



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

รายงานประจำปี 2556  
ANNUAL REPORT 2013

Property & Construction • Construction Materials



# GEL

GENERAL ENGINEERING









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## Message from the Chairman

In 2013 real estate and construction markets face a variety of factors that affect growth, such as construction costs increased dramatically, minimum wage increased including the labor shortage problem. In addition, the global economic situation and domestic political instability continues affect to growth of the overall economy of the country. Including the infrastructure investment and development policy formulation of the country has continued affect to the growth of the construction industry inevitably

The Company expects that the overall construction industry in 2014 is tending to grow at a slower rate. However, the construction sector has boost economic activities in regional including the accelerating of infrastructure investment and development to keep up and ready for the liberalization of the ASEAN Economic Community in 2015.

In order to accommodate the risk of fluctuations in the volume of orders from customers in the future as well as risks of economic conditions of the country. Therefore the company has negotiated with business partners in the construction sector to frame the buying / selling of the Company which accommodate the increased capacity as well as support the Company's plans for a smooth transition.

The Company has been operating on the production of prestressed concrete piles for over 50 years by the Leadership of technology and innovation with standard into the construction industry of Thailand. The Company has developed a product with continuous quality by certified the Quality Management System according to ISO 9001: 2008 and the Industrial Standards (TIS).

As a leader in the production of construction materials which have a range of products to meet customer needs both product quality and customer service is recognized as well as can provide technical consultation to customers with honesty accurately and fairly as well as to educate the general public about the potential damage caused by the use of non-standard materials. So the Company has focused on improving the quality of products and services by maintaining leadership in this business.

On behalf of the Board of Directors would like to thank our customers and shareholders of the Company, all of you who have supported the company with a good time and would like to thank The Board of Directors, Executives and all staff who have dedicated a large part of working together to the fullest.



Mr.Sophon Pholprasit  
Chairman of the Board of Directors



## Message from the Chief Executive Officer

In 2013 the Company has changed Executives structure and strategy of the business significantly. The Company has expanded its customer, increased production in all its products and focused on the production to more efficiently. From the commitment of the all staff and executive contributed to the Company can increase revenue and generate profits tangibly in 2013.

This year, the Company will focus on increasing sales, improving the quality of products and services by maintaining a specialist in the production of construction materials. The Company has plans to expand production capacity in new areas including the addition of related products to support the growth of the construction market that will increase in the future.

The Company strongly believes that this Business practices will enhance the efficient of business operations, encourage and support the Company to making revenue, profits and grows steadily even more in the conditions of highly competitive in present.



Mr. Thitipong Tangpoonphonvivat  
Chief Executive Officer



## 1. Policy and overall business operations

General Engineering Public Company Limited ("The Company") was established early on September 14, 1962 by Khunying Chatchanee Chatikawanit with registered capital of 500,000 Baht in the name "General Engineering Company Limited" to operated prestressed concrete pile production which at that time was taken to replace the wood pile. The Company was listed as a licensed securities company in the SET on March 28, 1991 in the real estate and construction group (construction materials) and converted into a public limited company on November 5, 1993 with a registered capital of Baht 180 million, divided into 18 million ordinary shares at 10 Baht per share.

The Company currently has registered capital of Baht 212,807,755,500 and paid up capital of Baht 112,433,073,240 divided into 3,747,769,108 shares at a par value of Baht 30.00 per share The Company had warrants to purchase ordinary shares No.3 of 577,868,385 units which are traded in the SET by the name of "GEL-W3" and warrants to purchase ordinary shares No.4 of 1,327,187,433 units which are traded in the SET by the name of "GEL-W4"

The Company's core business is the manufacture of construction materials, Prestressed concrete pile, Precast concrete floors and walls, Glass fiber reinforced concrete, Cement mixing to prevent shrinkage and flat slab prestressed concrete floor

### 1.1 Operation policy of the Company

General Engineering Public Company Limited Initiated the Prestressed Concrete Piles production by the Leadership of technology and innovation with standard into the construction industry of Thailand. We have developed several construction materials with modern advanced technology and innovation. Our products consist of various construction materials such as Prestressed Concrete Piles, Post-Tensioned Flat Slab "GEL System", Precast Concrete Wall, Glassfiber Reinforced Concrete (GRC), Non-Shrink Grout and Special Cement Products "DENKA" Japan, Epoxy Product, Noise Barrier and Alpha Truss Slab. We have been awarded ISO 9001:2008 certification and National Accreditation Council (NAC).





## Vision

General Engineering Public Company Limited as a leader in the manufacturer of construction materials that has a variety of products to meet customer needs both product quality and customer service, which is acceptable, can provide in consulting to clients on the various technical and to educate the general public about the potential damage that caused by the use of non-standard materials. The Company focuses on improving the quality of products and services to maintain its leader in this business.

## 1.2 Changing and important development

### 1) Changes in share capital

#### 1.1) Year 2011

The Extraordinary General Meeting of Shareholders No. 1/2011 on March 28, 2011, the shareholders had the significant resolutions as follows.

(1) Resolution to approve the reduction of the share capital of the Company by Baht 747,598,263 from existing registered capital of Baht 4,895,364,463 to Baht 4,147,766,200 reduced by the number of remaining from the unexercised of warrants (GEL-W1).

(2) Resolution to approve the change in number of shares and par value by reducing the number of shares from 4,147,766,200 shares to 414,776,620 shares and change in the par value of the share from Baht 1.00 to Baht 10.00 per share by registered with the Ministry of Commerce on April 4, 2011.

(3) Resolution to approve the increasing of registered capital from 414,776,620 shares at par value of Baht 10.00 per share to 3,286,109,331 shares at par value of Baht 10.00 per share by issuing new ordinary shares of 2,871,332,711 shares at par value of Baht 10.00 per share to comply with the issuance of new shares and the issuance of warrants to purchase ordinary shares of the Company No.3 and accommodate to the right adjustment of warrants (GEL-W2) with details of the capital increase as follows.

A. Issuance of new shares to existing shareholders at the ratio of 1 existing share for 5 new shares not exceeding of 1,878,238,610 shares.

B. Accommodate to The exercise of GEL-W3 of 939,119,305 shares.

C. Accommodate to the right adjustment of GEL-W2 of 53,974,796 share.

The Company registered the capital increase with the Department of Business Development, Ministry of Commerce on April 4, 2011 and receive funds from the offering new shares of Baht 404,507,891.20, deducting expenses is a total of Baht 403,736,226.23

## 1.2) Year 2012

The Annual General Meeting of Shareholders 2012 on May 3, 2012, the shareholders had the resolution to approve the capital reduction of the Company by Baht 8,156,054,720 from existing registered capital of Baht 32,861,093,310 to Baht 24,705,038,590 reduced by the number of shares remaining from the sale of new shares to the existing shareholders and no exercise of warrants (GEL-W2).

## 1.3) Year 2013

The Annual General Meeting of Shareholders 2013 on March 26, 2013, the shareholders had the significant resolutions as follows.

(1) Resolution to approve the reduction of registered capital of the Company by Baht 3,612,509,200 from registered capital of Baht 24,705,038,590 to Baht 21,092,529,390 by cutting the number of shares that have not been issued of 361,250,920 shares at par value of Baht 10 per share. The Company was registered at the Ministry of Commerce on March 29, 2013.

(2) Resolution to approve the changes of par value of shares from Baht 10 to Baht 30 Baht per share, which the Company registered with the Ministry of Commerce on March 29, 2013.

(3) Resolution to approve the issuance of warrants GEL-W4 of not exceeding 1,327,199,947 units to existing shareholders and existing shareholders who subscribe for new ordinary shares as follows.

- Existing shareholders in the ratio of 10 ordinary shares for 1 unit of warrants of 51,046,152 units.
- Existing shareholders who subscribe for new ordinary shares in the ratio of 2 new ordinary shares for 1 unit of warrants of 1,276,153,795 units.

(4) Resolution to approve the increasing of registered capital by Baht 191,715,226,110 from registered capital of Baht 21,092,529,390 with a par value of 30 Baht per share by issuing new ordinary shares of 6,390,507,537 shares as follows.

A. Allocation of 2,552,307,590 shares to the existing shareholders in the ratio of 1 existing share per 5 new shares at the offering price of Baht 0.75 per share. The Company was registered with the Ministry of Commerce on May 31, 2013 and receive funds from the offering shares of Baht 1,914,230,692.50 deducted expenses totaling Baht 1,913,493,205.36.

B. Allocation of 1,327,199,947 shares to accommodate the exercise of warrants that the Company allocated to existing shareholders and existing shareholders who subscribe for new shares.

C. Allocation of 11,000,000 shares to reserved for the right adjustment of exercise price and exercise ratio of GEL-W3.



D. Allocation of not exceeding 2,500,000,000 shares to the Private Placement at an offering price of not less than 90 percent of the market price. The Company has allocated of 500,000,000 shares at 0.83 Baht per share to 8 investors and allocated of 185,000,000 shares at 0.75 Baht per share to 1 investor. The Company was registered with the Ministry of Commerce on August 22, 2013 and received funds from the offering of new shares total amount of Baht 553,750,000.00.

## 2) Changes of Warrants

### 2.1) Warrants (GEL-W2)

On December 25, 2009 the Company issued and offered warrants to purchase ordinary shares of the Company (GEL-W2) of 172,270,833 units to the Existing shareholders by a list of names in the share register book as at November 26, 2009 without charge at the rate of 3 new ordinary shares per 1 warrant. The Company registered warrants to trade in the SET of 140,768,648 units, the remaining of 31,502,185 units were canceled which such warrants is a specify name and transferable type with age 2 years from December 25, 2009 and can be exercised every 6 months throughout the term of the Warrants. The first exercise is on June 30, 2010. The last exercise can be performed on December 23, 2011 with exercise ratio of 1 warrant per 0.42582 ordinary shares at a price of 2.340 Baht per share with effect from June 30, 2011 onwards. However, the exercise ratio and the exercise price may change in case of the change by terms and conditions.

As of December 24, 2011, Warrants (GEL-W2) that has not been exercised a total of 140,768,648 units were canceled.

### 2.2) Warrants (GEL-W3)

On May 16, 2011 the Company has issued warrants to purchase ordinary shares of the Company (GEL-W3) of not more than 939,119,305 units to the Existing shareholders who subscribed for new ordinary shares by a list of names in the share register book as at 16 February 2011 without charge at the rate of 2 ordinary shares per 1 warrant. The Company registered warrants to trade in the SET of 577,868,385 units, the remaining of 361,250,920 units were canceled which such warrants is a specify name and transferable type with age 3 years from May 16, 2011 and can be exercised at any December of each year throughout the term of the Warrants. The first exercise is on December 30, 2011. The last exercise can be performed on May 14, 2014 with exercise ratio of 1 warrant per 1 ordinary share at a price of 1.00 baht per share with effect from 30 December 2011 onwards. However, the exercise ratio and the exercise price may change in case of the change by terms and conditions.

On 19 April 2013 the Company adjusted the right of Warrant GEL-W3 accordance with the terms and conditions Clause 4.2 (b) Page 15 and Clause 4.2 (c), Page 17, to maintain the rights of the holders of the warrants are as follows.

<u>New Exercise ratio</u>	1 Warrants can purchase 1.066 ordinary shares
<u>New exercise price</u>	Baht 0.937 per share

As of December 31, 2013, Warrants (GEL-W3) that has not been exercised a total of 577,868,385 units.

### 2.3) Warrants (GEL-W4)

On June 10, 2013, the Company Issued Warrants (GEL-W4) of not more than 1,327,199,947 units to the existing shareholders of the Company with the closing date for the right to receive warrants on April 10, 2013 without charge at a ratio of 10 Existing ordinary shares per 1 unit and offered to the Existing shareholders who subscribed for new ordinary shares without charge at a ratio of 2 new ordinary shares per 1 unit. The Company registered warrants to trade in the SET of 1,327,187,433 units, the remaining of 12,514 units were canceled which such warrants is a specify name and transferable type with age 3 years from June 10, 2013 and can be exercised at any December of each year throughout the term of the Warrants. The first exercise is on December 30, 2013. The last exercise can be performed on June 9, 2016 with exercise ratio of 1 warrant per 1 ordinary share at a price of 1.20 baht per share with effect from 30 December 2013 onwards. However, the exercise ratio and the exercise price may change in case of the change by terms and conditions.

As of December 31, 2013, Warrants (GEL-W4) that has not been exercised a total of 1,327,187,433 units.

### 3) Significant developments

3.1) On February 26, 2013 the Board of Directors' meeting No.4/2013 has the resolution to approve the purchase of the ordinary shares of Borploi Solar Co., Ltd. (Formerly IFEC Green Power Plus Company Limited) for 24% of the paid-up capital amounting of 5,882,400 shares at the total purchase price of THB 105 million from Celtic Square Co., Ltd. The transaction completed on 28 February 2013. Borploi Solar Co., Ltd operates the solar power plant business with a combined capacity of 10 MW AC, at Amphur Bor Ploy, Karnchanaburi Province have Power Purchase Agreements for Very Small Power Producer with the Provincial Electricity Authority and have been granted 10-year subsidy of Baht 8 per unit Adder from the Power Department Fund Management Division, Office of the Energy Regulatory Commission.

3.2) On July 16, 2013 the Board of Directors' meeting No.9/2013 has the resolution to approve the purchase of the ordinary shares of Mctric Company Limited amounting of 800,000 shares or 32.65% of the paid-up capital at the total purchase price of THB 184 million from Twin Glory Investment Limited. The transaction completed on September 2, 2013. Mctric Company Limited operates construction engineering business including electrical and mechanical systems in various fully integrated, divided into two main areas which are general engineering construction, electrical and mechanical systems in various fully integrated with construction in various types such as commercial buildings, residential buildings, educational institution, industry construction and civil engineering construction etc. The company provides the services from architecture, telecommunications, plumbing sanitation systems and fire protection systems, conditioning and ventilation systems.

3.3) On October 31, 2013 the Board of Directors' meeting No.16/2013 has the resolution to approve the purchase of the ordinary shares of Suntech Metals Company Limited amounting of 32,600,000 shares or 100.00% of the paid-up capital at the total purchase price of THB 459,359,992 from the existing shareholders (6 persons). Suntech Metals Company Limited operates the scrap and scrap processing business for sale to the Ironworks.



3.4) The Board of Directors' meeting No.16/2013 on October 31, 2013 and The Executive Committee' meeting No.3/2013 on November 4, 2013, has the resolution to approved the purchase of 6 vacant land with total area 109-2-92.0 rai 43,892.00 square wah, deed No. 4024, 11741, 11742, 11745, 11746, and 11747, located at Klong Wat Plub Road, Bang Sai Supplementary Occupation Centre Road (Torlor.347), Tambon Chiang Rak Noi, Sam Khok, Pathum Thani at the price of 4 million per rai, totaling Baht 438.92 million from Miss Passanun Satatianwit with the objective is to used in the construction of the plant to expand capacity for the precast concrete parts production. The company plans to purchase the machines in the amount of Baht 290 million and Plant construction in the amount of about Baht 40 million. This would amount for plant construction and precast concrete machinery not exceeding Baht 330 million.

3.5) On 11 November 2556 the Extraordinary General Meeting of Shareholders No. 1/2013 of G.E.L. General Engineering Service Co., Ltd had the resolution to approve the registered to change the Company name, Company seal and objectives of Company to World Wire Processing Company Limited by amendment of Article 3. Objectives of the Company from 46 items to 48 items and add items 47-48 as follows.

- 47. Operate of all kinds of steel wire and contract rolled metal wire
- 48. Operate rolled stainless steel wire, forming metals and operates rolling mill metal wire.

3.6) The Board of Directors' meeting No.18/2013 on December 20, 2013 had the resolution to approved World Wire Processing Company Limited, a Subsidiary in 99.99% of the registered capital to purchase the land total area of 57-0-57 rai or 22,857 square wah, located at Pakruam-Ao Udom Road, Bowin, Sriracha, Chonburi at the price of Baht 9,500 per square wah, totaling Baht 217,141,500 from Suntech Metals Company Limited, a Subsidiary in 100.00% of the registered capital.

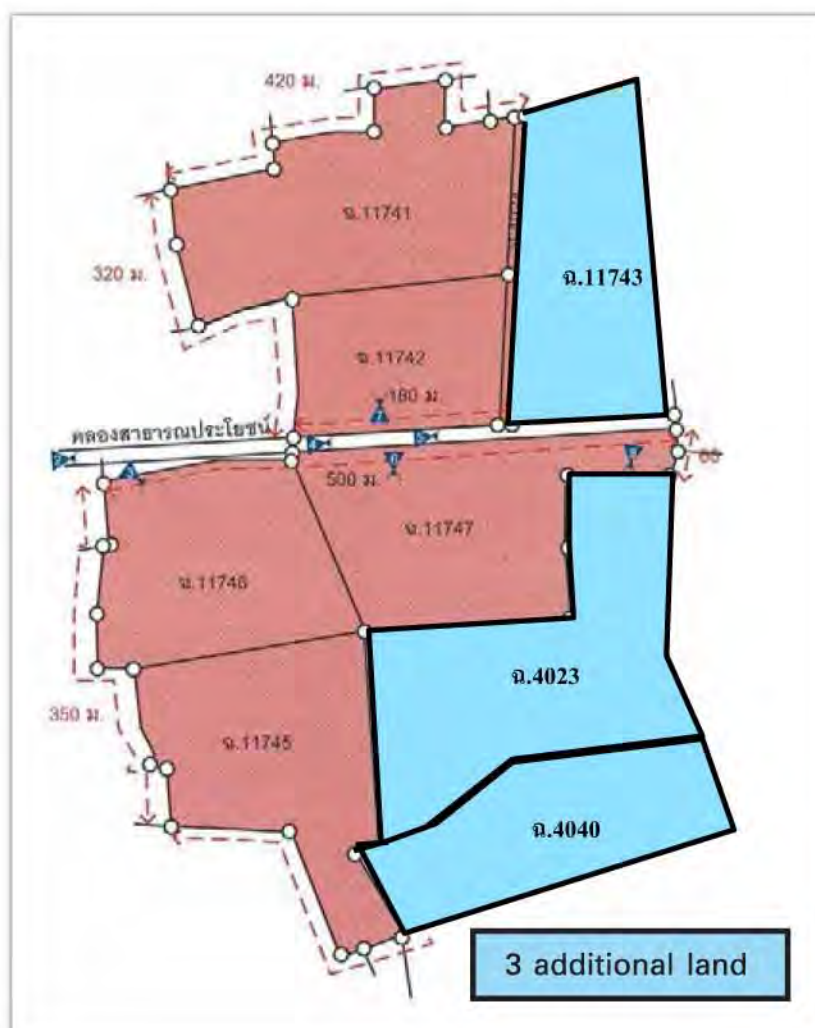
All land that owned by Suntech Metals Company Limited, has a lot of space and the Company plans to divide the land for invest in a new factory to manufacture of many products, meanwhile World Wire Processing Company Limited is a company that produce a product in all such product. Therefore, we should divide the land that is the plant of each company to clear of turnover for ability to monitor the performance. In particular the Cost of the Company to more clearly. Each company should have a property that is operate independently

Such land is located in the industrial park, which has the tax benefits. Therefore the obtaining of tax benefit of each company should have a property that is operate independently, for the benefit in the granting consider of the tax benefits.

When the cost restructuring of the assets of World Wire Processing Company Limited and Suntech Metals Company Limited clearly in the future, if World Wire Processing Company Limited or Suntech Metals Company Limited looks for the joint venture partners, they will be able to find the joint venture partners more easily.

3.7) The Board of Directors' meeting No.1/2014 on January 21, 2014, has the resolution to approved the purchase of 3 vacant land with total area 46 — 1 — 45.8 rai or 18,545.8 square wah, deed No. 4023, 4040 and 11743, located at Klong Wat Plub Road, Bang Sai Supplementary Occupation Centre Road (Torlor.347), Tambon Chiang Rak Noi, Sam Khok, Pathum Thani at the price of 4 million per rai, totaling Baht 185,458,000 from Mr.Adisak Apiwatkarun. In addition, the Board of Directors has approved the Land development In the amount of Baht 50 million and approved the purchase of Wire Mesh machine In the amount of Baht 70 million.

The reasonable and necessary for the purchase of 3 additional lands because the purpose for the purchased of land area 109-2-92.0 rai in the last approval to support the expansion of capacity of the precast concrete parts production as well as expanding the capacity of other products in the Company's industry and also used to support in the case of business moving on the site of an old factory in a certain product. However, due to the current lease land agreement for the plant which will be due in 2014, the owner does not have a new lease agreement with the Company. So the Company needs to plan for the long term to support the all plant relocations especially the piling plant. But the company's existing land restrictions are not long enough land for a factory to produce and keep stock of the entire pile. Moreover, if the company has such land added. It makes the shape of the land as a whole has a more complete picture (a rectangle). And it will benefit that we can lay out each plant properly and more efficient use of space. Finally, the additional land adjacent to the land that the ETA expropriated for the construction of an expressway. This will make the overall area of the whole plant has more access as a result, the total asset price of a whole company increase in the future. Well as reduce transportation costs another way. In the future, all land will be the center of the plant of all our products including new products and related products that the company will produce more for make the business to produce a product that support the construction business more comprehensive. The details of the land as follows.





3.8) The Board of Directors' meeting No.3/2014 on January 31, 2014 and the Executive Committee's meeting No.3/2014 on February 13, 2014 have the resolution to approved the investment in the ordinary shares of Aqua Corporation Public Company Limited resulting from the exercise of AQUA-W2 number of 285,000,040 units with the exercise ratio 1: 1,301 by convert to ordinary shares of 370,785,052 shares at the exercise price of 0.576 baht per share, totaling Baht 213,572,189.95.

The Company has appointed Wealth Plus Company Limited as an independent financial adviser who had considered alternatives pros and cons and the right adjustment information and they comment on the suitability of AQUA-W2 conversion that "If the Company does not exercise there will be a loss which the Company have to recognized immediately within Q1/2014 between THB 74.10 - 142.50 million. While if the Company decided to exercise and sell AQUA immediately there will be only a loss of THB 33.67 million. But if the Company does not sell the shares immediately, the company will have the opportunity to sell AQUA in the future which is likely to get better results and risk according to the operation performance of AQUA. Therefore Wealth Plus comments that the company should decide exercise AQUA-W2"

3.9) The Board of Director's meeting No.5/2014 on February 28, 2014, has the resolution to approve the sale of Investment in Borploi Solar Company Limited of 5,882,400 shares or 24% of the paid-up capital at the price of Baht 137,059,920 to Eastern Printing Public Company Limited ("EPCO").

This during period of uncertainty, both economic and political, the past investment in Borploi Solar Company Limited which operates solar power plants. The Company assumes that this investment in other business has the potential to boost revenue and profit for the Company apart from the core business. Therefore if the sale of such investments can profitable for the Company as well as help the liquidity for the Company to invest in the future. Including the sale price in this time is higher than the net present value that valuated by an independent financial adviser and the price is relatively full valued and the Company considers that it is reasonable to sell which we will profit from the sale of such shares in the total amount of Baht 26,126,860.27 and If we calculate a rate of return on the total investment is 41.97% per year.

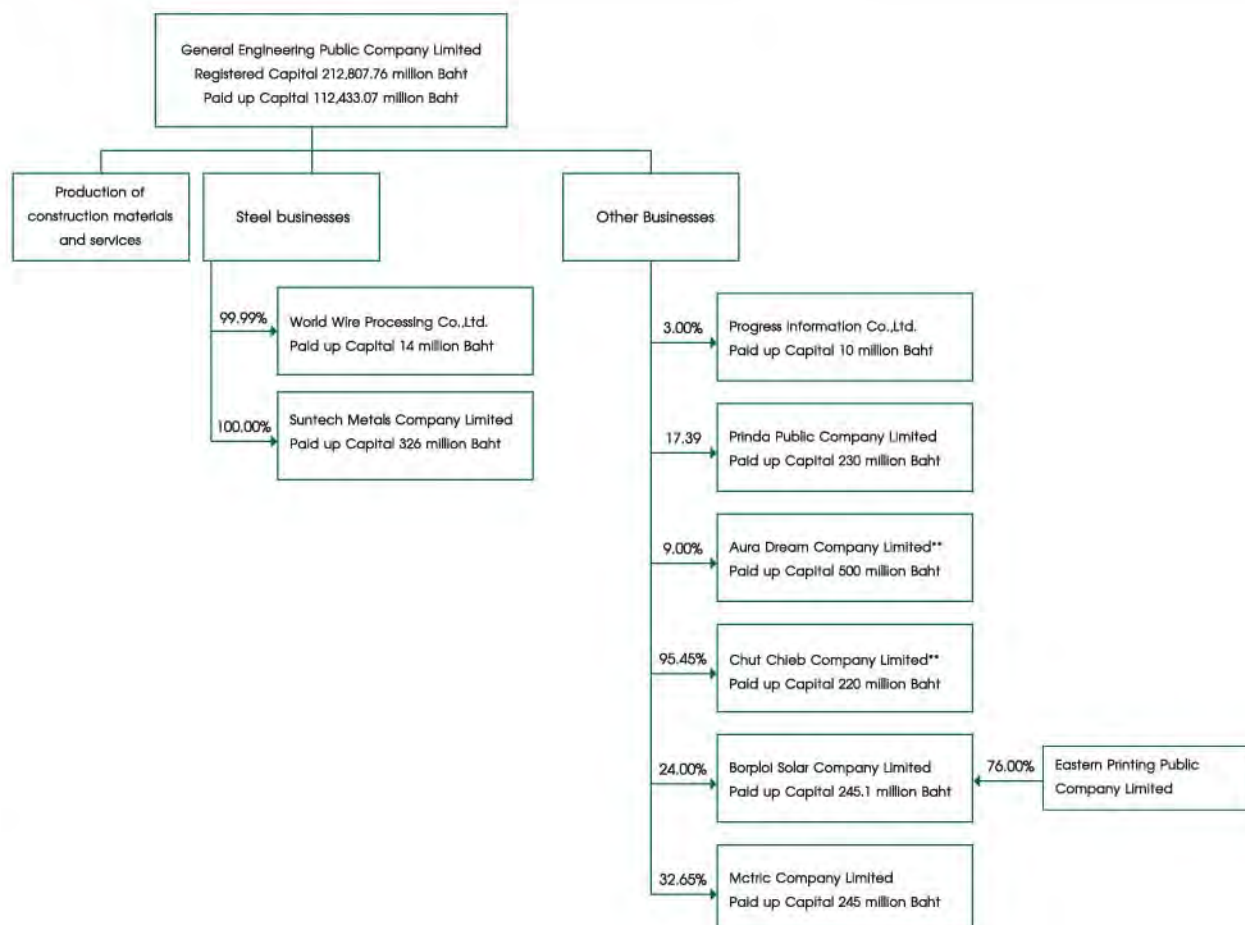
### 1.3 The shareholding structure of the Group

The Company's core business is production of construction materials, prestressed concrete pile, Precast concrete floors and walls, Fiber glass reinforced concrete, Cement mixing to prevent shrinkage and prestressed concrete floor flat slab types.

The Company and its subsidiaries are engaged in 3 core business types as follows.

1. Production of construction materials and services
2. Steel businesses
3. Other businesses

The shareholding structure of General Engineering Public Company Limited Group  
As of December 31, 2013



Note : There were no shareholders with conflicts in subsidiary and associated companies exceeding 10%.

\*\* On July 5, 2012, the Board of Directors of the Company has approved to sell the ordinary shares of Chut Chieb Co., Ltd. of 2,100,001 shares or 95.45% to Mr.Wicha Baopimpa at the price of THB195 millions. (Received in 2012 of THB120 million and the remaining was paid on February 5, 2013 of THB75 million.).

\*\* On May 13, 2013, the Board of Director's meeting No.7/2013 has approved the sale of shares of Aura Dream Company Limited of 4,500,000 shares, or 9 percent of the registered capital at the price of Baht 45 million to Mida Assets Public Company Limited.



List of Subsidiaries and other Associates as of December 31, 2013

Company	Nature of Business	Proportion (%)	Paid up capital (Million Baht)	Cost of investment (Million Baht)	Value of investments (Million Baht)
<b>Subsidiaries</b> World Wire Processing Company Limited 44/2, Moo 2, Tivanon Road, Tambon Bangkadee, Ampoe Muang, Pathumthani Province 12000 Telephone 02-501-2020, 02-501-1055 Fax 02-501-2468, 02-501-2134	Metal business	99.99	14.00	13.99	13.99
Chut Chieb Company Limited (Ending on 5 Feb 2013) 44/2, Moo 2, Tivanon Road, Tambon Bangkadee, Ampoe Muang, Pathumthani Province 12000 Telephone 02-501-2020, 02-501-1055 Fax 02-501-2468, 02-501-2134	Real Estate for rental	95.45	220.00	210.00	172.59
Suntech Metals Company Limited 339 Moo 6 Pakruam-Ao Udom, Bowin, Sriracha, Chonburi 20230 Telephone 038-345437-41 Fax 038-345444	Scrap metal recycling business	100.00	326.00	459.36	459.36
<b>Associates</b> Prinda Public Company Limited 151 Moo 7 Khirinkhron Road, Huaykapi, Muang, Chonburi 20000 Telephone (038) 276-800 Fax (038) 276-800	Distribution of sand rock for construction	17.39	230.00	87.13	-
Borplol Solar Company Limited 51/29, 51/61, Moo 3, Soi Siam Samakki, Vibhavadi Rangsit Road, Talaad Bangkhen Sub-District, Laksi District, Bangkok 10210 Telephone 0-2551-0541-4 Fax 0-2552-0905, 0-2551-0532	Solar power plant	24.00	245.10	105.00	105.00
Metric Company Limited 121/105, RS Tower, 39th Floor, Ratchadapisek Road, Dindaeng District, Bangkok Telephone 0-2641-2100 Fax 0-2641-2030, 0-2641-2029	Construction and System in installation service	32.65	245.00	184.00	184.00

Note : There were no shareholders with conflicts in subsidiary and associated companies exceeding 10%.

1) On July 5, 2012, the Board of Directors of the Company has approved to sell the ordinary shares of Chut Chieb Co., Ltd. of 2,100,001 shares or 95.45% to Mr.Wicha Baopimpa at the price of THB195 millions. (Received in 2012 of THB120 million and the remaining was paid on February 5, 2013 of THB75 million.)

2) On February 28, 2013 the Company purchased ordinary shares of Borploi Solar Co., Ltd. (Formerly IFEC Green Power Plus Company Limited) for 24% of the paid-up capital amounting of 5,882,400 shares at the total purchase price of THB 105 million from Celtic Square Co., Ltd.

3) On May 13, 2013, the Board of Director's meeting No.7/2013 has approved the sale of shares of Aura Dream Company Limited of 4,500,000 shares, or 9 percent of the registered capital at the price of Baht 45 million to Mida Assets Public Company Limited.

4) On September 2, 2013, the Company purchased ordinary shares of Mctric Company Limited amounting of 800,000 shares or 32.65% of the paid-up capital at the total purchase price of THB 184 million from Twin Glory Investment Limited.

5) On October 31, 2013 the Company purchased ordinary shares of Suntech Metals Company Limited amounting of 32,600,000 shares or 100.00% of the paid-up capital at the total purchase price of THB 459,359,992 from the existing shareholders (6 persons)

6) On November 12, 2013 G.E.L. General Engineering Service Co., Ltd was registered to change of Company name, Company seal and objectives of Company to World Wire Processing Company Limited.

7) On February 28, 2014 the Company sold the investment in Borploi Solar Company Limited of 5,882,400 shares or 24% of the paid-up capital at the price of Baht 137,059,920 to Eastern Printing Public Company Limited ("EPCO").



## 2. Nature of Business

### 1) Revenue Structure by product line

The revenue structure from business operation of the company and its subsidiaries from the year 2011 - 2013 can be classified by business groups as follows:

The business group	Operated by the	% Of shares of the Company	2013		2012		2011	
			Million baht	%	Million baht	%	Million baht	%
Production of construction materials	General Engineering							
Products of prestressed concrete piles	Public Company		916.34	53.64	571.82	53.92	473.57	50.16
Specialty concrete products	Limited		311.98	18.26	236.84	22.33	185.23	19.62
Specialty Products			30.05	1.76	28.99	2.73	15.80	1.67
Special Projects			4.42	0.26	43.70	4.12	167.30	17.72
Total			1,262.79	73.91	881.35	83.10	841.90	89.18
Steel scrap business	Suntech Metal Co., Ltd.	100.00						
Scrap Sales			209.65	12.27				
Scrap recycling			64.37	3.77				
Other			9.33	0.55				
Total			283.35	16.59				
Service revenue	World Wire Processing Co., Ltd.	99.99			1.44	0.13	4.96	0.53
Total revenues from sales and services			1,546.14	90.50	882.79	83.24	846.86	89.70
Rental income property and leasehold	Chatchiab Co., Ltd.	95.45	-	-	-	-	78.49	8.32
Investment Business	General Engineering							
Reversal of allowance for doubtful accounts	Public Company		-	-	6.35	0.60	2.41	0.26
Gains and losses on asset sales			1.06	0.06	-	-	2.33	0.25
Revenue from the sale of scrap			1.79	0.10	1.46	0.14	0.91	0.10
Interest and discount rates are			35.22	2.06	2.28	0.21	2.75	0.29
Gain on revaluation of investments			-	-	112.35	10.59	-	-
Reversal of impairment of assets			-	-	9.58	0.90		
Gain on sale of investment in subsidiary			-	-	22.41	2.11		
Share of profit from associated companies			27.88	1.63				
Gain on disposal of investments			51.53	3.02				
Income tax revenue			10.23	0.60				
Other Income			5.77	0.34	23.14	2.18	8.99	0.95
Total			133.48	7.81	177.57	16.74	17.39	1.84
Investment Business	World Wire	99.99						
Interest and other	Processing Co., Ltd.		0.04	0.00	0.18	0.02	0.30	0.03
Total			0.04	0.00	0.18	0.02	0.30	0.03
Investment Business	Chatchiab Co., Ltd.	95.45						
Interest and other							1.03	0.11
Total			-	-	-	-	1.03	0.11
Investment Business	Suntech Metal Co., Ltd.	100.00						
Interest and other			28.24	1.65				
Gain on exchange			0.55	0.03				
Total			28.79	1.69				
Total income from investment business			162.31	7.82	177.75	16.76	18.72	1.98
Gross Income			1,708.45	100.00	1,060.54	100.00	944.07	100.00

## 2.1 Description of Products and Services

### 1) Core business

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"> <li>* Rectangular pile</li> <li>* Hollow rectangular pile</li> <li>* I-shape pile</li> </ul>	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	* Fiber glass reinforced concrete product (GRC)	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.	For a customer who wants to use a product of a unique and specific Description.
	* Precast Concrete Wall	Quality and standard can be regularly controlled on the whole piece for quick construction as designed by the project owner.	Factory, department store, high-rise building, stadium etc.
	Semi-finished slab	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.	Factory work, bridge work
	* 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	* 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.
	Noise Barrier	Being a product used for the prevention of noise pollution resulting from traffic or machinery	Special expressways, highways, underground tunnels, power plants and factories
	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.
Steel products	Steel bar Steel	Ability of forming and excellent durability including good stretching. Great yield point and heat conduction as well as another important feature that available in stainless steel is corrosion resistant.	Used for all types of construction
Ready-mixed concrete products	-	A mixture of sand, cement, water and concrete admixture mixed from factory including delivery to the construction site by concrete mixer truck.	Used for all kinds of construction and has specifically appropriate to the construction of all types.

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



## 2. The business of its subsidiaries and associated companies

(1) World Wire Processing Co., Ltd. the business services installed by the company have a skilled team of installation contractors Trust to provide services to customers.

(2) Borploi Solar Co., Ltd operates the solar power plant business with a combined capacity of 10 MW AC, at Amphur Bor Ploy, Kamchanaburi Province have Power Purchase Agreements for Very Small Power Producer with the Provincial Electricity Authority and have been granted 10-year subsidy of Baht 8 per unit Adder from the Power Department Fund Management Division, Office of the Energy Regulatory Commission.

(3) Mctric Company Limited operates construction engineering business including electrical and mechanical systems in various fully integrated, divided into two main areas which are general engineering construction, electrical and mechanical systems in various fully integrated with construction in various types such as commercial buildings, residential buildings, educational institution, industry construction and civil engineering construction etc. The company provides the services from architecture, telecommunications, plumbing sanitation systems and fire protection systems, conditioning and ventilation systems.

(4) Suntech Metals Company Limited operates the scrap and scrap processing business for sale to the Ironworks.

### 2.2 Marketing and competition condition

Overview of the business, due to the oil price and the raw material price are increased including labor wage of 300 Baht per day across the country make the Company's production cost has increased, including the political instability in the country. These factors have negative effect to the growth of the construction materials, caused as the economic downturn in the construction industry as a whole. Because of the construction industry is in line with the country's economic situation.

In 2013 the construction materials industry is highly competitive. The factors that influence to the buying decision of the customers are the price because each project customer wants to manage costs of construction to maintain the target profit margin. The comparing prices and bargaining is very needed, which is the offering cannot adjust the price of materials that have increased.

#### 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 51 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 to 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.

### (5) Strategy of distribution and sales channels

Distribution Channels Divided as follows:

	2013			2012		
	Government	Private sector	Total	Government	Private sector	Total
Sales to						
Direct owner	-	56.23	56.23	1.88	12.57	14.45
Contractor companies	1.94	41.83	43.77	1.43	83.94	85.37
Design companies	-	-	-	-	0.18	0.18
Total %	1.94	98.06	100.00	3.31	96.69	100.00

Remark A number of tasks that occur in each year of the company



### 3) Industry conditions and competition

The company is a manufacturer of building materials who has long experience with strong 51 years old, as well as a focus on continuous product development.

#### Number of competitors

Products	<u>The number of major competitors (list)</u>		
	<u>2013</u>	<u>2012</u>	<u>2011</u>
Manufacture and sell prestressed concrete stake	7	6	6
Manufacture and installation of concrete wall finished	3	4	3
Production and distribution of glass fiber reinforced concrete products. G R C	3	3	3
Manufacture and sell products in prestressed concrete beam wireless type	5	7	7
Production and sales of cement Denka Products	5	5	5
STEEL Product	14	-	-
Ready-mixed concrete products	7	-	-

### 2.3 Providing Products or Services

#### 1) Manufacturing

The Company has two factories as follows.

(1) Bangkadi plant at Pathum 44/2 Moo 2 Tivanont Road, Bangkadi, Muang Pathumthani, Pathumthani 12000, Thailand

(2) Phra Nakhon Si Ayutthaya, bang PA-in plant. Located at 544 Moo 3, Tambon Banlane bang PA-in district, Ayutthaya province The company's branch office, which is composed of the finished concrete components production joint venture December, 2013

## Capacity and actual production

		2013				₹ 2555				₹ 2554				
		The full capacity	Actual production	Rate of capacity utilization (percentage)	Production volume increase (percent)	The full capacity	Actual production	Rate of capacity utilization (percentage)	Production volume increase (percent)	The full capacity	Actual production	Rate of capacity utilization (percentage)	Production volume increase (percent)	
Manufacturing	Prestressed Concrete Piles	(Cubic meters)	165,000	111,649	67.67	23.36	100,000	90,506	90.51	17.01	85,000	77,347	91.00	2.26
	Post - Tensioned Slab	(Sq.meters)	400,000	367,671	91.92	4.17	400,000	352,989	88.24	-	500,000	421,591	84.32	46.60
	Glasfiber Reinforced Concrete	(k.g.)	1,000,000	688,438	68.84	23.73	1,000,000	556,401	55.64	150.93	1,000,000	221,738	22.17	-45.08
	Special Cement Products	(k.g.)	3,000,000	2,726,225	90.87	10.71	2,700,000	2,462,525	91.20	126.76	2,700,000	1,085,960	40.22	-11.91
	Precast Concrete Wall	(Sq.meters)	70,000	76,744	109.63	73.30	56,400	44,285	78.52	83.50	52,000	24,133	46.41	-52.78

Remark Flooring products and concrete walls finished with actual production than full capacity. Due in November - December 2556 has been working extra hours to make up a second production volume increases.



## 2) Supply of raw materials or manufactured to sell

In 2013, about 99 percent of the Company's raw material procurement from local manufacturers. For goods ordered from abroad, Company can find a replacement from another manufacturer in the country. And raw materials purchased in the Company was able to find a replacement because multiple vendors.

Raw material prices have been rising steadily, including steel wire and more than 50 percent, and the shortage of raw materials as some of the company's time. In order to prevent the risk of having the opportunity to adapt more and to buy raw materials for manufacturing. In addition, the company is the major buyer is the trade credit as well.

## 3) The main raw material suppliers

Cement	Buy-from vendor	2	Lists
PC Wire Steel	Buy-from vendor	4	Lists
Steel bar	Buy-from vendor	7	Lists
Sandstone	Buy-from vendor	2	Lists

Order of suppliers based on quality, price and commercial terms.

## 4) Environmental impact

Because the company is a company producing construction material may have caused pollution as dust tone and materials industries. By the company located in the industrial area of the zone type cement. Development tools and machinery study on technique for decreasing dust production locations also sound is located far from the side effects. The company has the authority to administer the safety, security and the environment at the company's factory. ISO 9001:2008, which will include work environment pollution control. Re: sound, light and dust. For materials that do not use the factory grounds, the Ministry of industry. The company has defined the rules regulation measures. Include any required to perform public health Act TrProf. 2535 (1992) And provision of municipal government. Tambon bang kadi concerning the disposal of sewage and waste 2548 (2005)

## 2.4 Work has not been delivered

At the end of the consolidated financial statements, the company has sales and service contracts that have not yet been delivered. As follows:

(Unit: million baht)	December 31, 2013	December 31, 2012	December 31, 2011
Number of Work has not been delivered	722.09	442.50	403.70



## 3. Risk factors

### 3.1 Risk of business of the Company

#### 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 51 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 2013, 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

The 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. The political situation changed much more with uncertainty causing large projects of the government and private sectors were postponed including the government's policy to increase the minimum wage to 300 baht in every province across the country which would result increases the overall costs.

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 2013 was that the company still had income from selling.

### 3.2 Risk of investment of the shareholders

#### 1) 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 including the political instability in the country 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.

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## 1) General Information of the Company

## 2) General information of Subsidiaries and Associates

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Shareholding : 99.99%  
 Related status : Subsidiary  
 Note : On November 12, 2013 G.E.L. General Engineering Service Co., Ltd was registered to change of Company name, Company seal and objectives of Company to World Wire Processing Company Limited.

(2) Company name : Suntech Metals Company Limited  
 Headquarter : 339 Moo 6 Pakruam-Ao Udom, Bowin, Sriracha, Chonburi 20230  
 Nature of Business : Scrap metal recycling business  
 Contact numbers : Telephone 038-345437-41  
 Fax 038-345444  
 Registered Share Capital : 326,000,000 Baht (Number of 32,600,000 Shares, 10 Baht per share)  
 Paid up Share Capital : 326,000,000 Baht  
 Shareholding : 100.00%  
 Related status : Subsidiary  
 Note : On October 31, 2013 the Company purchased ordinary shares of Suntech Metals Company Limited amounting of 32,600,000 shares or 100.00% of the paid-up capital at the total purchase price of THB 459,359,992 from the existing shareholders (6 persons)

(3) Company name : Prinda Public Company Limited  
 Headquarter : 151 Moo 7 Khirinakhon Road, Huaykapi, Muang, Chonburi 20000  
 Nature of Business : Distribution of sand rock for construction  
 Contact numbers : Telephone (038) 276-800  
 Fax (038) 276-800  
 Registered Share Capital : 230,000,000 Baht  
 Paid up Share Capital : 230,000,000 Baht  
 Shareholding : 17.39%  
 Related status : Associated

(4) Company name : Borploi Solar Company Limited  
 Headquarter : 51/29, 51/61, Moo 3, Soi Siam Samakki, Vibhavadi Rangsit Road, Talaad Bangkhen Sub-District, Laksi District, Bangkok 10210  
 Nature of Business : Solar power plant  
 Contact numbers : Telephone 0-2551-0541-4  
 Fax 0-2552-0905, 0-2551-0532  
 Registered Share Capital : 245,100,000 Baht (Number of 24,510,000 shares, 10 Baht per share)  
 Paid up Share Capital : 245,100,000 Baht

Shareholding	:	24.00%
Related status	:	Associated
Note	:	(1) On February 28, 2013 the Company purchased ordinary shares of Borploi Solar Co., Ltd. (Formerly IFEC Green Power Plus Company Limited) for 24% of the paid-up capital amounting of 5,882,400 shares at the total purchase price of THB 105 million from Celtic Square Co., Ltd. (2) On February 28, 2014 the Company sold the investment in Borploi Solar Company Limited of 5,882,400 shares or 24% of the paid-up capital at the price of Baht 137,059,920 to Eastern Printing Public Company Limited ("EPCO").

(5) Company name	:	Metric Company Limited
Headquarter	:	121/105, RS Tower, 39th Floor, Ratchadapisek Road, Dindaeng District, Bangkok
Nature of Business	:	Construction and System in Installation service
Contact numbers	:	Telephone 0-2641-2100 Fax 0-2641-2030, 0-2641-2029
Registered Share Capital	:	245,000,000 Baht (Number of 2,450,000 shares, 100 Baht per share)
Paid up Share Capital	:	245,000,000 Baht
Shareholding	:	32.65%
Related status	:	Associated
Note	:	On September 2, 2013, the Company purchased ordinary shares of Metric Company Limited amounting of 800,000 shares or 32.65% of the paid-up capital at the total purchase price of THB 184 million from Twin Glory Investment Limited.

### 3) Share Registrar

Securities Depository Centre (Thailand) Co., Ltd.  
62, the Stock Exchange of Thailand Building.  
Ratchadapisek Road Khwaeng Khlongtoei,  
Khet Khlongtoei Bangkok Metropolis 10110

### 4) Auditor

Mr. Somckid Tiatragul, Certified Public Accountant License No. 2785  
Grant Thornton Company Limited  
18th Floor, Capital Tower All Seasons Place  
87/1 Wireless Road Bangkok 10330, Thailand.  
Telephone: +66 2 205 8222 Fax: +66 2 654 3339

## 4.2 Other important information

- None -



## 5. Securities and Shareholder Information

### 5.1 Number of registered capital and paid-up capital

Registered and paid-up capital as at 4 February 2014

Registered capital : 212,807,755,500 Baht divide into  
Ordinary shares of 7,093,591,850 shares  
Par value of Baht 30.00 per share

Paid-up capital : 112,433,073,240 Baht divide into  
Ordinary shares of 3,747,769,108 shares  
Par value of Baht 30.00 per share

### 5.2 Shareholders

1) Shareholder structure as of February 4, 2014

The distribution of shareholding by nationality

Thai Shareholders				Foreign Shareholders			
Juristic person	%	Individuals	%	Juristic person	%	Individuals	%
66,769,432	1.78	3,646,879,561	97.31	33,949,000	0.91	171,115	0.00

2) List of Top 10 Major shareholders (as of the closing date of February 4, 2014)

Name of Shareholders	Nationality	Number of shares	
		Shares	%
Mr.Yanyong Intharasongkroh	Thai	134,188,104	3.580
Mr.Nirund Haetrakul	Thai	92,500,000	2.468
Mr.Apiwut Thongkam	Thai	90,090,394	2.404
Mr.Pisit Pipatwilaikul	Thai	90,078,044	2.404
Mr.Siwasit Sainampeung	Thai	90,000,000	2.401
Mr.Taweepong Ruangrai	Thai	83,125,500	2.218
Mr.Kampol Weerathepsuporn	Thai	70,000,000	1.868
Mr.Chainarong Sangthongaram	Thai	69,303,847	1.849
Mr. Thitipong Tangpoonphonvivat	Thai	57,500,000	1.534
Thai NDVR Company Limited	Thai	57,188,625	1.526
Total		833,974,514	22.253

## 5.3 The issuance of other securities

### 1) Warrants (GEL-W3)

On May 16, 2011 the Company has issued warrants to purchase ordinary shares of the Company (GEL-W3) of not more than 939,119,305 units to the Existing shareholders who subscribed for new ordinary shares by a list of names in the share register book as at 16 February 2011 without charge at the rate of 2 ordinary shares per 1 warrant. The Company registered warrants to trade in the SET of 577,868,385 units, the remaining of 361,250,920 units were canceled which such warrants is a specify name and transferable type with age 3 years from May 16, 2011 and can be exercised at any December of each year throughout the term of the Warrants. The first exercise is on December 30, 2011. The last exercise can be performed on May 14, 2014 with exercise ratio of 1 warrant per 1 ordinary share at a price of 1.00 baht per share with effect from 30 December 2011 onwards. However, the exercise ratio and the exercise price may change in case of the change by terms and conditions.

On 19 April 2013 the Company adjusted the right of Warrant GEL-W3 accordance with the terms and conditions Clause 4.2 (b) Page 15 and Clause 4.2 (c), Page 17, to maintain the rights of the holders of the warrants are as follows.

<u>New Exercise ratio</u>	1 Warrants can purchase 1.066 ordinary shares
<u>New exercise price</u>	Baht 0.937 per share

As of December 31, 2013, Warrants (GEL-W3) that has not been exercised a total of 577,868,385 units.

### 2) Warrants (GEL-W4)

On June 10, 2013, the Company issued Warrants (GEL-W4) of not more than 1,327,199,947 units to the existing shareholders of the Company with the closing date for the right to receive warrants on April 10, 2013 without charge at a ratio of 10 Existing ordinary shares per 1 unit and offered to the Existing shareholders who subscribed for new ordinary shares without charge at a ratio of 2 new ordinary shares per 1 unit. The Company registered warrants to trade in the SET of 1,327,187,433 units, the remaining of 12,514 units were canceled which such warrants is a specify name and transferable type with age 3 years from June 10, 2013 and can be exercised at any December of each year throughout the term of the Warrants. The first exercise is on December 30, 2013. The last exercise can be performed on June 9, 2016 with exercise ratio of 1 warrant per 1 ordinary share at a price of 1.20 baht per share with effect from 30 December 2013 onwards. However, the exercise ratio and the exercise price may change in case of the change by terms and conditions.

As of December 31, 2013, Warrants (GEL-W4) that has not been exercised a total of 1,327,187,433 units.



## 6. Dividend Policy

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 deficit; 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 deficit, 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 deficit.

### Dividend Policy of Subsidiaries

#### (1) Suntech Metals Company Limited

In the past Suntech Metals Company Limited is still a performance loss as of December 31, 2013 has deficit of Baht 261,824,293.78, so no dividend payment.

#### (2) World Wire Processing Company Limited

In the past World Wire Processing Company Limited is still a performance loss as of December 31, 2013 has deficit of Baht 6,422,378.17, so no dividend payment. According to the provision of Civil and Commercial, The Company is required to allocate profit at least 5 percent to the legal reserve every time that has dividend declaration until the accumulated reserve equals to 10 percent of the registered capital. This legal reserve will not allow paying a dividend.

## 7. Management Structure

### 7.1 Board of directors

As of December 31, 2013 the Board of Directors of General Engineering Public Company Limited as follows

#### 1) Board of Directors

1. Mr.Watcharakiti	Watcharothai	Chairman of the Board of Director
2. Dr.Tawat	Anantanavanich	Director
3. Mr.Grisada	Jarreonkonkit	Director
4. Mr.Jakkarin	Chanansirikul	Director
5. Mr.Chaiwat	Atsawintarangkun	Independent Director
6. Mr. Chong	Rangsibrahmanakul	Independent Director
7. Mr.Khemmachat	Teerapong	Independent Director
8. Dr. Ittipon	Diewwanit	Director

#### 2) Executive Committee

1. Dr.Tawat	Anantanavanich	Managing Director
2. Mr.Grisada	Jarreonkonkit	Executive Committee
3. Mr.Jakkarin	Chanansirikul	Executive Committee

3) Audit Committee

1. Mr.Chaiwat	Atsawintarangkun	Chairman of the Audit Committee
2. Mr. Chong	Rangsibrahmanakul	Audit Committee
3. Mr.Khemmachat	Teerapong	Audit Committee

4) Nominating & Remuneration Committee

1. Mr.Chaiwat	Atsawintarangkun	Chairman of the Nominating & Remuneration Committee
2. Mr.Jakkarin	Chanansirikul	Nominating & Remuneration Committee
3. Mr. Chong	Rangsibrahmanakul	Nominating & Remuneration Committee

As of March 25, 2014 the Board of Directors of General Engineering Public Company Limited as follows

1) Board of Directors

1. Mr.Sophon	Pholprasit	Chairman of the Board of Director
2. Mr. Thitipong	Tangpoonphonvivat	Director
3. Dr.Tawat	Anantanavanich	Director
4. Mr.Grisada	Jarreonkonkit	Director
5. Mr.Chaiwat	Atsawintarangkun	Independent Director
6. Mr. Chong	Rangsibrahmanakul	Independent Director
7. Mr.Khemmachat	Teerapong	Independent Director
8. Dr. Ittipon	Diewwanit	Director

2) Executive Committee

1. Mr. Thitipong	Tangpoonphonvivat	Chief Executive Officer
2. Dr.Tawat	Anantanavanich	Managing Director
3. Mr.Grisada	Jarreonkonkit	Executive Committee

3) Audit Committee

1. Mr.Chaiwat	Atsawintarangkun	Chairman of the Audit Committee
2. Mr. Chong	Rangsibrahmanakul	Audit Committee
3. Mr.Khemmachat	Teerapong	Audit Committee

4) Nominating & Remuneration Committee

1. Mr.Chaiwat	Atsawintarangkun	Chairman of the Nominating & Remuneration Committee
2. Mr. Thitipong	Tangpoonphonvivat	Nominating & Remuneration Committee
3. Mr. Chong	Rangsibrahmanakul	Nominating & Remuneration Committee

Structure of the Board of Directors

According to the articles of association, the board of directors comprises at least 5 directors. As of December 31, 2013 the Company has a total of 8 directors comprising 3 executives, 2 outsiders, and 3 independent directors, or 37.50 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 decisionmaking. 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 Remuneration 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 "Corporate Governance"

### Meeting Attendance of Each Director

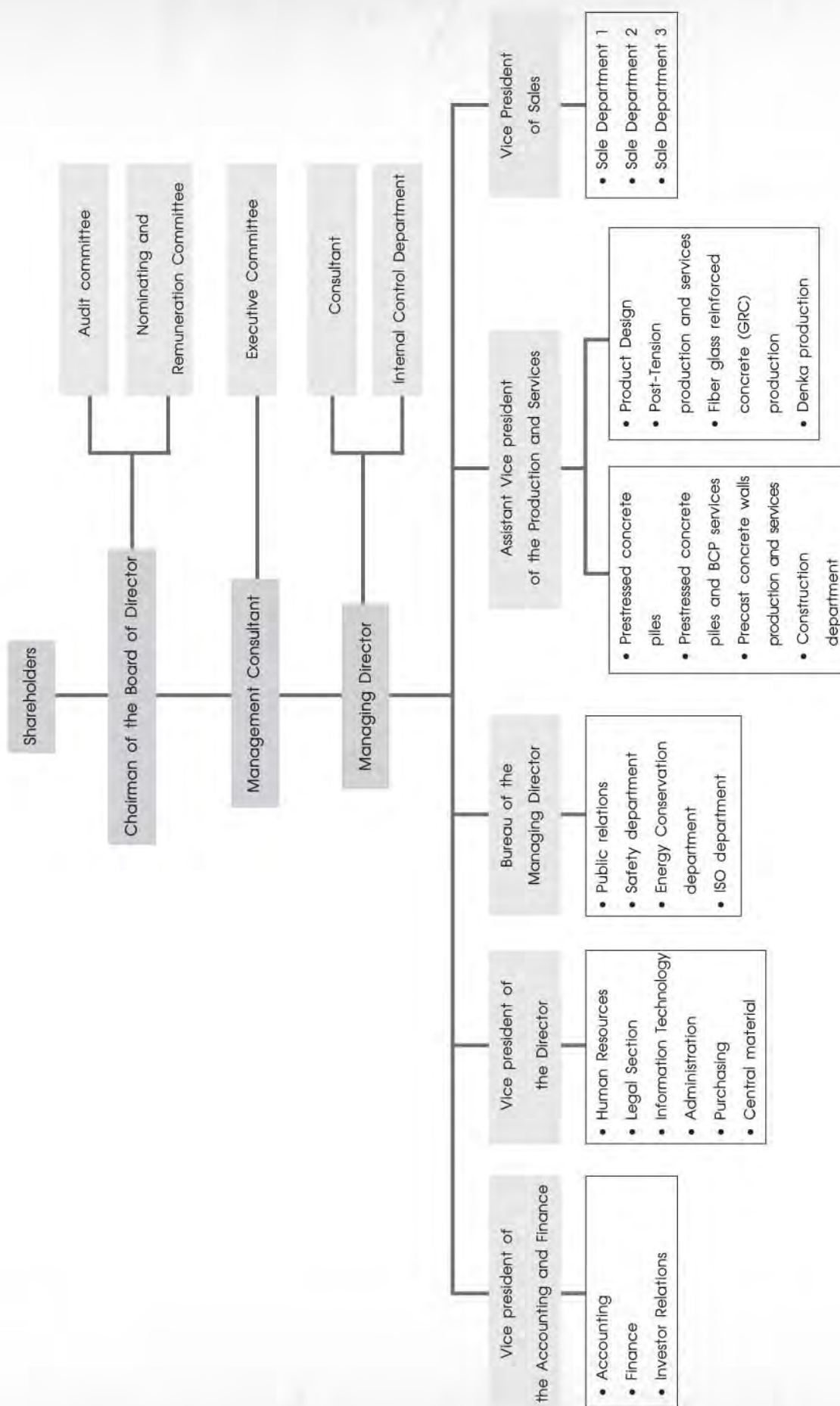
In 2013, the presence of each member of the Board of Directors can be summoned as follows:-

	Term of Office	Board of Directors	Audit Committee	Note
Times of the meeting		18 times	7 times	
1. Mr.Watcharakiti Watcharothai	26 Mar 2013 — Feb 2016	16/18	-	Resigned on 14/01/2013
2. Mr.Nunmanus Podang	26 Mar 2013 — Feb 2016	4/18	-	Resigned on 01/04/2013
3. Mr.Surat Chiracharasorn	26 Mar 2013 — Feb 2016	4/18	-	Resigned on 01/04/2013
4. Mr.Grisada Jarreonkonkit	3 May 2012 — Apr 2015	16/18	-	-
5. Mr.Chaiwat Afsawintarangkun	3 May 2012 — Apr 2015	12/18	5/7	-
6. Mr.Jakkarin Chanansirikul	3 May 2012 — Apr 2015	15/18	1/7	-
7. Rear Admiral Naraudom Pancharoen	3 May 2012 — Apr 2015	0/18	-	Resigned on 30/01/2013
8. Mr. Chong Rangsiabrahmanakul	11 Feb 2012 — Apr 2015	16/18	7/7	Appointed on 11/02/2013
9. Dr.Tawat Anantanavanich	26 Mar 2013 — Feb 2016	10/18	-	Appointed on 26/03/2013
10. Dr. Ittipon Diewwanit	13 May 2013 — Feb 2016	8/18	-	Appointed on 13/05/2013
11. Mr.Khemmachat Teerapong	13 May 2013 — Feb 2016	9/18	4/7	Appointed on 13/05/2013

# ORGANIZATIONAL CHART

## GENERAL ENGINEERING PUBLIC COMPANY LIMITED

As at 31 December 2013





As at 31 December 2013, the Executive of General Engineering Public Company Limited as follows

List of executives	Position
1. Dr.Tawat Anantanavanich	Managing Director / Vice president of the Director (Acting)
2. Mr.Grisada Jarreonkonkit	Executive Committee
3. Mr.Jakkarin Chanansirikul	Executive Committee
4. Mrs. Rasika Prasertsang	Vice president of the Accounting and Finance (Acting)
5. Mrs.Linjong Srisongkhram	Vice president of Sales
6. Mr.Peerawas Tanaputi	Assistant Vice president of the Production and Services / Bureau of the Managing Director (Acting)

### 7.3 Company Secretary

In the board meeting No. 5/2012 held on June 14, 2012, the Company appointed Mr. Wittaya Janta-ummao to acting 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. The qualifications of the Company Secretary appear in Article 8 Detailed Information about Directors, Executive, Control authority and Company Secretary.

### 7.4 Remuneration of Directors and Executives

In February, the Remuneration Committee will review the proposal and propose remuneration of Directors each year to the Board of Directors and shareholder for approval. The Company had a policy to pay remuneration to the Board of Directors, Audit Committee by paying on a monthly basis in the form of meeting fees.

At the Annual Meeting of Shareholders year 2013 held on March 26, 2013, had resolution to approve the remuneration for directors according to the Nominating and Remuneration Committee and the Board of Directors proposed as follows

#### Meeting honorariums

- |   |                     |
|---|---------------------|
| (1) Board of directors                  |                     |
| • Chairman of the Board of Director     | 58,000 Baht / Month |
| • Director                              | 20,000 Baht / Month |
| (2) Executive Committee                 |                     |
| • Chairman of the Executive Committee   | 30,000 Baht / Month |
| • Executive Committee                   | 30,000 Baht / Month |
| (3) Audit Committee                     |                     |
| • Chairman of Audit Committee           | 30,000 Baht / Month |
| • Audit Committee                       | 20,000 Baht / Month |
| (4) Nominating & Remuneration Committee | No Allowances       |
| (5) Secretary of the Board              | 7,500 Baht / Month  |

Note : No meeting honorariums payment to the director who has monthly remuneration.

Director's pensions Less than 0.5% of the net profit

1) Monetary Remuneration

A. The monetary remuneration, only the Board of Directors and Audit Committee of THB 2.48 million are as follows.

Name	Position	The amount of remuneration to 2013 (Baht/Year)				Note
		Board of Directors	Audit Committee	pension	Total	
1. Mr.Sakchai Chakratak	Chairman of the Board of Director	20,000	-	-	20,000	Resigned on 31/10/2013
2. Mr.Watcharakitti Watcharathai	Chairman of the Board of Director	572,000	-	200,000	772,000	Appointed on 14/01/2013
3. Mr.Nunmanus Podang	Director and Chairman of Executive Committee	-	-	-	-	Resigned on 01/04/2013
4. Mr.Surat Chiracharasorn	Director and Executive Committee	-	-	-	-	Resigned on 01/04/2013
5. Mr.Grisada Jarreonkonkit	Director and Executive Committee	-	-	250,000	250,000	-
6. Mr.Chaiwat Aitsawintarangkun	Independent Director and Chairman of Audit Committee	-	345,000	150,000	495,000	-
7. Mr.Jakkarin Channansirikul	Independent Director and Audit Committee	-	-	250,000	250,000	Resigned on 31/01/2014
8. Rear Admiral Naraudom Pancharoen	Independent Director and Audit Committee	-	30,000	-	30,000	Resigned on 11/02/2013
9. Mr. Chong Rangisibrahmanakul	Independent Director and Audit Committee	-	210,000	150,000	360,000	Appointed on 11/02/2013
10. Dr.Tawat Annatanavanich	Director and Managing Director	-	-	-	-	Appointed on 26/02/2013
11. Dr. Ittipon Diewwanit	Director	152,258	-	-	152,258	Appointed on 13/05/2013
12. Mr. Khemmachat Teerapong	Independent Director and Audit Committee	-	152,258	-	152,258	Appointed on 13/05/2013
Total		744,258	737,258	1,000,000	2,481,516	



## B. Remuneration of executive committee and executives

Remuneration	Year 2013		
	Number	Amount (Baht)	The Remuneration (Monthly)
Remuneration of the Executive Committee	5	3,224,814.00	Salary
Remuneration of the Executive	4	3,171,351.54	Salary
Total	9	6,396,165.54	

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

### 2) 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 2013, the contribution paid to the Fund was as follows :

- 4 Executives, was amounted by Baht 111,033.54

## 7.6 Personnel

### 1) Number of employees

As of December 31, 2013, the company has in total 450 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	36
Human Resource	5
Finance and Accounting	14
Sales service and design	158
Factory	232
Total	450

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 are 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 2013 the company spent on training and development of the personnel totaling 183,075 Baht.

## 8. Detailed information about Directors, Executive, Control authority and Company Secretary

Qualification List of Directors, Executive, Control authority and Company Secretary as at March 25, 2014.

No.	Name - Last Name / Position / Appointed date	Age (Years)	Education	Share holding (%)	Family relationship between Director and Executive	Working Experience		
						Period	Position	Company
1	Mr.Sophon Pholprasit Chairman of the Board of Director / March 5, 2014	62	<ul style="list-style-type: none"> <li>Masters In Business Administration (General Management), Ramkhamhaeng University</li> <li>Bachelor of Engineering, Civil and Environmental Sanitation, Mapua Institute of Technology Philippines.</li> <li>Diploma, the government administration and public law # 6, King Prajadhipok's Institute</li> </ul>	None	None	Mar 2014- present	Chairman of the Board of Director	General Engineering Public Company Limited
						2013	Director General	Department of Industrial Promotion, Ministry of Industry
						2012	Director	Office of Industrial Economics
						2010	Inspectors	Ministry of Industry
						2008	Deputy Director General	Department of Industrial Works
2	Mr.Thitipong Tangpoonphonwita Director and Chief Executive Officer / February 4, 2014	36	<ul style="list-style-type: none"> <li>MASTER OF SCIENCE IN ENGINEERING BUSINESS MANAGEMENT, WARWICK UNIVERSITY, UK</li> <li>BACHELOR OF SCIENCE IN BUSINESS ADMINISTRATIVE, WALTER A. HASS SCHOOL OF BUSINESS, UNIVERSITY OF CALIFORNIA AT BERKLEY</li> </ul>	None	None	Feb 2014- present	Director / Chief Executive Officer	General Engineering Public Company Limited
						2006 - present	Director	SIAM RUBBER INDUSTRY CO., LTD.
						2011 - 2013	Managing Director	Milicon Steel Industries Public Company Limited
						2009 - 2013	Managing Director	Milicon Burapha Company Limited
						2012 - 2013	Director	Million Miles Co., Ltd.
3	Dr.Tawat Anantavanich Director and Managing Director / March 26, 2013	35	<ul style="list-style-type: none"> <li>Ph.D., Civil Engineering, University of California, Berkeley, CA</li> <li>M.S., Civil Engineering, University of California, Berkeley, CA</li> <li>B.E., Civil Engineering, Chulalongkorn University, Bangkok, Thailand</li> <li>DAP Training Program Class 105/2013</li> </ul>	None	None	2013- present	Director	Metric Company Limited
						2013 — present	Director / Managing Director	General Engineering Public Company Limited
						2009 - 2013	Project Director	U and O Corporation, Ltd., Bangkok, Thailand
						2007 — 2009	Senior Engineer	AMEC Geomatrix Consultants, Inc., Oakland, CA



No.	Name - Last Name / Position / Appointed date	Age (Years)	Education	Share holding (%)	Family relationship between Director and Executive	Working Experience		
						Period	Position	Company
4	Mr.Grisada Jarreankonkit Director and Executive Committee / October 17, 2012	47	<ul style="list-style-type: none"> <li>Master of Economics, Chulalongkorn University</li> <li>Bachelor of Economics, Dhurakij Pundit University</li> </ul>	None	None	2013- present	Director	Aqua Corporation Public Company Limited
						2013- present	Director	Micric Company Limited
						2012- present	Director / Executive Committee	General Engineering Public Company Limited
						2009- present	Financial Advisor	Krisadarnchanakorn Public Company Limited
						Apr- Aug 2013	Independent Director / Audit Committee	TWZ Corporation Public Company Limited
5	Mr.Chaivat Atsawintarangkun Independent Director and Chairman of Audit Committee / October 24, 2012	61	<ul style="list-style-type: none"> <li>Master of Education Curriculum and Teaching Methodology Beijing Languages and Cultural University</li> <li>Bachelor of Arts in Chinese languages (Trade &amp; Economics) Beijing Languages and Cultural University</li> <li>Master of Science in Business Administration, Thammasat University</li> <li>LLB Literature of Law, Ramkhamhaeng University</li> <li>Bachelor of Science in Business Administration, Ramkhamhaeng University</li> </ul>	None	None	2013- present	Chairman of the Audit Committee	MERCHANT PARTNERS ASSET MANAGEMENT COMPANY LIMITED
						2013- present	Chairman of the Audit Committee	Eastern Polymer Group PCL
						2013- present	Audit Committee	Krisadarnchanakorn Public Company Limited
						2012- present	Chairman of the Audit Committee	General Engineering Public Company Limited
						2007 - present	Chairman of the Audit Committee	Company Limited
							Chairman of the Audit Committee	MERCHANT PARTNERS SECURITIES
								PUBLIC COMPANY LIMITED
						2005- present	Chairman of the Audit Committee	NATURAL PARK PUBLIC COMPANY LIMITED
						2005- present	Audit Committee	Eastern Pimling Public Company Limited
						2005- present	Director	Boathouse Hua Hin Company Limited
						2004- present	Chairman of the Audit Committee	Krungthai Car Rent and Lease PCL
						2004- present	Director	Andaman Long Beach Resort Limited
						2003- present	Director	Krabi Southern Beach Co.,Ltd.
						2003- present	Director	Chiang Mai Hot Spring Co., Ltd.
						2003- present	Chairman of the Audit Committee	SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED
						1997- present	Director	Prospect Consulting Co.,Ltd.

No.	Name - Last Name / Position / Appointed date	Age (Years)	Education	Share holding (%)	Family relation- ship between Director and Executive	Working Experience		
						Period	Position	Company
6	Mr.Chong Rangsiabrahamakul Independent Director and Audit Committee / February 11, 2013	47	<ul style="list-style-type: none"> <li>• Master of Business Administration, OKLAHOMA CITY UNIVERSITY</li> <li>• Bachelor of Business Administration, University of the Thai Chamber of Commerce</li> </ul>	None	None	2013- present	Independent Director / Audit Committee	General Engineering Public Company Limited
						2005 – 2011	Financial Advisor	Phuket Fantasea Limited
7	Mr.Khemmachat Teerapong Independent Director and Audit Committee / May 13, 2013	39	<ul style="list-style-type: none"> <li>• LL.B Thammasat University</li> <li>• LL.M. (International Law) Thammasat University</li> <li>• LL.M. (Economic Law and International Business) (Second Class Honours). University of Groningen.</li> </ul>	None	None	2013- present	Independent Director / Audit Committee	General Engineering Public Company Limited
						Present	Lawyer / Legal Advisor	-
						2010- present	Special instructor MBA Courses	Ramkhamhaeng University
							Major small and medium-sized enterprises.	
8	Dr. Itipon Diewwanit Director / May 13, 2013	45	<ul style="list-style-type: none"> <li>• Bachelor of Engineering Honours (Metallurgical Engineering), Faculty of Engineering, July 1990 Chulalongkorn University</li> <li>• Master Level Exempt from Massachusetts Institute of Technology</li> <li>• Doctor of Science (Metallurgy) May 1996 Department of Materials Science and Engineering, School of Engineering Massachusetts Institute of Technology (Teacher Development Government Scholarship Edition 1, December 1989</li> </ul>	None	None	2013- present	Director	General Engineering Public Company Limited
						2012 - present	The Improving curriculum Committee Automotive Design and Manufacturing Engineering of International School of Engineering	Faculty of Engineering, Chulalongkorn University
						2011 – present	Program Administrative Committee Automotive Design and Manufacturing Engineering of International School of Engineering	Faculty of Engineering, Chulalongkorn University
						2012	Director of the Office of Engineering projects linked with Industry or Industrial Liaison Program (ILP)	Faculty of Engineering, Chulalongkorn University



No.	Name - Last Name / Position / Appointed date	Age (Years)	Education	Share holding (%)	Family relationship between Director and Executive	Working Experience		
						Period	Position	Company
9	Mrs. Resika Prasertsang Vice president of the Accounting and Finance (Acting)/ June 14, 2012	39	<ul style="list-style-type: none"> <li>Bachelor of Accounting, Ramkhamhaeng University</li> </ul>	None	None	2011 - present	Assistant Accounting Manager	General Engineering Public Company Limited
						2002 - 2011	Accountant	Asia Exotic Corporation Limited
10	Mr.Surochart Uam-um Assistant Vice president of the Production and Services	49	<ul style="list-style-type: none"> <li>Bachelor of Engineering (B.Sc. Civil Engineering) Prince of Songkla University</li> </ul>	None	None	2014 - present	Assistant Vice president of the Production and Services	General Engineering Public Company Limited
						2006-2013	Senior Manager	Power Line Engineering Public Company Limited
						1988-2006	Manager	General Engineering Public Company Limited
11	Mrs.Linjong Sisongkhram Vice president of Sales	56	<ul style="list-style-type: none"> <li>Bachelor of Arts Ramkhamhaeng University</li> </ul>	None	None	1998 - present	Director of Sales	General Engineering Public Company Limited
						1991 - 1998	Sales manager	BLM group co., ltd.
12	Mr.Wittaya Janta-ummao Acting Company Secretary/ June 14, 2012	28	<ul style="list-style-type: none"> <li>BA Economics Chiang Mai University</li> </ul>	None	None	2011 - present	Assistant Manager, Investor Relations	General Engineering Public Company Limited
						2008-2011	Research Assistant / Transport Economist	Smart Plan Consultant Company Limited

Details on the tenure as Directors and Executives in Subsidiaries, Associates and related companies as of March 25, 2014

No.	Name	GEL	Subsidiaries		Associate		Related Companies		Note
			WWP	SUNTECH	BORPLOY	MCTRIC	AQUA	EPCO	
1	Mr.Sophon Pholprasit	X							
2	Mr.Thitipong Tangpoonphonviva	//	/						
3	Dr.Tawat Anantanavanich	//	/	/	/	/			
4	Mr.Grisada Jarreankonkit	//	/			/	/		
5	Mr.Chaiwat Aitsawintarakun	/						/	
6	Mr.Chong Rangsiabrahamakul	/							
7	Mr.Khemmachat Teerapong	/							
8	Dr.Ittipon Diewwanit	/		/					

Note / = Director X = Chairman of the Board of Director // = Executive Committee

GEL General Engineering Public Company Limited

WWP World Wire Processing Company Limited

SUNTECH Suntech Metals Company Limited

BORPLOY Borloi Solar Company Limited

MCTRIC Mctric Company Limited

AQUA Aqua Corporation Public Company Limited

EPCO Eastern Printing Public Company Limited



## 9. Corporate Governance

### 9.1 The Committees

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

#### 1) Board of Directors

As of 31 December 2013, the Board of directors of the Company was consisted of the following 8 directors;

Member of Board		Position	Note
1. Mr.Watcharakiti	Watcharothai	Chairman of the Board of Director	Appointed on 14 Jan 2013
2. Dr.Tawat	Anantanavanich	Director	Appointed on 26 Mar 2013
3. Mr.Grisada	Jarreonkonkit	Director	-
4. Mr.Jakkarin	Chanansirikul	Director	-
5. Mr.Chaiwat	Atsawintarangkun	Independent Director	-
6. Mr. Chong	Rangsibrahmanakul	Independent Director	Appointed on 11 Feb 2013
7. Mr.Khemmachat	Teerapong	Independent Director	Appointed on 13 May 2013
8. Dr. Ittipon	Diewwanit	Director	Appointed on 13 May 2013

Anyhow, by Mr. Wittaya Janta-ummao, Assistant Manager of Investor Relations 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 confirming 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 Dr.Tawat Anantanavanich, Mr.Grisada Jarreonkonkit and Mr.Jakkarin Chanansirikul two of third directors sign their names jointly with affixes the important seal of the Company.

## 2) Audit Committee

As of 31 December 2013, the Audit Committee consisted of 3 directors with the following names;

Member of Audit Committee		Position
1. Mr.Chaiwat	Atsawintarangkun	Chairman of Audit Committee
2. Mr. Chong	Rangsibrahmanakul	Audit Committee
3. Mr.Khemmachat	Teerapong	Audit Committee
Miss Pitchpimol	Chaikhammarach	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.

Mr.Chaiwat Atsawintarangkun is Audit Committee Member who has enough knowledgeable and experienced to handle accounting duties in reviewing the reliability of financial statements under Securities Act (No. 4) 2008 of 1 person.



#### 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.

If the Board of Directors or the Executive fails to make a rectification within a first paragraph, any member of the Audit Committee may report such transaction or action under the first paragraph to the SEC or the SET.

### 3) Nominating & Remuneration Committee

As of 31 December 2013, the Nominating & Remuneration Committee consisted of 3 directors;

Member of Nominating & Remuneration Committee		Position
1. Mr.Chaiwat	Atsawintarangkun	Chairman of the Nominating & Remuneration Committee
2. Mr.Jakkarin	Chanansirikul	Nominating & Remuneration Committee
3. Mr. Chong	Rangsibrahmanakul	Nominating & Remuneration Committee

Scopes of authority with responsibilities of Nominating & Compensation Committee is 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

As of 31 December 2013, the Executive Committee comprises:

Member of Executive Committee		Position
1. Dr.Tawat	Anantanavanich	Managing Director
2. Mr.Grisada	Jarreonkonkit	Executive Committee
3. Mr.Jakkarin	Chanansirikul	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.

Scope of authority Executive Director and Managing Director

1. Chief Executive Officer and Managing Director are responsible for managing operations and normal business operations. For the benefit of the Company Accordance with the objectives and regulations of the company, policies, plans, regulations and resolutions under the framework of law and the authority of the Board of Directors.
2. Consider the allocation of the annual budget prepared by the management and to present to the Committee including control of spending the annual budget of each agency.
3. Chief Executive Officer and Managing Director are authorized to take any action on normal business practice.
4. Chief Executive Officer and Managing Director in a presentation to the Board of Directors approved the investment in the development of any project. That is not in the Company's annual policy.
5. Authorized to represent the company and show them to third persons involved in activities that benefit the business.
6. Appointment of consultants as necessary to the operation of the business.
7. Approve the work plans of each department and approve requests from various departments beyond the primacy of the task.
8. Perform any other duties assigned by the board each time.
9. Consider the action associated with the transaction by definition of the Securities and Exchange Commission (SEC) for approval by the Board of Directors.
10. Consider the profit and loss statement, the proposed interim dividend or dividend to propose to the Board of Directors

The aforementioned appointee to the Chief Executive Officer and Managing Director will be subject to the rules of law and the rules and regulations of the company. In the event of any action there or may have interests or interests of the Chief Executive Officer and Managing Director or individuals who may have a conflict. (As announced by the SEC) Chief Executive Officer and Managing Director or assigned without the power to authorize such operations. Chief Executive Officer and Managing Director shall be proposed to the Board of Directors to the Board for further consideration.

In addition, in the event that any items marked as related items, or items relating to the acquisition or distribution of a company's assets, according to the meaning given by the stock exchange of Thailand to comply with the requirements of the SET.

## 9.2 Nomination of Directors and high level Executives

### 1) 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 excepted 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.

## 2) Nomination of Directors and Appointment

According to the articles of Association of the company, the Company's Board of Directors consists of Committee of not less than 5 persons and a Committee of not less than one half of the total membership must be resident in the Kingdom.

The general meeting of shareholders at every annual, Directors must retire from office at the rate of one-third. If the number is divided straight into 3 parts does not, then the number closest to the number 1 in 3 is the directors who retired by rotation may be elected to serve as directors of the new company. Both assigned to the shareholders elect directors under the rules and procedures prescribed in the Articles of Association of the Company

1) Each shareholder has one vote per one share, one vote.

2) Each shareholder must use all his votes to elect one or several persons as directors, in the case of the election of several directors, the votes to break any much impossible.

3) The persons receiving the highest vote down. Was elected as directors or board of directors shall be elected at the time. In the case of a person who was elected in descending order of votes equal to the maximum number of guests. Or be elected at that time. To the chairman a casting votes.



In the event of a vacancy, reasons other than retirement by rotation. The committee will select one person who is qualified, And not prohibited by law, To be appointed at the next Board Meeting. The votes of not less than 3 in 4 of the remaining directors, except directors remaining term of less than two months, such person shall be a director Instead. Be In position for the remaining term of the Director whom he represents.

Meeting of Shareholders May approve any director from office before the expiration of their term. The votes of not less than three-fourths of the shareholders at the meeting with voting rights and shares amounting to not less than one-half of the shares held by the shareholders present at the meeting and entitled to vote.

The Company has not set a maximum number of directors to be elected to a new director, includes properties in terms of age. However, the Company will take into account the time devoted to knowledge useful to the company. Including the ability to perform the duties is important.

### **9.3 Supervision the operation of the Subsidiaries and Associated**

The Company has regulatory mechanisms that enable the management and oversight responsibility for operations of Subsidiaries and Associated to maintain the benefits of the investments of the Company.

1) The Company has a person to represent the Company to the director or controlling person of the company in proportion to their shareholding. It must have been approved by the Board of Directors.

2) The Company has appointed Auditors from Grant Thornton as Auditor of the Company and Subsidiaries to be a mechanism to oversee the disclosure of financial information and results of operations, transactions between Subsidiaries with related parties, the acquisition or disposition of assets or any other significant transactions of Subsidiaries to complete properly and the rules relating to the disclosure of information and the transaction in a manner similar to the above, the Company's criteria.

### **9.4 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.

## 9.5 Remuneration of Auditors

The Annual General Meeting of Shareholders 2013 on March 26, 2013 had the resolution to approve the appointment of Mr. Somkid Tiatragul, Certified Public Accountant License No. 2785 or Mrs. Sumalee Chokdeeanant Certified Public Accountant License No.3322 or Mr.Kosol Yammeemool Certified Public Accountant License No. 4575 from Grant Thornton Company Limited as the auditor of the Company and its subsidiaries. The audit fee for 2013 was determined at Baht 1,250,000 and incurred expenses including authorizing the Board of Directors to approve the remuneration for the interim revisal of financial statement of the subsidiary or associated companies which may be occurred during the year.

# 10. Corporate Social Responsibilities: CSR

## 10.1 Corporate Governance Policy

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 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](http://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.

The investors can study more information of the company from annual registration statement 2013 (Form 56-1) shown in [www.sec.or.th](http://www.sec.or.th) or the Company's website [www.gel.co.th](http://www.gel.co.th)

#### 2. 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 51 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](http://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.

### 10.2 Activities to benefit society and the environment (After process)

In 2013 the Company activities are organized to benefit society and the environment as follows.

#### 1) Blood Donation Activity

General Engineering Public Company Limited organized blood donation to bring blood to the Red Cross to assist patients on September 25, 2013.



#### 2) The National Children's Day gift activity

General Engineering Public Company Limited by Mrs.Linjong Srisongkhram, the Director of Sales, gifted for National Children's Day 2014 to Wat Bang Kudi Thong School and Wat Bang Kadi Community School on 9 January 2014, which has continued past every year.





# 11. Internal control and risk management

## 11.1 Opinion of the Board of Directors on the Company's internal control system

The Board of Directors is responsible for the internal control of the Company which contributes to operational efficiency complies with regulations as well as strengthens to the risk management under the business environment of the Company. The Board has provides authority to the Audit Committee by the Charter of the Audit Committee to monitor internal control system of the Company and report to the Board regularly.

The Auditors, both internal and external, reviewed the Company's internal control systems by both auditors are independent from the management. The internal auditor will report directly to the Audit Committee and the Audit Committee is an approver of the annual audit plan of the internal auditors.

The Board of Directors and the Audit Committee has considered the adequacy of the internal control system by evaluating the adequacy of internal controls with importance 5 sections as follows.

1. Organization and environment
2. Risk management
3. Operational control of the management
4. Information systems and Communication
5. Monitoring system

The Board of Directors meeting No. 5/2014 on 28 February 2014 which the Audit Committee attended the meeting and resolved that the Company has adequate internal control systems including opinion that the protection of assets from the executives wrongfully applied or without authority, which in the past had no defects on internal control system significantly.

### Organization and environment

The Company determined the organization structure to reasonable clarity, Scope of authority and responsibilities of executives at different levels to oversee and responsible for the operation in various aspects line.

### Risk management

The Company has analysis to assess risk factors that may affect the business operations of the Company for identify risk factors and determine measures for prevention and risk mitigation and find out measures to manage risks to achieve a minimal impact on the Company.

Although the Company currently no a Risk Management Committee to define the scope and policies for risk management but there are the process of a preliminary hedge appropriately.

### Operational control of the management

The Company has regulations to order of imposition of duties and responsibilities, including the authority to approve each level of executives clearly as affidavits to ensure that have no significant and necessary practices omissions and the laws and regulations enforced by external regulators. In order to prevent any damage that will occur to the property of the Company and subsidiaries including prevention of wrongful exploitation by executives and employees.

#### Information systems and Communication

The Company featured on the Information systems and Communication to provide completely accurate information sufficient for the decision of the Executive and Directors. The Company prepared information system on the Company's website to make Shareholders or Investors can approach it for decision making

#### Monitoring system

The Company has tracked and evaluated including a comparison with the target consistently, in addition will be discussed with the authorities responsible to find out how or systems, prescribing rules or regulations in operation to ensure the appropriateness together. And improve system performance continuously. The Company is certified Quality System Standard ISO 9001: 2008.

### **11.2 Opinion of the Audit Committee that different from the Board of Directors**

- None -

### **11.3 Chief Internal Audit and Chief Compliance Officer of the Company**

In the Audit Committee meeting No. 3/2012 on August 10, 2012 has appointed Miss Pitchpimol Chaikhammarach to the position of Chief Internal audit of the Company from August 10, 2012 because of practical experience in accounting and finance in business / industry the same with company for a period of 22 years and ever attend the training courses related to the Internal Audit Operations, Technical internal audit report writing course and an understanding of the activities and operations of the Company. So that is appropriate to perform such duties appropriately enough.

Consideration and approve the appointment, Removal or Migrate of the holder of a position chief internal audit of the Company must be approved by the Audit Committee.



## 12. Transaction with Related Companies

The related transactions of the Company and its subsidiaries with related companies during the year 2012-2013 as follows.

- Items related to the subsidiary companies

Related person	Relationship	Type	Consolidated (Thousand Baht)		Separate (Thousand Baht)		Nature of transaction	Contract period
			2013	2012	2013	2012		
Chut Chiao Company Limited	Subsidiary that the Company holds 95.45 percent	Service revenue and other	-	-	-	18	An organizer working in accounting and other of subsidiaries.	3,000 Baht per month contracts every year. In 2011 that increase 30,000 Baht per month.
World Wire Processing Company Limited (Formerly G.E.L. General Engineering Service Co., Ltd)	Subsidiary that the Company holds 99.99 percent	Service revenue and other Other receivables	-	-	120	375	A wages of working accountants and others of subsidiaries	25,000 Baht per month in August 2012 was down to 10,000 baht per month in 2013 contracts every year.
			-	-	11	11	Receivable management accounting cost and other of 10,700 Baht per month.	
		Short-term loans	-	-	103,000	-	Short term loans for financial aid by issuing a promissory note	Promissory notes due for repayment on demand
		Accrued interest	-	-	155	-	Interest rate of MLR per year.	
		Interest income	-	-	155	26	Interest income from Promissory notes	
		Rental	-	-	371	371	A rental on land area of 2-3-88 rai.	land rental expense of 30,888 Baht per month contracts annually
		Other payables	-	-	31	31	Payable land rental expense 30,888 Baht per month.	Contracts annually
Aura Dream Company Limited	Investment Company	Revenue from sales	-	7,898	-	7,898	In 2012 as the sales and installation of prestressed concrete pile products	Total value of 9.71 million baht.
		Trade receivables	-	8,451	-	8,451		mutually agreed price
Suntech Metals Company Limited	Subsidiary that the Company holds 100 percent	Short-term loans	-	-	375,425	-	Promissory notes due for repayment on demand and interest rate of MLR per annum	Repayable on demand
		Accrued interest	-	-	3,656	-		
		Interest income	-	-	3,656	-		
Matric Company Limited	Associated that the Company holds 32.65 percent	Revenue from sales	8,134	-	8,134	-	The sale of steel products, Steel Cut / Bend	Mutually agreed price
		Trade receivables	8,704	-	8,704	-		

Note : Related transactions are disclosed in the notes of the financial statements in Article 8 Transactions with related persons and companies.

## 12.1 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

## 12.2 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

# 13. Important financial information

## 13.1 Financial Statements

### 1) Summary of audit report

Year 2013

From the Auditor report of Mr. Somckid Tiattragul Certified Public Accountant Registration No. 2785 of Grant Thornton Company Limited who has been audited annual financial statements ended December 31, 2013, are qualified opinion with an emphasis according to the CPA report.

### Basis for Qualified Opinion

As discussed in Note 16 to the financial statements, during the 4th quarter of 2013, the Company bought the business from a local company for a value of Baht 459 million and hired a firm of independent appraiser to appraise the fair value of the identifiable assets acquired and liabilities assumed, and the allocation

of the fair value of acquired business at the acquisition date. Which is still in the process of evaluation by independent appraiser. The Company, therefore, has provisionally estimated the fair values of the consideration received from the acquired businesses by considering the information from an independent appraiser and other relevant factors. The Company recorded the difference amount between the purchasing price and the value of consideration received as "Goodwill" amounting to Baht 123 million. I have not been able to satisfy myself as to the value of such "Goodwill" as management believe that there could be some adjustment to the fair value of considerable receipt from such purchased business in the near future that affect the adjustment to the consolidated financial statements in accordance with TFRS 3.

#### Qualified Opinion

In my opinion, except for the possible effects of the adjustments to the consolidated financial statements should I be able to satisfy myself as to the fair value of the identifiable assets acquired and liabilities assumed from the acquisition of the business described in the above paragraph "Basis for Qualified Opinion", the financial statements referred to above present fairly, in all material respects, the consolidated financial position as at 31 December 2013 and the consolidated results of operations and cash flows for the year then ended of General Engineering Public Company Limited and its subsidiaries, and the separate financial position as at 31 December 2013 and the results of operations and cash flows for the year then ended of General Engineering Public Company Limited in accordance with Thai Financial Reporting Standards.

#### Emphasis of Matter

As discussed in Note 4 to financial statements, during the year 2013, the Company and its subsidiaries changed their accounting policy for recording property and plant from the revaluation method to the cost method. This affected the decrease in the value of property, plant and surplus on asset revaluation as at 31 December 2012 decrease of Baht 55.52 million and Baht 49.63 million in the consolidated and separate financial statements, respectively.

My audit opinion is not qualified in the respect of the above mentioned matter.

#### Year 2012

From the Auditor report of Mr. Somkid Tiatragul Certified Public Accountant Registration No. 2785 of Grant Thornton Company Limited who has been audited annual financial statements ended December 31, 2012, are opinion unconditionally with an emphasis according to the CPA report.

#### Emphasis of Matter

As discussed in Notes 7 to the financial statements, the extraordinary shareholders' meeting No. 1/2011, held on 28 March 2011, passed a resolution approving the Company's increase share capital of Baht 657 million. The objectives were to purchase plots of land for plant location for the Company's core business approximately Baht 300 million, reserve for investment in power plant for alternative energy of approximately Baht 300 million, with the balance to be used for working capital of the Company and its affiliates. The Company received fund from the capital increase totaling Baht 404.5 million. However, the Company used such proceeds for investment in shares of Aqua Corporation Public Company Limited (AQUA) (Formerly name "P Plus P Public Company Limited (PLUS)") and warrants - AQUA-W2 totaling Baht 497.8 million, which was not in compliance with the proposed objectives of share capital increase. Such execution of transactions caused a doubt that the management had violated the Securities and Stock Exchange Act, B.E.2535. In addition, the former auditor emphasized on the material weakness on the Company's internal control over disbursements that allowed management to purchase above mentioned shares and warrants with amount exceeding the limit of authority and caused significant lost to the Company.



As discussed in Note 7 to the financial statements, SEC filed a criminal complaint with Department of Special Investigation (DSI) accusing former Company's directors and staff, and certain current directors and management of the Company for the failure to perform duty in good faith that caused damages to the Company, including the misappropriation of the Company's asset for their benefits through securities trading transactions. However, during October 2012, such directors have resigned from the Company's Board of Directors. Currently, the Company's new Board of Directors had consulted with a legal advisor to seek the legal action against former Board of Directors and Executive directors. On 26 January 2013, the legal advisor issued its opinion suggesting the Company to wait for the result of criminal case before taking further action.

#### Comparative financial statements

The consolidated financial statements of General Engineering Public Company Limited and its subsidiaries and the separate financial statements of General Engineering Public Company Limited for the year ended 31 December 2011 were audited by other auditor who issued his report dated 29 February 2012 with a disclaimer of opinion because he was not able to satisfy himself as to the correctness and completeness of transactions for the purchases of investments in shares and warrants, with an emphasis on the adoption of the new and amended accounting and financial reporting standards.

#### Year 2011

From the Auditor report of Mr. Boonlert Kaewphanpurk Certified Public Accountant Registration No. 4165 of BPR AUDIT AND ADVISORY CO., LTD. who has been audited annual financial statements ended December 31, 2011, has not expressed an opinion on the financial statements according to the CPA report.

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.

## 2) Financial summary

General Engineering Public Company Limited and its subsidiaries  
Statement of financial position  
As of December 31

(Unit: Thousand Baht)

	Consolidated financial statement			The separate financial statements		
	2013	2012	2011	2556	2555	2554
<b>Consolidated financial statement</b>						
<b>Current asset</b>						
Cash and cash equivalents	647,318	94,521	20,759	580,606	91,205	19,909
Fixed-term deposit	850,000			850,000		
Temporary Investments	114,001	214,001	101,651	114,001	214,001	101,651
Trade accounts receivable - net	608,434	156,610	130,705	352,268	155,983	127,380 -
Trade accounts receivable - related companies	8,704	8,451	-	8,704	8,451	
Value of work in progress not yet billed to customers	-	43,661	40,291	-	43,661	40,291
Short-term loans to other persons		-	-		-	-
Inventories - net	254,900	137,505	91,277	163,781	137,505	91,255
Short-term receivables and loans to subsidiaries.	-	-	-	11	11	20,654
Receivable for investments sold	-	75,000	-	-	75,000	-
Dividends receivable	17,941	-	-	17,941	-	-
Other current assets	65,855	15,762	18,436	18,144	15,693	8,314
Assets held for sale - subsidiaries.	-	-	356,632	-	-	-
<b>Total assets</b>	<b>2,567,153</b>	<b>745,512</b>	<b>759,751</b>	<b>2,105,456</b>	<b>741,510</b>	<b>409,454</b>
<b>Non-current assets</b>						
Deposits at financial institutions owe guarantee	70,764	50,599	56,581	68,716	49,599	55,182
Loans - subsidiaries	-	-	-	478,425	-	-
Advance payment for shares	-	20,000	-	-	20,000	-
Investments in subsidiaries	-	-	-	473,359	13,999	186,590
Investments in associates	298,943	-	-	289,000	-	-
For-sale investments	525	189,300	132,510	525	189,300	132,510
Other long-term investments	-	45,000	45,000	-	45,000	45,000
Property, plant and equipment - net	1,040,047	33,192	38,981	413,881	30,756	36,545
Goodwill	123,936			-		
Deferred tax assets	11,004			108,225		
Deposit machine	10,971			108,226		
Other non-current assets	40,096	55,139	54,626	35,377	50,274	49,127
<b>Total non-current assets</b>	<b>1,693,540</b>	<b>393,230</b>	<b>327,698</b>	<b>1,878,480</b>	<b>398,928</b>	<b>504,954</b>
<b>Total assets</b>	<b>4,260,693</b>	<b>1,138,742</b>	<b>1,087,449</b>	<b>3,983,936</b>	<b>1,140,438</b>	<b>914,408</b>



General Engineering Public Company Limited and its subsidiaries  
Statement of financial position  
As of December 31

(Unit: Thousand Baht)

	Consolidated financial statement			The separate financial statements		
	2013	2012	2011	2556	2555	2554
Liabilities and shareholders						
Current liabilities						
Trade accounts payable	312,826	102,154	87,481	168,871	101,435	87,087
Other Payables related parties	-	-	-	31	31	5,031
Contract hire purchase liabilities						
mainly due within one year	2,019	2,139	2,322	2,019	2,139	2,322
Income tax payable	-	-	3,453	-	-	-
Other current liabilities	136,048	88,274	91,314	116,206	88,161	84,960
Liabilities directly related to non-current assets that are held for sale-	-	161,596	-	-	-	-
Total current liabilities	450,893	192,567	346,166	287,127	191,766	179,400
Non-current liabilities						
Purchase lease liabilities-net of current portion due within one year	509	2,528	4,653	509	2,528	4,653
Employee benefits liabilities	23,602	15,052	14,812	15,624	15,052	14,812
Income tax setoff debt waiting	91,329					
Other non-current liabilities	2,790	2,793	4,660	2,790	2,793	4,660
Total non-current liabilities	118,230	20,373	24,125	18,923	20,373	24,125
Total liabilities	569,123	212,940	370,291	306,050	212,139	203,525

General Engineering Public Company Limited and its subsidiaries  
Statement of financial position  
As of December 31

(Unit: Thousand Baht)

	Consolidated financial statement			The separate financial statements		
	2013	2012	2013	2012	2013	2554
Liabilities and shareholder's equity						
Equity shareholders						
Capital - ordinary shares						
- 7,093,591,850 shares at 10 baht in 2013	212,807,755			212,807,755		
- 2,470,503,859 shares at 10 baht in 2012		24,705,039			24,705,039	
- 3,286,109,331 shares at 10 baht in 2011			32,861,093			32,861,093
Issued and fully paid - ordinary shares						
- 3,747,769,108 shares at 10 baht in 2013						
- 1,531,384,554 shares at 10 baht in the year 2011-2012	112,433,073	15,313,846	15,313,846	112,433,073	15,313,846	15,313,846
Share premium	31,729	31,729	31,729	31,729	31,729	31,729
Lower than the par value	(108,663,577)	(14,012,330)	(14,012,330)	(108,663,577)	(14,012,330)	(14,012,330)
Accumulated deficit	(109,787)	(368,420)	(528,501)	(123,470)	(365,922)	(526,548)
Other elements of equity	131	(39,024)	(95,814)	131	(39,024)	(95,814)
The shareholders' equity - net	3,691,569	925,801	708,930	3,677,886	928,299	710,883
Non-controlling interests	1	1	8,228	-	-	-
Total shareholders' equity	3,691,570	925,802	717,158	3,677,886	928,299	710,883
Total liabilities and shareholders	4,260,693	1,138,742	1,087,449	3,983,936	1,140,438	914,408

General Engineering Public Company Limited and its subsidiaries  
Statement of financial position  
As of December 31

(Unit: Thousand Baht)

	Consolidated financial statement			The separate financial statements		
	2013	2012	2013	2012	2555	2554
<b>Revenue</b>						
Revenue from sales	1,544,246	837,648	694,534	1,260,901	837,648	694,534
Revenue from services, construction and installation	1,893	45,138	152,331	1,893	43,698	147,370
Rental income from real estate and related services	-	-	78,488	-	-	-
Other income	37,434	30,944	15,962	8,737	31,319	16,343
Gain on revaluation of investments	-	112,350	-	-	112,350	-
Gain on sale of investment in subsidiary	-	22,409	-	-	22,409	-
Reversal of impairment loss	-	9,765	-	-	9,585	-
Dividend income	-	-	-	17,941	-	-
Share of profit of investments in associates	27,884	-	-	-	-	-
Interest	35,227	2,289	2,753	38,987	2,287	2,838
Gain on disposal of investments	51,538	-	-	51,538	-	-
<b>Income</b>	<b>1,698,222</b>	<b>1,060,543</b>	<b>944,068</b>	<b>1,379,997</b>	<b>1,059,296</b>	<b>861,085</b>
<b>Expenses</b>						
Cost of sales	1,251,180	687,856	606,427	969,284	686,850	606,427
Service cost of construction and installation.	7,082	49,425	156,716	7,082	48,516	152,132
Cost of rental and services	-	-	33,977	-	-	-
Cost of sales	16,473	9,211	7,790	16,473	9,211	7,790
Administrative expenses	164,666	145,772	207,546	145,452	145,895	155,621
Loss on investments	-	-	168,904	-	-	168,903
Executive Compensation	9,934	8,484	11,074	9,814	8,484	11,074
<b>Total expenses</b>	<b>1,449,335</b>	<b>900,748</b>	<b>1,192,434</b>	<b>1,148,105</b>	<b>898,956</b>	<b>1,101,947</b>
<b>Profit (loss) before interest expense and income taxes</b>	<b>248,887</b>	<b>159,795</b>	<b>(248,366)</b>	<b>231,892</b>	<b>160,340</b>	<b>(240,862)</b>
Financial cost	(483)	(474)	(20,355)	(443)	(474)	(911)
Income (expense), income tax	10,229	-	(4,669)	11,003	-	-
<b>Profit (loss) for the year</b>	<b>258,633</b>	<b>159,321</b>	<b>(273,390)</b>	<b>242,452</b>	<b>159,866</b>	<b>(241,773)</b>
<b>Other comprehensive income</b>						
Gains (losses) on investments available for sale.	39,155	56,790	(95,814)	39,155	56,790	(95,814)
<b>Profit (loss) for the year.</b>	<b>297,788</b>	<b>216,111</b>	<b>(369,204)</b>	<b>281,607</b>	<b>216,656</b>	<b>(337,587)</b>
<b>Share of profit (loss) for the year.</b>						
Equity of the parent company	258,633	159,321	(272,136)	242,452	159,866	(241,773)
Attributable to non-controlling interests.	-	-	(1,254)	-	-	-
	<b>258,633</b>	<b>159,321</b>	<b>(273,390)</b>	<b>242,452</b>	<b>159,866</b>	<b>(241,773)</b>
<b>Share of profit (loss) for the year.</b>						
Equity of the parent company	297,788	216,111	(367,950)	281,607	216,656	(337,587)
Attributable to non-controlling interests.	-	-	(1,254)	-	-	-
	<b>297,788</b>	<b>216,111</b>	<b>(369,204)</b>	<b>281,607</b>	<b>216,656</b>	<b>(337,587)</b>
<b>Earnings (loss) per share</b>						
(Baht) basic	0.1123	0.3121	(0.24)	0.1053	0.3132	(0.21)



General Engineering Public Company Limited and its subsidiaries  
Statements of changes in shareholders' equity  
As of December 31 2013, 2012 and 2011

(Unit: Thousand Baht)

	Equity shareholders of the parent company.						
	Other components of equity						Total equity attributable to shareholders
	Other comprehensive income						
	Share capital issued and paid up	Surplus stock value	Lower than the par value	Accumulated profit (loss)	Gain (loss) on securities actual sales margins	Total shareholders' equity of large company	Non-controlling interests
Balance as at 1 January 2011.	3,756,477	31,729	(2,859,470)	(257,491)	-	671,245	9,482
Capital Increase	11,557,369	-	(11,152,860)	-	-	404,509	-
Surplus on revaluation of assets.	-	-	-	1,126	-	1,126	-
Profit (loss) for the year	-	-	-	(272,136)	(95,814)	(367,950)	(1,254)
Balance as at 31 December 2011.	15,313,846	31,729	(14,012,330)	(528,501)	(95,814)	708,930	8,228
Balance as at 1 January 2012.	15,313,846	31,729	(14,012,330)	(528,501)	(95,814)	708,930	8,228
Surplus on revaluation of assets.	-	-	-	760	-	760	-
Profit (loss) for the year.	-	-	-	159,321	56,790	216,111	-
Non-controlling interests decreased.	-	-	-	-	-	-	(8,227)
Balance as at 31 December 2012.	15,313,846	31,729	(14,012,330)	(368,420)	(39,024)	925,801	1
Balance as at 1 January 2013.	15,313,846	31,729	(14,012,330)	(368,420)	(39,024)	925,801	1
capital	97,119,227	-	(94,651,247)	258,633	-	2,467,980	-
Profit (loss) for the year.	112,433,073	31,729	(108,663,577)	(109,787)	39,155	297,788	-
					131	3,691,569	1
							3,691,570

General Engineering Public Company Limited and its subsidiaries  
Statements of changes in shareholders' equity  
As of December 31 2013, 2012 and 2011

Company-specific financial statement (unit: thousand baht)

	Issued and paid-up capital	Premium on share	Bond discount	Profit (loss)	Other components of equity		
					Other comprehensive Income		Total shareholders' equity
					Gain (loss) on available for-sale securities actual		
Balance as at 1 January 2011	3,756,477	31,729	(2,859,470)	(285,901)	-		642,835
Capital	11,557,369	-	(11,152,860)	-	-		404,509
Surplus on revaluation of assets	-	-	-	1,126	-		1,126
Profit ( loss) for the year	-	-	-	(241,773)	(95,814)		(337,587)
Balance as at 31 December 2011	15,313,846	31,729	(14,012,330)	(528,501)	(95,814)		708,930
Balance as at 1 January 2012	15,313,846	31,729	(14,012,330)	(528,501)	(95,814)		708,930
Surplus on revaluation of assets	-	-	-	760	-		760
Profit ( loss) for the year	-	-	-	159,321	56,790		216,111
Balance as at 31 December 2012	15,313,846	31,729	(14,012,330)	(368,420)	(39,024)		925,801
Balance as at 1 January 2013	15,313,846	31,729	(14,012,330)	(368,420)	(39,024)		925,801
capital	97,119,227	-	(94,651,247)	-	-		2,467,980
Profit ( loss) for the year	-	-	-	242,452	39,155		281,607
	112,433,073	31,729	(108,663,577)	(123,470)	131		3,691,569

General Engineering Public Company Limited and its subsidiaries  
Statement of financial position  
As of December 31

(unit: thousand baht)

	Consolidated financial statement			The separate financial statements		
	2013	2012	2011	2013	2012	2011
Cash flow from operations						
Profit (loss) before income tax	248,404	159,321	(268,721)	231,448	159,866	(241,773)
Update by						
Expenditure and depreciation write offs	18,979	10,459	39,594	10,845	10,459	12,454
Amortization of income tax has been withheld	-	-	827	-	-	-
Share of profit from investments in associated companies	(27,884)	-	-	-	-	-
Dividend received	-	-	-	(17,941)	-	-
The profits from the sale of investments sale	(24,038)	-	-	(24,038)	-	-
Loss from impairment of non-current assets that are held for sale	-	-	60,940	-	-	-
Income compensation leasehold amortization and rents received in advance	-	(935)	-	-	-	-
Other revenue	(27,902)	(14,197)	-	-	(14,197)	-
The penalty	-	30,000	-	-	30,000	-
Loss (gain) on sale of investments	-	(22,409)	1,039	-	(22,409)	1,039
The profits from the sale of investments	(27,500)	-	-	(27,500)	-	-
Loss (gain) from reducing the value of investments	-	(112,350)	167,865	-	(112,350)	167,865
Provision for (reversal of allowance) for doubtful accounts	24,271	(14,611)	18,960	24,271	(14,611)	2,678
Provision for (reversal of allowance) for obsolete and corrupt	(1)	(13,870)	13,827	(1)	(13,870)	13,827
Loss on impairment of investment in subsidiaries (reverse)	-	-	-	-	-	26,303
Profit from the sale and disposal of fixed assets	(1,059)	(438)	(2,607)	(1,059)	(438)	(2,328)
Losses from the change in shareholding proportions	-	-	-	-	-	-
Reversal of asset impairment losses	-	(9,765)	-	-	(9,585)	-
Provisions for employee benefits	688	2,263	1,949	523	2,263	1,949
Interest received	(35,227)	(2,035)	(2,753)	(38,987)	(2,287)	(2,838)
Interest paid	483	474	20,355	443	474	911
Decrease in operating assets (increase)						
Trade accounts receivable	(495,936)	706	(58,684)	(240,397)	(1,992)	15,686
Trade accounts receivable-related companies	(252)	-	-	(252)	(8,451)	-
Value of work in progress not yet billed to customers	43,661	(3,370)	(14,824)	43,661	(3,370)	(22,680)
Other receivables - related parties	-	-	-	-	3,608	(3,146)
The investment sales receivable	75,000	-	-	75,000	-	-
The remaining items	(117,394)	(32,358)	19,664	(26,274)	(32,380)	19,532
Assets not used in operations	-	(381)	-	-	(381)	-
Other current assets	(34,363)	(7,203)	15,284	7,608	(19,380)	12,347
Other non-current assets	(32,144)	5,471	(1,561)	(34,443)	5,649	(1,135)
Operating liabilities increase (decrease)						
Accounts payable - other parties	195,989	14,672	3,599	67,435	14,347	3,643
The project cost employee benefits	(302)	(2,321)	(1,322)	(302)	(2,321)	(1,322)
Other payables - related parties	-	-	-	-	(5,000)	(11)
Other current liabilities	84,280	(18,842)	22,563	59,230	(12,602)	(9,610)
Other non-current liabilities	(25)	(1,868)	(6,445)	(3)	(1,869)	(6,446)
Cash received (paid) from the operation	(132,272)	(32,652)	28,614	109,267	(50,827)	(13,055)



(unit: thousand baht)

	Consolidated financial statement			The separate financial statements		
	2013	2012	2011	2013	2012	2011
The income tax return	-	4,295	-	-	4,295	-
Interest payments	(92)	(175)	(19,831)	(92)	(175)	(387)
Income taxes paid	(378)	(1,263)	(3,385)	(365)	(1,125)	(1,927)
Cash provided by (used in) operating activities.	(132,742)	(29,795)	5,398	108,810	(47,832)	(15,369)
Cash flows from investing activities						
Pledged deposits at financial institutions.	(20,165)	5,982	818	(19,117)	5,582	819
Investment in fixed deposits	(850,000)			(850,000)		
Loans - subsidiary company	-			(478,425)		
Cash received from sales of other long-term investments	45,000			45,000		
Cash received from the sale of investments	252,000			252,000		
Cash received from sales of investments temporarily	127,500			127,500		
Temporary investment increased	-	-	(248,805)	-	-	(248,805)
Short-term loans to subsidiaries decreased	-	-	-	-	17,000	10,400
Received from the sale of investments in subsidiaries	-	120,000	-	-	120,000	-
The impact of cash flow from the sale and do not include the financial statements of the subsidiary	-	1,280	-	-	-	-
Acquisition of investments in associates	(269,000)	-	-	(269,000)	-	-
Short-term loans to other people Decrease (increase)	-	-	20,000	-	-	-
Purchases of investments in subsidiaries	(456,339)	-	-	(459,360)	-	-
Advance payment for the shares	-	(20,000)	-	-	(20,000)	-
Investments increased sales	-	-	(228,324)	-	-	(228,324)
Other long-term investments	-	-	(45,000)	-	-	(45,000)
Pay a deposit for machinery	(108,226)	-	-	(108,226)	-	-
Cash received from the sale of assets not used in operations	38,360	-	-	38,360	-	-
Purchase of fixed assets	(394,503)	(8,904)	(12,896)	(394,415)	(8,905)	(12,896)
Cash received from the sale of fixed assets	1,505	5,434	3,454	1,505	5,434	3,176
Interest received	28,990	2,072	2,928	28,929	2,324	3,576
Net cash provided by (used in) investing activities	(1,604,878)	105,864	(507,825)	(2,085,249)	121,435	(517,054)
Cash flows from financing activities						
Bank overdrafts and short-term loans from financial institutions increase (decrease)	-	-	(10,184)	-	-	(10,978)
Loan payment from a third party	(175,425)	-	-	-	-	-
Cash received from capital increase	2,467,980	-	-	2,467,980	-	-
Cash received (paid) from long-term loans from financial institutions	-	-	(31,668)	-	-	-
Payment liabilities under hire purchase contracts	(2,138)	(2,307)	(2,242)	(2,139)	(2,307)	(2,242)
Cash received from issuance of shares	-	-	404,508	-	-	404,508
Net cash provided by (used in) financing activities	2,290,417	(2,307)	360,414	2,465,841	(2,307)	391,288
Cash and cash equivalents Net increase (decrease) in net	552,797	73,762	(142,013)	489,402	71,296	(141,135)
Cash and cash equivalents at beginning of the year	94,521	20,759	162,772	91,205	19,909	161,044
Cash and cash equivalents at end of year	647,318	94,521	20,759	580,607	91,205	19,909
Disclosure of cash flow information						
Non-cash items						
- Fixed asset purchases under hire purchase contracts	-	-	7,642	-	-	7,642
- Loss (gain) on sales margin securities	(39,154)	(56,790)	95,814	(39,154)	(56,790)	95,814
- Dividends receivable	(17,941)	-	-	(17,941)	-	-

Summary of key financial ratios  
As of December 31

	Unit	Consolidated financial statement			The separate financial statements		
		2012	2011	2012	2011	2555	2554
Liquidity ratio							
Liquidity ratio	Time	5.69	3.87	2.19	7.33	3.87	2.28
Quick Liquidity Ratio	Time	4.98	3.08	0.85	6.70	3.07	1.73
Trade receivables turnover ratio	Time	3.95	5.97	5.34	4.81	6.04	6.21
Average collection period	Day	92.41	61.14	68.39	75.88	60.43	58.77
Inventory turnover ratio	Time	6.41	6.45	7.38	6.48	6.43	7.03
Average Inventory Period	Day	56.94	56.63	49.46	56.33	56.77	51.94
Turnover ratio of trade accounts payable	Time	6.06	7.78	9.30	7.22	7.80	8.90
Average Payment Period	Day	60.23	46.94	39.23	50.55	46.79	41.03
Cash Cycle	Day	89.12	70.83	78.62	81.66	70.41	69.68
The ratio shows the ability to gain							
Gross profit rate	%	18.62	16.48	13.86	22.68	16.56	9.90
Gross profit from operations	%	14.26	18.05	(29.04)	18.33	18.14	(28.72)
Net profit margin	%	16.73	15.02	(28.96)	19.20	15.09	(28.08)
Rate of return to shareholders	%	11.20	18.47	(37.22)	10.53	18.60	(33.90)
The ratio of performance in operation							
Return on assets	%	8.19	13.79	(21.94)	9.05	15.02	(26.21)
Rate of return on fixed assets	%	51.73	38.44	(46.42)	113.93	34.71	(50.18)
Asset turnover ratio	Time	0.57	0.92	0.83	0.49	0.99	0.94
Analysis of financial policy ratio							
Debt to equity shareholders	Time	0.15	0.22	0.49	0.08	0.22	0.27
Interest Coverage Ratio	Time	515.27	337.37	(12.20)	523.08	338.52	(264.41)
Per share data							
Book Value	Bath	0.99	1.81	0.65	0.98	1.82	0.65
Net profit (loss) per share	Bath	0.11	0.31	(0.24)	0.11	0.31	(0.21)

## 14. Management Discussion and Analysis

### 14.1 Overview of business operations and significant changes

In 2013, the Company had a net profit of 258.63 million baht from the same period last year. Due to the expansion of the real estate investment of the private sector to support the ASEAN Economic Community (AEC) rather than the expansion of investment projects to prevent flooding of the government to support the cause revenue from the sale of the company increases. This year, the company has restructured the management and strategy of the business. The company will expand and increase production capacity and expand the market of customers by focusing on major customers and business partners in the construction business, the company's revenue in 2013 increased

During the year 2013 with the acquisition and disposition of assets that are important below.

(1) The company has invested in Borploi Solar Company Limited, 24 percent of the registered capital of 105 million baht; the company operates on solar power. So the investment in such company, company will be added to expand the scope of business operations, increased revenue and improved operating performance of the Company. There will be a large increase.

(2) The company has purchased shares of the Suntech Metals Company Limited, which carried on the production scrap. The company invests in shares of 3,260,000 shares or 100 percent of the shares. Par value of Baht 100 per share acquisition costs totaled Baht 459.36 million invested in the company to enable the company to expand the business scope of the company to be more diverse. The Company expects that the business will make the company's revenue growth and profitability in the future will affect the revenue and profit of the company increased due to consolidation.

(3) The Company purchased shares of Matrix Public Company Limited, of 800,000 shares representing 32.65 percent of the share capital at a price of 184 million baht from its overseas one. Benefits that the company will earn profits of the consolidated financial statements and dividends from the shares. The company is expanding its business scope to cover the construction business, which business continuity. And increase revenue and improved operating results of the Company. The size of the company increases. In the future, such companies are able to spin off IPO. As well, this will increase the amount of investment.

(4) The company has acquired land in Pathumthani 6 plots as 109-2-92 rai, 43,892 square meters for 4 million baht per rai invest a total of 438.92 million baht from unrelated individuals. And construction of precast concrete parts factory. Intended to be used in the construction of the plant to expand capacity to produce precast concrete parts. The Company plans to purchase machineries amount of 290 million baht by buying land for the construction of this plant is expected to be the primary cause of the company's total revenue growth of at least 10-15 %.

## 1. Results of Operations

In 2013, the Company had a net profit of 258.63 million baht, representing a profit of Baht 0.11 per share, compared with 2012, the Company had a net profit of 159.32 million baht, representing a profit of Baht 0.31 per share, as detailed below.

### 1. Revenue from sales and services.

In 2013, the Company had revenues from sales and services amounted to 1,546.14 million baht, representing 90.50 of total revenue ( total 1,708.45 million Baht ), an increase of 663.35 million baht from the year 2012, revenues from sales and services amount of Baht 882.79 million, representing 83.24 percent of total revenue ( the amount Baht 1,060.54 million ) of revenue for the company. Increased by Baht 663.35 million baht or 75.14 percent of the company's revenue from product sales increased 62 percent and concrete pile Precast Concrete walls rise 73 percent compared to last year. During the year 2556 the company acquired a scrap metal business into a subsidiary cause. Income from sale of scrap has increased this year.



## Revenue breakdown by product group

Business segment	2013		2014		Difference	
	million baht	%	million baht	%	million baht	%
Pile Products	916.34	53.64	571.82	53.92	344.52	60.25
Special concrete products	311.98	18.26	236.84	22.33	75.14	31.73
Specialty Products	30.05	1.76	28.99	2.73	1.06	3.66
Scrap	209.65	12.27	-	-	209.65	100.00
Scrap recycling	64.37	3.77	-	-	64.37	100.00
Construction / Other	13.75	0.80	45.14	4.26	(31.39)	(69.54)
<b>Total</b>	<b>1,546.14</b>	<b>90.50</b>	<b>882.79</b>	<b>83.24</b>	<b>663.35</b>	<b>75.14</b>

## 2. Other Revenue

In 2013, the Company had other income of 162.31 million baht, equivalent to 9.50 of total revenues decreased by 15.45 million baht from the year 2012, with operating income of 177.76 million baht, equivalent to 16.76 of the total revenue as

1) This year, the Company recorded interest income from bank deposits received from the shares of Baht 35.23 million and recorded a gain on sale of investments amounting to Baht 51.54 million.

2) In 2012, the Company recognized a gain on the revaluation of investments amounting to 112.35 million baht and a gain on sale of investments in Chatchiab Co., Ltd. (a subsidiary) of 22.41 million baht this year.

3) In 2013, the Company recorded equity income from investments of the associates amounting to Baht 27.88 million, according to the investment. As a result of the implementation of Borploi Solar Co., Ltd that operates on solar power of 23.88 million baht. And Mctric Co., Ltd, which operates about construction and the installation of 4.00 million baht.

4) In 2013, the Company had income tax of THB 10.23 million, resulting from the Company's obligation to pay income potential decreases. The Company has evaluated the state for doubtful debts will be paid and the cost of employee benefits expected to arise in the future increase.

## Details of other income as follows

Other income (Unit: Thousand Baht)	Consolidated financial statement	
	2013	2012
1. Income from scrap sales.		1,461
2. Interest	35,227	2,289
3. Gain on disposal of investments	51,538	-
4. Gain on revaluation of investments	-	112,350
5. Gain on sale of investment in Chatchiab Co., Ltd. (a subsidiary)	-	22,409
6. Share of profit of investments in associates	27,884	-
7. Reversal of impairment loss	-	9,765
8. Income tax	10,229	-
9. Other income	37,434	29,483
<b>Total</b>	<b>162,312</b>	<b>177,757</b>

### 3. Cost of sales

In 2013, the company's cost of sales and services of THB 1,258.26 million, representing 81.38 percent of the revenue from sales and services. Increased by Baht 520.98 million, representing an increase of 70.66 due to cost of sales when compared to the increase in sales, an increase of the proportion less than the income from selling the produce at full capacity the cost yield reduction of fixed costs.

#### Percentage of cost of sales and services

Unit: Million Baht	2013			2012		
	Income	Cost	%	Income	Cost	%
1. Selling Products	1,544.25	1,251.18	81.02	837.65	687.86	82.12
2. Construction and installation	1.89	7.08	374.60	45.14	49.42	109.48
Total	1,546.14	1,258.26	81.38	882.79	737.28	83.52

### 4. The cost of sales and administrative expenses

In 2013, the Company's selling and administrative expenses in the amount of Baht 191.07 million shares, 11.18 of total revenues, an increase of 27.60 million baht from the year 2012, which amounted to 163.47 million baht, representing 15.41 of total revenues as the Company's cost of sales increased as sales increased from last year and this year there the provision for doubtful accounts increased by 15.36 million baht.

Selling and administrative expenses (Unit : thousand Baht)	Consolidated financial statement		increase (Decrease)
	2013	2012	
1. Cost of sales	16,473	9,211	7,262
2. Administrative expenses	164,666	145,772	18,894
3. Executive Compensation	9,934	8,484	1,450
Total	191,073	163,467	27,606

### 5. Corporate tax

In 2013, the Company had a net profit of 258.63 million baht: the company does not have to pay corporate income tax. The loss can be carried forward from 2012 to 2013, which in 2012 had a deficit of 508.57 million baht was quoted by the Company of Baht 233.74 million and 274.83 million baht of subsidiaries.



## 2. Financial

### Asset

Statement of financial year 2013, the Company had total assets of Baht 4,260.69 million, increased by Baht 3,121.95 million baht, an increase of 274.16 percent in 2012, with total assets of Baht 1,138.74 million, as detailed below.

#### 1. Current asset

As at 31 December 2013, the Company had current assets of 2,567.15 million baht, an increase 1,821.64 million baht, equivalent to 244.35 in current assets compared to 2555, with current assets of 745.51 million baht assets as at 31 December 2013 there the following list.

##### 1.1 Cash and cash equivalents and time deposits.

In 2013, the company had cash and cash equivalents and fixed deposits of 1,497.32 million baht, an increase of 1,402.80 million baht from 2012, which amounted to 94.52 million baht due to the amount of such increased portion of the shares of the Company. Annual general meeting of shareholders on March 26, 2013 as at December 31, 2013, proceeds from sales of shares of Baht 2,467.24 million, net of the capital increase of Baht 1,575.28 million outstanding shares of 891.96 million baht cash.

##### 1.2 Temporary Investments

In 2013, the Company had a net temporary investment of 114 million baht, a decrease of 100 million baht from 2012, which amounted to 214 million baht, a decrease due to net temporary investments in 2013.

Unit: Million Baht	Consolidated financial statement	
	2013	2012
Temporary investment-AQUA-W2		
Net book value at beginning of year	214.00	101.65
Divestment	(100.00)	-
Profit that has not really happened.	-	112.35
Net book	114.00	214.00

##### 1.3 Account receivable

In 2013, the Company had accounts receivable of Baht 608.43 million, increasing by Baht 451.82 million from 2012, which amounted to 156.61 million baht due to the Company. Revenue from sales of precast concrete products, concrete pile wall increases. During 2013, the company has invested in the business of manufacturing scrap, resulted in trade accounts receivable in the consolidated financial statements from such business of 256.17 million baht.



The receivables of the Company are as follows:

Aging of debt	2013		2012	
	Million bath	%	Million bath	%
Amounts of debt not yet due	491.28	69.82	123.56	70.91
Overdue 1-3 months	99.78	14.18	19.74	11.33
Over more than 4-6 months.	15.49	2.20	6.58	3.78
Over more than 7-12 months.	34.26	4.87	3.21	1.84
Over more than 12 months.	62.83	8.93	21.11	12.11
Total of debtor	703.64	100.00	174.20	99.97
Check the dated	-	-	0.05	0.03
Total	703.64	100.00	174.25	100.00
Less allowance for doubtful accounts.	(95.21)	(13.53)	(17.64)	(10.12)
Total of net debtor	608.43	86.47	156.61	89.88

Normally, the duration of loans to customers of the Company for a period ranging from 30 days to 60 days as at 31 December 2013 the Company evaluated the status of receivables and believes that the allowance for doubtful accounts is adequate for losses that may occur from the collection of receivables.

#### 1.4 Construction has not yet billed to customers.

In 2013, had no construction value is not charged to customers, but in 2012 the Company has recognized revenue from construction of the percentage of completion exceeds the annuity charge of 43.66 million baht.

#### 1.5 Inventory

In 2013, the Company had inventories of 254.90 million baht, an increase of 117.40 million baht from 2012, which amounted to 137.50 million baht due to raw materials, finished goods inventories increased by the amount of the customer's order of 16 million baht, a work in progress and finished goods not yet delivered increased by Baht 10 million baht in the year 2013, the company has invested in a subsidiary that does business with manufacturing scrap. Resulted in consolidated inventories increased by Baht 91 million such businesses.

#### 1.6 Other current assets

In 2013, the company had current assets of 65.85 million baht or 1.55 percent of total assets increased by 50.09 million baht from the year 2012, a total of 15.76 million baht in the year 2013, the company acquired shares in the business. Manufacturing scrap resulted in consolidated deposits increased from 37.96 million in the amount of Baht.

Other current assets	Consolidated financial statement Unit: Million Baht		increase (Decrease)
	2013	2012	
Deposits	37.96	-	37.96
Advance	0.58	10.27	(9.69)
Prepaid expenses	6.57	4.06	2.51
Accrued interest	6.41	-	6.41
Other	14.33	1.43	12.90
Total	65.85	15.76	50.09

#### 1.7 Dividends receivable

In 2013, the Company received dividends from BorPloy Solar Company Limited; a joint has approved an interim dividend of operations. From January to October, 2013 to shareholders at the rate of Baht 3.05 per share will be paid on May 5, 2014 Baht 17.94 million.

#### 1.8 Receivable for investments sold

On July 5, 2012 the company entered into an agreement to sell its investment in Chatchiab Co., Ltd. (subsidiary) to Mr. Wicha Baopimpa (who are unrelated), 2.1 million shares at a price of 92.8571 totaling, 195 million baht paid-up share capital of 115 million baht as of the contract date, the date December 25, 2012 at 5 million baht, the rest have been on 5 February 2013, and the number of 75 million baht, respectively.

### 2. Non-current assets

#### 2.1 Prepayment for shares

Advance payments for stocks of 20 million baht to secure the implementation of the monitor (Due diligence) to acquire shares of a company 24 percent of the registered capital of 105 million baht this company operates on the Solar Power plant.

#### 2.2 Available-for-sale investments

In May 2011, the company has invested in equity Aqua Corporate Limited (Public) 315,500,080, stock average price per share of 0.72 baht, totaling 228.32 million baht. In 2013, the Company's investments net sales of 0.52 million baht and 189.30 million baht in 2012, respectively, as detailed below.

Unit: Million Baht	Consolidated financial statement	
	2013	2012
For-sale investments		
Equity - Aqua Corporate Public Company Limited.	0.36	228.32
Add (Less) Gain (loss) on unrealized.	0.16	(39.02)
Net	0.52	189.30

### 2.3 Other long-term investments

In January 2011, the Company invested in common stocks of Aura Dream Company limit of 4,500,000 shares at 10 baht and 45 million baht by such company operate hotels in Nakhonpathom.

Such companies must report Environmental Impact Assessment (EIA) to the Office of Natural Resources and Environmental Policy and Planning approval before implementation. The company has already approved the environmental and is under construction expected to be completed in early 2558.

During 2013, the Company sold its investment in The Aura Dream Limited to the Company at a price of 45 million baht.

### 2.4 Investments in Associated

During 2013, the company invested in Borploi Solar Company Limited, 24 percent of the registered capital of 105 million baht, the company operates on solar power. The Company purchased shares of the parent company SUE, 800,000 shares representing 32.65 percent of the share capital at a price of 184 million baht from its overseas one. The Company recognized a gain on the share of investment in associated company and two companies of 10 million baht.

### 2.5 Property, plant and equipment - net

In 2013, the Company's property, plant and equipment amounted 1040.05 million baht , equivalent to 24.41 of the total assets increased by 1,006.86 million baht from the year 2012 , which amounted to 33.19 million baht or 2.91 percent of total assets during the year 2013 . The purchase of land in Pathumthanee 6 plots as 109-2-92 rai or 43,892 square meters for \$ 4 million baht per rai , totaling Baht 438.92 million from an unrelated party. Such land has been transferred. In November 2013, the number 5 and the other one finally converted to a transfer of ownership. In January 2014, during 2013 the Company Invested in a subsidiary that does business with manufacturing scrap. Property, plant and equipment, resulting in an increase of the overall mission for the consolidated amount of 631.77 million baht.

In 2013, the Company and its subsidiaries have changed its accounting policy for valuation of land and buildings revalued as of the cost. The Company and its subsidiaries have restated prior year financial statements as if the Company's and its subsidiaries' land and buildings using cost along. However, the impact on profit and loss is not significant of the accounting policies that have the effect of land and buildings and the surplus on revaluation of assets decreased by Baht 55.52 million and Baht 49.63 million in the consolidated and company financial statements respectively.

### 2.6 Goodwill

In 2013, the company purchased the business from a local company with a value of 459 million baht, and has hired an independent appraiser to assess the fair value of the identifiable assets acquired and liabilities assumed. And allocating the fair value of the transaction at the acquisition date, which is between the valuations of an independent appraiser. The Company has estimated amount expected to be close to its fair value of the consideration received from the acquisition based on preliminary data from independent appraisers, and other factors. The difference between the purchase price and the fair value of the consideration received from the purchase of the business into account, "Goodwill " in the amount of 123 million baht , management believes may contain updates the fair value of the consideration received from the buyer of this business in the near future that may need to update the consolidated reporting standards support Vol. 3

### 2.7 Deposit of Machine

In quarter 4/2013, the Company paid a deposit for equipment for use in the manufacture of prefabricated concrete parts of Baht 108.22 million from a foreign company.



## Debt

In quarter 4/2013, the Company paid a deposit for equipment for use in the manufacture of prefabricated concrete parts of Baht 108.22 million from a foreign company

### 1. Current liability

In 2013, the Company had total liabilities of Baht 450.89 million compared with 2012, an increase of 258.32 million baht from 2012, which are included in current liabilities 192.57 million baht.

Account Payable in 2013 amounted to 312.83 million baht, an increase of Baht 210.68 million baht in 2013, the company has purchased raw materials to manufacture products according to customer orders increased by 67 million baht from the previous year. During 2013, the company has invested in a subsidiary that does business with manufacturing scrap. Resulted in trade accounts payable in the consolidated financial statements from such business totaled 143 million baht.

Other current liabilities amounted to 136.05 million baht in 2013, an increase of 47.78 million baht from the previous year. The Company has received advance payments from customers, increase sales, and increase the cost of accrued not yet payable payments. The details are as follows:

Other current liabilities	Consolidated financial statement Unit: Million Baht		Increase (Decrease)
	2013	2012	
Expenses payable	42.25	48.04	(5.79)
Advances from customers	38.80	25.19	13.61
Costs accrued	32.77	11.54	21.23
Other	22.23	3.50	18.73
Total	136.05	88.27	47.78

### 2. Non-current liabilities

In 2013, the Company had total non-current liabilities of Baht 118.23 million, which compared to 2012 increased by Baht 97.86 million in 2012, which had total liabilities of Baht 20.37 million, which are as follows.

Debt obligations for employee benefits in 2013 amounted to 23.60 million baht, an increase of Baht 8.55 million baht due to the increasing integration of the subsidiaries of Baht 7.77 million.

Deferred tax liabilities of Baht 91.33 million as the fair value of the assets of the business combination and the fair value Baht 90.52 million of net income from investments in associates amounting to Baht 1.98 million.

## Equity shareholders

In 2013, the Company's equity shares amounting to 3,691.57 million baht, increased by 2,765.77 million baht, equivalent to 298.74 from 2012, which had shareholders' equity of 925.80 million baht, because the company had a profit from operations amount of Baht 258.63 million for 2013, in 2013 the value of investments that are not actual for-sale securities increased by 39.15 million Baht 2,467.98 million baht due to the capital increase.

## Statement of Cash Flows

In 2013, cash flows used in operating activities amounted to 132.74 million baht cash flow used in investing activities amounted to 1,604.88 million baht investment in associates amounting to 289.00 million baht (Borploi Solar Co., Ltd. of 105.00 million baht . Matrix Company limited. number of 184.00 million baht)

and has invested in a subsidiary of 456.34 million baht , pay a deposit for machinery of 108.23 million baht , cash received from the sale of property that is not the number of 38.36 million baht , land acquisition and machinery amounted to 394.50 million baht and interest income of 28.99 billion baht and cash flow from financing activities amounted to 2,290.42 million baht as at December 31, 2013 , the Company had net cash of 647.32 million baht , compared with the year 2555 . The company has net cash of Baht 94.52 million , cash flow used in operating activities amounted to Baht 29.79 million in cash flow from investing activities amounted to Baht 105.86 million and cash used in financing activities amounted to Baht 2.31 million .

## Key Financial Ratios

### Liquidity Ratio

- Liquidity the results could point to short-term financial position of subsidiaries in the year 2556 the company's liquidity, an increase of 5.69 times in 2555 to provide liquidity at 3.87 times and 2.19 times of 2554 shows. The Company and its subsidiaries' ability to repay short-term debt has improved respectively.

- Ratio soon as 2013 was 4.98 times, up from the year 2012 was 3.08 times, and by 2011 was 0.85 times, respectively, the ratio indicates that the company has assets that can be converted into cash easily from the previous year respectively, and can be pay current liabilities

- Trade receivables turnover ratio is 3.95 times, down from 2012, with respect to turnover ratio equals 5.97 times and 5.34 times 2011 equals demonstrate an ability to manage receivables. The company has the ability to collect receivables more slowly compared to 2012 and 2011.

- Collection period averaged 92.41 days, an increase from 2012, with collection period average of 61.14 days and the year 2011 was 68.39 days, the results showed that the collection period increased from previous years cause resulting from the repayment of debt, exceed customer will pay the due date.

- Inventory turnover ratio is 6.41 times, down from the year 2013. Inventory turnover is equal to 6.45 times and 7.38 times of 2011 demonstrated efficacy in the management of the company in 2013 and sold in 2012 had a turnover ratio of inventories similar.

- Sale Period average of 56.94 days, an increase from 2012, with the average selling period of 56.63 days and 49.46 days equals 2554 demonstrate the length of time that the Company can sell the product. Since the date of acquisition or production shows that companies can sell their products at close to 2012.

- Turnover equal to 6.06 times, down from 2012, with the ratio turnover was 7.78 times and the year 2011 was 9.30 times, indicating that the payment for the goods to partners, the rate Turnover less than a year previous The Company has the ability to repay the debt by maturity.

- Repayment period, up from an average of 60.23 days in 2012. The repayment period average of 46.94 days and 39.23 days Show 2011 as it received a credit from trade payables increased from previous years.

### Profitability Ratio

- Gross profit margin was 18.62%, an increase from the year 2012, the gross profit margin was 16.48% and the year 2554 was 13.86%, as in 2013 the company has produced its full capacity resulted in an average cost per unit decreases of fixed costs, the gross margin increased from the prior year due to lower cost of goods sold.

- Gross profit from operations for 2013 was 14.26% , down from 2012, with operating margins of 18.05% over 2012 , but a net loss from operations in 2012 was -29.04 % , as the company has, gain on revaluation of investment amounting to 112.35 million baht profit on disposal of investments in subsidiaries amounting to 22.41 million baht and reversal of impairment of assets of 9.76 billion baht which such transaction in 2013, none of which has resulted in the rate. Earnings from operations in 2013 over 2012, and sales this year over last year.

- Net profit margin of 16.73 %, an increase from 2012, with net profit margin of 15.02% , and by 2011 because in 2013 the company has produced its full capacity resulted in an average cost per unit reduction of fixed costs . The gross profit margin increased from the prior year due to lower sales this year. The Company recorded interest income from bank deposits received from the shares of Baht 35.23 million and recorded a gain on sale of investment of 51.54 million baht in 2013, the Company recorded equity income from investments in associates amounting to 27.88 million Baht investment proportion As a result of the implementation of Borploi Solar Co., Ltd., which operates on solar power of 23.88 million baht and Mctric Co., Ltd., which operates about. Construction and the installation of Baht 4.00 million and an income tax of THB 10.23 million, resulting from the Company's obligation to pay income potential decreases as the payment of debts and employee benefits.

- Return on Equity of 11.20%, a decrease from 2012, with a return on equity of 18.47%, the ability to make profits from shareholders' funds decreased from previous years because the capital this year, the proportion increases.

#### Efficiency Ratio

- Return on assets was 8.19%, down from the year 2012, with a rate of return on assets equal to 13.79% due to the company's total assets increased from the business combination in quarter 4/2013 has resulted in a rate of return assets this year, down from the previous year.

- Return on assets was 51.73%, an increase from the year 2012. The rate of return on assets was 38.44% in the company can be a powerful asset to increase from the year before.

#### Financial Policy Ratio

- Debt to equity shareholders was 0.15 times, down from 2012, the ratio of debt to equity, equal to 0.22 times the debt of financial institutions is no obligation to pay principal and interest payments resulted. Debt to equity is low average.

- Interest Coverage Ratio is equal to 515.27 as of 2012; an increase of interest Coverage Ratio is equal to 337.37 as the company is capable enough to repay the debt.



# Report of the Audit Committee

Dear Shareholders:

The Audit Committee of the Company appointed by the Board of Directors consists of three Independent directors by the term of office for 3 years, with the following changes.

			Appointed	Resigned
1.	Mr.Chaiwat Atsawintarangkun	Chairman of Audit Committee	24 October 2012	-
2.	Rear Admiral Naraudom Pancharoen	Audit Committee	24 October 2012	30 January 2013
	Mr. Chong Rangsi Brahmanakul	Audit Committee	11 February 2013	-
3.	Mr.Jakkarin Chanansirikul *	Audit Committee	14 June 2012	31 January 2014
	Mr.Khemmachat Teerapong	Audit Committee	13 May 2013	-

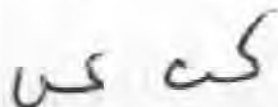
NOTE: \* Mr.Jakkarin Chanansirikul changed the position from Independent Director and Audit Committee as a Director, Executive Committee and Nomination and Remuneration Committee on 1 April 2013.

The Audit Committee is the experts from various fields as Legal, Accounting, Financial, etc. has an independent in the performance of duties which is assigned by the Board of Directors on the financial statements audit. Consider the selection and remuneration of the auditors. Opinion and suggestions on the internal control system and consider the Company transactions may be have a conflict of interest to meet the requirements of the regulatory agencies including the strengthening of the principles of good corporate governance.

The performance of duties in 2013, the Audit Committee held a meeting regularly by the Audit Committee are in attendance at all times, including 7 times with consideration and review various issues that Important by Charter of the Audit Committee as follows.

1. Review the financial statements of the company, The adequacy and accuracy of the supported accounts standard. Including consider the disclosure of the essential information.
2. Ensure that the Company has the appropriate internal control system by consider the work plan of the audit Department, the audit reports of the audit including suggestions for the system of the adequately internal control system.
3. Review the performance of the external auditor in their duties during the past year, including make recommendations on the appointment of auditors. And determine the remuneration of the auditors for the year to the Board of Directors.
4. Review the Company's performance to sufficient complies with the requirements of the law relating to the business of the company.
5. Review the transaction that may have the conflict of interest to ensure such transaction according to the requirements of the law and the principles of good corporate governance. Correctly and timely disclosure of information.
6. Invite the auditor to attend the meeting to discuss about the problems in the operation. Including the issues that the auditor notifies to the Board of Directors for consideration.
7. Meeting with the external auditor to assess the internal control system. And suggestions for the adequately system.
8. Review and suggestion about the Policy and principles of the good corporate governance to comply with the requirements of the regulatory agencies. And promote and review the compliance to such principle sufficiently.

From The performance of duties as assigned, The Audit Committee has the opinion that the audited financial report by the Auditor acted appropriately met. The information disclosure is adequately and compliance with generally accepted accounting standards, does not found the reason to believe that the such financial statements does not significantly correct and compliance with the Securities and Exchange Law and other related business Adequately. For the internal control system was implemented correctly consistent with the business environment under the Promotion to the Implementation of the good corporate governance.



(Mr.Chaiwat Atsawintarangkun)  
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. Somkid Tiatragul the Certified Public Accountant from Grant Thornton Company Limited 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. Financial statements of General Engineering Public Company Limited and its subsidiaries as at 31 December 2013 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. Thitipong Tangpoonphonvivat)  
Chief Executive Officer




(Dr. Tawat Anantanavanich)  
Managing Director

# REPORT OF INDEPENDENT AUDITOR

To the Shareholders of General Engineering Public Company Limited

I have audited the accompanying consolidated financial statements of General Engineering Public Company Limited and its subsidiaries which comprise the consolidated statement of financial position as at 31 December 2013, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year ended, and notes disclosure summarizing significant accounting policies and other explanatory information. I have also audited the separate financial statements of General Engineering Public Company Limited which comprise the separate statement of financial position as at 31 December 2013, and the related separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes disclosure summarizing significant accounting policies and other explanatory information.

## Management's responsibility for the financial statements

The Company's management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards and for such internal controls as management determines to be necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I perform the audit under ethical requirements, including planning and performing the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidences about the amounts and disclosures in the financial statements. The selected audit procedures depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

## Basis for Qualified Opinion

As discussed in Note 16 to the financial statements, during the 4th quarter of 2013, the Company bought the business from a local company for a value of Baht 459 million and hired a firm of independent appraiser to appraise the fair value of the identifiable assets acquired and liabilities assumed, and the allocation of the fair value of acquired business at the acquisition date. Which is still in the process of evaluation by independent appraiser. The Company, therefore, has provisionally estimated the fair values of the consideration received



from the acquired businesses by considering the information from an independent appraiser and other relevant factors. The Company recorded the difference amount between the purchasing price and the value of consideration received as "Goodwill" amounting to Baht 123 million. I have not been able to satisfy myself as to the value of such "Goodwill" as management believe that there could be some adjustment to the fair value of considerable receipt from such purchased business in the near future that affect the adjustment to the consolidated financial statements in accordance with TFRS 3.

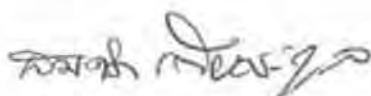
#### Qualified Opinion

In my opinion, except for the possible effects of the adjustments to the consolidated financial statements should I be able to satisfy myself as to the fair value of the identifiable assets acquired and liabilities assumed from the acquisition of the business described in the above paragraph "Basis for Qualified Opinion", the financial statements referred to above present fairly, in all material respects, the consolidated financial position as at 31 December 2013 and the consolidated results of operations and cash flows for the year then ended of General Engineering Public Company Limited and its subsidiaries, and the separate financial position as at 31 December 2013 and the results of operations and cash flows for the year then ended of General Engineering Public Company Limited in accordance with Thai Financial Reporting Standards.

#### Emphasis of Matter

As discussed in Note 4 to financial statements, during the year 2013, the Company and its subsidiaries changed their accounting policy for recording property and plant from the revaluation method to the cost method. This affected the decrease in the value of property, plant and surplus on asset revaluation as at 31 December 2012 decrease of Baht 55.52 million and Baht 49.63 million in the consolidated and separate financial statements, respectively.

My audit opinion is not qualified in the respect of the above mentioned matter.



Mr. Somckid Tiattragul  
Certified Public Accountant  
Registration No. 2785  
Bangkok, Thailand  
28 February 2014

**GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF FINANCIAL POSITION**

(Unit: Baht)

	Notes	Consolidated F/S			Separate F/S		
		31 December 2013	31 December 2012	31 December 2011	31 December 2013	31 December 2012	31 December 2011
			(Restated)	(Restated)		(Restated)	(Restated)
<u>ASSETS</u>							
CURRENT ASSETS							
Cash and cash equivalents	6	647,318,193	94,520,836	20,759,126	580,606,357	91,204,575	19,908,565
Fixed deposit	7	850,000,000	-	-	850,000,000	-	-
Temporary investments	9	114,001,086	214,001,396	101,651,148	114,001,086	214,001,396	101,651,148
Trade accounts receivable-net	10	608,434,048	156,610,187	130,705,511	352,267,869	155,982,762	127,380,291
Trade accounts receivable-related company	8	8,703,535	8,451,352	-	8,703,535	8,451,352	-
Unbilled construction work in progress	11	-	43,661,138	40,290,561	-	43,661,138	40,290,561
Other receivable-related company	8	-	-	-	10,700	10,700	20,654,893
Inventories-net	12	254,899,623	137,504,740	91,276,676	163,780,817	137,504,740	91,255,006
Account receivable from sale of investment	13	-	75,000,000	-	-	75,000,000	-
Accrued dividend income	16	17,941,320	-	-	17,941,320	-	-
Other current assets	8, 14	65,855,096	15,762,128	18,435,662	18,144,551	15,693,368	8,314,419
Assets held for sales-subsiary		-	-	356,632,280	-	-	-
Total Current Assets		2,567,152,901	745,511,777	759,750,964	2,105,456,235	741,510,031	409,454,883
NON-CURRENT ASSETS							
Restricted deposits with banks	31	70,764,432	50,599,195	56,581,406	68,716,432	49,599,194	55,181,406
Loans to subsidiaries	8	-	-	-	478,424,572	-	-
Advance payment for purchase investment	15	-	20,000,000	-	-	20,000,000	-
Investments in subsidiaries companies	16	-	-	-	473,358,992	13,999,000	186,590,326
Investments in associated companies	16	298,942,852	-	-	289,000,000	-	-
Investments in available-for-sales securities	9	525,084	189,300,048	132,510,034	525,084	189,300,048	132,510,034
Other long-term investment	17	-	45,000,000	45,000,000	-	45,000,000	45,000,000
Property, plant and equipment-net	18	1,040,046,389	33,192,229	38,981,062	413,880,848	30,755,938	36,544,687
Goodwill	16	123,935,580	-	-	-	-	-
Deferred income tax assets	23	11,003,972	-	-	10,971,336	-	-
Deposit for machinery		108,225,603	-	-	108,225,603	-	-
Assets not used in operations	19	8,696,504	47,115,516	36,969,687	7,796,500	46,156,502	36,190,673
Income tax withheld at sources		4,665,499	4,495,037	8,657,127	3,421,276	3,056,454	6,226,567
Other non-current assets		26,734,431	3,528,250	8,999,652	24,159,244	1,060,489	6,709,603
Total Non-Current Assets		1,693,540,346	393,230,275	327,698,968	1,878,479,887	398,927,625	504,953,296
TOTAL ASSETS		4,260,693,247	1,138,742,052	1,087,449,932	3,983,936,122	1,140,437,656	914,408,179

**GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF FINANCIAL POSITION**

(Unit: Baht)

		Consolidated F/S			Separate F/S		
		31 December 2013	31 December 2012	31 December 2011	31 December 2013	31 December 2012	31 December 2011
Notes			(Restated)	(Restated)		(Restated)	(Restated)
LIABILITIES AND SHAREHOLDERS' EQUITY							
CURRENT LIABILITIES							
Trade accounts payable		312,826,051	102,153,690	87,481,397	168,870,249	101,434,876	87,087,666
Other payable - subsidiary	8	-	-	-	30,888	30,888	5,030,888
Current portion of liabilities under finance lease agreement	20	2,018,951	2,139,292	2,321,836	2,018,951	2,139,292	2,321,836
Income tax payable			-	3,453,224	-	-	-
Other current liabilities	21	136,047,868	88,273,907	91,313,704	116,206,200	88,161,159	84,960,054
Liabilities directly associated with assets held for sales - subsidiary		-	-	161,596,539	-	-	-
Total Current Liabilities		450,892,870	192,566,889	346,166,700	287,126,288	191,766,215	179,400,444
NON - CURRENT LIABILITIES							
Liabilities under finance lease agreement - net	20	509,446	2,527,961	4,652,674	509,446	2,527,961	4,652,674
Employee benefits obligation	22	23,601,666	15,052,035	14,811,710	15,624,119	15,052,035	14,811,710
Deferred income tax liabilities	23	91,328,560	-	-	-	-	-
Other non - current liabilities		2,790,054	2,792,805	4,660,449	2,790,054	2,792,805	4,660,449
Total Non - Current Liabilities		118,229,726	20,372,801	24,124,833	18,923,619	20,372,801	24,124,833
TOTAL LIABILITIES		569,122,596	212,939,690	370,291,533	306,049,907	212,139,016	203,525,277
SHAREHOLDERS' EQUITY							
Share capital							
- Common shares, Baht 30 par value as at 31 Dec 13							
- Common shares, Baht 10 par value as at 31 Dec 12							
Authorized share capital							
- 7,093,591,850 shares as at 31 Dec 13							
- 2,470,503,859 shares as at 31 Dec 12							
Issued and fully paid-up share capital	24	212,807,755,500	24,705,038,590	32,861,093,310	212,807,755,500	24,705,038,590	32,861,093,310
Issued and fully paid-up share capital							
- 3,747,769,108 shares as at 31 Dec 13							
- 1,531,384,554 shares as at 31 Dec 12							
Premium on share capital		31,729,260	31,729,260	31,729,260	31,729,260	31,729,260	31,729,260
Discount on share capital		(108,663,577,046)	(14,012,330,038)	(14,012,330,038)	(108,663,577,046)	(14,012,330,038)	(14,012,330,038)
Deficits		(109,786,614)	(368,419,570)	(528,500,819)	(123,469,644)	(365,921,886)	(526,547,610)
Other components of shareholders' equity		130,405	(39,024,236)	(95,814,250)	130,405	(39,024,236)	(95,814,250)
Equity attributable to the Company's shareholders - net		3,691,569,245	925,800,956	708,929,693	3,677,886,215	928,298,640	710,882,902
Non - controlling interests in subsidiary		1,406	1,406	8,228,706	-	-	-
Total Shareholders' Equity		3,691,570,651	925,802,362	717,158,399	3,677,886,215	928,298,640	710,882,902
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		4,260,693,247	1,138,742,052	1,087,449,932	3,983,936,122	1,140,437,656	914,408,179



**GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 DECEMBER**

(Unit: Baht)

	Notes	Consolidated F/S		Separate F/S	
		2013	2012 (Restated)	2013	2012 (Restated)
<b>REVENUES</b>	<b>8</b>				
Revenues from sales		1,544,246,146	837,647,673	1,260,900,526	837,647,673
Construction and installation services income		1,893,161	45,138,110	1,893,161	43,698,304
<b>Total Revenues</b>		<b>1,546,139,307</b>	<b>882,785,783</b>	<b>1,262,793,687</b>	<b>881,345,977</b>
<b>Costs of Sales and Services</b>	<b>27</b>				
Costs of sales		(1,251,179,910)	(687,855,295)	(969,284,281)	(686,849,394)
Costs of construction and installation services		(7,081,651)	(49,424,830)	(7,081,651)	(48,515,926)
<b>Total Costs of Sales and Services</b>		<b>(1,258,261,561)</b>	<b>(737,280,125)</b>	<b>(976,365,932)</b>	<b>(735,365,320)</b>
<b>Gross income</b>		<b>287,877,746</b>	<b>145,505,658</b>	<b>286,427,755</b>	<b>145,980,657</b>
Gain on revaluation of temporary investment		-	112,350,248	-	112,350,248
Gain on disposal of investment in subsidiary	13	-	22,408,677	-	22,408,677
Reversal of impairment of assets		-	9,764,829	-	9,584,829
Dividend income	16	-	-	17,941,320	-
Interest income		35,227,112	2,289,432	38,987,572	2,287,307
Gain on sales of investment	9	51,537,619	-	51,537,619	-
Other income	28	37,434,669	30,943,315	8,737,288	31,318,314
<b>Income before expenses</b>		<b>412,077,146</b>	<b>323,262,159</b>	<b>403,631,554</b>	<b>323,930,032</b>
Selling expenses	27	(16,473,264)	(9,210,856)	(16,473,264)	(9,210,856)
Administrative expenses	27	(164,666,303)	(145,771,610)	(145,452,059)	(145,894,954)
Management benefit expenses	27	(9,934,335)	(8,484,570)	(9,814,335)	(8,484,570)
Loss on revaluation of temporary investment	27	(310)	-	(310)	-
Financial costs		(483,019)	(473,653)	(443,316)	(473,653)
<b>Total Expenses</b>		<b>(191,557,231)</b>	<b>(163,940,689)</b>	<b>(172,183,284)</b>	<b>(164,064,033)</b>
<b>Income from operations</b>		<b>220,519,915</b>	<b>159,321,470</b>	<b>231,448,270</b>	<b>159,865,999</b>
Share of profit from investment in associated companies	16	27,884,172	-	-	-
<b>Income before income tax</b>		<b>248,404,087</b>	<b>159,321,470</b>	<b>231,448,270</b>	<b>159,865,999</b>
Tax income	23	10,228,869	-	11,003,972	-
<b>Income for the year</b>		<b>258,632,956</b>	<b>159,321,470</b>	<b>242,452,242</b>	<b>159,865,999</b>
<b>Other comprehensive income</b>					
Unrealized gain available - for - sales securities	9	39,154,641	56,790,014	39,154,641	56,790,014
<b>Total comprehensive income (loss) for the year</b>		<b>297,787,597</b>	<b>216,111,484</b>	<b>281,606,883</b>	<b>216,656,013</b>
<b>Attribution of income for the year :</b>					
Portion of the Company's shareholders		258,632,956	159,321,524	242,452,242	159,865,999
Portion of non-controlling interests in subsidiaries		-	(54)	-	-
		<b>258,632,956</b>	<b>159,321,470</b>	<b>242,452,242</b>	<b>159,865,999</b>
<b>Attribution of comprehensive income for the year :</b>					
Portion of the Company's shareholders		297,787,597	216,111,538	281,606,883	216,656,013
Portion of non-controlling interests in subsidiaries		-	(54)	-	-
		<b>297,787,597</b>	<b>216,111,484</b>	<b>281,606,883</b>	<b>216,656,013</b>
<b>Basic earnings per share</b>					
Income (Baht : share)		0.1123	0.3121	0.1053	0.3132
Weighted average number of common shares (shares)		2,302,709,086	510,461,518	2,302,709,086	510,461,518
<b>Diluted earnings per share</b>					
Income (Baht per share)		0.06901	0.31211	0.06469	0.31318
Weighted average number of common shares (shares)		3,747,769,108	510,461,518	3,747,769,108	510,461,518

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEARS ENDED 31 DECEMBER

(Unit: Baht)

		Equity attributable to the Company's shareholders						
		Other components of shareholders' equity						Total
		Issued and paid-up share capital	Premium on share capital	Discount on share capital	Deficits	Unrealized gain (loss) on valuation of available - other components of for - sales securities	shareholders' equity	
Note								
<b>Consolidated F/S</b>								
Balance as at 1 January 2012		15,313,845,540	31,729,260	(14,012,330,038)	(528,500,819)	(95,814,250)	(95,814,250)	717,158,399
Surplus on assets revaluation		-	-	-	759,725	-	-	759,725
Comprehensive income (loss) for the year		-	-	-	159,321,524	56,790,014	56,790,014	216,111,484
Decrease in non - controlling interests		-	-	-	-	-	-	(8,227,246)
Balance as at 31 December 2012		15,313,845,540	31,729,260	(14,012,330,038)	(368,419,570)	(39,024,236)	(39,024,236)	925,802,362
Balance as at 1 January 2013		15,313,845,540	31,729,260	(14,012,330,038)	(368,419,570)	(39,024,236)	(39,024,236)	925,802,362
Increase in share capital	24	97,119,227,700	-	(94,651,247,008)	-	-	-	2,467,980,692
Comprehensive income (loss) for the year		-	-	-	258,632,956	39,154,641	39,154,641	297,787,597
Balance as at 31 December 2013		112,433,073,240	31,729,260	(108,663,577,046)	(109,786,614)	130,405	130,405	3,691,570,651

**GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEARS ENDED 31 DECEMBER**

	Note	Other components of shareholders' equity						(Unit: Baht)
		Issued and paid-up share capital	Premium on share capital	Discount on share capital	Deficits	Unrealized gain (loss) on valuation of available -		
						for	sales securities	
Separate F/S								
Balance as at 1 January 2012		15,313,845,540	31,729,260	(14,012,330,038)	(526,547,610)	(95,814,250)	(95,814,250)	710,882,902
Surplus on assets revaluation		-	-	-	759,725	-	-	759,725
Comprehensive Income (loss) for the year	-	-	-	159,865,999	56,790,014	56,790,014	216,656,013	
Balance as at 31 December 2012		15,313,845,540	31,729,260	(14,012,330,038)	(365,921,886)	(39,024,236)	(39,024,236)	928,298,640
Balance as at 1 January 2013		15,313,845,540	31,729,260	(14,012,330,038)	(365,921,886)	(39,024,236)	(39,024,236)	928,298,640
Increase in share capital	24	97,119,227,700	-	(94,651,247,008)	-	-	-	2,467,980,692
Comprehensive Income (loss) for the year		-	-	-	242,452,242	39,154,641	39,154,641	281,606,883
Balance as at 31 December 2013		112,433,073,240	31,729,260	(108,663,577,046)	(123,469,644)	130,405	130,405	3,677,886,215

(Unit: Baht)



**GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED 31 DECEMBER**

(Unit: Baht)

	Consolidated F/S		Separate F/S	
	2013	2012	2013	2012
<b>Cash flows from operating activities</b>				
Income before income tax	248,404,087	159,321,470	231,448,270	159,865,999
Adjustments to reconcile income before income tax to net cash provided from (used in) operating activities:				
Depreciation and amortization	18,978,682	10,459,420	10,845,208	10,459,420
Share of profit from investment in associated companies	(27,884,172)	-	-	-
Dividend income	-	-	(17,941,320)	-
Other income	(27,901,725)	(14,197,311)	-	(14,197,311)
Penalty fee	-	30,000,000	-	30,000,000
Gain on sales of available - for - sales securities	(24,037,759)	-	(24,037,759)	-
Gain on sales of temporary investment	(27,500,000)	-	(27,500,000)	-
Loss (gain) on revaluation of temporary investments	310	(112,350,248)	310	(112,350,248)
Gain on disposals of investments	-	(22,408,677)	-	(22,408,677)
Allowance (reversal of allowance) for doubtful accounts	24,271,348	(14,610,852)	24,271,348	(14,610,852)
Reversal of allowance for obsolete and damaged inventories	(1,128)	(13,869,879)	(1,128)	(13,869,879)
Reversal of impairment of assets	-	(9,764,829)	-	(9,584,829)
Gain on disposals of fixed assets	(1,059,382)	(438,456)	(1,059,382)	(438,456)
Provisions for employee benefits obligation	688,304	2,262,876	523,192	2,262,876
Interest income	(35,227,112)	(2,035,362)	(38,987,572)	(2,287,307)
Interest expense	483,019	473,653	443,316	473,653
<b>Cash Flows provided from operations before changes inoperating Assets and Liabilities</b>	<b>149,214,472</b>	<b>12,841,805</b>	<b>158,004,483</b>	<b>13,314,389</b>
<b>Decrease (Increase) in operating assets</b>				
Trade accounts receivable	(495,936,017)	706,177	(240,397,262)	(1,991,619)
Trade accounts receivable - related company	(252,183)	-	(252,183)	(8,451,352)
Unbilled construction work in progress	43,661,138	(3,370,577)	43,661,138	(3,370,577)
Other receivables - subsidiary	-	-	-	3,607,700
Inventories	(117,393,755)	(32,358,184)	(26,274,949)	(32,379,854)
Account receivable from sale of investment	75,000,000	-	75,000,000	-
Other current assets	(34,363,121)	(7,202,640)	7,607,782	(19,379,840)
Assets not used in operations	-	(381,000)	-	(381,000)
Other non - current assets	(32,143,760)	5,471,402	(34,442,950)	5,649,117
<b>Increase (Decrease) in operating liabilities</b>				
Trade accounts payable	195,989,447	14,672,293	67,435,373	14,347,211
Other payable - subsidiary	-	-	-	(5,000,000)
Other current liabilities	84,280,230	(18,842,487)	59,230,041	(12,601,585)
Employee benefits obligation	(302,000)	(2,321,301)	(302,000)	(2,321,301)
Other non - current liabilities	(25,160)	(1,867,644)	(2,751)	(1,868,644)
<b>Cash provided from (used in) operations activities</b>	<b>(132,270,709)</b>	<b>(32,652,156)</b>	<b>109,266,722</b>	<b>(50,827,355)</b>
Refunded income tax	-	4,295,050	-	4,295,050
Interest payment	(92,424)	(174,904)	(92,424)	(174,904)
Income tax payment	(378,559)	(1,262,578)	(364,822)	(1,124,937)
<b>Net cash provided from (used in) operating activities</b>	<b>(132,741,692)</b>	<b>(29,794,588)</b>	<b>108,809,476</b>	<b>(47,832,146)</b>

**GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS (CONTINUED)**  
**FOR THE YEARS ENDED 31 DECEMBER**

(Unit: Baht)

	Consolidated F/S		Separate F/S	
	2013	2012	2013	2012
<b>Cash Flows from investing activities</b>				
Collection from short - term loans to subsidiary	-	-	-	17,000,000
Proceed from sale of investment in subsidiary	-	120,000,000	-	120,000,000
Cash flow effect from disposal and non inclusion of subsidiary	-	1,280,087	-	-
Invest in fixed deposits	(850,000,000)	-	(850,000,000)	-
Increase in loan to subsidiaries	-	-	(478,424,572)	-
Decrease (increase) in restricted deposits with banks	(20,165,238)	5,982,212	(19,117,238)	5,582,212
Cash received from disposal of other long-term investment	45,000,000	-	45,000,000	-
Cash received from disposal of available - for - sales securities	252,000,000	-	252,000,000	-
Cash received from disposal of temporary investment	127,500,000	-	127,500,000	-
Increase in advance payment for purchase investment	-	(20,000,000)	-	(20,000,000)
Cash paid for purchase of investment in associated companies	(269,000,000)	-	(269,000,000)	-
Cash paid for purchase of investment in subsidiary company	(456,338,719)	-	(459,359,992)	-
Paid for deposit for machinery	(108,225,603)	-	(108,225,603)	-
Purchases of fixed assets	(394,503,103)	(8,904,723)	(394,415,404)	(8,904,723)
Proceeds from sales of fixed assets	1,504,670	5,434,125	1,504,670	5,434,125
Proceeds from sales of assets not used in operations	38,360,002	-	38,360,002	-
Interest received	28,989,776	2,071,855	28,928,607	2,323,800
<b>Net cash provided from (used in) investing activities</b>	<b>(1,604,878,215)</b>	<b>105,863,556</b>	<b>(2,085,249,530)</b>	<b>121,435,414</b>
<b>Cash flows from financing activities</b>				
Cash paid for loan from third parties	(175,424,572)	-	-	-
Repayments of liabilities under finance lease agreement	(2,138,856)	(2,307,258)	(2,138,856)	(2,307,258)
Received from increase in share capital	2,467,980,692	-	2,467,980,692	-
<b>Net cash provided from (used in) financing activities</b>	<b>2,290,417,264</b>	<b>(2,307,258)</b>	<b>2,465,841,836</b>	<b>(2,307,258)</b>
<b>Net increase in cash and cash equivalents</b>	<b>552,797,357</b>	<b>73,761,710</b>	<b>489,401,782</b>	<b>71,296,010</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>94,520,836</b>	<b>20,759,126</b>	<b>91,204,575</b>	<b>19,908,565</b>
<b>Cash and cash equivalents at end of year</b>	<b>647,318,193</b>	<b>94,520,836</b>	<b>580,606,357</b>	<b>91,204,575</b>
<b>Supplemental disclosures for cash flows information</b>				
<b>Non - cash items :</b>				
- Unrealized gain on available - for - sales securities	(39,154,641)	(56,790,014)	(39,154,641)	(56,790,014)
- Accrued dividend income	(17,941,320)	-	(17,941,320)	-

# GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS

### 31 DECEMBER 2013 AND 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, Muang Pathumtani, Pathumtani 12000, Thailand.

The Company's shares have been listed for trading on the Stock Exchange of Thailand since the year 1991.

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

#### 2. BASIS OF FINANCIAL STATEMENT PREPARATION AND CONSOLIDATION

##### 2.1 Basis of financial statement preparation

The accompanying financial statements have been prepared in accordance with Thai generally accepted accounting principles issued under the Accounting Act B.E. 2543, and accounting standards issued under Accounting Profession Act B.E. 2547, and the regulations promulgated by the Securities and Exchange Commission and the Stock Exchange of Thailand concerning the preparation and the disclosure of financial information, under the Securities and Exchange Act B.E. 2535. The financial statements have been prepared on a historical cost basis except as disclosed specifically.

The financial statements are officially prepared in Thai language in accordance with statutory requirement with accounting standards enumerated under the Accounting Profession Act B.E. 2547. The translation of these financial statements to other language must be based on Thai financial report.

##### 2.2 Basis of consolidation

The consolidated financial statements include the financial statements of General Engineering Public Company Limited and its subsidiaries which the Company can exercise control or holdings shares with voting right more than 50% as follow:

Subsidiary companies	Percentage of shareholding		Type of business
	2013	2012	
World Wire Processing Co., Ltd. (Formerly name "G.E.L. General Engineering Service Co., Ltd.")	99.99	99.99	Metal business
Suntech Metals Co., Ltd.	100.00	-	Scrap metal recycling business

Significant Inter - company transactions with subsidiaries included in the consolidated financial statements have been eliminated. The consolidated financial statements have been prepared using the same accounting policies for similar transactions or accounts of similar nature in the preparation of Company's financial statements.

The percentage of subsidiaries' total assets as at 31 December 2013 and 2012, and total revenues for the years ended 31 December 2013 and 2012 as included in the consolidated financial statements are as follow :



	Percentage of subsidiaries' total assets to consolidated total assets		Percentage of subsidiaries' total revenues to consolidated total revenues	
			For the years ended 31 December	
	2013	2012	2013	2012
Subsidiary companies				
World Wire Processing Co., Ltd.	2.65	1.53	0.02	0.19
Suntech Metals Co., Ltd.	14.41	-	22.64	-

### 3. NEW ACCOUNTING STANDARD

The Federation of Accounting Professions had announced the new financial reporting standards and financial reporting interpretations, which are effective for the accounting periods beginning on or after 1 January 2014. The management has considered the impact to the Company's financial statement when for adopting and initial application of such new accounting and financial reporting standards and financial reporting interpretations.

Effective 1 January 2013, the Company has adopted accounting standards for income tax as follow :

#### TAS 12 : Income taxes

This accounting standard requires the Company to identify temporary differences between the carrying amount of an asset or liability and amount of corresponding items that are used for tax computation in order to recognize the tax effects as deferred income tax assets or liabilities subjecting to certain recognition criteria. The Company has changed such accounting policy effective 1 January 2013 and restated the prior year financial statements, presented for comparative information, as if the Company had initially recognized the tax effects as deferred income tax assets or liabilities in the earlier years.

#### The effect of new accounting policy

As at 1 January 2013, the Company does not recognize deferred income tax assets for the tax losses carried forward and other allowances which are deductible from income for tax computation purpose in the future which have not been expired under current tax legislation because there is no firm indication that it is probable that the Company will have future taxable income to utilize such tax benefits.

### 4. SIGNIFICANT ACCOUNTING POLICIES

#### 4.1 Revenue recognition

Revenues are recognized at value net of value added taxes and at after deduction of trade discounts.

#### Sale of goods and services income

Revenues from sale of goods are recognized in the statement of comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized if there is continuing management involvement with the goods or if there are significant uncertainties regarding recovery of the economic benefits from sale or service, or if value can not be reliably measured, or if it is probable that goods will be returned. Service income is recognized when services are have been rendered.

#### 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 recognized in the statement of comprehensive income by reference to the stage of completion of the end of year. 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 recognized immediately as an expense in the statement of comprehensive income.

#### Rental and related service income

Rental and related service income from lease right is recognized in the statement of comprehensive income on a straight-line basis over the lease period. Other receipts under the lease contract are recognized as an integral part of the total rental income.

#### Interest and dividend income

Interest income is recognized in the statement of comprehensive income on an accrued basis. Dividend income is recognized in the statement of comprehensive income on the date the Company and its subsidiaries are entitled to receive a dividend which, in the case of listed securities, is usually the ex-dividend date.

### 4.2 Expense recognition

#### Operating leases

Payments made under operating leases are recognized in the statement of comprehensive income on a straight-line basis over the lease period.

#### Finance costs

Interest expense and similar cost are charged to the statement of comprehensive income for the year as incurred except, to the extent that they are capitalized as being 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 recognized in the statement of comprehensive income using the effective interest rate method.

### 4.3 Cash and cash equivalents

Cash and cash equivalents include cash on hand and highly liquid cash in banks (which do not have restriction of usage) that are readily convertible to cash on maturity date with insignificant risk of change in value.

### 4.4 Trade accounts receivable

Trade accounts receivable are stated at the net realizable value. Allowance for doubtful accounts is provided for on the basis of collection experiences and debtors' ability to pay for their accounts couple with the review of overdue balance of each debtor.

### 4.5 Inventories

Inventories comprise raw materials, supplies and finished goods. Inventories are stated at the lower of cost or net realizable value. Cost is calculated using the first-in, first-out method, and comprises all costs of purchase, costs of conversion and other costs that bring the inventories to their present location and condition. In the case of manufactured finished goods and work-in-process, cost includes an appropriate share of overheads based on normal operating capacity. Net realizable 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.

### 4.6 Investments

#### Investments in subsidiaries and associated companies

Investments in subsidiaries and associated companies in the separate financial statements are accounted for using the cost method less allowance for impairment (if any). Investments in associated companies 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 presented at fair value, with any resultant gain or loss recognized in the statement of comprehensive income. Marketable equity securities other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale securities and are presented at fair value, with any resultant gain or loss being recognized directly in equity.

Equity securities which are not marketable are presented at cost less allowance for impairment.

#### 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 recognized in the statement of comprehensive income.

### 4.7 Property, Plant and Equipment

#### Owned assets

Property, plant and equipment are presented at cost less accumulated depreciation and allowance for impairment.

#### Leased assets

Leases which the Company and its subsidiaries substantially assume all the risks and rewards of ownership are classified as finance leases. 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 allowance for impairment. 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 liability. Finance charges are charged directly to the statement of comprehensive income.

#### Depreciation

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each asset. The estimated useful lives are as follows :

Buildings and building improvements	5 - 20 years
Buildings improvements on leased land	upon of lease period
Machinery and equipments	5 years
Furniture, fixtures and office equipments	5 years
Vehicles	5 years

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

During the year 2013, the Company and its subsidiaries changed its accounting policy for recording property and plant from the revaluation method to the cost method since the management believed that this would be more appropriate under the present situation. The Company and its subsidiaries therefore, have restated the prior year financial statements as if property and plant had originally been accounted for under the cost method. However, the impact to profit and loss is not significant. The Company therefore, has not restated the transaction impact in the statement of comprehensive income.

As at 31 December 2012, such change resulted to land and property and surplus on asset revaluation decrease of Baht 55.52 million and Baht 49.63 million in the consolidated and separate financial statements, respectively.

### 4.8 Assets not used in operations

Assets not used in operations are presented at carrying amount at the date when the assets are obtained from debtors or are retired from active use, less allowance for impairment.

### 4.9 Impairment of assets

The Company and its subsidiaries the assets at the end of year to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts of asset is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognized in the statement of comprehensive income.



#### 4.10 Interest-bearing liabilities

Interest-bearing liabilities are recognized 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 recognized in the statement of comprehensive income over the year of the borrowings by using effective interest basis.

#### 4.11 Foreign currency transactions

Foreign currency transactions are translated into Thai Baht for bookkeeping purpose at the exchange rates prevailing at the date of transactions. The balances of assets and liabilities, denominated in foreign currencies, at the end of statement of financial position are translated into Baht at the rates of exchange prevailing at that date. Gains and losses resulting from the settlements of such transactions and from the translation of monetary assets and liabilities, denominated in foreign currencies, are recognized in the statement of comprehensive income.

#### 4.12 Income tax

The income tax expense for the year comprises current and deferred income taxes. Current and deferred income taxes are recognized in profit or loss, except to the extent that it relates to items recognized directly in equity or other comprehensive income.

##### Current income tax

Current income tax is the expected tax payable or claimable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the end of the reporting period, and any adjustment to tax payable in respect of earlier years.

##### Deferred income tax

Deferred income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities and the amounts corresponding items used for income tax computation purpose. Deferred income tax is measured at the tax rate that are expected to be applied to the temporary differences when they reverse, using tax rate enacted or substantively enacted at the end of the reporting period.

Deferred income tax assets and liabilities are offset if there is a legally enforceable right to offset current income tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or when tax assets and liabilities will be realized simultaneously.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that the related tax benefit will be realized.

In accordance with Royal Decree No. 530 dated 21 December 2011, the income tax rate is reduced from 30 percent to 23 percent in 2012, and further reduced to 20 percent in 2013 and 2014.

#### 4.13 Related parties

Related parties comprise enterprises and individuals that control, or are controlled by the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and directing the Company's operations.

#### 4.14 Employee benefits

##### Short-term employment benefits

The Company and subsidiaries are recognized salaries, wages, bonuses, contribution to the social security and provident fund as expenses when incurred.

##### Post-employment benefits

###### Defined contribution plan

The Company and subsidiaries and their employees have jointly established a provident fund plan whereby monthly contributions are made by employees and the Company and its subsidiaries. The fund's assets are held in a separate trust fund from the Company and its subsidiaries' contributions are recognized as expenses when incurred.

###### Defined benefit plan

The Company and subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company and its subsidiary treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method. Actuarial gains or losses arising from post-employment benefits are recognized immediately in statement of comprehensive income.

#### 4.15 Earnings per share

Earnings per share are calculated by dividing the income for the year by the weighted average number of ordinary shares outstanding during the year.

#### 4.16 Segment reporting

Segment results that are reported to the executive committee (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

#### 4.17 Use of accounting estimates

The preparation of the financial statements in conformity with accounting standard requires management to make estimates and assumption that affect the reporting amounts of revenues, expenses, assets, liabilities and disclosure of contingent assets and liabilities. The actual results may differ from those estimates.

#### 4.18 Provisions for liabilities and expenses, and contingent assets

The Company and subsidiaries are recognized provisions in the financial statements when the Company and subsidiaries have a present legal or constructive obligation as a result of past events with probable outflow of resources to settle the obligation and where a reliable estimate of the amount can be made. The contingent assets will be recognized as separate assets only when the realization is virtually certain.

#### 4.19 Business combinations

Business combinations are accounted for using the acquisition method with the cost of the acquisition being the fair value at the acquisition date of consideration transferred, and the amount of any non-controlling interest in the acquired. For each business combination, the Company measures the non-controlling interest, in the acquired business either at fair value or at the proportionate share of the identifiable net assets of the acquired business.

When the excess of cost of business combination is more than the fair value of the net identifiable assets of the acquired business, it is recognized as goodwill in statement of financial position.

## 5. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTION AND JUDGEMENT AND CAPITAL RISK MANAGEMENT

### 5.1 Critical accounting estimates, assumption and judgments

#### 5.1.1 Impairment of receivables

The Company and subsidiaries provides allowances for doubtful accounts to reflect impairment of trade accounts receivable to estimated losses resulting from the inability of customers to make required payments. The allowances are based on consideration of historical collection experiences couple with a review of outstanding receivables at the end of year.

#### 5.1.2 Allowance for slow-moving and defective inventories

The Company and subsidiaries provides allowances slow-moving and defective inventories to reflect impairment of inventories. The allowances are based on consideration of inventory turnovers and deterioration of each category. The Company's management believes that inventories at the year-end do not require allowance decline value.

#### 5.1.3 Plant and equipment

Management determines the estimated depreciation method, useful lives and residual values for the plant and equipment at the end of the year, and revise the depreciation charges where the depreciation method, useful lives and residual values previously estimated have changed or subject to be written down for their obsolescence or if they are no longer in use.

#### 5.1.4 Impairment of assets

The Company and subsidiaries asset as impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires management judgment.

#### 5.1.5 Post — employee benefits

The employee benefits obligation for employees retirement in compliance the Thai labour law is measured, using the projected unit credit method in accordance with Actuarial Technique for the present value of the estimated future cash outflows based on the interest rates of government securities, which terms to maturity approximate the terms of the related obligations and consider based on salary, turnover rate, mortality rate, length of service and others.

#### 5.1.6 Litigation

The Company and subsidiaries normally have contingent liabilities as a result of disputes and litigation. Management use judgment to assess the results of the disputes and litigation and recognize reasonable provision for losses in the accounts at the reporting date. However, actual results could differ from the estimates.

#### 5.1.7 Impairment of goodwill

The Company annually reviews goodwill from investments in subsidiary companies to determine whether it is impaired or not. The recoverable amounts of cash-generating units are determined based on value-in-use calculations. These calculations require the use of management estimates.

#### 5.1.8 Deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deductible temporary differences can be utilized. In addition, management's judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.



## 5.2 Capital risk management

The Company's objectives in the management of capital is to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the dividend payment policy or issue new shares or issue new debentures to finance debts or sell assets to reduce debts.

## 6. CASH AND CASH EQUIVALENTS

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2013	2012	2013	2012
Cash on hand	312	291	288	288
Cash at banks	298,107	29,053	231,419	25,740
Bills of exchange	348,899	65,177	348,899	65,177
Total	647,318	94,521	580,606	91,205

As at 31 December 2013 and 2012, the Company has investment in bill of exchange of Baht 348.90 million and Baht 65.18 million, respectively which is due at call. These bear interest at the rate of 2.35 -3.15 percent per annum and 2.40 — 2.50 percent per annum, respectively.

## 7. FIXED DEPOSITS

As at 31 December 2013, the Company invested in fixed deposits 3-6 months with a local bank of Baht 850 million. These bears interest at the rates of 3.10 - 3.50 percent per annum. Such amounts are a part of cash received from increased share capital.

## 8. TRANSACTIONS WITH RELATED PARTIES

The Company has significant accounting transactions with related parties that are related through common shareholding and/or directorship. Thus, the financial statements reflect the effects of those transactions on the basis agreed upon between the Company and its related parties, which basis might be different from the basis used for transactions with unrelated parties.

Company	NameType of business	Type of relationship
World Wire Processing Co., Ltd.	Metal Business	Subsidiary
Prinda Public Company Limited	Distribution of sand rock for construction	Associated
Chut Chieb Co., Ltd. (ended 5 February 2013)	Real estate rental service	Subsidiary
Aura Dream Co., Ltd. (ended 22 May 2013)	Hotel business	Joint investment
Borploi Solar Co., Ltd.	Solar power plant	Associated
Metric Co., Ltd.	Construction and System in installation service	Associated
Suntech Metals Co., Ltd.	Scrap metal business	Subsidiary

Significant transactions with related parties for the years ended 31 December 2013 and 2012 are as follows :

		(Unit : Thousand Baht)			
		Consolidated F/S		Separate F/S	
		For three years ended 31 December			
Pricing policy		2013	2012	2013	2012
Service charges and others	Determined by the Company negotiated price				
Chut Chieb Co., Ltd.		-	-	-	18
Aura Dream Co., Ltd.		-	7,898	-	7,898
Metric Co., Ltd.		8,134	-	8,134	-
World Wire Processing Co., Ltd.		-	-	120	375
Total		8,134	7,898	8,254	8,291
Rental expense					
World Wire Processing Co., Ltd.	Negotiated price	-	-	371	371
Interest income	MLR p.a.				
World Wire Processing Co., Ltd.		-	-	155	26
Suntech Metals Co., Ltd.		-	-	3,656	-
Total		-	-	3,811	26
Management's compensations					
Short-term employee benefits		8,998	7,974	8,878	7,974
Post-employment benefits		936	510	936	510
Total		9,934	8,484	9,814	8,484

Significant balances with related parties as at 31 December 2013 and 2012 are as follows:

		(Unit : Thousand Baht)			
		Consolidated F/S		Separate F/S	
		2013	2012	2013	2012
Trade accounts receivable - related companies					
Metric Co., Ltd.		8,704	-	8,704	-
Aura Dream Co., Ltd.		-	8,451	-	8,451
Total		8,704	8,451	8,704	8,451
Other receivable — related companies					
World Wire Processing Co., Ltd.		-	-	11	11
Other payable — related companies					
World Wire Processing Co., Ltd.		-	-	31	31
Loan to subsidiaries					
World Wire Processing Co., Ltd.		-	-	103,000	-
Suntech Metals Co., Ltd.		-	-	375,425	-
Total		-	-	478,425	-

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2013	2012	2013	2012
Accrued Interest Income - subsidiaries				
World Wire Processing Co., Ltd.	-	-	155	-
Suntech Metals Co., Ltd.	-	-	3,656	-
Total	-	-	3,811	-
Employee benefits obligation				
Executive directors				
- Post - employee benefits	936	594	936	594

#### 9.TEMPORARY AND AVAILABLE - FOR - SALE INVESTMENTS

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2013	2012	2013	2012
Temporary investments				
Marketable securities (Held for trading)				
Warrants - AQUA - W2	143,572	269,513	143,572	269,513
Securities - Grand Asset and Property Public Company Limited	3	3	3	3
Total	143,575	269,516	143,575	269,516
Less : Unrealized loss on trading securities	(29,574)	(55,515)	(29,574)	(55,515)
Net	114,001	214,001	114,001	214,001

Movements during the years ended 31 December 2013 and 2012 of temporary investments are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2013	2012	2013	2012
Book value - beginning balance	214,001	101,651	214,001	101,651
Disposal of investment	(100,000)	-	(100,000)	-
Unrealized gain	-	112,350	-	112,350
Book value - ending balance	114,001	214,001	114,001	214,001

On 1 May 2011 the Board of Executive Director Meeting approved to invest in shares of Aqua Corporation Public Company Limited (AQUA) not exceed 24% of the authorized share capital of AQUA and 250 million warrant units, of AQUA totaling Baht 350 million. The Company made a purchase of shares and warrant of AQUA during 13 - 27 May 2011 at the market price through the Stock Exchange of Thailand, for a total amount of Baht 497.8 million. The investments were made from the funds obtained from capital increase during 25 — 29 April 2011 of Baht 404.5 million because that fund has not yet been used for planned investments and for working capital. This was not in compliance with the objectives for increased share capital. In addition, such purchases of shares and warrants were made exceeding the amount approved by the Board of Executive Director. However, the Board of Directors Meeting No. 9/2011, on 6 June 2011, ratified such purchases of shares and warrants of AQUA.



On 23 April 2012, SEC filed a criminal complaint accusing former director and staff of the Company with Department of Special Investigation (DSI) accusing for the failure to perform duty in good faith that caused damages to the Company, including the misappropriation of the Company's asset for their benefits through securities trading transactions.

On 17 May 2012, SEC additionally filed a criminal complaint accusing 6 more persons of the Company's directors and management with Department of Special Investigation (DSI) regarding to such investment in securities above. Therefore, board of directors has a resolution to suspended duties of director and management but able to attend the meeting without voting right and perform as the Company's advisor and received the compensation until the outcome of litigation is known. However, in October 2012, such directors have resigned from the Company's board of directors already.

Consequently, the Company's new Board of Directors had consulted with a legal advisor to seek the legal action against former Board of Directors and Executive directors. On 26 January 2013, the legal advisor issued its opinion suggesting the Company to wait for the result of criminal case before taking further action.

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2013	2012	2013	2012
Available - for - sales securities				
Securities — Aqua Corporation Public Company Limited	362	228,324	362	228,324
Add (less) : Unrealized gain (loss) on available				
- for - sales securities	163	(39,024)	163	(39,024)
<b>Net</b>	<b>525</b>	<b>189,300</b>	<b>525</b>	<b>189,300</b>

Movements during the years ended 31 December 2013 and 2012 of available-for-sales securities are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2013	2012	2013	2012
Book value - beginning balance	189,300	132,510	189,300	132,510
Disposal of investment	(189,000)	-	(189,000)	-
Unrealized gain	225	56,790	225	56,790
<b>Book value - ending balance</b>	<b>525</b>	<b>189,300</b>	<b>525</b>	<b>189,300</b>

At the Board of Director Meeting no 9/2013 on 16 July 2013, the board passed a resolution for the Company to dispose investment in Aqua Corporation Public Company Limited (AQUA) of 315,000,000 shares at Baht 0.80 per share approximately Baht 252 million and to dispose investment in AQUA — W2 which will be expired on 15 March 2014 of 250,000,000 units at Baht 0.51 per unit approximately Baht 127.50 million, to a foreign company with gain on sales of Baht 51.54 million.

# 10. TRADE ACCOUNTS RECEIVABLE - NET

The aged balances of accounts receivable as at 31 December 2013 and 2012 are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2013	2012	2013	2012
Trade accounts receivable	670,838	155,533	381,212	154,906
Retentions receivable	32,808	18,669	32,808	18,669
Postdated cheques	-	48	-	48
Total	703,646	174,250	414,020	173,623
Less : Allowance for doubtful accounts	(95,212)	(17,640)	(61,752)	(17,640)
Net	608,434	156,610	352,268	155,983

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

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2013	2012	2013	2012
Receivables from construction and installation services				
Retentions receivable - Not yet due	1,836	258	1,836	258
Retentions receivable - outstanding over				
12 months	15	15	15	15
Not yet due	4,548	4,037	4,548	4,018
Past due :				
Not over 3 months	768	726	768	118
3 - 6 months	-	9	-	9
6 - 12 months	31,185	197	31,185	197
Over 12 months	2,971	3,079	2,971	3,079
	41,323	8,321	41,323	7,694
Receivables from sales of concrete products and scrap metal				
Retentions receivable - Not yet due	24,319	17,456	24,319	17,456
Retentions receivable - outstanding over				
12 months	6,638	939	6,638	939
Not yet due	460,573	101,812	269,945	101,812
Past due :				
Not over 3 months	99,017	19,017	33,576	19,017
3 - 6 months	15,499	6,566	14,915	6,566
6 - 12 months	3,075	3,016	1,275	3,016
Over 12 months	53,202	17,075	22,029	17,075
	662,323	165,881	372,697	165,881
Total	703,646	174,202	414,020	173,575
Postdated cheques	-	48	-	48
Total	703,646	174,250	414,020	173,623
Less : Allowance for doubtful accounts	(95,212)	(17,640)	(61,752)	(17,640)
Trade accounts receivable - net	608,434	156,610	352,268	155,983

The Company normally grants credit terms to customers ranging from 30 days to 60 days.

As at 31 December 2013, the management believes that the allowance for doubtful accounts is adequate to cover possible loss which may arise from non-collection of trade receivables.

#### 11. UNBILLED CONSTRUCTION WORK IN PROGRESS

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2013	2012	2013	2012
Total contracted value	176,578	176,578	176,578	176,578
Accumulated construction income	176,578	174,688	176,578	174,688
Billing	(176,578)	(131,027)	(176,578)	(131,027)
Net	-	43,661	-	43,661

#### 12. INVENTORIES - NET

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2013	2012	2013	2012
Finished goods	107,819	102,447	105,538	102,447
Work in process	18,772	10,771	18,772	10,771
Raw materials and spare parts	56,866	27,500	43,962	27,500
Goods in transit	75,937	1,282	3	1,282
Total	259,394	142,000	168,275	142,000
Less : Allowance for obsolete inventories	(4,494)	(4,495)	(4,494)	(4,495)
Net	254,900	137,505	163,781	137,505

During the year, the movements of allowance for defective inventories are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2013	2012	2013	2012
Balance at the beginning of year	4,495	18,365	4,495	18,365
Increase	-	413	-	413
Decrease	(1)	(14,283)	(1)	(14,283)
Balance at the ending of year	4,494	4,495	4,494	4,495

During the year 2012, the Company reversed the allowance for obsolete inventories of Baht 14.12 million, because they were sold during the years and certain items were issued for production.

#### 13. ACCOUNT RECEIVABLE — SALE OF INVESTMENT

On 1 December 2011, a subsidiary entered into agreement to sell its right over land lease together with plant thereon with the total compensation of Baht 390 million and has stopped recording rental income since then. On 29 March 2012, the subsidiary entered into supplement agreement with following conditions :



13.1 Assignment of long term lease right with main buildings; 6 Floors Building No. 225/2, part of area beside Pattaya Sai 2 Road with the area approximately 15-0-90 Rai to Sputnik Co., Ltd., with the total compensation of Baht 240 million. The payment shall be made by cash of Baht 70 million and repayment of loan to the financial institution instead of the subsidiary of approximately Baht 170 million. If there is any balance left from the said payment, the subsidiary will not claim from the assignee which has addition condition as follow :

13.1.1 The assignee has to make payment for the transfer of leasehold right of Baht 10 million. The payment shall be made by 2 cheques, the first cheque of Baht 5 million to be dated 30 April 2012 and the second cheque of Baht 5 million to be dated 31 December 2012.

13.1.2 On 31 May 2012, the assignee will pay the remaining amount Baht 50 million and register the transfer of leasehold right and/or assigned new leasehold with the proprietor.

13.2 Assignments of all long term lease right with main buildings; 8 Floors 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 of Baht 150 million. The assignee agrees to pay the compensation of lease right together with buildings there on 31 May 2012 and will arrange for the registration of the assignment of lease right and/or to make the new leasing contract with the proprietor.

On 5 July 2012, board of directors has cancelled the sell of assignments of all long term lease right agreement above of Chut Chieb Co., Ltd. and approved to sell ordinary shares of Chut Chieb Co., Ltd of 2.1 million shares equivalent to 95.45 percent of paid-up share capital (Par value at Baht 100 each) at price of Baht 92.8571 each or Baht 195 million to management of group Sputnik Co., Ltd. and Beer The Beach Co., Ltd. The Company obtained cash from sales of Baht 115 million on the agreement date and will settle the remaining balance within 25 December 2012.

On 25 December 2012, the Buyer could not pay the remaining share purchase price to meet the conditions stated in the shares sale agreement due to the Buyer's financial institution did not approve the loan to the buyer on time. Consequently, the buyer requested for an extension of payment for 45 days from 26 December 2012. Additionally, on 25 December 2012, the Buyer partially paid the remaining share purchase price of Baht 5 million to the Company and would pay the remaining share purchase price of Baht 75 million plus interest rate of 15 percent per annum of the defaulted amount within 8 February 2013.

On 5 February 2013, the Buyer settled all the remaining balance of Baht 75 million plus interest of Baht 1.29 million to the Company. The Company has neither obligation nor liability with Chat Chieb anymore. The details of asset sold and profit on sale are as follow :

	(Unit : Thousand Baht)
	2012
Net assets at sale date	180,425
Portion of the Company	95.45%
Net assets of the Company	172,216
Sales value in the agreement	195,000
Gain on disposal of investment	22,784
Less related expenses	(375)
Gain on disposal of investment - net	22,409
Sales value in the agreement	195,000
Advance received as at 31 December 2012	120,000
Account receivable - sell investment	75,000

#### 14. OTHER CURRENT ASSETS

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2013	2012	2013	2012
Advances to subcontractors	24,140	21,507	24,140	21,507
Less Allowance for doubtful accounts	(23,562)	(11,242)	(23,562)	(11,242)
Net	578	10,265	578	10,265
Deposit for goods purchase	37,960	-	-	-
Prepaid expenses	6,572	4,058	5,177	4,058
Accrued interest income 6,412	-	10,211	-	-
Others	14,333	1,439	2,178	1,370
Total	65,855	15,762	18,144	15,693

#### 15. ADVANCE PAYMENT FOR PURCHASE INVESTMENT

This represents advance for purchase of 24% share capital of a company for Baht 105 million. Such company is engaged in solar power plant. The Company paid Baht 20 million as a guarantee deposit to do due diligence on such company. If the Company has not paid the remaining balance of Baht 85 million within 31 December 2012, the seller could confiscate such guarantee deposit.

However, the Company was informed that the seller has not been able to complete the process with the financial institutions, so it is necessary to extend the period for deliver the shares. Both parties therefore, agreed to extend the period of the purchase/sale of shares. However, if the seller faces with the condition that has to cancel the agreement, the seller agreed to repay the security deposit of Baht 20 million within 5 business days from the date of notice to refund.

#### 16. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANIES - NET

Movements in investments in subsidiary and associated companies, which are accounted for by the equity method in the consolidated financial statements, for the year ended 31 December 2013 are as follows :

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
Balance as at 1 January 2013	-	13,999
Purchase of investment	289,000	748,360
Share of profit from associated companies	27,884	-
Dividend income	(17,941)	-
Balance as at 31 December 2013	298,943	762,359

## Investments in subsidiaries

(Unit : Thousand Baht)

	Paid - up capital		Percentage of shareholding		Cost method	
	2013	2012	2013	2012	2013	2012
Suntech Metals Co., Ltd.	326,000	-	100.00	-	459,360	-
World Wire Processing Co., Ltd.	14,000	14,000	99.99	99.99	13,999	13,999
Total					473,359	13,999

During the year 2013, the Company acquired ordinary share of Suntech Metals Co., Ltd., which is engaged in the recycling of scrap metal. The Company invested in the 3,260,000 ordinary shares or 100 percent of total shares with par value of Baht 100 each for the purchase price of Baht 459.36 million.

The net assets in accordance with the book value as at 4 November 2013, the acquisition date included in consolidated financial statements as follows :

(UNIT: BAHT)

	4 November 2013		
	Carrying amounts	Fair value adjustments	Recognised values
<b>Assets</b>			
Cash and cash equivalents	3,021,073	-	3,021,073
Other current assets 12,850,843	-	12,850,843	
Property, plant and equipment	179,170,925	452,604,103	631,775,028
Other non current assets	2,195,381	-	2,195,381
<b>Liabilities</b>			
Trade accounts payable	(14,277,981)	-	(14,277,981)
Loan payable	(187,178,656)	-	(187,178,656)
Other current liabilities	(14,667,723)	-	(14,667,723)
Deferred tax liabilities	-	(90,520,821)	(90,520,821)
Employee benefit obligation	(1,156,168)	(6,616,564)	(7,772,732)
Total net assets value	(20,042,306)		335,424,412
Percentage of shareholding			100%
Net assets value acquired			335,424,412
Goodwill			123,935,580
Cash purchase payment			459,359,992



The Company bought the business from a local company for a value of Baht 459 million and hired a firm of independent appraiser to appraise the fair value of the identifiable assets acquired and liabilities assumed, and the allocation of the fair value of acquired business at the acquisition date. Which is still in the process of evaluation independent appraiser. The Company, therefore, has provisionally estimated the fair values of the consideration received from the acquired businesses by considering the information from an independent appraiser and other relevant factors. The Company recorded the difference amount between the purchasing price and the value of consideration received as "Goodwill" amounting to Baht 123 million. The management believe that there could be some adjustment to the fair value of considerable receipt from such purchased business in the near future that affect the adjustment to the consolidated financial statements in accordance with TFRS 3.

The Company has a policy to continuously review the fair value of identifiable assets acquired; such as property, plant and equipment etc., and liabilities assumed; and allocation of fair value at the acquisition date. In accordance with TFRS 3 (revised 2009), Should new information about facts and circumstances that existed at the acquisition date be subsequently obtained within one year from the acquisition date that affect the above provisional fair values, or the values of assets or liabilities that existed at the acquisition date, the acquisition accounting will be accordingly revised.

#### Investments in associated

(Unit : Thousand Baht)

	Paid - up capital		Percentage of shareholding		Cost method		Equity method	
	2013	2012	2013	2012	2013	2012	2013	2012
Borploi Solar Co., Ltd.	245,100	-	24.00	-	105,000	-	110,933	-
Metric Co., Ltd. 245,000	-	32.65	-	-	184,000	-	188,010	-
Prinda Public Company Limited	23,000	23,000	17.39	17.39	87,126	87,126	87,126	-
					376,126	87,126	386,069	-
Less Allowance for impairment					(87,126)	(87,126)	(87,126)	-
Net					289,000	-	298,943	-

As at 31 December 2013 the Company invested in Borploi Solar Co., Ltd. at 24% of its share capital for Baht 105 million. Such company is engaged in solar power plant. The Company has pledged the share certificate as guarantee for loan from financial institution of such company. As at 31 December 2012, the Company has already paid an advance of Baht 20 million for such purchase of investment.

At the Board of Director Meeting no 9/2013 on 16 July 2013, the board passed a resolution for the Company to invest in Metric Co., Ltd. for 800,000 shares, (representing 32.65% of share capital) at Baht 184 million from a foreign company.

On 31 October 2013, the Board of Director Meeting of Borploi Solar Company Limited passed a resolution to pay interim dividend from the period January to October 2013, to its shareholders at Baht 3.05 per share which will be paid on 5 May 2014.

Significant financial information of the associates in the aggregate amounts are summarized as follows :

(Unit : Thousand Baht)

For the year ended 31 December 2013

	Assets	Liabilities	Revenues	Net income
Borploi Solar Co., Ltd.	1,033,809	753,351	207,285	116,397
Metric Co., Ltd.	655,774	384,915	780,274	12,719
<b>Total</b>	<b>1,689,583</b>	<b>1,138,266</b>	<b>987,559</b>	<b>129,116</b>

#### 17. OTHER LONG - TERM INVESTMENT

On 21 January 2011, the Board of Director's approve the investment in ordinary shares of Aura Dream Co., Ltd. of Baht 45 million for 4,500,000 shares, Baht 10 per share, or 9% of registered capital. The Company fully paid for share subscription in January 2011. Such company was incorporated to engage in the hotel business in Nakorn Pathom province and has been in process of hotel construction which is expected to be completed in of the year 2015.

During the year 2013, the Company sold its investment in Aura Dream Co., Ltd. to a listed company at Baht 45 million with no gain or loss.

#### 18. PROPERTY, PLANT AND EQUIPMENT - NET

(Unit : Thousand Baht)

	Consolidated F/S					2013
	2012	Increase from business combination	Increase	Decrease	Transfer in (out)	
<b>Cost :</b>						
Land and land improvement	4,028	384,456	345,167	-	274	733,925
Building and building improvement	20,850	110,903	-	-	2,730	134,483
Machinery and equipment	150,804	231,169	15,135	(191)	2,923	399,840
Furniture, fixtures and office equipment	22,620	5,869	2,034	-	-	30,523
Vehicles	31,842	3,796	25,916	(3,864)	267	57,957
Assets under construction	50	-	6,251	-	(6,194)	107
<b>Total</b>	<b>230,194</b>	<b>736,193</b>	<b>394,503</b>	<b>(4,055)</b>	<b>-</b>	<b>1,356,835</b>
<b>Accumulated depreciation :</b>						
Building and building improvement	11,416	4,860	2,640	-	-	18,916
Machinery and equipment	143,749	90,709	10,532	(191)	-	244,799
Furniture, fixtures and office equipment	18,592	5,055	1,443	-	-	25,090
Vehicles	23,245	3,794	4,364	(3,419)	-	27,984
<b>Total</b>	<b>197,002</b>	<b>104,418</b>	<b>18,979</b>	<b>(3,610)</b>	<b>-</b>	<b>316,789</b>
<b>Net book value</b>	<b>33,192</b>					<b>1,040,046</b>
<b>Depreciation for the year :</b>						
Cost of sales	4,148					7,882
Selling and administrative expenses	6,312					11,097
<b>Total</b>	<b>10,460</b>					<b>18,979</b>

(Unit : Thousand Baht))

## Separate F/S

	2012	Increase	Decrease	Transfer in (out)	2013
Cost :					
Land and land improvement	1,592	345,120	-	274	346,986
Building and building improvement	20,850	-	-	2,730	23,580
Machinery and equipment	150,804	15,125	(191)	2,923	168,661
Furniture, fixtures and office equipment	22,620	2,003	-	-	24,623
Vehicles	31,842	25,916	(3,864)	267	54,161
Assets under construction	50	6,252	-	(6,194)	108
Total	227,758	394,416	(4,055)	-	618,119
Accumulated depreciation :					
Building and building improvement	11,416	1,205	-	-	12,621
Machinery and equipment	143,749	3,873	(191)	-	147,431
Furniture, fixtures and office equipment	18,592	1,404	-	-	19,996
Vehicles	23,245	4,364	(3,419)	-	24,190
Total	197,002	10,846	(3,610)	-	204,238
Net book value	30,756				413,881
Depreciation for the year :					
Cost of sales	4,148				5,973
Selling and administrative expenses	6,312				4,873
Total	10,460				10,846

As at 31 December 2013 and 2012, certain plant 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 215.62 million and Baht 170.86 million (Separate F/S : Baht 176.84 million and Baht 170.86 million, respectively)

On 4 November 2013, the Board of Directors approved the purchase vacant land of 6 plots at Pathumthani with total area 109-2-92 Rai or 43,892 square wah, at Baht 4 million per Rai, totalling Baht 438.92 million from unrelated party. 5 plots of land have been transferred in November 2013 and the latest one was transferred in January 2014.

During the year 2012, the Company hired an independent appraiser to re-appraise its land and plant. Based on appraisal report, the appraisals were made using the market comparison approach for land and cost approach for plants with the following values :

(Unit : Thousand Baht )

## Fair value

	Company	Subsidiaries	Total
Land	33,570	8,316	41,886
Building	23,055	-	23,055
Total	56,625	8,316	64,941



## 19. ASSETS NOT USED IN OPERATIONS

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2013	2012	2013	2012
Assets not used in operations				
Land	13,449	52,079	12,548	51,179
Land improvement	-	2,984	-	2,984
Less : allowance for impairment	(4,872)	(8,127)	(4,872)	(8,127)
Net	8,577	46,936	7,676	46,036
Buildings and Buildings improvement	320	320	320	320
Less : accumulated depreciation	(200)	(200)	(200)	(200)
Net	120	120	120	120
Other equipment	-	59	-	-
Total assets not used in operations	8,697	47,115	7,796	46,156

During the year 2012, the Company hired an independent appraiser to re-appraise its assets not used in operation. Based on appraisal report, the appraisals were made using the market comparison approach for land and cost approach for buildings with the following values :

	(Unit : Thousand Baht)		
	Fair value		
	Company	Subsidiaries	Total
Land	46,036	900	46,936
Building	120	-	120
Total	46,156	900	47,056

## 20. LIABILITIES UNDER FINANCE LEASE

	(Unit : Thousand Baht)	
	Consolidated F/S and Separate F/S	
	2013	2012
Liabilities under finance lease		
Not over 1 year	2,091	2,304
Over 1 year but not over 5 years	506	2,597
Total	2,597	4,901
Less : Deferred interest	(69)	(234)
	2,528	4,667
Less : Current portion	(2,019)	(2,139)
Net	509	2,528

The Company entered into finance lease agreements with certain local companies to lease vehicles which are repayable in 36 - 48 months.

## 21. OTHER CURRENT LIABILITIES

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2013	2012	2013	2012
Accrued expenses	42,251	48,042	35,436	47,970
Advances received from customers	38,798	25,187	38,798	25,187
Accrued costs	32,773	11,540	32,773	11,540
Others	22,226	3,505	9,199	3,464
Total	136,048	88,274	116,206	88,161

## 22. EMPLOYEE BENEFITS OBLIGATION

During the years ended 31 December 2013 and 2012, the movements in employee benefits obligation as follows :

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2013	2012	2013	2012
Balance as at 1 January	15,052	14,811	15,052	14,811
Increase from business combination	7,772	-	-	-
Current service costs	688	2,263	523	2,263
Interest on obligation	391	299	351	299
Decrease in obligation from payment	(302)	(2,321)	(302)	(2,321)
Balance as at 31 December	23,601	15,052	15,624	15,052

Principal actuarial assumptions at the reporting date are as follows :

(Unit : Thousand Baht)

	2013		2012	
	Monthly	Daily	Monthly	Daily
Discount rate	4	4	4	4
Salary increase rate	8	2	6	4
Employee turnover rate	0 - 18	0 - 33	0 - 25	0 - 50
	(depend on working year)	(depend on working year)	(depend on working year)	(depend on working year)
Mortality rate	TMO 2008	TMO 1997	TMO 1997	TMO 1997

## 23. INCOME TAX

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2013	2012	2013	2012
Income tax recognized in profit or loss				
Current income tax				
Income before income tax	248,404	159,321	231,448	159,866
Add Items not yet allowable as expenses under Revenue Code	30,650	46,717	28,425	46,717

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
	2013	2012
Less Items previously added back of allowance for doubtful		
Account and others in tax computation	(46,729)	(187,727)
Items not considered as income under the Revenue Code	(162)	(5,173)
Loss carry forward for 5 years	(508,565)	(247,527)
Taxable loss	(276,402)	(234,389)
Tax rate	20	23
Income tax for the year	-	-
Deferred tax from		
Movement in temporary differences	10,229	-
Total	10,229	-
Income tax recognized in other comprehensive income	33	-
Total	33	-

Deferred income tax assets and liabilities are as follows :

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
	2013	2012
Deferred income tax assets	11,004	-
Deferred income tax liabilities	(91,329)	-
Net	(80,325)	-

The movements in deferred income tax assets and liabilities are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S			
	Recognised as income (expense)			
	1 January 2013	Statement of income	Shareholders' equity	31 December 2013
Deferred income tax assets from :				
Allowance for doubtful accounts	-	3,728	-	3,728
Employee benefits obligation	-	3,125	-	3,125
Loss carried forward	-	4,151	-	4,151
	-	11,004	-	11,004



(Unit : Thousand Baht)

	Consolidated F/S			
	Recognised as income (expense)			
	1 January 2013	Statement of income	Shareholders' equity	31 December 2013
Deferred income tax liabilities from :				
Adjustment for assets	-	-	(33)	(33)
Fair Value from business combination	-	(90,521)	-	(90,521)
Investment in associated company	-	(1,988)	-	(1,988)
Depreciation of assets adjustment of fair value	-	1,213	-	1,213
	-	(91,296)	(33)	(91,329)
Deferred income tax asset from :				
Allowance for doubtful accounts	-	3,728	-	3,728
Employee benefits obligation	-	3,125	-	3,125
Loss carried forward	-	4,151	-	4,151
	-	11,004	-	11,004
Deferred income tax liabilities from :				
Available for sale securities	-	-	(33)	(33)
	-	-	(33)	(33)

## 24. SHARE CAPITAL

At the Annual General Meeting on 26 March 2013, shareholders passed resolution for following matters :

24.1 Approved to decrease its registered capital for 361,250,920 shares at par value of Baht 10 for Baht 21,092,529,390 (2,109,252,939 shares, par value of Baht 10).

24.2 Changed the par value of share from Baht 10 to Baht 30. The registered and paid-up share capital therefore, become Baht 21,092,529,390 (703,084,313 shares, par value of Baht 30).

24.3 Approved the issue and allocation of GEN-W4 (stock warrant no.4) to existing shareholders at 10 shares for 1 unit of warrant, totaling 51,046,152 units and existing shareholders who subscribe for the rights offering at 2 shares for 1 unit of warrant, totaling 1,276,153,795 units.

24.4 Increased the share capital from Baht 21,092,529,390 to Baht 212,807,755,500 (7,093,591,850 shares, par value at Baht 30 each).

24.4.1 Allocated to existing shareholders not exceeding 2,552,307,590 shares (par value at Baht 30 each) at the ratio of 1 existing ordinary share for 5 newly issued shares at the offer price of Baht 0.75 per share. Schedule for subscription of newly issued shares is during 25 April 2013 to 9 May 2013.

24.4.2 Allocated shares not exceeding 1,327,199,947 shares (par value at Baht 30 each) to support exercisable warrants, which will be offered to existing shareholders and existing shareholders who subscribe the newly issued shares.

24.4.3 Allocated shares not exceeding 11,000,000 shares (par value at Baht 30 each) to reserve for adjusting exercise price and ratio for the exercise of the warrants (GEN-W3).

24.4.4 Allocated to specified investors and/or institutional investors by way of private placement not exceeding 2,500,000,000 shares (par value at Baht 0.90 each) at the offer price not lower than 90 percent of the market price.

24.5 Approved the decrease registered capital by reducing the par value of share from Baht 30 to Baht 0.90 The registered and paid-up share capital was Baht 6,384,232,665 (7,093,591,850 shares, par value at Baht 0.90 ) to offset with the discount on ordinary shares and the deficits.

On 3 May 2012, at the Ordinary shareholder's Meeting for the year 2012, the shareholders passed a resolution to decrease the Company's authorized share capital by Baht 8,156,054,720 from Baht 32,861,093,310 to Baht 24,705,038,590. The decrease was for unsubscribed shares capital remaining from the increased share capital and the non exercise of warrant (GEN-W2)

At the meeting no 9/2013 and 10/2013 on 16 July 2013 and 25 July 2013, the board passed a resolution allotted and offered the increase the share capital by private placement to 9 persons of 2,000,000,000 shares and for 8 persons of 500,000,000 shares which has been approved from Annual General Meeting of year 2013. The Company received the paid-up share capital from 9 persons for private placement of 685,000,000 shares totaling Baht 553,750,000.

Movement of authorized share capital and issued and fully paid-up share capital are as follow :

Authorized share capital	Authorized date	Thousand Shares	Par value (Baht)	Thousand Baht
Balance as at 1 January 2012		3,286,109	10.00	32,861,093
Decrease in unsold registered shares capital	3 May 2012	(815,605)	10.00	(8,156,054)
Balance as at 31 December 2012		2,470,504	10.00	24,705,039
Decrease in unsold registered shares capital	26 Mar 2013	(361,251)	10.00	(3,612,509)
Increase in par value	26 Mar 2013	(1,406,169)	From 10.00 to 30.00	-
Increase share capital	26 Mar 2013	6,390,508	30.00	191,715,226
Balance as at 31 December 2013		7,093,592		212,807,756

Issued and fully paid-up share capital	Authorized date	Thousand Shares	Par value (Baht)	Thousand Baht
Balance as at 1 January 2013		1,531,385	10.00	15,313,846
Increase in par value	26 Mar 2013	(1,020,923)	From 10.00 to 30.00	-
Increase share capital	26 Mar 2013	2,552,307	30.00	76,569,227
Increase share capital of private placement	26 Mar 2013	685,000	30.00	20,550,000
Balance as at 31 December 2013		3,747,769		112,433,073

## 25. PREMIUM ON SHARE CAPITAL AND LEGAL RESERVE

### Premium on share capital

Under Section 51 of the Public Companies Act B.E. 2535, the company is required 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

Changes in fair value and revaluation surpluses recognized in shareholders' equity relate to cumulative net change in the fair value of available-for-sale investments.

#### Legal reserve

Under Section 116 of the Public Companies Act B.E. 2535, the Company is required to allocate at least 5% of its net income for the year, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until the reserve reaches an amount not less than 10% of the registered authorized share capital. The legal reserve is not available for dividend distribution.

### 26. WARRANTS

On 16 May 2011, the Company issued and offered free warrants (GEN-W3) totaling 939,119,305 units to the existing shareholders whose name appears on the share register on 16 February 2011. 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. The warrants are specific to holders and are transferable with the term of 3 years commencing from 16 May 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 30 December 2011 and the last exercise is on 14 May 2014. One warrant will be entitled to purchase one new ordinary share at the exercise price of Baht 1 per share.

At the Annual General Meeting on 26 March 2013, shareholders passed a resolution for following matters :

26.1 To issue warrants of the Company for 1,327,199,947 units to the existing shareholders and existing shareholders who subscribe as follow :

- The rights of existing shareholders at the ratio of 10 shares per 1 warrant (GEN-W4) totaling 51,046,152 units, with free of charge. One unit of warrant is exercisable to purchase 1 ordinary share at Baht 1.20.
- The right of existing shareholders who subscribe newly issued shares at the ratio of 2 new shares to 1 warrant, totaling 1,276,153,795 units, with free of charge. One unit of warrant is exercisable to purchase 1 ordinary share at Baht 1.20.

26.2 To approve the amendment of exercise price of warrant (GEN-W3) because the newly issued additional shares and issue and allocation of GEN-W4.

- Old ratio : The warrant No. 3 (GEN-W3) 1 unit has the right to purchase 0.333 ordinary shares at exercise price of Baht 3 per 1 ordinary share.

- New Ratio : The warrant No. 3 (GEN-W3) 1 unit has the right to purchase 1.066 ordinary share at exercise price of Baht 0.937 per 1 ordinary share.

### 27. EXPENSES BY NATURE

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	For the years ended 31 December			
	2013	2012	2013	2012
Changes in finished goods and work in progress	(12,093)	(41,243)	(9,812)	(41,243)
Raw materials and supplies used	834,647	491,317	562,279	490,209



(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	For the years ended 31 December			
	2013	2012	2013	2012
Employee benefit expenses	114,026	99,800	108,114	99,800
Service fees	47,750	42,933	47,750	42,685
Installation costs	123,927	74,291	123,927	73,766
Labour costs	77,234	60,871	77,234	60,871
Depreciation and amortization	18,979	10,460	10,846	10,460
Transportation expenses	70,660	43,170	69,378	43,170
Doubtful accounts	15,365	-	12,927	-
Management benefit expenses	9,934	8,484	9,814	8,484
Selling expenses	16,473	9,211	16,473	9,211

## 28. OTHER INCOME

During the year ended 31 December 2012, the Company wrote off liabilities and recognized as other income of Baht 14.20 million because it no longer has obligation to pay for such liabilities.

## 29. FINANCIAL INSTRUMENTS

### 29.1 Financial risk management policies

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

### 29.2 Liquidity risk

The Company and subsidiaries monitor its liquidity risk and maintain 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.

### 29.3 Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Company and subsidiaries as and when they fall due. The Company and its subsidiaries have policy for this risk by controlling the application of credit approvals, limits and monitoring procedures. The maximum credit risk exposure is represented at carrying amount at the date of statement of financial position.

### 29.4 Foreign currency risk

The Company and subsidiaries have some transaction in foreign currency as resulted of exposure in changing in exchange rates. However, the management believes that the foreign exchange rate risk is minimal.

### 29.5 Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the Company and subsidiaries cash flows because loan interest rates are mainly floating. The Company and subsidiaries are 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 31 December 2013 and 2012, significant financial assets and financial liabilities with exposures to value and cash flows risk arising from changes in interest rates are as follows :

(Unit : Thousand Baht)

2013

	Consolidated F/S				Separate F/S			
	Principal		Average Interest Rate (%)		Principal		Average Interest Rate (%)	
	Floating Interest Rate	Fixed Interest Rate	Floating	Fixed	Floating Interest Rate	Fixed Interest Rate	Floating	Fixed
<b>Assets</b>								
Cash at banks								
- saving deposits	300,545	-	300,545	0.55 — 0.75	-	233,978	0.55 — 0.75	-
- bill of exchange	348,899	-	348,899	2.35 — 3.15	-	348,899	2.35 — 3.15	-
- fixed deposits	850,000	-	850,000	3.10, 3.125, 3.50	-	850,000	3.10, 3.125, 3.50	-
Restricted deposits at bank	70,764	-	70,764	1.50 — 1,702.30	-	68,716	1.50 — 1,702.30	-
Loan to subsidiaries	-	-	-	-	-	478,424	6.875-7.00	-

(Unit : Thousand Baht)

2012

	Consolidated F/S				Separate F/S			
	Principal		Average Interest Rate (%)		Principal		Average Interest Rate (%)	
	Floating Interest Rate	Fixed Interest Rate	Floating	Fixed	Floating Interest Rate	Fixed Interest Rate	Floating	Fixed
<b>Assets</b>								
Cash at banks								
- saving deposits	19,958	-	19,958	0.75	-	16,699	0.75	-
- bill of exchange	65,177	-	65,177	2.40, 2.50	-	65,177	2.40, 2.50	-
Restricted deposits at bank	50,599	-	50,599	1.75, 1.80	-	49,599	1.75, 1.80	-

#### 29.1 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 subsidiaries take into account their current circumstances and the costs that would be incurred to exchange or settle the underlying financial instrument. As at 31 December 2013 and 2012, fair value approximates the carrying amount

### 30. SEGMENT INFORMATION

The Company and subsidiaries' business operations involve 3 principal segments : (1) Manufacturing and sales of concrete products and (2) Construction, installation services (3) Recycling scrap metal product and others. Segment performance is considered by revenues and gross profit, and is also measured based on the group operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. Below are revenues and gross profit of the Company and subsidiaries for the years ended 31 December 2013 and 2012 by segments.

	For the years ended 31 December								(Unit : Thousand Baht)			
	Manufacturing and sales of concrete products		Construction and installation services		Scrap metals products		Others		Elimination		Consolidated F/S	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Revenues from sales and services												
Revenue from external customers	1,260,900	837,648	1,893	45,138	283,346	-	371	371	(371)	(371)	1,546,139	882,786
Cost of sales	969,284	688,005	7,082	49,425	281,896	-	-	-	-	(150)	1,258,262	737,280
Gross income	291,616	149,643	(5,189)	(4,287)	1,450	-	371	371	(371)	(221)	287,877	145,506
Other income												
Interest income											116,856	175,467
Interest expense											35,227	2,289
Depreciation and amortization											(483)	(474)
Income before income tax											(18,979)	(10,460)
Property, plant and equipment - net	413,881	30,756	-	-	541,442	-	159,952	2,436	(75,229)	-	248,404	159,321
Other assets											1,040,046	33,192
Total assets											3,220,647	1,105,550
											4,260,693	1,138,742

### Major Customer

For the year ended 31 December 2013, the Company's revenue came from two customer of scrap metals product amounting to Baht 259.34 million and concrete product amounting to Baht 169.66 million.



### 31. COMMITMENTS AND CONTINGENT LIABILITIES

31.1 The Company and subsidiaries have commitments under contracts with customers for sales and services for which goods or services have not been delivered or rendered to customers totaling Baht 722.09 million.

31.2 The Company and subsidiaries are liable for letters of guarantee issued by a bank to customers for the performance bonds and for the use of electricity totaling Baht 95.96 million. The Company's fixed deposits of Baht 67.10 million and subsidiary's fixed deposit of Baht 1 million are mortgaged/pledged as collaterals for such letters of guarantee.

31.3 The Company has outstanding lease commitments regarding plant and car rental which are non-cancelable agreements as follows :

	(Unit : Thousand Baht)
	Consolidated F/S and Separate F/S
Due within 1 year	18,403
Due after 1 year but within 5 years	16,858
Total	35,261

### 31.4 Contingent liabilities

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2013	2012	2013	2012
Bank guarantees not yet issued	23,249	6,730	22,425	5,848
Bank overdraft and others	23,889	-	23,889	-

31.5 The Company has commitment for purchase of equipment and machinery amounting to Baht 120.16 million.

31.6 The subsidiary has commitment for importing raw materials from overseas amounting to Baht 107.63 million.

### 32. EVENT AFTER REPORTING PERIOD

At The Board of Director Meeting held on 21 January 2014, the board passed a resolution to approve the purchase 3 plots of vacant land at Pathumthani with total area of 46-1-45.8 Rai at Baht 4 million per Rai, totaling Baht 185.46 million from unrelated party.

At Board of Executive Committee No 3/2014 held on 16 February 2014, the Board pass a resolution to invest in ordinary shares of Aqua Corporation Public Company Limited resulted from exercise of AQUA-W2 of 285,000,040 units at ratio 1:1.301 share by converting to ordinary share of 370,785,052 shares at exercise price of Baht 0.576 per share with totaling Baht 213.57 million.

At Board of Director Meeting held on 28 February 2014, board passed a resolution to approve the disposal of investment in Borploi Solar Co., Ltd. at Baht 137 million.

### 33. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized by Board of Directors on 28 February 2014.





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