries	-	-	10,400,000	566,500
Decrease in long - term loan to subsidiaries	-	-	-	15,740,643
Decrease (Increase) in short - term loan to other	20,000,000	(20,000,000)	-	-
Purchases of investment in subsidiary	-	-	-	(150,000,000)
Increase in investment in available-for-sale equity securities	(228,324,284)	-	(228,324,284)	-
Increase in other long-term investments	(45,000,000)	-	(45,000,000)	-
Advance payment for share subscription	-	(20,000,000)	-	(20,000,000)
Increase in investment properties	-	(105,665,905)	-	-
Purchases of fixed assets	(12,896,255)	(6,550,507)	(12,896,255)	(6,550,507)
Proceeds from sales of fixed assets	3,454,206	164,486	3,175,701	162,617
Interest received	2,927,633	3,210,611	3,575,965	5,756,558
Net Cash Used in Investing Activities	(507,824,887)	(120,866,882)	(517,055,060)	(126,349,756)
CASH FLOWS FROM FINANCING ACTIVITIES				
Decrease in bank overdrafts and short-terms from financial institutions	(10,184,416)	(1,361,730)	(10,976,725)	(591,446)
Decrease in short - term loan from related parties	-	(2,521,947)	-	-
Decrease in short - term loan from non - controlling interests	-	(5,560,000)	-	-
Decrease in short - term loan from other company	-	(8,500,000)	-	-
Proceeds from (Repayments of) long - term loan from financial institutions	(31,667,363)	23,115,986	-	-
Repayments of liabilities under hire - purchase contracts	(2,242,249)	(2,875,356)	(2,242,248)	(2,875,356)
Proceeds from issuance of common shares	404,507,896	169,041,756	404,507,896	169,041,756
Net Cash Provided by Financing Activities	360,413,868	171,338,709	391,288,923	165,574,954
NET DECREASE IN CASH AND CASH EQUIVALENTS	(142,013,283)	(67,944,625)	(141,135,406)	(60,152,667)
Cash and Cash Equivalents-Beginning of Year	162,772,410	230,717,035	161,043,971	221,196,638
CASH AND CASH EQUIVALENTS-END OF YEAR	20,759,127	162,772,410	19,908,565	161,043,971
SUPPLEMENTARY DISCLOSURE OF CASH FLOWS				
Non - cash item				
The Company has hire - purchase contracts for acquiring assets	7,642,053	-	7,642,053	-

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements

December 31, 2011 and 2010

The financial statements were authorized for issue by the directors on February 27, 2012.

1. GENERAL INFORMATION

General Engineering Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 44/2 Moo 2 Tivanont Road, Bangkadee, Patumtanee 12000, Thailand.

The Company was listed on the Stock Exchange of Thailand in 1991.

The principal businesses of the Company are the manufacture of concrete products such as concrete pile, glassfiber reinforced concrete (GRC), electric concrete pile, diaphragm wall and barrette pile, with the construction and installation services for such products for residences.

The consolidated financial statements as at December 31, 2011 and 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	In Thousand Baht		Percentage of direct and indirect holdings (%)	
		Paid-up share capital			
		December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Chut Chieb Co., Ltd.	Rental of real estate	220,000	220,000	95.45	95.45
G.E.L.General Engineering Service Co., Ltd.	Rental service and installation of precast concrete	14,000	14,000	99.99	99.99

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

2. BASIS OF FINANCIAL STATEMENT PRESENTATION

The financial statements issued for Thai reporting purposed are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The financial statements are prepared in accordance with Thai Accounting Standards (“TAS”) including related interpretations and guidelines promulgated by the Federal of Accounting Professions (“FAP”) and with generally accepted accounting principles in Thailand.

The financial statements are presented in Thai Baht unless otherwise stated. They are prepared on the historical cost basis except for the investment properties and certain financial assets and liabilities which are stated at fair value.

The preparation of financial statements in conformity with TAS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources.

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2011 and 2010

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

3. NEW ACCOUNTING STANDARDS

The Federation of Accounting Professions has issued the Notifications of Federation of Accounting Professions No. 17/2553 dated April 9, 2010, announced in the Royal Gazette on May 26, 2010; and No. 50-55/2553 dated November 24, 2010, announced in the Royal Gazette on December 15, 2010, 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

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 revised accounting standards, which effected to the financial statements as follows:

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

	In Thousand Baht	
	Consolidated	The Company Only
Statement of financial position as at December 31, 2011		
Deficit at December 31, 2010 - as previously reported	(247,055)	(275,464)
Increase in employee benefit obligations	(10,436)	(10,436)
Deficit at January 1, 2011	(257,491)	(285,900)
	In Thousand Baht	
	Consolidated and the Company Only	
	2011	2010
Statement of comprehensive income for the year ended December 31, 2011		
Increase in loss for the year	(2,473)	-
Increase in loss per share (Baht)	(0.0022)	-

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

Management is presently considering the potential initial impact of these new and revised TAS, TFRS and TFRIC on the financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

The consolidated financial statements relate to the Company and its subsidiaries.

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

Subsidiaries

Subsidiaries are those companies controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of a company so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Associates

Associates are those companies in which the Company and its subsidiaries have significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the Company and its subsidiaries' share of the total recognised gains and losses of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. When the Company and its subsidiaries' share of losses exceeds its interest in an associate, the Company and its subsidiaries' carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Company and its subsidiaries have incurred legal or constructive obligations or made payments on behalf of an associate.

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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Foreign Currencies

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income.

Cash and Cash Equivalents

Cash and cash equivalents as shown in statement of cash flows consist of cash in hand, cheque in-transit, deposits at financial institutions and fixed deposit and current investment with a maturity period not over 3 months since it is acquired except for cash at bank held as collateral.

Trade Accounts Receivable

Trade accounts receivable is stated their invoice value less allowance for doubtful accounts. The allowance for doubtful accounts is an estimate of those amounts which may prove to be uncollectible based on a review of the current status of the existing receivables. Bad debts are written off when incurred.

Inventories

Raw materials, spare parts and finished goods

Inventories are stated at the lower of cost and net realisable value.

Cost is calculated using the first-in first-out principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

An allowance is made for all deteriorated, damaged, obsolete and slow-moving inventories.

Investments

Investments in subsidiaries and associates

Investments in subsidiaries and associates in the separate financial statements of the Company are accounted for using the cost method. Investments in associates in the consolidated financial statements are accounted for using the equity method.

Investments in other equity securities

Marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in the statement of comprehensive income.

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
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Marketable equity securities other than those securities held for trading or intended to be held to maturity, are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss being recognised directly in equity.

Equity securities which are not marketable are stated at cost less impairment losses.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in the statement of comprehensive income.

If the Company and its subsidiaries dispose of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted-average method applied to the carrying value of the total holding of the investment.

Other investments in leasehold rights and buildings for lease

Other investments in leasehold rights and buildings for lease are land leasehold rights and buildings thereon, which a subsidiary held for lease, stated at fair value accumulated depreciation and amortization and impairment losses. Construction in progress is stated at cost.

Depreciation and amortization are charged to the statements of comprehensive income by a straight-line basis over the remaining land leasehold right period of 15 years, expiring on June 30, 2019.

Property, Plant and Equipment and Depreciation***Owned assets***

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, except for the land and buildings and related improvements which are stated at their revalued amounts. The revalued amount is the fair value determined on the basis of the property's existing use at the date of revaluation less any subsequent accumulated depreciation calculated from its fair value and impairment loss.

Leased assets

Leases in terms of which the Company and its subsidiaries substantially assume all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalized at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the statement of comprehensive income.

Revalued assets

Revaluations are performed by independent professional valuers with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the balance sheet date.

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
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Any increase in value, on revaluation, is credited to equity under the heading “revaluation surplus” unless it offsets a previous decrease in value recognised in the statement of comprehensive income in respect of the same asset. A decrease in value is recognised in the statement of income to the extent it exceeds an increase previously recognised in equity in respect of the same asset. Upon disposal of a revalued asset, any remaining related revaluation surplus is transferred from equity to retained earnings and is not taken into account in calculating the gain or loss on disposal.

The carrying value of any asset reclassified as a non-operating asset held for sale is credited with the remaining balance of amounts previously taken to the revaluation reserve in respect of that asset.

Depreciations

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

Buildings and building improvements	5 - 20 years
Buildings on rental land and leasehold building improvements	upon the period of lease contracts
Machine and equipments	5 years
Furniture, fixtures and office equipments	5 years
Vehicles	5 years

No depreciation has been provided for land and construction in process.

Investment properties

Investment properties are defined as property owned to earn rentals; capital appreciation; or both.

Investment properties are stated at cost less accumulated depreciation and separately presented from other long-term investments. The changes in this regard have been prospectively applied.

Assets not used in operations

Assets not used in operations are stated at carrying amount at the date when the assets are foreclosed from trade receivables or are retired from active use, less impairment losses.

Non - current assets held for sale

Non - current assets classified as assets held for sale when its carrying amount is to be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less cost to sell.

Intangible assets***Goodwill***

Goodwill in a business combination represents the excess of the cost of acquisition over the fair value of the Company and its subsidiaries' share of the identifiable net assets acquired. Negative goodwill in a business combination represents the excess of the fair value of the Company and its subsidiaries' share of the identifiable net assets acquired over the cost of acquisition.

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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Goodwill is stated at cost. Negative goodwill is recognized immediately in the statement of comprehensive income.

Amortization

Amortization is charged to the statement of comprehensive income on a straight-line basis from the date that intangible assets are available for use over the estimated economic useful lives of the assets, unless such lives are indefinite. Intangible assets with an indefinite economic useful life are not amortized but are systematically tested for impairment at each balance sheet date. The estimated economic useful lives are as follows:

Software licenses	3	years
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Impairment of Assets

The carrying amounts of the Company and its subsidiaries assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and as and when indicators of impairment are identified.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in the statement of comprehensive income unless it reverses a previous revaluation credited to equity, in which case it is charged to equity. When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in the statement of comprehensive income even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in the statement of comprehensive income is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in the statement of comprehensive income.

Calculation of recoverable amount

The recoverable amount of the Company and subsidiaries's investments in held-to-maturity securities and receivables carried at amortized cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate. Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of the assets' net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of a held-to-maturity security or receivable carried at amortized cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
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An impairment loss in respect of an investment in an equity instrument classified as available-for-sale is not reversed through the statement of comprehensive income. If the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the statement of comprehensive income, the impairment loss shall be reversed, with the amount of the reversal recognised in the statement of comprehensive income.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. However, an impairment loss in respect of goodwill is not reversed.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortized cost with any difference between cost and redemption value being recognised in the statement of comprehensive income over the period of the borrowings on an effective interest basis.

Trade and Other Accounts Payable

Trade and other accounts payable are stated at cost.

Employee Benefit

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 recognized in the financial statements based on calculations by a qualified actuary using the projected unit credit method. Previously, this obligation was recognized 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 financial statements.

Provident fund

The Company has established provident fund under the defined contribution plan. The fund's assets are separated entities which are administered by the outsider fund manager. The Company and employees made contribution into such provident fund. The Company's contribution payments to the provident fund were recorded as expenses in statements of comprehensive income in the period in which they are incurred.

Provisions

A provision is recognised in the balance sheet when the Company and its subsidiaries have a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
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tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Revenues

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Sale of goods and services rendered

Revenue from sale of goods is recognised in the statement of comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised as services are provided.

Service income from construction and installation contracts

When the outcome of a construction and installation contract can be estimated reliably, contract revenues and costs are recognised in the statement of income by reference to the stage of completion of the contract activity at the balance sheet date. The stage of completion is assessed by reference to surveys of work performed. When it is probable that total contract costs will exceed total contract revenues, the expected loss is recognised immediately as an expense in the statement of income.

Rental and related service income

Rental and related service income from leasehold right is recognised in the statement of income on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income.

However, the Company and its subsidiaries will stop recognizing its rental and related service income from leasehold right when the customers are overdue more than 6 months.

Interest and dividend income

Interest income is recognised in the statement of income as it accrues. Dividend income is recognised in the statement of income on the date the Company and its subsidiaries right to receive payments is established which in the case of quoted securities is usually the ex-dividend date.

Expenses***Operating leases***

Payments made under operating leases are recognised in the statement of income on a straight line basis over the term of the lease. Lease incentives received are recognised in the statement of income as an integral part of the total lease payments made.

Finance costs

Interest expenses and similar costs are charged to the statement of income for the period in which they are incurred, except to the extent that they are capitalized as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale. The interest component of finance lease payments is recognised in the statement of income using the effective interest rate method.

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
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Income Tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Loss per Share

Loss per share is calculated by dividing the loss for the year by the weighted average number of common shares outstanding during the year.

5. 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 Companies	Type of business	Type of relationship
Chut Chieb Co., Ltd.	Real estate rental service	Subsidiaries
G.E.L. General Engineering Service Co., Ltd.	Rental service and installation	Subsidiaries
Prinda Public Company Limited	Distribution of sand rock for construction	Associate
Thai Philatex Planner Co., Ltd.	Rehabilitation planner	Co-directors
Chiangmai New Lux Co., Ltd.	Provider of rent and service of assets	Co-directors
Aqua Corporation Public Company Limited	Service for advertising board, Billboard, Neon Light, Advertising media and publishing	Co-directors Ended October 12, 2010
Mida Assets Public Company Limited	Sale and lease electronic appliances, mobile phones and vehicles and property development business	Co-directors Ended October 4, 2010

Pricing policies for each transaction are described as follows:

Type of transactions	Pricing policies
Revenue from services	Negotiated price
Rental income	Negotiated price
Management Income	Negotiated price
Interest income	4% - 12% p.a.
Purchase of raw materials	Market price
Service charges	Negotiated price
Rental expense	Negotiated price
Management fee	Negotiated price
Interest expense	4% - 12% p.a.

Significant revenues and expenses derived from transactions with related companies for the years ended December 31, 2011 and 2010 are summarized as follows:

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Notes to Financial Statements (Continued)
December 31, 2011 and 2010

	In Thousand Baht			
	Consolidated		The Company Only	
	2011	2010	2011	2010
Purchase of raw materials				
Prinda Public Company Limited	-	1,663	-	1,663
Management Fee				
Aqua Corporation Public Company Limited	-	1,133	-	1,133
Rental expense				
G.E.L. General Engineering Service Co., Ltd.	-	-	391	491
Interest expense				
Aqua Corporation Public Company Limited	-	89	-	89
Rental Income				
Aqua Corporation Public Company Limited	-	27	-	27
Service income and other				
Chut Chieb Co., Ltd.	-	-	360	36
G.E.L. General Engineering Service Co., Ltd.	-	-	300	300
	-	-	660	336
Management Income				
G.E.L. General Engineering Service Co., Ltd.	-	-	-	4,596
Interest income				
Mida Assets Public Company Limited	-	17	-	17
Chut Chieb Co., Ltd.	-	-	755	607
G.E.L. General Engineering Service Co., Ltd.	-	-	384	294
	-	17	1,139	918

Significant outstanding balances with its related companies as at December 31, 2011 and 2010, are summarized as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2011	2010	2011	2010
Receivables and short-term loan to related parties				
Other receivable				
G.E.L. General Engineering Service Co., Ltd.	-	-	3,269	467
Chut Chieb Co., Ltd.	-	-	350	6
	-	-	3,619	473
Short-term loan to related parties and accrued interest				
Chut Chieb Co., Ltd.				
Short-term loan	-	-	16,000	19,000
Accrued interest	-	-	26	589
	-	-	16,026	19,589
G.E.L. General Engineering Service Co., Ltd.				
Short-term loan	-	-	1,000	8,400

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December 31, 2011 and 2010

	In Thousand Baht			
	Consolidated		The Company Only	
	2011	2010	2011	2010
Accrued interest	-	-	10	251
	-	-	1,010	8,651
	-	-	20,655	28,713
Payables and short-term loan				
Other accounts payable				
G.E.L. General Engineering Service Co., Ltd.	-	-	5,031	5,042
Payables and short-term loan				
Minority interests of Chut Chieb Co.,Ltd.				
Accrued interest	298	298	-	-

6. CASH AND CASH EQUIVALENTS

	In Thousand Baht			
	Consolidated		The Company Only	
	2011	2010	2011	2010
Cash on hand	294	284	288	278
Deposits at financial institutions	20,465	161,194	19,621	159,480
Highly liquid short-term investment	-	1,294	-	1,286
Total	20,759	162,772	19,909	161,044

7. OTHER INVESTMENTS

	In Thousand Baht			
	Consolidated		The Company Only	
	2011	2010	2011	2010
Current investments (Fair Value)				
Marketable securities (Held for trading)				
Warrants – PLUS W2	101,650	-	101,650	-
Securities – P PLUS P Public Company Limited	-	21,750	-	21,750
Securities – Grand Asset and Property Public Company Limited	1	-	1	-
	<u>101,651</u>	<u>21,750</u>	<u>101,651</u>	<u>21,750</u>
Available - for - sales investments (Fair value)				
Securities – P PLUS P Public Company Limited	<u>132,510</u>	<u>-</u>	<u>132,510</u>	<u>-</u>

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

Movements during the years ended December 31, 2011 and 2010 of other investments are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2011	2010	2011	2010
Beginning balance	21,750	37,529	21,750	37,529
Purchases during the period	550,215	7,026	550,215	7,026
Sales during the period	(302,449)	-	(302,449)	-
Unrealized loss	(167,865)	(22,805)	(167,865)	(22,805)
Ending balance	101,651	21,750	101,651	21,750

At the Board of Executive Director No. 1/2011, on May 1, 2011, the Board has approved to invest in shares of P Plus P Public Company Limited (PLUS) not exceed 24% of its authorized share capital of PLUS and warrants of PLUS at approximately 250 million units, totaling amount of Baht 350 million. The Company made a purchase of shares and warrant of PLUS during May 13-27, 2011 at the market price by through the stock exchange of Thailand net of sales Baht 497.8 million, which use funds from issuance of new common shares on May 4, 2011 at amounting to Baht 404.5 million as discussed in Note 20 to the interim financial statements. The Company explained that funds for investing in shares and warrants of PLUS mainly from the paid-up shares which has not yet due to use and its working capital. That is not comply with its objective for increase its share capital. Also, such purchases of shares and warrants are made exceed than its approval from the Board of Executive Director before the Board of Director No. 9/2011, on June 6, 2011 ratified for such purchases of shares and warrant of PLUS later.

The Company incurred loss on valuation of current investments of Baht 167.9 million, presented as a portion of loss on current investments in the statement of comprehensive income for the year ended December 31, 2011 and loss on valuation of available – for sales investments of Baht 95.8 million presented as a part of other components of shareholders' equity in the statement of financial position as at December 31, 2011 and presented as other comprehensive income in the statement of comprehensive income for the year ended December 31, 2011.

8. TRADE ACCOUNTS RECEIVABLE - NET

As at December 31, 2011 and 2010, the Company and its subsidiaries have outstanding balances of trade accounts receivable as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2011	2010	2011	2010
Trade accounts receivable	147,967	238,796	144,860	166,457
Retention receivables	24,747	23,934	24,747	23,934
Total	172,714	262,730	169,607	190,391
Less: allowance for doubtful accounts	(44,251)	(46,671)	(44,251)	(46,671)
Net	128,463	216,059	125,356	143,720

The balances of trade accounts receivable classified by aging are as follows:

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Notes to Financial Statements (Continued)
December 31, 2011 and 2010

	In Thousand Baht			
	Consolidated		The Company Only	
	2011	2010	2011	2010
Trade receivables from leasehold right for investment				
Unbilled receivables	-	52,400	-	-
Billed receivables				
Not yet due	-	-	-	-
Past due 1 – 3 months	-	15,181	-	-
Past due 4 – 6 months	-	4,406	-	-
Past due 7 – 12 months	-	-	-	-
Past due over 12 months	-	-	-	-
	<u>-</u>	<u>71,987</u>	<u>-</u>	<u>-</u>
Receivables from construction and installation services				
Retention receivables- Not yet due	161	10,305	161	10,305
Retention receivables- Past due over 12 months	6,850	6,801	6,850	6,801
Billed receivables				
Not yet due	8,918	6,352	8,918	6,000
Past due 1 – 3 months	1,735	26,781	1,735	26,781
Past due 4 – 6 months	3,117	5,192	9	5,192
Past due 7 – 12 months	146	600	146	600
Past due over 12 months	18,112	16,533	18,112	16,533
	<u>39,039</u>	<u>72,564</u>	<u>35,931</u>	<u>72,212</u>
Receivables from sales of concrete products				
Retention receivables- Not yet due	16,770	5,997	16,770	5,997
Retention receivables- Past due over 12 months	966	831	966	831
Billed receivables				
Not yet due	64,256	68,533	64,256	68,533
Past due 1 – 3 months	25,746	18,288	25,746	18,288
Past due 4 – 6 months	6,105	1,527	6,105	1,527
Past due 7 – 12 months	3,687	1,701	3,688	1,701
Past due over 12 months	16,145	21,302	16,145	21,302
	<u>133,675</u>	<u>118,179</u>	<u>133,676</u>	<u>118,179</u>
Total	172,714	262,730	169,607	190,391
Less allowance for doubtful accounts	(44,251)	(46,671)	(44,251)	(46,671)
Trade accounts receivable - net	<u>128,463</u>	<u>216,059</u>	<u>125,356</u>	<u>143,720</u>

The normal credit term granted by the Company ranges from 30 days to 60 days.

As at December 31, 2011 the management believes that the allowance for doubtful accounts is adequate to cover any possible losses which may arise from the non-collectible receivables.

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

9. UNBILLED CONSTRUCTION WORK IN PROGRESS

	In Thousand Baht			
	Consolidated		The Company Only	
	2011	2010	2011	2010
Total contract value	176,635	696,513	176,635	652,988
Construction income	131,081	508,461	131,081	465,843
Installment billed	(90,790)	(482,995)	(90,790)	(448,232)
Net	40,291	25,466	40,291	17,611

10. SHORT - TERM LOAN TO OTHER

This represents short-term loan to management of Koh Larn Land and Development Co., Ltd. and Meridian Pattaya Co., Ltd. which obtained right in operating business on leasehold land of Chut Chieb Co., Ltd., a subsidiary. This loan is for Baht 20 million, bears interest at 15% p.a., the subsidiary received the re-payment in full amount during the second quarter of year 2011.

11. INVENTORIES – NET

	In Thousand Baht			
	Consolidated		The Company Only	
	2011	2010	2011	2010
Finished goods	68,230	62,471	68,230	62,471
Work in progress	5,049	16,624	5,027	16,470
Raw materials	36,363	51,516	36,363	51,516
	109,642	130,611	109,620	130,457
Less allowance for slow - moving inventories	(18,365)	(5,843)	(18,365)	(5,843)
Net	91,227	124,768	91,255	124,614

12. OTHER CURRENT ASSETS

	In Thousand Baht			
	Consolidated		The Company Only	
	2011	2010	2011	2010
Receivables revenue	10,552	13,007	679	-
Receivables deposit	1,928	11,745	1,928	11,740
Prepaid expenses	4,205	3,048	4,205	3,036
Other	1,751	6,094	1,502	5,820
Total	18,436	33,894	8,314	20,596

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**Notes to Financial Statements (Continued)****December 31, 2011 and 2010****13. INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES ACCOUNTED FOR USING THE COST METHOD-NET**

	Consolidated									
	Percentage of direct and indirect holdings (%)		Paid – up share capital		In Thousand Baht					
					At cost		Impairment		Net	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Associated company Prinda Public Company Limited	17.39	17.39	23,000	23,000	87,126	87,126	(87,126)	(87,126)	-	-
	The Company Only									
	Percentage of direct and indirect holdings (%)		Paid – up share capital		In Thousand Baht					
					At cost		Impairment		Net	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Subsidiary companies G.E.L. General Engineering Service Co., Ltd.	99.99	99.99	14,000	14,000	13,999	13,999	-	-	13,999	13,999
Chut Chieb Co., Ltd.	95.45	95.45	220,000	220,000	210,000	210,000	(37,409)	(11,106)	172,591	198,894
Associated company Prinda Public Company Limited	17.39	17.39	23,000	23,000	87,126	87,126	(87,126)	(87,126)	-	-
					311,125	311,125	(124,535)	(98,232)	186,590	212,893

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December 31, 2011 and 2010

14. OTHER LONG-TERM INVESTMENT

On January 21, 2011, the Board of Director's Meeting of the Company has a resolution to invest in common shares of Aura Dream Co., Ltd., totaling 4,500,000 shares, Baht 10 per share, total amount of Baht 45 million, percentage of holding 9%. The Company fully paid for share subscription in January 2011. This regard company is incorporated to engage the hotel business in Nakorn Prathom province.

15. ADVANCE PAYMENT FOR SHARE SUBSCRIPTION

	In Thousand Baht			
	Consolidated		The Company Only	
	2011	2010	2011	2010
Advance payment for share subscription	20,000	20,000	20,000	20,000
Less: allowance for impairment of advance payment for share subscription	(20,000)	(20,000)	(20,000)	(20,000)
Net	-	-	-	-

On April 27, 2010, the Board of Directors' Meeting of the Company had a resolution to purchase the common shares of capital increase of Parking Management Company Limited (PKM), totaling 400,000 shares, 100 Baht per share, total amount of Baht 40 million. In April 2010, the Company paid advance payment for share subscription amount of Baht 20 million for PKM pledged as guaranteed with a bank for issuing the bank guarantee for signing the contract with Airports of Thailand Public Company Limited to obtain a right to operate the parking at Suvarnabhumi Airport.

On September 16, 2010, the Company disclosed that the Company is in the process to consider whether to continue investing in PKM or to refund its advance for share subscription of Baht 20 million. On October 7, 2010, the Company disclosed that on October 11, 2010, the Company will have a meeting with PKM to find a solution of concession management in order that the Company can decide whether to continue investing or to stop its investing. Subsequently, there are news appeared on newspapers and other medias effected to the operation of PKM which may affect to the investing of the Company.

On October 13, 2010, the Board of Directors' Meeting of the Company had a resolution to stop its investing in PKM and the process to claim for the damage from partners of contract of such case.

On January 21, 2011, the Board of Director's Meeting of the Company had a resolution to set up the allowance for loss on impairment of advance payment for share subscription, totalling amount of Baht 20 million in the financial statements of the Company for the year ended December 31, 2010 because of the possibility of collection was remoted.

The Company terminated the contract of the right to buy new shares and ask for a return of subscription fee of Baht 20 million and compensation for damage from PKM. Furthermore, the Company appointed a lawyer to file a case to the civil court on April 8, 2011 for a damage of Baht 22.8 million and another damage claims of Baht 100 million for three companies joint for investing. At the present, the case is in the process of a court consideration.

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16. OTHER LONG - TERM FOR INVESTMENTS

	Thousand Baht			
	Consolidated			
	Leasehold right and building thereon for rent (At fair value)	6 floor building and building improvement for Pattaya Dragon Project (At cost)	Leasehold improvement for 6 floor building for Pattaya Dragon Project (At cost)	Total
As at January 1, 2010	214,049	-	140,755	354,804
Increase	-	246,421	105,666	352,087
	-	-	(246,421)	(246,421)
As at December 31, 2010	214,049	246,421	-	460,470
Increase	-	-	-	-
Decrease	(214,049)	(246,421)	-	(460,470)
As at December 31, 2011	-	-	-	-
Accumulated depreciation and amortization				
As at January 1, 2010	(78,122)	-	-	(78,122)
Depreciation and amortization charge for the year	(14,304)	(7,625)	-	(21,929)
As at December 31, 2010	(92,426)	(7,625)	-	(100,051)
Depreciation and amortization charge for the year	(13,112)	(14,025)	-	(27,137)
Transfer out	105,538	21,650	-	127,188
As at December 31, 2011	-	-	-	-
Net book value				
As at December 31, 2010	121,623	238,796	-	360,419
As at December 31, 2011	-	-	-	-

In preparation of the consolidated financial statements of the Company and subsidiaries, different value of fair value and its net book value of assets acquired of Baht 53.6 million from purchase of Chut Chieb Co.,Ltd. ("Chut Chieb") in 2003, included in fair value of land leasehold right and buildings thereon for rent.

This account includes 1) land leasehold right of the 3 plots of land, located at Pattaya Soi 2 Rd. T. Nongprue, A. Banglamung, Chonburi, total area of 23-0-87 rai, which is leasehold right from a transfer of leasehold right – agreement from the third party. This agreement is for the period September 29, 2003

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to June 30, 2019, totaling period of 15 years and 9 months. The total lease fee is Baht 109 million, renewable for another 10 years as described in the agreement. 2) Buildings for hotel operation (8 floor and 6 floor buildings) and buildings for “the Market Pattaya” and 3) leasehold improvement for 6 floor building for the project “Pattaya Dragon”. These buildings and its improvement are on the leasehold land. These are the assets of Chut Chieb, a company’s subsidiary.

On August 10, 2005, Chut Chieb entered into an agreement to grant a right in operating business by paying a compensation to Ban Beer Pattaya Co.,Ltd. (“Right Taker”) (“Ban Beer”). The right taker obtained a right to developing , managing, operating, constructing including use and utilize such land and buildings which are leasehold right for the rest of lease period 13 years and 11 months (From August 1,2005 to June 30,2019). The right taker agreed to pay a compensation as 1) compensation for the whole period of agreement of Baht 15 million paid to Chut Chieb at the agreement date and 2) monthly compensation due by 3 months installments, totaling Baht 419.7 million starting from August 2006 to June ,2019 (with 1 year grace period from August 2005 to July 2006). Under the agreement, the right taker agreed to develop such area within 5 years starting from August10, 2005. The right taker also paid a deposit of Baht 5 million to Chut Chieb to a guarantee for its development area as described in the agreement.

Chut Chieb obtained the compensation for the whole period of agreement of Baht 15 million from the right taker and recorded it as “ Deferred leasehold right and rental income” in the consolidated balance sheet, recognised as income for the period of leasehold right.

On October 6, 2009, Chut Chieb agreed for MOU to solve the issue of outstanding receivable of Ban Beer. Both parties agreed that Chut Chieb took the right back (transfer the right had no impact to the previous income of Chut Chieb) and Chut Chieb shall continue develop such project to be an entertainment complex of Pattaya.

On November 12, 2009, the Board of Directors of the Company, No. 10/2009 resolve that Chut Chieb invests in developing the construction, modifying, decorating buildings and structures of 6 floor buildings on leasehold land, totaling of Baht 233 million. Chut Chieb made a MOU with Ban Beer to finance and invest in operating of Pattaya Dragon project including operating such business, managing and developing land and buildings in Pattaya Dragon project. Such project is committed to pay construction payable as construction agreements made to the third parties and outstanding debt is Baht 153 million. Ban Beer agreed to Chat Chieb took back a right and duty according to each agreements made to other parties or seeking for a party on develop the project of 6 floor building on leasehold land can continue. Chut Chieb took a leasehold right back from Ban Beer with its outstanding construction payable of Baht 153 million, payable to a contractor and took a right on constructed assets and right to continue develop totaling of Baht 80 million.

Subsequently, December 21, 2009, Chut Chieb entered into an agreement to grant a right to operate by paying a compensation to 1) Koh Lan Land and Development Co.,Ltd. “Koh Lan” to be a new operation from February 1,2010 to June 30,2019. Under the agreement Koh Lan agreed to pay a compensation for use the right on leasehold land and buildings for the period of three months to Chut Chieb, totaling of Baht 334 million and 2) Meridian Pattaya Co.,Ltd. “Meridian” to be a right taker in operating the 6 floor building project which is renovated. Under the agreement, Meridian agreed to pay totaling compensation of Baht 490 million.The totaling compensation will be Baht 824 million. In order to reduce the risk of collectibility of Chut Chieb, both parties agreed that Chut Chieb take a collection debt of sub-lease agreement to third parties starting from May1, 2010 and pledged by shares of the company who will operate the project, and also guarantee by the director of the Company operates the project as co-receivable in case of the loans obtained by Chut Chieb. The sources of funds of Chut Chieb derived from long-term loans of Baht 155 million and its capital of Baht 113 million. Chut Chieb agreed to grant a

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Notes to Financial Statements (Continued)
December 31, 2011 and 2010

right in operating the 6 floor building project to the right taker starting on July 2010 and define a start period to the right taker for payment a compensation starting from August 2010 onward.

On December 1, 2011, a subsidiary assigned of leasehold and building on the long term leasehold with the total compensation amount of Baht 390 million including 1) Assignment of long term all leasehold with main buildings; those are 6 Floor Building No. 225/2, part of area beside Pattaya Sai 2 Road, with the area approximate 15-0-90 Rais to Sputnik Co., Ltd., with the total compensation amount Baht 240 million. The payment shall be made by cash of Baht 70 million and repayment of loan outstanding on September 30, 2011 to the financial institution with the amount approximately Baht 170 million . If there is the balance from the amount determined, then Chat Chieb Co., Ltd, would not care to claim from the assignee. 2) Assignments of long term all leasehold with main buildings; those are 8Fl Building No. 225, part of area attached to Pattaya Sai 1 Road, with the area of 8 Rais to Beer The Beach Co., Ltd., with the compensation amount of Baht 150 million. The assignee agrees to pay the compensation of right of leasing with buildings after registration of assignment right of leasing or to make the new leasing contract with the proprietor.

17. NON-CURRENT ASSETS HELD FOR SALE AND LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS HELD FOR SALE

	Thousand Baht	
	2011	2010
Non-current assets held for sale*		
Building and building improvements and leasehold	333,282	-
Accounts receivable and claims - net	84,291	-
Less: allowance for impairment	(60,941)	-
	<u>356,632</u>	<u>-</u>
Liabilities directly associated with assets held for sale		
Loans from financial institutions	150,561	-
Overdrafts	9,983	-
Accrued interest	1,052	-
	<u>161,596</u>	<u>-</u>

*Fair value of the assets as appraisal dated June 23, 2011 is Baht 431.8 million.

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	In Thousand Baht							
	Consolidated							
	At appraised value		At cost					
	Land and land improvement	Buildings and Buildings improvement	Buildings on rented land and Leasehold building improvements	Machinery and equipment	Furniture fixtures and office equipment	Vehicles	Construction in progress	Total
Cost								
Balance as at January 1, 2010	33,984	41,128	4,145	219,600	33,806	35,768	-	368,431
Acquisitions	-	50	-	2,691	817	652	2,341	6,551
Disposals	-	-	-	-	(40)	(3,516)	-	(3,556)
Transfers in/ (out)	-	-	-	(8,204)	(439)	-	-	(8,643)
Balance as at December 31, 2010	33,984	41,178	4,145	214,087	34,144	32,904	2,341	362,783
Acquisitions	-	-	1,854	3,507	1,963	13,109	106	20,539
Disposals	-	-	-	-	-	(8,662)	-	(8,662)
Transfers in/ (out)	-	-	236	2,251	(40)	-	(2,447)	-
Balance as at December 31, 2011	33,984	41,178	6,235	219,845	36,067	37,351	-	374,660

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**Notes to Financial Statements (Continued)****December 31, 2011 and 2010**

	In Thousand Baht							
	Consolidated							
	At appraised value		At cost					
	Land and land improvement	Buildings and Buildings improvement	Buildings on rented land and Leasehold building improvements	Machinery and equipment	Furniture fixtures and office equipment	Vehicles	Construction in progress	Total
Accumulated depreciation								
Balance as at January 1, 2010	-	25,941	1,000	213,049	30,528	26,025	-	296,543
Depreciation for the year	-	2,094	449	3,276	1,222	3,340	-	10,381
Transfers in/ (out)	-	-	-	(8,204)	(439)	-	-	(8,643)
Depreciation for assets disposed	-	-	-	-	(19)	(2,451)	-	(2,470)
Balance as at December 31, 2010	-	28,035	1,449	208,121	31,292	26,914	-	295,811
Depreciation for the year	-	1,862	542	3,496	1,263	5,295	-	12,458
Depreciation for assets disposed	-	-	-	-	-	(7,815)	-	(7,815)
Balance as at December 31, 2011	-	29,897	1,991	211,617	32,555	24,394	-	300,454
Net book value								
December 31, 2010	33,984	13,143	2,696	5,966	2,852	5,990	2,341	66,972
December 31, 2011	33,984	11,281	4,244	8,228	3,512	12,957	-	74,206
<u>Depreciations included in the statements of comprehensive income for the year</u>								
2010								10,381
2011								12,458

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**Notes to Financial Statements (Continued)****December 31, 2011 and 2010**

	In Thousand Baht							
	The Company Only							
	At appraised value		At cost					
	Land and land improvement	Buildings and Buildings improvement	Buildings on rented land and Leasehold building improvements	Machinery and equipment	Furniture fixtures and office equipment	Vehicles	Construction in progress	Total
Cost								
Balance as at January 1, 2010	26,856	41,128	4,145	210,989	33,032	34,772	-	350,922
Acquisitions	-	50	-	2,691	817	652	2,341	6,551
Disposals	-	-	-	-	(40)	(3,516)	-	(3,556)
Transfers in/ (out)	-	-	-	-	-	-	-	-
Balance as at December 31, 2010	26,856	41,178	4,145	213,680	33,809	31,908	2,341	353,917
Acquisitions	-	-	1,854	3,507	1,963	13,109	106	20,539
Disposals	-	-	-	-	-	(7,667)	-	(7,667)
Transfers in/ (out)	-	-	236	2,251	(40)	-	(2,447)	-
Balance as at December 31, 2011	26,856	41,178	6,235	219,438	35,732	37,350	-	366,789

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	In Thousand Baht						
	The Company Only						
	At appraised value		At cost				
	Land and land improvement	Buildings and Buildings improvement	Buildings on rented land and Leasehold building improvements	Machinery and equipment	Furniture fixtures and office equipment	Vehicles	Construction in progress
							Total
Accumulated depreciation							
Balance as at January 1, 2010	-	25,941	1,000	204,437	29,765	25,030	-
Depreciation for the year	-	2,094	449	3,276	1,215	3,340	-
Depreciation for assets disposed	-	-	-	-	(19)	(2,451)	-
Balance as at December 31, 2010	-	28,035	1,449	207,713	30,961	25,919	-
Depreciation for the year	-	1,862	542	3,496	1,259	5,294	-
Depreciation for assets disposed	-	-	-	-	-	(6,819)	-
Balance as at December 31, 2011	-	29,897	1,991	211,209	32,220	24,394	-
Net book value							
December 31, 2010	26,856	13,143	2,696	5,967	2,848	5,989	2,341
December 31, 2011	26,856	11,281	4,244	8,229	3,512	12,956	-
<u>Depreciations included in the statements of comprehensive income for the year</u>							
2010							10,374
2011							12,453

As at December 31, 2011 and 2010. certain property and equipment of the Company and its subsidiaries have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 258.6 million and Baht 250.5 million (The Company only: Baht 255.5 million and Baht 248.8 million, respectively)

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19. OTHER NON - CURRENT ASSETS

	In Thousand Baht			
	Consolidated		The Company Only	
	2011	2010	2011	2010
Assets not used in operations				
Land	33,840	52,080	33,120	51,180
Land improvement	2,984	2,984	2,984	2,984
Less allowance for impairment loss	-	(18,240)	-	(18,060)
Net	36,824	36,824	36,104	36,104
Buildings and Buildings improvement	320	320	320	320
Less accumulated depreciation	(234)	(234)	(234)	(234)
Net	86	86	86	86
Other equipment	59	59	-	-
Total assets not used in operations	36,969	36,969	36,190	36,190
Deposits and others	13,184	11,603	10,894	9,815
Income tax deducted at source	8,657	7,334	6,227	4,243
Less allowance for un-refundable deposit and other	(4,184)	(4,184)	(4,184)	(4,184)
Total	54,626	51,722	49,127	46,064

20. BANK OVERDRAFTS AND SHORT – TERM LOANS FROM FINANCIAL INSTITUTIONS

	In Thousand Baht			
	Consolidated		The Company Only	
	2011	2010	2011	2010
Bank overdrafts	-	9,190	-	-
Short-term loans	-	10,000	-	10,000
Liabilities under trust receipts	-	977	-	977
Total	-	20,167	-	10,977

21. LONG – TERM LOANS – NET

Long – term loans as at December 31, 2011 and 2010, consisted of :

	In Thousand Baht			
	Consolidated		The Company Only	
	2011	2010	2011	2010
Loan	-	182,229	-	-
Less current portion of long-term loans	-	(42,850)	-	-
Net	-	139,379	-	-

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In 2004 a subsidiary has a long-term loan agreement with a local bank for a loan of Baht 60 million. This loan bears interest at the rate of MLR (5.85% to 6.5% per annum in 2009) is repayable in monthly installments of Baht 1 million each commencing from October 31, 2004. This loan is collateralised by the subsidiary's leasehold right.

A subsidiary has a long-term loan agreement with a local bank for the 1st line of Baht 50 million and the 2nd line of Baht 120 million and overdraft line of Baht 10 million (as described in Note 20 to financial statements). A subsidiary had drawn such the first line of total amount for repayment the remaining long-term loan and short-term loan from a local bank, and had drawn of Baht 120 million for the second line. Such loans interest at MLR+1% per annum (6.85% - 7% p.a. in 2010 and 6.85% p.a. in 2009). For the first line repayable of principal and interest by 60 installments in every month, starting in November 2009 and for the second line repayable of interest in every month, starting in November 2009 to April 2010 and repayable of principal and interest by 54 installments, starting in May 2010.

On December 31, 2010, a subsidiary has an additional a long - term loan for the 2nd line of Baht 35 million. Such loan bears interest at MLR + 1% per annum (6.85% - 7% p.a. in 2010), repayable of principal and interest by 48 monthly installments in starting from September 2010.

The above credit facilities are secured by the major items as follows :

1. mortgaged land leasehold right and construction thereon of a subsidiary.
2. pledged common shares of a subsidiary held by the Company as 95.45% of share capital of a subsidiary.
3. guaranteed by a director of the right taker and Koh Lan Land and Development Co., Ltd.

22. LIABILITIES UNDER HIRE – PURCHASE CONTRACTS

	In Thousand Baht					
	Consolidated and The Company only					
	2011			2010		
	Principal	Interest	Payments	Principal	Interest	Payments
Within 1 year	2,322	260	2,582	899	62	961
1 – 5 years	4,652	248	4,900	676	28	704
Total	6,974	508	7,482	1,575	90	1,665

The Company entered into hire-purchase contracts with certain local companies to purchase vehicles, which are repayable in 36 to 48 equal monthly installments/rental charges. The ownership of the assets purchased under the hire-purchase contracts will be transferred to the Company when the last installment is paid.

23. OTHER CURRENT LIABILITIES

	In Thousand Baht			
	Consolidated		The Company Only	
	2011	2010	2011	2010
Accrued expenses	15,529	20,951	14,714	12,438
Advances received from customers	23,893	17,775	18,907	17,640
Accrued costs	41,951	30,920	41,951	30,920
Others	7,400	32,999	7,363	31,548
Total	88,773	102,645	82,935	92,546

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Notes to Financial Statements (Continued)
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24. 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 interim financial statements.

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

Movement in the present value of the defined benefit obligations for the year ended December 31, 2011

	In Thousand Baht
	Consolidated and The Company Only
Defined benefit obligations at January 1, 2011	13,660
Benefits paid by the plan	(1,322)
Current service costs and interest	2,473
Actuarial (gains) losses in statement of comprehensive income	-
Defined benefit obligations at December 31, 2011	14,811

Expense recognized in statement of comprehensive income for the year ended December 31, 2011, are as follows :

	In Thousand Baht
	Consolidated and The Company Only
Current service costs	1,949
Interest on obligations	524
Total	2,473

Principal actuarial assumptions at the reporting date for the year ended December 31, 2011, are as follows:

	Percentage	
	The Company Only	
	Monthly employee	Daily employee
Discount rate	4	4
Salary increase rate	6	4
Employee turnover rate	0 - 25	0 - 50
	(depend on working year)	(depend on working year)
Mortality rate	TMO 97	TMO 97
	(Thai Mortality Ordinary Table)	(Thai Mortality Ordinary Table)

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

25. SHARE CAPITAL

	Par value (in Baht)	In Thousand Baht / Thousand shares			
		Consolidated and The Company Only			
		2011		2010	
		Number of share	Amount	Number of share	Amount
Authorized					
As at January 1,					
- Common shares	1.00	4,895,364	4,895,364	1,544,302	1,544,302
Decrease of capital	1.00	(747,598)	(747,598)	(126,008)	(126,008)
Increase of new shares	1.00	-	-	3,477,070	3,477,070
	1.00	4,147,766	4,147,766	4,895,364	4,895,364
Increase par value	10.00	414,776	4,147,766	-	-
Increase of new shares	10.00	2,871,333	28,713,327	-	-
As at December 31,					
- Common shares	10.00	3,286,109	32,861,093	4,895,364	4,895,364
Issued and paid					
At 1 January					
- Common shares	1.00	3,756,477	3,756,477	939,119	939,119
Increase of new shares	1.00	-	-	2,817,358	2,817,358
	10.00	-	-	3,756,477	3,756,477
Increase par value	10.00	375,648	3,756,477	-	-
Increase of new shares	10.00	1,155,737	11,557,368	-	-
As at December 31,					
- Common shares	10.00	1,531,385	15,313,845	3,756,477	3,756,477

On March 28, 2011, the Extraordinary Shareholders' Meeting has resolved to 1) to decrease its authorized share capital Baht 747,598,263 from 4,895,364,463 Baht (divided into 4,895,364,463 shares at Baht 1 par value) to Baht 4,147,766,200 (divided into 4,147,766,200 shares at Baht 1 par value) 2) to change the amount of shares and par value of the Company by decreasing the amount of shares from 4,147,766,200 shares at Baht 1 par value to 414,776,620 shares at Baht 10 par value 3) to increase the authorized share capital from Baht 4,147,766,200 to Baht 32,861,093,310 by issuing 2,871,332,711 ordinary shares of Baht 10 par value by 3.1) to issue and to offer new common shares 1,878,238,610 shares at Baht 10 par value for the existing shareholders by shareholding proportion of subscription ratio of 1 existing share per 5 new shares at the offering price of share Baht 0.35, at Baht 10 par value. 3.2) to issue and to offer the warrants to purchase the common shares of the Company of not exceeding 939,119,305 shares to the existing shareholders of with the ratio of 2 new shares per unit for reserve for exercise of warrants (GEN-W3) to purchase common shares of 939,119,305 share at Baht 10 par value without any charge; anyhow, the warrant 1 unit can exercise the right to purchase the Company share 1 share at Baht 1. 3.3) the change of number of share, par value and when issuing new shares, effected to increase shares for reserve for adjusting the exercise of warrants (GEN-W2) to purchase common shares of 53,974,796 shares, at Baht 10 par value.

According to the increase of share capital, the Company has objectives to acquire plots of land used which main factory is located at amounting to Baht 300 million, using as funds for electricity plant of alternative energy and using for working capital of the Company and its affiliated. The Company registered the changes of its share capital with the Department of Business Development, Ministry of Commerce on April 4, 2011. Subsequently, on May 4, 2011, the Company reported that its increase share capital can raise funds at Baht 404.5 million.

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

At the Extraordinary General Shareholder Meeting held on August 20, 2010, the shareholders has resolved to decrease its authorized share capital from Baht 1,544,302,083 (divided into 1,544,302,083 shares at Baht 1 par value) to Baht 1,418,294,097 (divided into 1,418,294,097 shares at Baht 1 par value). This decrease in authorized share capital is registered with the Commercial Department on September 2, 2010.

At the Extraordinary General Shareholder Meeting held on August 20, 2010, the shareholder had resolved to increase the authorized share capital from Baht 1,418,294,097 to Baht 4,895,364,463 by issuing 3,477,070,366 ordinary shares of Baht 1 par value. On October 21, 2010, the Company registered the increase of its share capital with the Department of Business Development, Ministry of Commerce on October 21, 2010.

In September 2010, the shareholders paid Baht 169,041,756 for this new share issuance representing paid-up share capital of Baht 2,817,358,016 and discount on share of Baht 2,648,316,260.

26. PREMIUM ON SHARE CAPITAL AND LEGAL RESERVE

Premium on share capital

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("premium on share capital"). Premium on share capital is not available for dividend distribution.

Fair value changes and revaluation surpluses

Fair value changes and revaluation surpluses recognised in shareholders' equity relate to cumulative net change in the fair value of available-for-sale investments and surpluses arising from the revaluations of freehold land.

As at December 31, 2011 and 2010, the fair value changes and revaluation surpluses consisted of:

	In Thousand Baht			
	Consolidated		The Company Only	
	2011	2010	2011	2010
Revaluation increment in land and building				
- Land and building used in operations	35,225	36,351	30,533	31,659

The Company engaged Brooke Real Estate Co., Ltd., a firm of independent professional appraisers, to reappraise the Company's land and buildings used in operations and not used in operations. The appraisal reports were dated in December 2009, and the appraisals were made using the market comparison approach for land and replacement cost approach for buildings. As at December 31, 2009, the revaluation increment of land based on such appraisal reports amounted to Baht 6.0 million for the Company and its subsidiaries and Baht 4.8 million for the Company only and the revaluation increment of buildings amounted to Baht 5.9 million for the Company only. The Company and its subsidiaries recorded the revaluation increment of assets as part of "Revaluation surpluses on assets" under "Shareholders' Equity" in the balance sheet as at December 31, 2009.

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2011 and 2010***Legal reserve***

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribution.

27. WARRANTS

On September 30, 2005, the Company issued and offered warrants (GEN-W1) totaling 238,362,035 units to the existing shareholders whose name appears on the share register on September 30, 2005 at no cost at the ratio of 2 existing shares for one unit of warrant. The warrants are allowed to be traded in the Stock Exchange of Thailand and are identifiable and transferable. The term of the said warrants is 5 years commencing from September 30, 2005. The warrants can be exercised on 30th March and 30th September of every year. The first exercise date is on March 30, 2007 and the last exercise is on September 30, 2010. One warrant will be entitled to purchase 3.13640 new common share at the exercise price of Baht 0.717 per share.

As at September 30, 2010, the remaining of unexercised warrants (GEN-W1) were 238,361,901 units. The Company cancelled all of such warrants.

On December 25, 2009, the Company issued and offered warrants (GEN-W2) totaling 172,270,833 units to the existing shareholders whose name appears on the share register on November 26, 2009 at no cost at the ratio of 3 existing shares for one unit of warrant. The warrants are allowed to be traded in the Stock Exchange of Thailand totaling 140,768,648 units and the outstanding 31,502,185 units had been cancelled and are identifiable and transferable. The term of the said warrants is 2 years commencing from December 25, 2009. The warrants can be exercised every six month. The first exercise date is on June 30, 2010 and the last exercise is on December 24, 2011. One warrant will be entitled to purchase 2.77966 new common share at the exercise price of Baht 0.359 per share, effective from December 30, 2010 onward. However, the exercise ratio and price can be changed when there is a change in conditions of right definition.

As at December 24, 2011, the remaining of unexercised warrants (GEN-W2) were 140,768,648 units. The Company cancelled all of such warrants.

On May 16, 2011, the Company issued and offered warrants (GEN-W3) totaling 939,119,305 units to the existing shareholders whose name appears on the share register on February 16, 2011 at no cost at the ratio of 2 existing shares for one unit of warrant. The warrants are allowed to be traded in the Stock Exchange of Thailand totaling 577,868,385 units and the outstanding 361,250,920 units had been cancelled and are identifiable and transferable. The term of the said warrants is 3 years commencing from May 16, 2011. The warrants can be exercised on the last business day of December of each year until the date of maturity. The first exercise date is on December 30, 2011 and the last exercise is on May 14, 2014. One warrant will be entitled to purchase one new common share at the exercise price of Baht 1 per share.

28. LOSS PER SHARE**Basic loss per share**

The calculation of basic loss per share for the years ended December 31, 2011 and 2010 were based on the loss for the period attributable to equity holders of the Company and the number of common shares outstanding during the period as follows:

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

	In Thousand Baht/Thousand shares			
	Consolidated		The Company Only	
	2011	2010	2011	2010
Loss attributable to equity holders of the Company (basic)	(272,136)	(89,776)	(241,773)	(86,951)
Weighted average number of common shares outstanding (basic)*	1,141,917	188,081	1,141,917	188,081
Loss per share (basic) (Baht)	(0.24)	(0.48)	(0.21)	(0.46)
Diluted loss per share				

The calculations of diluted loss per share for each year ended December 31, 2011 and 2010 were based on the loss for the period attributable to equity holders of the Company and the weighted average number of common shares outstanding during the period after adjusting for the effects of all dilutive potential common shares as follows:

	In Thousand Baht/Thousand shares			
	Consolidated		The Company Only	
	2011	2010	2011	2010
Loss attributable to equity holders of the Company (basic)	(272,136)	(89,776)	(241,773)	(86,951)
Loss attributable to equity holders of the Company (diluted)	(272,136)	(89,776)	(241,773)	(86,951)
Weighted average number of common shares outstanding (basic)*	1,141,917	188,081	1,141,917	188,081
Weighted average number of common shares outstanding (diluted)*	1,141,917	188,081	1,141,917	188,081
Loss per share (diluted) (Baht)	(0.24)	(0.48)	(0.21)	(0.46)

* Weighted average number of common shares outstanding of the year 2010 was adjustable by change in share value from Baht 1 to Baht 10 for comparative purpose.

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

29. EXPENSES BY NATURE

The significant expenses classified by nature for the years ended December 31, 2011 and 2010 are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2011	2010	2011	2010
Changes in inventories of finished goods and work in progress	5,818	(6,645)	5,685	(6,642)
Raw materials and supplies used	485,775	471,239	485,775	471,223
Loss on value adjustment of current investments	167,865	22,805	167,865	22,805
Employee benefits expenses	93,003	95,523	93,003	95,523
Service fee	84,800	166,024	80,349	128,238
Installation cost	63,466	45,266	63,466	45,266
Impairment loss on non-assets current assets held for sale	60,941	-	-	-
Labour cost	42,182	47,438	42,182	47,438
Depreciation and amortization	39,594	32,309	12,454	10,374
Transportation expenses	36,383	30,308	36,383	30,308
Bad debt and doubtful accounts	18,960	3,535	2,678	3,535
Loss on obsolete and damage stock of other long-term investments	13,827	1,416	13,827	1,416
Management benefits expenses	10,599	22,748	10,599	22,748
Loss on impairment of advanced payment for share subscription	-	20,000	-	20,000
Loss from change of equity interest	-	3,452	-	-
Loss on impairment of advanced payment	-	1,402	-	1,402
Impairment loss on investment in subsidiaries (Reversal)	-	-	26,303	(19,214)
Other expenses	65,316	80,498	57,473	72,242
Total	1,188,529	1,037,318	1,098,042	946,662

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

30. SEGMENT INFORMATION

Segment information is presented in respect of the Company and its subsidiaries' business segments.

Segment results and operating assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest and income tax expenses and corporate common assets and liabilities.

Business segments

The Company and its subsidiaries comprise the following main business segments:

- (a) Manufacturing and sales of concrete products.
- (b) Construction and installation service
- (c) Rental of real estate and related services.

Geographic segments

Management considers that the Company and its subsidiaries operate in a single geographic area, mainly in Thailand, and has, therefore, only one major geographic segment.

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**Notes to Financial Statements (Continued)****December 31, 2011 and 2010****Business or geographical segment results**

	In Thousand Baht									
	Consolidated									
	For the year ended December 31									
	Manufacturing and sales of concrete products		Construction and installation services		Rental of real-estate and related services		Elimination		Consolidation	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Revenue from sales, rental and services	694,534	693,235	152,331	194,736	78,879	58,892	(391)	(491)	925,353	946,372
Other income									14,810	11,318
Total revenues									940,163	957,690
Costs of sales, rent and services	607,813	601,595	174,618	225,537	30,686	25,335	3,292	(4,596)	816,409	847,871
Selling and administrative expenses									372,120	189,448
Total expenses									1,188,529	1,037,319
Loss before finance costs and income tax expense									(248,366)	(79,629)
Finance costs									(20,355)	(9,016)
Income tax expense									(4,669)	(51)
Loss for the year									(273,390)	(88,696)
Other comprehensive income (loss) – net of tax									(95,814)	-
Total comprehensive loss for the year									(369,204)	(88,696)

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**Notes to Financial Statements (Continued)****December 31, 2011 and 2010****Business segment financial positions**

	In Thousand Baht									
	Consolidated									
	For the year ended December 31									
	Manufacturing and sales of concrete products		Construction and installation services		Rental of real-estate and related services		Elimination		Consolidation	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Trade accounts receivable - net	112,679	94,924	15,785	49,149	-	71,986	-	-	128,464	216,059
Inventories	91,255	108,144	22	16,624	-	-	-	-	91,277	124,768
Property, plant and equipment - net	67,078	59,840	7,128	-	-	7,132	-	-	74,206	66,972
Leasehold right for investment	-	-	-	-	-	329,896	-	30,523	-	360,419
Unallocated assets									826,486	373,006
Total assets									1,220,433	1,141,224

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

31. Financial instruments

Financial risk management policies

The Company and its subsidiaries is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Company and its subsidiaries does not hold or issue derivative financial instruments for speculative or trading purposes.

Liquidity risk

The Company and its subsidiaries monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company and its subsidiaries operations and to mitigate the effects of fluctuations in cash flows.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Company and its subsidiaries as and when they fall due. This risk is controlled by the application of credit approvals, limits and monitoring procedures. The maximum credit risk exposure is represented by the carrying amount of each financial asset in the balance sheet.

Foreign currency risk

The Company and its subsidiaries mainly operates locally but periodically imports raw material, giving rise to exposure to market risk from changes in foreign exchange rates. However, the management believes that the foreign exchange rate risk is minimal because the Company and its subsidiaries has insignificant import transactions in each year.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the Company and its subsidiaries cash flows because loan interest rates are mainly floating. The Company and its subsidiaries is primarily exposed to interest rate cash flows risk from its borrowings. Interest rate risk will arise from a change of interest rates in the market.

As at December 31, 2011 and 2010, significant financial assets and financial liabilities exposed to value and cash flows risk arising from changes in interest rates are as follows:

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**Notes to Financial Statements (Continued)****December 31, 2011 and 2010**

	In Thousand Baht									
	2011									
	Consolidated					The Company Only				
	Principal		Average Interest Rate (%)			Principal		Average Interest Rate (%)		
	Floating Interest Rate	Fixed Interest Rate	Total	Floating	Fixed	Floating Interest Rate	Fixed Interest Rate	Total	Floating	Fixed
Financial assets										
Cash at banks										
- saving deposits	20,541	-	20,541	0.75	-	19,999	-	19,999	0.75	-
- term deposits	-	-	-	-	-	-	-	-	-	-
Restricted term deposits at bank	56,581		56,581	1.87	-	55,181	-	55,181	1.87	-
Long-term loan receivable from related parties	-	-	-	-	-	-	17,000	17,000	-	4.00,12.00
Financial liabilities										
Overdrafts and short-term loans from financial institutions	-			-		-	-	-	-	-
Short-term loans from minority interests	-	298	298	-	4.00,5.00	-	-	-	-	-
Short-term loans from related parties and other	-			-		-	-	-	-	-
Long-term loans from financial institutions	-			-		-	-	-	-	-

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**Notes to Financial Statements (Continued)****December 31, 2011 and 2010**

	In Thousand Baht									
	2010									
	Consolidated					The Company Only				
	Principal			Average Interest Rate (%)		Principal			Average Interest Rate (%)	
	Floating Interest Rate	Fixed Interest Rate	Total	Floating	Fixed	Floating Interest Rate	Fixed Interest Rate	Total	Floating	Fixed
Financial assets										
Cash at banks										
- saving deposits	162,916	-	162,916	0.25	-	161,041	-	161,041	0.25	-
- term deposits	1,295	-	1,295	0.75	-	1,286	-	1,286	0.75	-
Restricted term deposits at bank	57,400	-	57,400	0.50	-	56,000	-	56,000	0.50	-
Long-term loan receivable from related parties	-	-	-	-	-	-	27,400	27,400	-	4.00,12.00
Financial liabilities										
Overdrafts and short-term loans from financial institutions	10,168	10,000	20,168	4.00,7.25	2.50	977	10,000	10,977	4.00	2.50
Short-term loans from minority interests	-	298	298	-	4.00,5.00	-	-	-	-	-
Short-term loans from related parties and other	-	-	-	-	-	-	-	-	-	-
Long-term loans from financial institutions	182,229	-	182,229	6.91	-	-	-	-	-	-

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

Fair values of financial instruments

The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. In determining the fair value of its financial assets and liabilities, the Company and its subsidiaries takes into account its current circumstances and the costs that would be incurred to exchange or settle the underlying financial instrument.

The Company and its subsidiaries used the following methods and assumptions in estimating the fair values of financial instruments as follows:

Cash and cash equivalents and deposits at financial institution pledged as collaterals

The fair value approximates the carrying amount stated in the balance sheets since interest on financial instruments approximates market interest rates.

Trade accounts receivable and payable

The carrying amount approximates fair value because of the short period to maturity of these financial instruments.

Investment in equity security

For investments in shares for which there are no quoted market price, the reasonable estimates of fair values have been calculated based on the underlying net asset base for such investments that approximate their carrying value.

Bank overdrafts and short-term loans from financial institutions

The carrying amounts of these financial liabilities stated in the financial statements approximate their fair value because these financial instruments mainly bear interest at the market rates.

Short-term loans from minority interests and related parties

The carrying amounts of these financial liabilities stated in the financial statements approximate their fair value because these financial instruments are payable on demand.

Long-term loan from financial institution

The Company is not able to estimate its fair value of long-term loan.

32. COMMITMENTS

As at December 31, 2011

- 32.1 The Company and its subsidiaries had commitments under contracts with customers for sale and service contracts for which goods or services have not been delivered or rendered to customers totaling approximately Baht 403.7 million. The Company and its subsidiaries do not expect to incur any significant loss on the said sales and service contracts.
- 32.2 A subsidiary had a commitment under the land leasehold right transfer agreement with a local company, whereby the subsidiary is committed to pay a monthly rental charge for 15 years as follows:

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

	In Thousand Baht			
	Consolidated		The Company Only	
	2011	2010	2011	2010
Non-cancellable operating lease commitments				
Within 1 year	-	6,780	-	-
1 - 5 years	-	30,360	-	-
After 5 years	-	29,400	-	-
Total	-	66,540	-	-

However, the subsidiary assigned such leasehold right to a company for the same lease period and the compensation income under the assignment is charged for each year as detailed below:

	In Thousand Baht			
	Consolidated		The Company Only	
	2011	2010	2011	2010
Non-cancellable operating lease commitments				
Within 1 year	-	29,700	-	-
1-5 years	-	133,056	-	-
After 5 years	-	133,888	-	-
Total	-	296,644	-	-

However, the subsidiary assigned a right in operating the 6 floor building project to a company for the same lease period and the compensation income under the assignment is charged for each year as detailed below:

	In Thousand Baht			
	Consolidated		The Company Only	
	2011	2010	2011	2010
Non-cancellable operating lease commitments				
Within 1 year	-	12,000	-	-
1-5 years	-	48,000	-	-
After 5 years	-	42,000	-	-
Total	-	102,000	-	-

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

However, the subsidiary assigned a right in operating the 6 floor building project to a company for the same lease period and the obtain for the compensation income for the investment cost in such building and construction in each year, details as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2011	2010	2011	2010
Non-cancellable operating lease commitments				
Within 1 year	-	84,000	-	-
1-5 years	-	287,000	-	-
After 5 years	-	-	-	-
Total	-	371,000	-	-

32.3 Other commitments

	In Thousand Baht			
	Consolidated		The Company Only	
	2011	2010	2011	2010
Unused letters of credits for goods and supplies	-	4,023	-	4,023
Bank guarantees not used	3,715	29,232	2,750	28,467
Total	3,715	33,255	2,750	32,490

33. CONTINGENT LIABILITIES

As at December 31, 2011, The Company and a subsidiary were contingently liable for letters of guarantee issued by a bank to customers for the Company and its subsidiaries' performance bonds and for the use of electricity totaling approximately Baht 75.5 million. The land used and not used in operations together with the construction thereon of the Company, having a net book value of Baht 67.3 million as at December 31, 2010, and the Company's fixed deposits of Baht 55.2 million and Baht 1.4 million of subsidiary are pledged as collateral for such letters of guarantee.

34. RECLASSIFICATION OF ACCOUNTS

Certain accounts in 2010 were reclassified to conform with those in the 2011 financial statements as follows:

	In Thousand Baht		
	Consolidated		
	Before reclassify	Reclassify	After the reclassify
Financial Statements			
Other long-term investments	360,419	(360,419)	-
Property for investment-net	-	360,419	360,419
Total	360,419	-	360,419

50th Anniversary

แห่งความมุ่งมั่นและพัฒนา พลิกผันทองการก่อสร้างไทย

Property & Construction / Construction Materials



บริษัท เจนเนอรัล เอนจิเนียริง จำกัด (มหาชน)

44/2 หมู่ 2 ถ.ติวานนท์ ต.บางกะดี อ.เมือง จ.ปทุมธานี 12000

โทร : 0-2501-1055, 0-2501-2020 แฟกซ์ : 0-2501-2134, 0-2501-2468

GENERAL ENGINEERING PUBLIC COMPANY LIMITED

44/2 Moo 2 Tivanont Road, Bangkadi , Muang Pathumthani, Pathumthani 12000

Tel. : 66-02501-1055, 66-02501-2020 Fax : 66-02501-2134, 66-02501-2468

www.gel.co.th / E-mail : gel@gel.co.th