





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

รายงานประจำปี 2557  
ANNUAL REPORT  
2014



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## Message from the Chairman

General Engineering Public Company Limited "The Company" which is a listed company under construction materials sector. Overall, the company has been growing steadily through out its long history of over 52 years. The company strives to be a leader in new technologies and innovations that set standard in construction industry in Thailand.

Last years, the company faced with challenging changes such as a slowdown both in the global and local economy, political instability within and outside the country, and the shortage of skilled labor, which inevitably affected the growth of the construction industry in the country.

However, even though the company faced with problems indicated above, the company has grown in the construction materials sector at a exceptional rate, thus resulted in an outstanding profits compare to that of other previous years over the 52 year business operation. The good business profit was derived directly from experienced management team, operating under the principles of good governance, and its commitment to extensively promote growth and expansion in the construction materials business.

Furthermore, in 2015, the company will enjoy a significant increase in production capacity of precast concrete products, in order to support the country's policies of enhancing economic growth of which are expected to take place within this year. For examples, the development and investment in the infrastructure of the government sector such as a subway construction project in Bangkok and suburb area, investments of private sectors in the housing repair and furnishings materials, and the free trade zone of Asean Economic Community (AEC). The development would boost demands for quality housing that uniquely meets differences in needs from various group of people.

As a leader in construction materials, the company has a range of products to meets customer's needs both in terms of high quality and exceptional service, as well as the ability to provide technical consulting services to its customers. With a commitment, The company conducts its business based on good governance, integrity, transparency with its customers, suppliers, employees, shareholders and its communities, as well as other stakeholders of the company.

On behalf of Board of Directors of the company, the company would like to sincerely show its appreciation and thank to our customers, suppliers and shareholders of the company whom have been continuously providing great support. In addition, the company would like to thank the directors, managements, and all employees for all their dedications and unity of work for the benefit of the company as a whole.



Professor Dr. Borwornsak Uwanno  
Chairman of the board



# Message from the Chief Executive officer

During the first half of 2014, overall construction materials sector was expanding at an unusual low rate, largely due to the political instability, leading to a lack of confidence from both government and private sectors. During the last half of the year, actions from the government significantly helped improve development of many projects and infrastructure.

In 2014, General Engineering Public Company Limited expanded its investment in Myanmar by establishing subsidiaries and joint ventures abroad in order to enhance competitiveness, reduce business risk, and create new market channels. Myanmar has currently been, over the past couple of year, a new destination of rapid growing economy as its government strongly supports foreign investments. This helps strengthen the company's confidence on the investment in Myanmar.

Meanwhile, the company aims to increase the production capacity in each and every product lines, introducing new quality products into the market, providing services to effectively meet customer needs and demands, and maintaining its position as a specialist in the construction material sector. The company also wants to make sure that its products are at the international standard of quality, certified with an ISO 9001- Quality Management Systems, and Thai Industrial Standard (TIS.).

In Thailand, the company focuses mainly on expanding its business operations in order to enhance profitability. The company has undertaken the construction of a new plant in Chiangrak Noi, Patumtani, and this will increase production capacity, and more importantly, help meet the needs of the customers.

This year, the company has taken steps to reduce production costs. The company has also developed new sourcing of raw material supplies which will help improve in price. The company has managed to control the damage of products by applying key performance indicators (KPI) to help reduce such damages. The company recognizes that, in order to promote business growth and sustainable in profitability, human resource and development is the key. Due to high competition, the company, must prepare its engineers to be ready for the market competition by providing knowledge, and training that needed in order to improve its competitiveness.

The company highly believes that such business practices will enhance and support the company to create streams of income, improve profit, and achieve sustainable growth in the increasingly competitive market.



Mr. Thitipong Tangpoonphonvivat.  
(Chief Executive Officer)







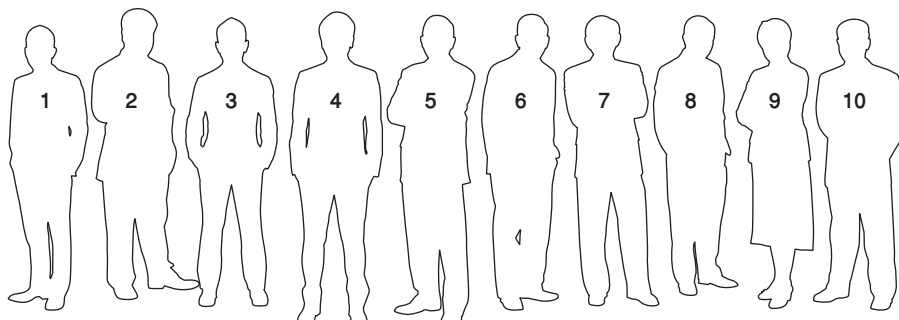


# Board of Directors and Executives



## Board

1.	Mr. Vichya	Krea-Ngam	Independent Director
2.	Mr. Wuttichai	Sresthabutra	Director
3.	Dr.Tawat	Anantanavanich	Director
4.	Mr.Thitipong	Tangpoonphonvivat	Director
5.	Dr.Borwornsak	Uwanno	Chairman of the Board of Director/Independent Director
6.	Mr.Phinij	Jarusombat	Chief Advisor
7.	Mr.Suchat	Boonbanjersri	Independent Director
8.	Mr.Sophon	Pholprasit	Vice Chairman of the Board of Director/Independent Director
9.	Mrs.Panee	Jarusombat	Independent Director
10.	Dr. Ittipon	Diewwanit	Director





# 1. Policy and overall business operations

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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.

December 31, 2014 has registered capital of Baht 6,380,069,603.15 and paid up capital of Baht 4,728,445,264.70 divided into 5,562,876,782 shares at a par value of Baht 0.85 per share The Company had 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 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.

#### 1.2) Year 2014

Resolution to approve to hold the Annual General Meeting of shareholders 2014 on Friday April 25, 2014 the shareholders had the significant resolutions as follows.

(1) Resolution to approve the proposal for the Annual General Meeting of shareholders to consider the decreasing of registered capital that has not released, which is not reserved for the exercise of warrants or convertible debentures before the capital increase of the Company of Baht 54,450,375,420 from the existing registered capital of Baht 212,807,755,500 to the registered capital of Baht 158,357,380,080 by canceling the ordinary shares that have not released of 1,815,012,514 shares at par value of Baht 30 per share as follows.

- The ordinary shares which are allocated to the Private Placement which have not released of 1,815,000,000 shares.



- The excess ordinary shares that reserved for the exercise of warrants GEN-W4 of 12,514 shares. According to the Company has allocated warrants GEN-W4 amount not exceeding of 1,327,199,947 unit to the existing shareholders and the existing shareholders who subscribe for new ordinary shares under the resolution of the AGM/2013. We can allocate total amount of 1,327,187,433 units, outstanding warrants that are not allocated and canceled a total of 12,514 units. So there are the excess ordinary shares that reserved for the exercise of warrants of 12,514 shares. The Company was registered with the Ministry of Commerce on April 30, 2014 .

(2) Resolution to approve the proposal for the Annual General Meeting of shareholders to consider the increasing of registered capital of Baht 66,821,547,090.00 from the existing registered capital of Baht 158,357,380,080 to the registered capital of Baht 225,178,927,170 divided into 7,505,964,239 shares at par value of Baht 30 per share by issuing new ordinary share of 2,227,384,903 shares at par value of Baht 30 per share. The Company was registered with the Ministry of Commerce on May 2, 2014 .

(3) Resolution to approve the proposal for the Annual General Meeting of shareholders to consider the allocating the new ordinary shares of the company as follows.

1) The allocation of new ordinary shares amount not exceeding 412,384,903 shares at par 30 baht to reserved for the exercise of warrants GEN-W3 that increased from the adjustment under the conditions and terms of GEN-W3, which are currently reserved share of 203,622,795 share and after the capital increase will be shares reserved for the exercise of GEN-W3 total of 616,007,698 shares.

On 19 April 2013 the Company adjusted the right of GEN-W3 accordance with the terms Clause 4.2 (B) Page 15, when the company issued new ordinary shares by the Right Offering and / or the Public Offering and / or the Private Placement by the average price per share of new ordinary shares lower than 90 percent of the market price and Clause 4.2 (C) Page 17, When the company offers any new securities to the existing shareholders and / or any person by the such securities giving the right to convert into ordinary shares or the right to purchase ordinary shares such as convertible debentures, Warrants by the average price of new shares to serve such rights lower than 90 percent of the market price to preserve the rights of the holders of the warrants are as follows.

<u>New Exercise ratio</u>	1 Warrant exercise of 1.066 shares
<u>New exercise Price</u>	Baht 0.937 per share

The Company currently has GEN-W3, which listed on the SET of 577,868,385 units. The right adjustment made the reserved shares for exercise warrant is not enough. Therefore the Company needs to increase the number of reserve shares for the exercise of GEN-W3

2) The allocation of new ordinary shares amount not exceeding 1,815,000,000 shares at par 30 baht in whole or in part, on one or several times to the Private Placement in accordance with the Notification of the Capital Market Supervisory Board no. Tor Jor. 28/2008 regarding the application and permission for offer of new shares dated December 15, 2008 at the offer price not lower than 90 percent of the market price which is the shares that are not issued and offered amount of 1,815,000,000 shares at par value of Baht 30 per share according to the resolutions of the AGM 2013 on March 26, 2013 that propose to increase of capital back into the Company with the following objectives:

- To the business operations and support the expansion of the business
- Use as working capital for its operations.
- Invests and to invest in shares of the other Company, to must have the capacity and the opportunity to grow and tend to get higher returns.

The share allocation of 1,815,000,000 shares above, the Company will be completed before the decreasing of registered capital by reducing the par value of Baht 30 per share to Baht 0.85 per share to reduce the Discount on share capital and the deficit. The offering price is lower than its par value which the Company is required to comply the approval from the Meeting of Shareholders under Section 52 of the Public Companies Act BE 2535 (as its amendments). However the offering price of such shares is the price of not less than 90% of the market price according to the announcement of the SEC.

(4) Resolution to approve the proposal for the Annual General Meeting of shareholders to consider the decreasing of registered capital by reducing the par value of Baht 30 per share to Baht 0.85 per share to reduce the Discount on share capital and the deficit.

Because the reducing of par value will be made after the allotment of new shares to the Private Placement which makes the lower value of shares of the Company increases. So if the Company will clear the Discount on share capital and the deficit, the Company is required to reduce the par value to Baht 0.85.

If the allotment of 1,815,000,000 shares to the Private Placement is going as planned, the estimates of capital reduction by reducing the par value of Baht 30 per share to Baht 0.85 per share to reduce the Discount on share capital and the deficit, the calculation as follows.

Equity (Baht)	31 Dec 2013 (3,747,769,108 shares)	Premium deduct Discount on share capital	PP recapitalization (1,815,000,000 shares)	Par Baht 30 per share (5,562,769,108 shares)	Par Baht 0.85 per share (5,562,769,108 shares)	Clearing deficit
Issued and fully paid-up share capital	112,433,073,240	112,433,073,240	54,450,000,000	166,883,073,240	4,728,353,742	162,154,719,498
Premium on share capital	31,729,260				120,880,399	
Discount on share capital	(108,663,577,046)	(108,631,847,786)	(53,278,521,669)	(161,910,369,455)		(161,910,369,455)
Deficits	(123,469,644)	(123,469,644)		(123,469,644)		(123,469,644)
Other components of shareholders' equity	130,405	130,405		130,405	130,405	120,880,399
Equity attributable to the Company's shareholders - net	3,677,886,215	3,677,886,215		4,849,364,546	4,849,364,546	
Average market price for 7 days (24 Feb - 4 Mar 2014)			0.7172			
PP prices 90 percent			0.6454			

From the above estimates when reducing the par value of Baht 30 to Baht 0.85 it will be Premium on share capital from the capital reduction amount of Baht 162,154,719,498, deducted the Discount on share capital remained of Baht 161,910,369,455 and Deficits of Baht 123,469,644 that will clear deficit of the Company and make the remaining Premium on share capital of Baht 120,880,399. The Company was registered at the Ministry of Commerce on September 23, 2014.



## Changes of Warrants

### 2.1) 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.

### 2.2) Warrants (GEL-W4)

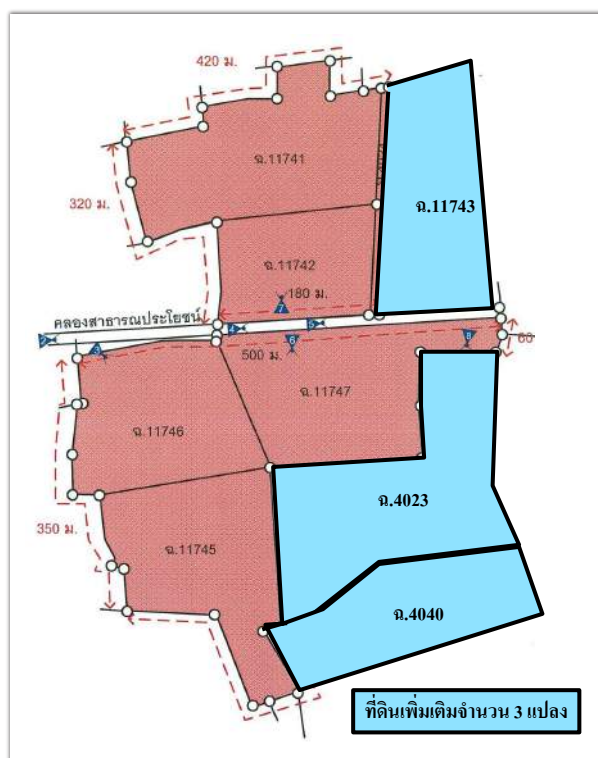
On June 10, 2013, the Company issued Warrants (GEL-W4) of not more than 1,327,199,947 units to the existing shareholders of the Company with the closing date for the right to receive warrants on April 10, 2013 without charge at a ratio of 10 Existing ordinary shares per 1 unit and offered to the Existing 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.

### 3) Significant developments

3.1) 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.





3.2) On February 13, 2014 has the resolution to approve the investment in the ordinary shares of Aqua Corporation Public Company Limited that 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 size of investments decreased by Baht 177,840.05 when compared to the size of investment that approved by the Board of Directors' meeting No.3/2014 on January 31, 2014. The Company gets the comments from Wealth Plus Company Limited, a financial advisor 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"

When the Company convert AQUA-W2 to ordinary share of 370,785,052 shares and combine with the existing AQUA of 500,080 shares, the Company will hold AQUA totaling of 371,285,132 shares or 17.12 percent of the paid up capital.

3.3) on June 4, 2014, has the resolution to approve the disposal of investments in Aqua Corporation Public Company Limited (AQUA) to Mr.Teerachai Rattanakamolporn of 100,000,000 shares and Mr.Kampol Weerathepsuporn of 271,285,132 shares, total of 371,285,132 shares or 8.94% of the paid-up capital at the price of Baht 1 per share, totaling Baht 371,285,132.

On June 18, 2014 the Company reported its progress in the sale of AQUA that we still have the remaining ordinary shares of AQUA that have not yet sell of 285,132 shares. Because of the remaining AQUA can not trade Big Lot which is requires that the trading volume of 1 million shares or trading value of 3 million Baht over. Therefore the Board of Director's meeting No.11/2014 on July 21, 2014 has approved the sale of the remaining AQUA of 285,132 shares on the SET. The Company would like to inform you that we have completed the sale of the remaining AQUA of 285,132 shares on the SET at a price of 1.83 Baht per share on July 24, 2014.

3.4) On February 28, 2014, The Board of Director's meeting No.5/2014 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.

3.5) On June 4, 2014. According to The Board of Directors' meeting No.10/2014 of General Engineering Public Company Limited has the resolution to approved Land Development of the Company at Klong Wat Plub Road, Bang Sai Supplementary Occupation Centre Road (Torlor.347), Tambon Chiang Rak Noi, Sam Khok, Pathum Thani in total budget of 80 million baht.

3.6) on June 4, 2014 has approved to purchase shares of Millcon Steel Public Company Limited ("MILL") include: (1) Ordinary shares of 251,007,266 shares at Baht 1.93 per share totaling 484,444,023.38 Baht (2) Preferred shares (MILL-PA) of 249,555,211 shares at Baht 2.12 per share, totaling Baht 529,057,047.32 Baht, totaling 500,562,477 shares or 20.00% of the paid up capital, the total amount of Baht 1,013,501,070.70 from 6 existing shareholders. On June 18, 2014 the Company reported its progress in the purchase of MILL shares that we purchased MILL shares completed of 19.44% of the paid up capital and still have the remaining ordinary shares of MILL that have not yet purchase of 13,962,477 shares from 3 Seller, Mr. Voraphot Aumnouypol, Mr. Patipan Chatametheekul and Ms. Suchata Mudchanathongsuk.

Because of if we hold 20% stake of MILL according to accounting standards are considered the Company has a significant influence on MILL which will directly affect the ability of the Company to loans from financial institutions significantly. Therefore, the Board of Director's meeting No. 11/2014 on July 21, 2014 has approved the termination of the purchase of shares agreement of the remaining MILL shares of 13,962,477 shares to the 3 Seller. The Company would like to inform you that we terminated the purchase of shares agreement of the remaining MILL shares of 13,962,477 shares to the 3 Seller on July 28, 2014 and we received a written confirmation to terminate the agreement on August 26, 2014.

3.7) On July 21, 2014 has approved the Group of Company to invests in Joint Venture to operate a factory and distribution of Structural Steel products in the Republic of the Union of Myanmar amount of not exceed 5,400,000 USD or 173,863,800 Baht (32.197 Baht exchange rate as of July 18, 2014), or not exceed 45 percent of the total investment amount of 12,000,000 USD. And approved the Executive Committee and / or the Executive Committee assigned an authorized to negotiate, prepare, sign the documents related to the establishment of Joint Venture the Republic of the Union of Myanmar.

3.8) On August 14, 2014 . According to the resolutions of the Board of Directors of General Engineering Public Company Limited (the "Company") No. 12/2014 has approved the additional plant construction investment on the land of the Company at Klong Wat Plub Road, Bang Sai Supplementary Occupation Centre Road (Torlor.347), Tambon Chiang Rak Noi, Sam Khok, Pathum Thani in total budget of Baht 440 million.

3.9) On August 25, 2014. According to the resolutions of the Executive Committee of General Engineering Public Company Limited (the "Company") No.9/2014 has approved the capital increase in Mctric Company Limited, an associate in 32.65% of the registered capital, number of 16,325 shares at par value of Baht 100 per share, totaling Baht 1,632,500.



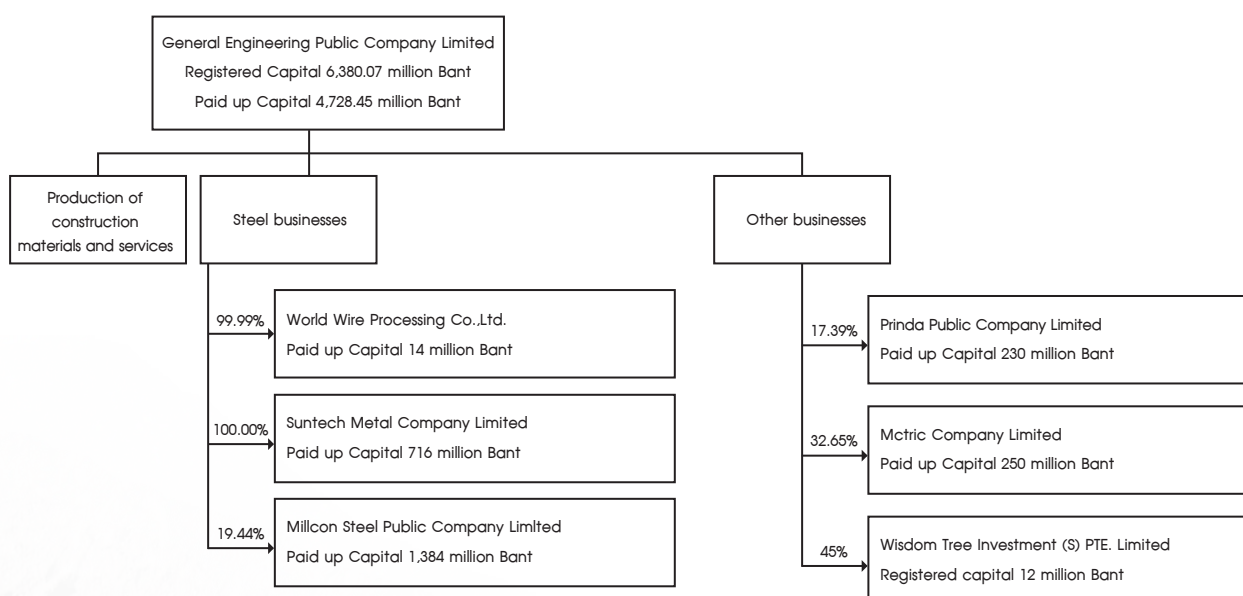
### 1.3 The shareholding structure of the Group

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, 2014



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

#### List of Subsidiaries and other Associates as of December 31, 2014

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
<b>Suntech Metals Company Limited</b> 339 Moo 6 Pakruam-Ao Udom, Bowin, Sriracha, Chonburi 20230 Telephone 038-345437-41 Fax 038-345444	Scrap metal recycling business	100%	716.00	846.36	829.36
<b>Associates</b> Prinda Public Company Limited 151 Moo 7 Khirinkhon 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	-
<b>Metric Company Limited</b> 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%	250.00	185.63	185.63
<b>Wisdom Tree Investment (S) PTE. Limited</b> 1 Raffles Place #39-01 One Raffles Place Singapore(048616) Telephone (65) 6225-1868 Fax (65) 3125-7212	Factory and distribution of Structural Steel products in the Republic of the Union of Myanmar	45%	USD 12.00	USD 5.40	USD 5.40

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

1) 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.

2) On August 25, 2014 has approved the capital increase in Metric Company Limited, an associate in 32.65% of the registered capital, number of 16,325 shares at par value of Baht 100 per share, totaling Baht 1,632,500.

3) On July 21, 2014 has approved the Group of Company to invests in Joint Venture to operate a factory and distribution of Structural Steel products in the Republic of the Union of Myanmar amount of not exceed 5,400,000 USD or 173,863,800 Baht (32.197 Baht exchange rate as of July 18, 2014), or not exceed 45 percent of the total investment amount of 12,000,000 USD. And approved the Executive Committee and / or the Executive Committee assigned an authorized to negotiate, prepare, sign the documents related to the establishment of Joint Venture the Republic of the Union of Myanmar.

4) 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)

5) On June 2, 2014, has the resolution to approve to increase the share capital of 39 million shares at a par value of 10 Baht per share amount of Baht 390 million in Suntech Metals Company Limited ("Suntech") a subsidiary in proportion of 100% of registered capital



## 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 2012 - 2014 can be classified by business groups as follows:

The business group	Operated by the	% Of shares of the Company	2014		2013		2012	
			Million baht	%	Million baht	%	Million baht	%
Production of construction materials	General Engineering							
Products of prestressed concrete piles	Public Company		1,005.92	29.33	916.34	53.64	571.82	53.92
Specialty concrete products	Limited		461.12	13.45	311.98	18.26	236.84	22.33
Specialty Products			44.39	1.29	30.05	1.76	28.99	2.73
Special Projects			7.02	0.20	4.42	0.26	43.70	4.12
Total			1,518.45	44.28	1,262.79	73.91	881.35	83.10
Steel scrap business	Suntech Metal Co., Ltd.	100.00						
Scrap Sales			1,386.81	40.44	209.65	12.27		
Scrap recycling			260.63	7.60	64.37	3.77		
Other			15.29	0.45				
			77.70	2.27	9.33	0.55		
Total			1,740.43	50.75	283.35	16.59		
Service revenue	World Wire Processing Co., Ltd.	99.99					1.44	0.13
Total revenues from sales and services			3,258.88	95.03	1,546.14	90.50	882.79	83.24
Investment Business	General Engineering							
Reversal of allowance for doubtful accounts	Public Company		14.85	0.43	-	-	6.35	0.60
Gains and losses on asset sales					1.06	0.06	-	-
Revenue from the sale of scrap					1.79	0.10	1.46	0.14
Interest and discount rates are			23.23	0.68	35.22	2.06	2.28	0.21
Gain on exchange rate			9.43	0.27				
Gain on revaluation of investments			29.58	0.86	-	-	112.35	10.59
Reversal of impairment of assets					-	-	9.58	0.90
Gain on sale of investment in subsidiary					-	-	22.41	2.11
Dividend			10.07	0.29				
Share of profit from associated companies			25.24	0.74	27.88	1.63		
Gain on disposal of investments			32.90	0.96	51.53	3.02		
Income tax revenue					10.23	0.60		
Other income			19.08	0.56	5.77	0.34	23.14	2.18
Total			164.48	4.80	133.48	7.81	177.57	16.74
Investment Business	World Wire Processing Co., Ltd.	99.99						
Interest and other			0.03	0.00	0.04	0.00	0.18	0.02
Total			0.03	0.00	0.04	0.00	0.18	0.02
Investment Business	Suntech Metal Co., Ltd.	100.00						
Interest and other			5.64	0.16	28.24	1.65		
Gain on exchange			0.33	0.01	0.55	0.03		
Total			5.97	0.17	28.79	1.69		
Total income from investment business			170.48	4.97	162.31	7.82	177.75	16.76
Gross income			3,429.36	100.00	1,708.45	100.00	1,060.54	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 (GEL is a distributor)	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 (GEL is a distributor)	-	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

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

### Associate companies

(1) Parinda Public company limit operates as a manufacturer of stone with a stone mill. Chonburi, Rayong and Chonburi. It also provides distribution and transportation of stone, sand for construction. The main customers of the Company is the country's largest cement producer. It also provides distribution and transportation of stone, sand for construction.

(2) 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) Wisdom Tree Investment (S) PTE. Wisdom Tree Investment (S) PTE. Limited, an entity incorporated in Singapore. The objective is to invest in a joint venture to manufacture and distribute of steel formed products in Myanmar.

## 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 2014 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:

Sales to	2014			2015		
	Government	Private sector	Total	Government	Private sector	Total
Direct owner	-	39.75	39.75	-	56.23	56.23
Contractor companies	1.53	58.72	66.25	1.94	41.83	43.77
Design companies	-	-	-	-	-	-
Total %	<u>1.53</u>	<u>98.47</u>	<u>100.00</u>	<u>1.94</u>	<u>98.06</u>	<u>100.00</u>

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 52 years old, as well as a focus on continuous product development.

Number of competitors

Products	<u>The number of major competitors (list)</u>		
	<u>2014</u>	<u>2013</u>	<u>2012</u>
Manufacture and sell prestressed concrete stake	7	7	6
Manufacture and installation of concrete wall finished	10	3	4
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	5	7
Production and sales of cement Denka Products	12	5	5
STEEL Product	3	14	-
Ready-mixed concrete products	-	7	-

## 2.3 Providing Products or Services

1) Manufacturing

The Company has three factories as follows.

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

(2) Branch 1 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

(3) Branch 2 Chiangraknoi at 99 Moo 4, Tambon Khok Chiangraknoi the office. Now under construction

## Capacity and actual production

Manufacturing	2014				2013				2012			
	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)
Prestressed Concrete Piles (Cubic meters)	165,000	118,950	72.09	6.54	165,000	111,649	67.67	23.36	100,000	90,506	90.51	17.01
Post - Tensioned Slab (Sq.meters)	500,000	422,344	84.47	14.87	400,000	367,671	91.92	4.17	400,000	352,959	88.24	- 16.28
Glassfiber Reinforced Concrete (k.g.)	1,700,000	410,957	24.17	-40.31	1,000,000	688,438	68.84	23.73	1,000,000	556,401	55.64	150.93
Special Cement Products (k.g.)	15,000,000	8,032,200	53.55	194.63	3,000,000	2,726,225	90.87	10.71	2,700,000	2,462,525	91.20	126.76
Precast Concrete Wall (Sq.meters)	350,000	271,545	77.58	253.83	70,000	76,744	109.63	73.30	56,400	44,285	78.52	83.50

**Remark** In 2014 The 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 2014, 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.

The prices of raw material fluctuate in this year due to the fact that the demand in the market decreases. It leads to distributors have to adjust the prices vary on the demand changes. Moreover, the foreign exchange rate of the baht get weak in this year. Consequently, it causes the raw material prices occasionally increase. 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	3	Lists
Steel bar	Buy-from vendor	7	Lists
Sandstone	Buy-from vendor	3	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, 2014	December 31, 2013	December 31, 2012
Number of Work has not been delivered	715.31	722.09	442.50

## 3. Risk factors

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### 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 52 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 2014, 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 2014 was that the company still had income from selling.

### 3.2 Risk of investment securities

#### 1) Investment risk in subsidiary company

The business management of steel scrape and machinability sell to the iron foundry of the Suntech Metals Company. This business is grown up depend on the volume of production, the used demand and the price of steel products in the country and foreign countries around the world. The price of steel scrape directly varies with the steel price in the world market. The subsidiaries therefore concentrate on managing the products inventory that is sufficient and matches up with the demand of customers in order to reduce the risk of fluctuation of the world steel scrape price. The subsidiaries maintain an appropriate level of working capital loans, trade and service with both reliable seller and customers. Moreover, the company and the subsidiaries also make a synergy by the fixed price of steel products that the company wants to use with the steel manufacturers by the capital of the steel scrape that the subsidiaries can supply. Thus, it leads to the company and the subsidiaries obtain the certain capital to run the business and also it can ease the lack of products problem in the company that occurred in the past.

#### 2) Investment risk in associated company

##### 2.1) Mctric Company Limited

The construction business is grown up in the same way with the national economic condition as well as the national development project such as infrastructure projects, accommodations and office buildings. The risk of construction business depends on the political stability and economic of the country. If the government and individuals slow down the big construction project or the lack of skilled labors or a fluctuation of the price of gas, electricity, transportation, it will lead to higher in capital cost for the construction industry companies.

As a result, it will directly effect to the business of the Matrix's company (associates). The associates specialize in construction engineering, electrical engineer and mechanical engineer which are comprehensive services and thus support all the customers' requirement. As a result, it can continuously conduct revenues to the associates. Moreover, the associates acquired the projects that already signed the contact and therefore several projects are in progress. As can be seen from the operating results in 2014 of the associates, the revenue from operating the business was grown up.

## 2.2) Wisdom Tree Investment (S) PTE. Limited

The company took venture investment in the Wisdom Tree Investment (S) PTE. Limited (associate) that was established in Singapore in order to invest in a joint venture to operate the production and selling of steel products in Myanmar. Nowadays, the business in Myanmar is growing at very high levels in the world. Due to the policies from the government of Myanmar that encourage investment and economic development, it leads to the infrastructure development in Myanmar was rapidly grown last year and was expected to have high levels of growth in the years ahead.

However, the business of production and distribution of steel products are not different from other businesses that are highly competitive. The raw materials and the selling price directly vary with the quantity and the price of steel which is basic consumer goods that is produced and traded worldwide. The associate has got the policy to focus on managing the quantity of production and selling and also maintaining the raw materials and the products inventory to an adequate level and matches up with the demand of customers in order to reduce the risk of fluctuation of the world steel product price. The associate maintains an appropriate level of working capital loans, trades and services with both reliable seller and customers. Corresponding to expand the business in the potential market of Myanmar, it is developing significantly at new high growth rate. At the present, the associate is in process of investing and building the factory in Myanmar.

## 3.3 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.



## 4. General information and other important information

### 4.1 General information

#### 1) General Information of the Company

Company name	:	General Engineering Public Company Limited
Company symbol	:	GEL (On 14 March 2014 the Company changed symbol from "GEN" to "GEL")
Headquarter	:	44/2, Moo 2, Tivanon Road, Tambon Bangkadee, Ampoe Muang, Pathumthani Province 12000
Branch office	:	Branch 2: 544 Moo 3 Baanlen, Bang Pa Inn district, Ayutthaya province 13160
Branch 3	:	99 Moo 4 Tambon Pa District, Pathum Thani Province. 12160 (Registered on 9 March 2015)
Nature of Business	:	Building Materials, Prestressed concrete pile products, Concrete slab and wall products, Fiber glass reinforced concrete product (GRC), Being non-shrink cement and In-situ precast concrete slab without beams.
Register Number	:	0107536001338
Contact numbers	:	Telephone 02-501-2020, 02-501-1055 Fax 02-501-2468, 02-501-2134
Website	:	<a href="http://www.gel.co.th">www.gel.co.th</a>
Registered Share Capital	:	6,380,069,603.15 Baht
Paid up Share Capital	:	4,728,445,264.70 Baht
Paid up ordinary shares	:	5,562,876,782 shares
Par value	:	0.85 Baht
Accounting period	:	1 January - 31 December
Share Registrar	:	Securities Depository Centre (Thailand) Co., Ltd. 62, The Stock Exchange of Thailand Building, Ratchadaphisek Road Khwaeng Khlongtoei, Khet Khlongtoei Bangkok Metropolis 10110 Telephone 02-229-2800 Fax 02-359-1259
Auditor	:	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

## 2) General information of Subsidiaries and Associates

- (1) Company name : World Wire Processing Company Limited  
 Headquarter : 44/2, Moo 2, Tivanon Road, Tambon Bangkadee, Ampoe Muang, Pathumthani Province 12000  
 Nature of Business : Metal business  
 Contact numbers : Telephone 02-501-2020, 02-501-1055  
 Fax 02-501-2468, 02-501-2134  
 Registered Share Capital : 14,000,000 Baht (Number of 140,000 shares, 100 Baht per share)  
 Paid up Share Capital : 14,000,000 Baht  
 Shareholding : 99.99%  
 Related status : Subsidiary  
 Note : On November 12, 2014 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 : 716,000,000 Baht (Number of 71,600,000 Shares, 10 Baht per share)  
 Paid up Share Capital : 716,600,000 Baht  
 Shareholding : 100.00%  
 Related status : Subsidiary  
 Note : 1. On October 31, 2014 the Company purchased ordinary shares of Suntech Metals Company Limited amounting of 32,600,000 shares . Total purchase price of 326 million Baht.  
 2. On July 2, 2014 the Company purchased ordinary shares of Suntech Metals Company Limited amounting of 39,000,000 at the total purchase price of 390 million Baht.
- (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%
- (4) Company name : Mctric 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 : 250,000,000 Baht (Number of 2,500,000 shares, 100 Baht per share)  
 Paid up Share Capital : 250,000,000 Baht  
 Shareholding : 32.65%  
 Related status : Associated  
 Note : 1. On September 2, 2014, 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.  
 2. On August 25, 2014, the Company purchased ordinary shares of Mctric Company Limited amounting of 16,325 shares or 32.65% of the paid-up capital at the total purchase price of THB 1,632,500 .

(5) Company name : Wisdom Tree Investment (S) PTE. Limited  
 Headquarter : 1 Raffles Place #39-01 One Raffles Place Singapore(048616)  
 Nature of Business : Wisdom Tree Investment PTE. (S) Limited incorporated in Singapore. The purpose of this Company is to invest in joint venture operate a steel plant and sales of steel products in Myanmar.  
 Contact numbers : (65) 6225-1868  
 Registered Share Capital : USD 12 million  
 Paid up Share Capital : 45%  
 Shareholding : Joint venture  
 Related status : On 21 November 2014, the Company paid for investment of Baht 177.66 million in Wisdom Tree Investment (S) PTE. Limited, an entity incorporated in Singapore. The objective is to invest in a joint venture to manufacture and distribute of steel formed products in Myanmar with a capital fund of USD 12 million for which proportionate investment in joint venture.

### 3) Share Registrar

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

### 4) Auditor

Mr.Somkit Tiatrakool, Certified Public Accountant License No. 2785 or Mrs. Sumalee Chokdeeanant  
 Certified Public Accountant License No.3322 or Mr.Teerasak Chuasrisakul Certified Public Accountant  
 License No.6624 or Miss Sansanee Poolsawad Certified Public Accountant License No.6977  
 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 31 December 2014

Registered capital : 6,380,069,603.15 Baht divide into  
Ordinary shares of 7,505,964,239 shares  
Par value of Baht 0.85 per share

Paid-up capital : 4,728,445,264.70 Baht divide into  
Ordinary shares of 5,562,876,782 shares  
Par value of Baht 0.85 per share

### 5.2 Shareholders

1) Shareholder structure as of 19 March 2015

The distribution of shareholding by nationality

Thai Shareholders				Foreign Shareholders			
Juristic person	%	Individuals	%	Juristic person	%	Individuals	%
99,080,359	1.78	5,396,958,610	97.02	66,700,002	1.20	137,811	0.00

2) List of Top 10 Major shareholders (as of the closing date of 19 March 2015)

Name of Shareholders	Nationality	Number of shares	
		Shares	%
Miss Pornnatee Sompongchaikul	Thai	323,300,000	5.812
Mr.Thawisak Sriprachitichai	Thai	268,000,000	4.818
Mr.Santi Chaowanantakul	Thai	226,982,300	4.080
Mr. Thitipong Tangpoonphonvivat	Thai	150,000,000	2.696
Mr .Sittichai Leeswadtrakul	Thai	143,650,000	2.582
Mr.Pichai Wijakpan	Thai	116,373,100	2.092
Mr.Thawi Kulerdpracher	Thai	114,642,710	2.061
Miss Aumpai Ratannawin	Thai	101,818,100	1.830
Thai NDVR Company Limited	Thai	89,270,289	1.605
Mr.Jumphon Vongpitunpiya	Thai	80,000,000	1.438
Total		1,614,036,499	29.014



### 5.3 The issuance of other securities

#### 1) 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, 2014, Warrants (GEL-W4) that has not been exercised a total of 1,327,187,433 units.

## 6. Dividend Policy

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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.

### 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, 2014 has deficit of Baht 209,445,182.02, 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, 2014 has deficit of Baht 15,246,418.16, 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, 2014 the Board of Directors of General Engineering Public Company Limited as follows

1) **Board of Directors**

1. Professor Dr.Borwornsak Uwanno	Chairman of the Board of Director/ Independent Director
2. Mr.Sophon Pholprasit	Vice Chairman of the Board of Director/ Independent Director
3. Mr. Thitipong Tangpoonphonvivat	Director
4. Dr.Tawat Anantanavanich	Director
5. Mr. Wuttichai Sresthabutra	Director
6. Mr.Suchat Boonbanjersri	Independent Director
7. Mrs.Panee Jarusombat	Independent Director
8. Mr. Vichya Kreangam	Independent Director
9. Dr. Ittipon Diewwanit	Director

2) **Executive Committee**

1. Mr. Thitipong Tangpoonphonvivat	Chief Executive officer
2. Dr.Tawat Anantanavanich	Managing Director/ Executive Committee
3. Mr. Wuttichai Sresthabutra	Executive Committee

3) **Audit Committee**

1. Mr.Suchat Boonbanjersri	Chairman of the Audit Committee
2. Mrs.Panee Jarusombat	Audit Committee
3. Mr. Vichya Kreangam	Audit Committee

4) **Nominating & Remuneration Committee**

1. Mr. Thitipong Tangpoonphonvivat	Chairman of the Nominating & Remuneration Committee
2. Dr.Tawat Anantanavanich	Nominating & Remuneration Committee
3. Mr. Wuttichai Sresthabutra	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, 2014 the Company has a total of 9 directors comprising 3 executives, 1 outsiders, and 5 independent directors, or 55.55 of the total directors were sufficient to create the checks and balances within the board.

#### Independence of the Management and the Board of Directors

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

### Evaluation of the Performance of the Board of Directors

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

### Nominating and Remuneration Committee

There are three committees comprising an independent 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 2014, the presence of each member of the Board of Directors can be summoned as follows :-

#### Board of Directors

	Board of Directors	Note
Times of the meeting	15 times	
1. Prof. Dr.Borwornsak Uwanoo	8/15	Appointed on 25/05/2014
2. Mr.Watcharakiti Watcharothai	3/15	Resigned on 5/03/2014
3. Mr.Sophon Pholprasit	9/15	Appointed on 5/03/2014
4. Mr.Jakkarin Chanansirikul	2/15	Resigned on 31 /01/2014
5. Mr. Thitipong Tangpoonphonvivat	12/15	Appointed on 26/03/2014
6. Dr.Tawat Anantanavanich	14/15	Appointed on 26/03/2013
7. Mr.Grisada Jarreonkonkit	5/15	Resigned on 12/05/2014
8. Mr. Wuttichai Sresthabutra	8/15	Appointed on 12/05/2014
9. Mr.Chaiwat Atsawintarangkun	7/15	Resigned on 9/09/2014
10. Mr.Suchat Boonbanjersri	2/15	Appointed on 2/10/2014
11. Mr. Chong Rangsibrahmanakul	10/15	Resigned on 1/08/2014
12. Mr. Vichya Kreangam	2/15	Appointed on 2/05/2014
13. Mr.Khemmachat Teerapong	5/15	Resigned on 2/10/2013
14. Mrs.Panee Jarusombat	5/15	Appointed on 2/05/2014
15. Dr. Ittipon Diewwanit	14/15	Appointed on 13/05/2013

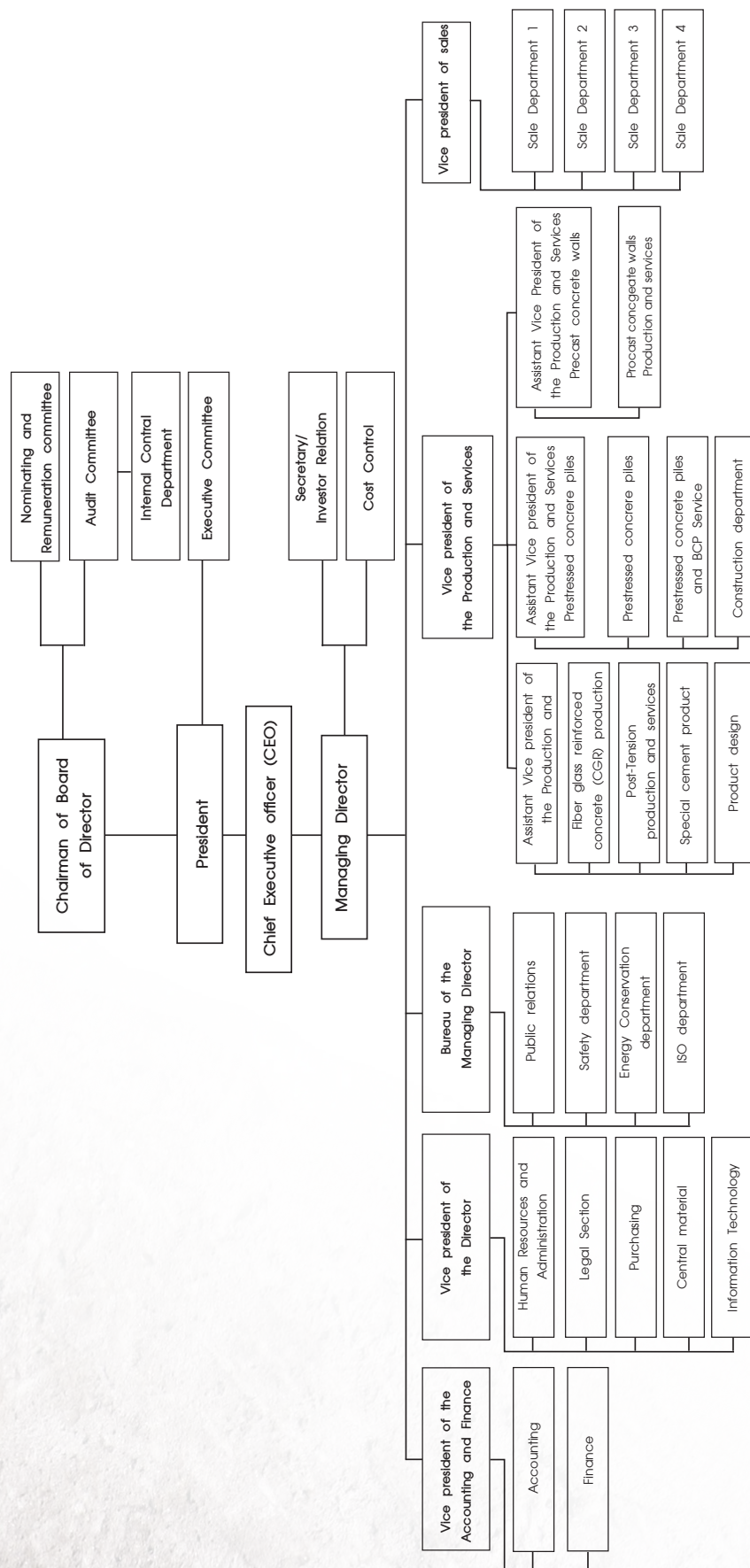
### Audit Committee

	Audit Committee	Note
Times of the meeting	5 times	
Mr.Chaiwat Atsawintarangkun	4/5	Resigned on 9/09/2557
Mr. Chong Rangsibrahmanakul	2/5	Resigned on 1/08/2557
Mr.Khemmachat Teerapong	3/5	Resigned on 2/05/2557
Mr.Suchat Boonbanjersri	1/5	Appointed on 2/10/2557
Mrs.Panee Jarusombat	2/5	Appointed on 2/05/2557
Mr. Vichya Kreangam	1/5	Appointed on 2/10/2557



## 7.2 Organizational management

### ORGANIZATIONAL CHART GENERAL ENGINEERING PUBLIC COMPANY LIMITED As at 31 December 2014



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

List of executives	Position
1. Mr. Thitipong Tangpoonphonvivat	Chief Executive officer
2. Dr.Tawat Anantanavanich	Managing Director
3. Mr. Wuttichai Sresthabutra	Executive Committee
4. Mr.Grisada Jarreonkonkit	Executive Committee
5. Mrs. Rasika Prasertsang	Vice president of the Accounting and Finance (Acting)
6. Mrs.Linjong Srisongkhram	Vice president of Sales
7. Surachart Uamum	Vice president of the Production and Services
8. 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. 6/2014 held on Mar 5, 2014, the Company appointed Mr. Wuttichai Sresthabutra to 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 2014 held on Apr 25, 2014, had resolution to approve the remuneration for directors according to the Nominating and Remuneration Committee and the Board of Directors proposed as follows

#### Remuneration

##### (1) Board of directors

- Chairman of the Board of Director 80,000 Baht / Month
- Vice Chairman of the Board of Director 50,000 Baht / Month
- Director 20,000 Baht / Month

##### (2) Audit Committee

- Chairman of Audit Committee 50,000 Baht / Month
- Audit Committee 20,000 Baht / Month

Meeting honorariums 10,00 Baht / Month

Note : The meeting remuneration paid to directors who participated in the maximum rate of up to 9 times per year tenure as executive director will not receive compensation above.



## 1) Monetary Remuneration

A. The monetary remuneration, only the Board of Directors and Audit Committee of 2,727,097 Baht are as follows.

Name	Position	The amount of remuneration for 2014 (Baht/Year)					Note
		Board of Directors		Audit Committee		Total	
		Remuneration	Meeting honorariums	Remuneration	Meeting honorariums		
1. Prof. Dr.Borwonsak Uwanno	Chairman of the Board of Director	640,000.00	80,000	-	-	720,000.00	Appointed on 25/05/2014
2. Mr.Sophon Pholprasit	Vice Chairman of the Board of Director	516,000.00	90,000.00	-	-	606,000.00	Appointed on 5/03/2014
3. Mr. Thilipong Tangpoonphonvivat	Chief Executive officer	-	-	-	-	-	Appointed on 4/02/2014
4. Mr.Watcharakiti Wacharathai	Chairman of the Board of Director	116,000.00	-	-	-	116,000.00	Resigned on 5/03/2014
5. Dr.Tawat Anantanavanich	Director and Managing Director	-	-	-	-	-	Appointed on 26/03/2014
6. Mr.Wuttichai Siesthabutra	Director and Executive Committee/Secretary	-	-	-	-	-	Appointed on 12/05/2014
7. Mr.Grisada Jareonkonkit	Director and Executive Committee	-	-	-	-	-	Resigned on 12/05/2014
8. Mr.Suchat Boonbanjerdsi	Independent Director and Chairman of Audit Committee	-	20,000.00	90,000.00	-	110,000.00	Appointed on 5/03/2014
9. Ms.Pannee Jausombat	Independent Director and Audit Committee	-	60,000.00	140,000.00	-	200,000.00	Appointed on 2/05/2014
10. Mr. Vichya Krea-Ngam	Independent Director and Audit Committee	-	20,000.00	60,000.00	-	80,000.00	Appointed on 2/10/2014
11. Mr.Chaiwat Atsawintarangkun	Independent Director and Chairman of Audit Committee	-	30,000.00	248,000.00	-	278,000.00	Resigned on 9/08/2014
12. Mr.Jakkarin Chanansitkul	Director and Executive Committee	30,000.00	-	-	-	30,000.00	Resigned on 31/01/2014
13. Mr.Chong Rangsiabrahamakul	Independent Director and Audit Committee	-	30,000.00	140,000.00	-	170,000.00	Resigned on 1/08/2014
14. Mr.Khemmachat Teerapong	Independent Director and Audit Committee	-	10,000.00	87,097.00	-	97,097.00	Resigned on 2/05/2014
15. Dr.Hipon Diewwanit	Director	240,000.00	80,000.00	-	-	320,000.00	Appointed on 13/05/2013
Total		1,542,000.00	420,000.00	765,097.00	-	2,727,097.00	

## B. Remuneration of executive committee and executives

Remuneration	Number	Year 2014	
		Amount (Baht)	The Remuneration (Monthly)
Remuneration of executive committee and executives	8	10,963,268.00	Salary
Total	8	10,963,268.00	

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 2014, the contribution paid to the Fund was as follows:

- 4 Executives, was amounted by Baht 263,627

## 7.6 Personnel

### 1) Number of employees

As of December 31, 2014, the company has in total 553 employees, who are in the main lines of activities as follows:-

Main Lines of Activities	Number of Employees
Management office	8
Organizational Administration and Service	41
Human Resource	5
Finance and Accounting	16
Sales service and design	167
Factory	316
Total	553

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 2014 the company spent on training and development of the personnel totaling 1,201,350.97 Baht.



## 8. Details of Company Committee, Management, Regulators, and Secretaries

List of names, qualification, and experiences of the Company's Committee, Management, Regulators, and Secretaries as December 31, 2014.

No.	Name/Position Date of assignment	Age (Yrs)	Educational Qualification	Proportion of Shareholder (%)	Family Relation Between Committee and Management	Work Experiences		
						Date	Position	Organization
1.	Professor Dr. Bawonsak Uwanon Committee Chairman/ May 12, 2014	61	<ul style="list-style-type: none"> <li>■ Ph.D. in Public Law (Distinction Honor) (University of Paris 10)</li> <li>■ High Certificate in Public Law (Distinction Honor) (University of Paris 10)</li> <li>■ High Certificate in Administrative Law (University of Paris 2)</li> <li>■ Thai Barrister-at-Law (Institute of Legal Education, Thai Bar Association)</li> <li>■ B.A. in Laws (First Class Honor) (Chulalongkorn University)</li> <li>■ Director Accreditation Program (DAP) course From Thai Institute of Directors (IOD)</li> <li>■ High Level of Justice Administration course (Class 15) Court of Justice Office</li> <li>■ High Level of management Course (Class 8) Capital Market Academy</li> <li>■ Thailand national Defense Class 4111</li> </ul>	None	None	2014 — Present	Chairman of the Committee	General Engineering Public Company Limited
						2014 — Present	First Vice - Chairman of the National Reform Council	-
						2014 — Present	Chairman of the Constitution Drafting Committee	-
						2014 — Present	Fellow and Deputy President of the Royal Institute	-
						2014 — Present	Member of the Council of State	-
						2006	Secretary General	King Prajadhipok's Institute
						2002	Professor Emeritus	Faculty of Law, Chulalongkorn University
						2549	Member of the Senate	-
						2546	Member of the National Legislative Assembly	-
						2539	Member of the Constitution Drafting Assembly	-
						2532	Deputy Secretary General to the Prime Minister (on Political Affairs)	-
						2531	Advisor to the Prime Minister	-

No.	Name/Position Date of assignment	Age (Yrs)	Educational Qualification	Proportion of shareholder (%)	Family Relation Between Committee and Management	Work Experiences		
						Date	Position	Organization
2.	Mr. Sophon Pholprait Vice Chairman of the Board of Director / March 5, 2014	63	<ul style="list-style-type: none"> <li>■ High Certificate in Political Science and Public Law Group 6. King Prajadhipok's Institute</li> <li>■ MBA. (General Management), Ramkhamhaeng University</li> <li>■ B. Sc. in Engineering (Civil and Environment Engineering, Mapua Institute of Technology, Philippines.</li> </ul>	None	None	2014-Present	Vice Chairman of the Board of Director	General Engineering Public Company Limited
						2014- Present	Committee	Milcon Steel Public Company Limited
						2013	Director-General	Department on Industrial Promotion Ministry of Industry
						2012	Director, Office of Industrial Economics	Office of Industrial Economics, Ministry of Industry
						2010	Inspector General	Office of Permanent Secretary, Ministry of Industry
						2008	Deputy-Inspector General	Department of Industrial Works Ministry of Industry
3.	Mr. Thitipong Tangpoonphonvivat Director of Chief Executive Officer/ February 4, 2014	36	<ul style="list-style-type: none"> <li>■ M.Sc. in Engineering Business Management, Warwick University, UK</li> <li>■ BBA. in Business Administrative, Walter A. Haas School of Business, University of California at Berkeley</li> </ul>	None	None	2014 - Present	Director, Chief Executive Officer	General Engineering Public Company Limited
						2014- Present	Committee	World Wire Processing Company Limited
						2011-2013	Managing Director	Milcon Steel Industries Public Company Limited
						2012-2013	Director	Milcon Miles Co.,Ltd
						2009-2013	Managing Director	Milcon Burapa Co.,Ltd
						2006- Present	Director	Siam Rubber Industry Co.,Ltd



No.	Name/Position Date of assignment	Age (Yrs)	Educational Qualification	Proportion of Shareholder (%)	Family Relation Between Committee and Management	Work Experiences		
						Date	Position	Organization
4.	Dr.Tawat Anantanavich Committee and Managing Directors March 26, 2013	36	<ul style="list-style-type: none"> <li>■ Ph.D., Civil Engineering, University of California, Berkeley, CA</li> <li>■ M.Sc. Civil Engineering, University of California, Berkeley, CA</li> <li>■ B.Sc., Civil Engineering, Chulalongkorn University</li> <li>■ DAP Training Program, Class 105/2013</li> <li>■ DCP Training Program, Class 193/2014</li> <li>■ EDP Training Program, Class 13</li> </ul>	None	None	2013 - Present	Committee and Executive Director	General Engineering Public Company Limited
						2013 - Present	Committee	Matic Company Limited
						2013 - Present	Committee	Suntech Metals Company Limited
						2013 - Present	Committee	World Wire Processing Company Limited
						2009 - 2013	Project Director	U and O Corporation, Ltd., Bangkok, Thailand
						2007 - 2009	Senior Engineer	AMEC Geomatix Consultants, Inc.,
5.	Mr. Wuttichai Siesthabutra Committee/ Executive Committee, and Secretary May 12, 2014	44	<ul style="list-style-type: none"> <li>■ MBA, in International Finance and Economic, Chulalongkorn University</li> <li>■ BBA., National University, California, U.S.A</li> </ul>	None	None	2014 - Present	Committee/ Executive Committee, and Secretary	General Engineering Public Company Limited
						2013 - 2013	Executive Director for Investors Relation and General Cooperation	G Steel Public Company Limited
						2011- 2013	Chairman for Managements Team	G Steel Public Company Limited
						2010 - 2013	Director of Account and Finance	G Steel Public Company Limited
						2008 - 2013	Company Secretary	G Steel Public Company Limited
						2005 - 2007	Manager for Business Planning	G Steel Public Company Limited
						2004 - 2005	General Director	Geofarm Co., Ltd. Farm Company Limited
						1999 - 2004	Assistant to Managing Director	Geofarm Co., Ltd. Farm Company Limited

No.	Name/Position Date of assignment	Age (Yrs)	Educational Qualification	Proportion of Shareholder (%)	Family Relation Between Committee and Management	Work Experiences		
						Date	Position	Organization
6.	Mr. Suchat Boonbanjerdari Independent Director/ Inspector Committee/ October 2, 2014	55	<ul style="list-style-type: none"> <li>■ M.B.A. in Finance (Thai Farmers Bank Scholarship) Wharton School, University of Pennsylvania, USA</li> <li>■ B.B.A. in Economics (Quantity Analysis) (Honor) Chulalongkorn University</li> </ul>	None	None	2014 - Present	Independent Director and Audit Committee Chairman	General Engineering Public Company Limited
						2014 - Present	Independent Director and Audit Committee Chairman	Salee Printing Public Company Limited
						2014 - Present	Committee Chairman	Dark Horse Development Company Limited
						2014 - Present	Committee	Lam Water Solution Company Limited
						2012 - Present	Sub-committee to Considering Property Documents	Securities and Exchange Commission Office (SEC)
						2002 - 2014	Independent Committee	Sri Thai Superware Public Company Limited
						2011 - Present	Committee Chairman	EDP Foundation
						2005 - Present	Committee	Steelers Steel Works Company Limited
						2005 - Present	Committee	Steel Plus Fabrication Company Limited
						2003 - Present	Committee	Chiangdao Orange Garden Company Limited
						2001 - Present	Committee Chairman	Practicum Engineering Company Limited
						2000 - Present	Committee Chairman	Asset Management Night Club Capital Company Limited
						1998 - Present	Committee	ALM (Thailand) Company Limited
						2011- 2011	Committee Chairman	TOI Public Company Limited
						2011 - 2011	Committee	Thai Post Credit Company Limited
						2010 - 2011	Vice-Committee Chairman	Thailand Post Company Limited

No.	Name/Position Date of assignment	Age (Yrs)	Educational Qualification	Proportion of Shareholder (%)	Family Relation Between Committee and Management	Work Experiences		
						Position	Organization	Organization
7.	Mrs. Pannee Jansombat Independent Committee and Audit Committee May 2, 2014	58	<ul style="list-style-type: none"> <li>■ M.A. in Political Science, Sukhothai Thammathirat Open University</li> <li>■ B.A. in Mass Communications (2<sup>nd</sup> Class Honor), Bangkok University</li> <li>■ Khemasiri Anusorn School</li> </ul>	None	None	2014 - Present	Independent Director and Audit Committee	General Engineering Public Company Limited
						2009	Secretary to the Minister of Industry	Ministry of Industry
						2008	Consultant to the Minister of Industry	Ministry of Industry
						2008	Sub-Committee to Investing Promotion, BOI	BOI
						2008	Committee to Office of Small and Medium Enterprises Promotion (OSMEP)	Office of Small and Medium Enterprises Promotion (OSMEP)
						-	Deputy Secretary General	Thai-Chinese Economic and Culture Association
						-	Academic Working Committee for Economic Advisory Council	-
						2007	Prime Minister Deputy Secretary General	-
						2006	Senator, Chachoengsao Province	-
						2005	Managing Director	Toyota Pavilion Company Limited, Rayong
						-	Managing Director	Offer Services Company Limited



No.	Name/Position Date of assignment	Age (Yrs)	Educational Qualification	Proportion of Shareholder (%)	Family Relation Between Committee and Management	Work Experiences		
						Date	Position	Organization
8.	Dr. Vichya Keangam /Independent Committee, and Audit Committee October 2, 2014	33	<ul style="list-style-type: none"> <li>■ Ph.D. in Law (J.S.D.) University of California At Berkeley</li> <li>■ M.A. in Law (LL.M.) Managing Director</li> <li>■ B.A. in Law (Honor.) Chulalongkorn University</li> <li>■ Thai Barrister-at-Law (Institute of Legal Education, Thai Bar Association)</li> <li>■ Certificate of the Training of the Council of Attorney</li> <li>■ Certificate of High Level of Justice Management, Class 16, Court of Justice Office</li> <li>■ Certificate of New Generation Leader in Democracy, King Prajaphok's Institute</li> <li>■ Certificate of Director Accreditation Program Class 116/2015, Institute of Directors</li> </ul>	None	None	2014 - Present	Independent Committee and Audit Committee	General Engineering Public Company Limited
						2014 - Present	Independent Committee	Sikharin Public Company Limited
						2014 - Present	Committee	Nanyong Terminal Public Company Limited
						2014 - Present	Committee	AEC Securities Public Company Limited
						2013- Present	Executive Committee	Badminton Association of Thailand
						2013 - 2014	Sub-Committee for Information Technology and Public Media	Senate
						2010 - Present	Visiting Lecturer	Faculty of Law, Bangkok University, Konkaen University, Rajabhat University, Nakhonsi Thammarat
						2010- Present	Government Relation Specialist	True Corporation Public Company Limited
						2010	Lecturer, Faculty of Law	Assumption University
						2006-2010	Law Consultant	White and Case (Thailand) Public Company Limited
						2006	Junior Lawyer	Tilleke & Gibbins Consultants Limited, Vietnam
						2001	Junior Lawyer	Baker & McKenney Company Limited

No.	Name/Position Date of assignment	Age (Yrs)	Educational Qualification	Proportion of shareholder (%)	Family Relation Between Committee and Management	Work Experiences		
						Date	Position	Organization
9.	Dr. Ittipon Diewwanit /Committee May 13, 2013	46	<ul style="list-style-type: none"> <li>■ Ph.D. in 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> <li>■ Master Degree, Exempt from Massachusetts Institute of Technology</li> <li>■ B.Sc. in Engineering Honours (Metal Engineering), July 1990, Faculty of Engineering, Chulalongkorn University</li> </ul>	None	None	2013 - Present	Committee	General Engineering Public Company Limited
						2013 - Present	Committee	Sun Tech 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
10.	Ms. Rasika Prasertsang Acting Director of Accounting and Finance / June 14, 2012	40	<ul style="list-style-type: none"> <li>■ B.B.A. Accounting, Ramkhamhaeng University</li> </ul>	None	None	2012	Director of the Office of Engineering projects linked with Industry or Industrial Liaison Program (IIP)	Faculty of Engineering, Chulalongkorn University
						2011 - Present	Assistant Manager for Accounting	General Engineering Public Company Limited
						2002 - 2011	Accountant	Asia Exotic Corporation Company Limited

\*Remark: Ms. Rasika Prasertsang, Acting Director of Accounting and Finance, holds 334 shares.

No.	Name/Position Date of assignment	Age (Yrs)	Educational Qualification	Proportion of Shareholder (%)	Family Relation Between Committee and Management	Work Experiences		
						Date	Position	Organization
11.	Mr.Suchart Uamum Director of reinforced concrete pile and services	50	■ B.E. (B.Sc. Civil Engineering), Prince of Songkhla University	None	None	2014 - Present	Assistant Director for Production and Services on Reinforce Concrete Foundation Piles	General Engineering Public Company Limited
						2006 - 2013	Project Manager	Power Line Engineering Public Company Limited
						1988 - 2005	Field Engineer — Manager, Reinforce Concrete Foundation Piles Factory	General Engineering Public Company Limited
12.	Ms. Linjong Sisongkhram Sales Director	57	■ Bachelor of Arts, Ramkhamhaeng University ■ Executive Development Training Course (Mini MBA. ) Class 64, Faculty of Commerce and Accounting, Thammasat University	None	None	1998 - Present	Sales Director	General Engineering Public Company Limited
						1991 - 1998	Sales Manager	BLM group Co., Ltd.



Details on the tenure as Directors and Executives in Subsidiaries, Associates and related companies as of December 30, 2014

No.	Name	GEL	Subsidiaries		Associate		Related Company		Note
			WWP	SUNTECH	MCTRIC	WT		MILL	
1.	Mr. Thitipong Tangpoonphonvivat	X	/						
2.	Dr.Tawat Anantanavanich	//	/	/	/	/			
3.	Mr.Sophon Pholprasit	/					/		
4.	Mr. Wuttichai Siesthabutra	//	/						
5.	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

MCTRIC Mctric Company Limited

WT Wisdom Tree Investment (S) PTE.Limited

MILL Millcon Steel 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. Professor Dr.Borwornsak Uwanno	Chairman of the Board of Director	Appointed on 25/05/2014
2. Mr.Sophon Pholprasit	Vice Chairman of the Board of Director	Appointed on 5/03/2014
3. Mr. Thitipong Tangpoonphonvivat	Director	Appointed on 26/03/2014
4. Dr.Tawat Anantanavanich	Director	Appointed on 26/03/2013
5. Mr. Wuttichai Sresthabutra	Director	Appointed on 12/05/2014
6. Mr.Suchat Boonbanjerd Sri	Independent Director	Appointed on 2/10/2014
7. Mrs.Panee Jarusombat	Independent Director	Appointed on 2/05/2014
8. Mr.Vichya Kreangam	Independent Director	Appointed on 2/05/2014
9. Dr. Ittipon Diewwanit	Director	Appointed on 13/05/2013

Anyhow Mr. Wuttichai Sresthabutra is the secretary of the company, taking care 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 Mr. Thitipong Tangpoonphonvivat, Dr.Tawat Anantanavanich and Mr. Wuttichai Sresthabutra two of third directors sign their names jointly with affixes the important seal of the Company.

#### 2) Audit Committee

As of 31 December 2014, the Audit Committee consisted of 3 directors with the following names:

Member of Audit Committee		Position
1. Mr.Suchat	Boonbanjersri	Chairman of Audit Committee
2. Mrs.Panee	Jarusombat	Audit Committee
3. Mr.Vichya	Kreangam	Audit Committee

Anyhow Miss Pitchpimol Chaikhammarach is the secretary of audit committee, taking care of the activities of the directors, to record the minutes and to collect documents of meeting completely and correctly.

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.Suchat Boonbanjersri 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 2014, the Nominating & Remuneration Committee consisted of 3 directors;

Member of Nominating & Remuneration Committee	Position
1. Mr. Thitipong Tangpoonphonvivat	Chairman of the Nominating & Remuneration Committee
2. Dr.Vichya Kreangam	Nominating & Remuneration Committee
3. Mr.Wuttichai Sresthabutra	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 2014, the Executive Committee comprises:

Member of Executive Committee		Position
1. Mr. Thitipong	Tangpoonphonvivat	Managing Director
2. Dr. Tawat	Anantanavanich	Executive Committee
3. Mr. Wuttichai	Sresthabutra	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

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### 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 it 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 2014 the Company activities are organized to benefit society and the environment as follows.

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



General Engineering Public Company Limited by HRD team donated the presents to the director of Wat Ban Ku Dee Thong school as well as their students due to the National Children's Day 2015 which was held on 8 January 2015.



General Engineering Public Company Limited by HRD team donated the presents to the director and students at Wat Ban Ku Dee Thong community school due to the National Children's Day 2015 which was held on 8 January 2015



## 2) The governance environment project in 2014



General Engineering Public Company Limited is one of the six companies in Pathum Thani province that participated in signing the memorandum agreement of the governance environment project in 2014. Mr. Vitune Srimachokedee who is the permanent secretary of industrial is the president of this signing ceremony. This was held on Monday 17 March 2014, at the Emerald hotel, Bangkok.

## 3) Blood Donation Activity



General Engineering Public Company Limited's staff participated in the blood donation project named "Wan Kurd Suk Jai Hi Lo Hid 13th" in the public relations room at the factory of the AJINOMOTO CO., (THAILAND) LTD, Pathum Thani on April 23, 2014. In order to increase the amount of blood's reserve which is one of a kind of social contribution.





General Engineering Public Company Limited arranged the blood donation event on September 23, 2014 in order to provide the amount of blood for helping patients to the Thai Red Cross Society.

#### 4) Received certified green industry



General Engineering Public Company Limited received certified green industry from Mr. Rungsak Kosakanchi at Bangkok Golf Spa Bangkok on Wednesday, July 16, 2014.

# 11. Internal control and risk management

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## 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 2013-2014 as follows.

### • Items related to the subsidiary companies

Related person	Relationship	Type	Consolidated (Thousand Baht)		Separate (Thousand Baht)		Nature of transaction	Contract period
			2014	2013	2014	2013		
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	-	-	120	120	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.
		Other receivables	-	-	311	11	Receivable management accounting cost and other of 10,700 Baht per month.	
		Short-term loans	-	-	229,000	103,000	Short term loans for financial aid by issuing a promissory note	Promissory notes due for repayment on demand
		Accrued Interest	-	-	5,362	155	Interest rate of MLR per year.	
		Interest income	-	-	8,136	155	Interest income from Promissory notes	
Suntech Metals Company Limited	Subsidiary that the Company holds 100 percent	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
		Short-term loans	-	-	-	375,425	Promissory notes due for repayment on demand and interest rate	Repayable on demand
		Accrued Interest	-	-	-	3,656	of MLR per annum	
		Interest income	-	-	12,642	3,656		
Metric Company Limited	Associated that the Company holds 32.65 percent	Bought raw material	-	-	56,958	-	Buy steel bar and rebar	Market price
		Deposit	-	-	7,165	-	Deposit of steel bar and rebar	
		Trade payables	-	-	11,291	-	Trade payables of steel bar and rebar	
		Revenue from sales	43,300	8,134	43,300	8,134	The sale of steel products, Steel Cut / Bend	Mutually agreed price
		Trade receivables	10,850	8,704	10,850	8,704		
		other purchase - construction	43,922	-	43,922	-	Payable for plant construction	Pice of the agreement
		Construction payable	16,381	-	16,381	-	Payable for plant construction	
		Creditors Retention	1,387	-	1,387	-	Deposit plant construction	

Related person	Relationship	Type	Consolidated (Thousand Baht)		Separate (Thousand Baht)		Nature of transaction	Contract period
			2014	2013	2014	2013		
Zentra - Watung Engineering Co., Ltd.	Subsidiary company	Revenue from the sale	4,479	-	3,416	-	The sale of steel products, Steel Cut / Bend	Market price
		Trade receivables	3,904	-	3,655	-	The trade receivables of steel	
		purchase of raw materials	3,544	-	3,544	-	Bought the rebar product	
		Other purchase	1,947	-	-	-	Bought spare parts for repair machine	
		Trade payables	3,333	-	3,333	-	Payable for purchase of steel products	
Mill Con Burapa Co., Ltd.	Subsidiary company	Deposit of machine	10,500	-	10,500	-	Deposit for purchase of equipment used in the operation	Price of the agreement
		Revenue from the sale	246,884	-	-	-	Sale scrap	Market price
IBC I — Mctric Joint Venture	Joint ventures of Joint Venture company	Trade receivables	83,249	-	-	-	Sale Steel Cut / Bend product	Market price
		Revenue from the sale	3,298	-	3,298	-		
Mill Con Steel Public Company Limited	Joint ventures	Trade receivables	1,559	-	1,559	-	Bought the steel Bought steel and rebar	Price of the agreement
		Bought raw material	5,384	-	-	-		
		Trade payables	173,445	-	62,563	-		
Million Miles Co., Ltd.	The subsidy which deals with the undertaking that is invested by the company.	Rent	8,925	-	8,109	-	Rent car Trade payables of logistic Logistic Subsidiary company rented the truck Car rental deposits and fees	Price of the agreement
		Trade payables	26	-	26	-		
		Other purchase-Logistic	15	-	15	-		
		Lease liabilities	2,185	-	2,185	-		
		Car rental deposits	4,314	-	-	-		
			38	-	38	-		

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

The auditor, Mr. Somckid Tiatragul Certified Public Accountant Registration No. 2785 of Grant Thornton Company Limited conducts the qualified opinion as the following;

- It was conducted based on the essence of the standards of financial report as discussed in Note 2, 3 and 4, the financial statements were issued based on the basis of financial reports which were issued under the Accounting Profession Act. 2004 and also meet the requirements of the Board of Securities and Exchange Commission. It said that the preparation and presentation of the financial report under the Securities and Exchange Act. 1992 by using the basis of original cost otherwise will be disclosed specifically.

- As mentioned before, refer to the qualified opinion by the auditor in 2013 in the 3rd quarter of 2014, the company conducted the assessments by having independent assessors to perform the fair value assessment completion which the company already examined into it. As a result, there is significantly no impact on "Goodwill" that already recorded in 2013.

In the 4rd quarter of 2014, the company considered the impairment of investments in its subsidiaries and the goodwill of investment in the Suntech Metals company. According to the report by the independent appraisers on February 27, 2015, from the enterprise's value by turnover in the future deducted to the present's value combined with the existing asset value, as a result, the total value was 830 million baht. To compare the value of investment of the company in its subsidiaries with the appraisal value, the company was aware of the loss of the impairment of investments from its subsidiaries and the goodwill of the company was 20 million baht in the company's separate and consolidated financial statements.

According to the policies of new account in the note of financial statements number 2.2 that are effective in the present year and in the future, there is no essential impact on the financial statements of the company group.

Refer to the auditor's report for the financial statement in 2013, there is qualified opinion as specified in the report and are described in the notes of financial statements section number 16. During the 4th quarter, the company spent 459 million baht on taking over the local business and hired the independent appraisers in order to evaluate the fair value of the identifiable assets, liabilities and allocating the fair value of the lists at the purchase date which they are evaluating the values.

The company therefore estimated the values that close to the fair value of the consideration from taking over this business by considering to the preliminary information from the independent appraisers, other factors and recording the difference between the purchase price and the value of the consideration that received from taking over this business to the goodwill's account which was 123 million baht. However, the independent appraisers cannot entirely examine the value of goodwill due to the fact that the board believed that there might be some changes in the value of the consideration that received from taking over this business on coming. Therefore, it might be some changes as well in the consolidated financial statements as refer to the standards of financial report no.3.

### Emphasis of Matter

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

Refer to the auditor's report which exposed in Note 4 of financial statements, during the year 2013, the company and its subsidiaries have changed the accounting policy for recording the land values and buildings from the revaluation method to the cost method. This change leads to the values of lands, buildings and the surpluses of assets revaluation on December 31, 2012 reduced to 55.52 million baht and 49.63 million baht in the consolidated and separate financial statements, respectively.

## 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		
	2014	2013	2012	2014	2013	2012
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	496,787	647,318	94,521	476,677	580,606	91,205
Fixed deposit	350,797	850,000	-	350,797	850,000	-
Temporary investments	2	114,001	214,001	2	114,001	214,001
Temporary investments	330,781	608,434	156,610	328,833	352,268	155,983
Trade accounts receivable - net	104,946	8,704	8,451	16,064	8,704	8,451
Trade accounts receivable - related companies	-	-	-	7,476	11	11
Deposit and others - related companies	-	-	-	-	-	-
Inventories - net	613,791	254,900	137,505	235,879	163,781	137,505
Receivable-Short term loan	-	-	-	-	-	-
Receivable Share	-	-	75,000	-	-	75,000
Accrued dividend income	-	17,941	-	-	17,941	-
Other current assets	83,198	75,316	15,763	25,313	23,794	15,693
<b>Total Current Assets</b>	<b>1,980,302</b>	<b>2,576,614</b>	<b>745,512</b>	<b>1,441,041</b>	<b>2,111,106</b>	<b>741,510</b>
<b>NON - CURRENT ASSETS</b>						
Restricted deposits with banks	94,113	70,764	50,599	93,113	68,716	49,599
Loans and accrued interest receivable -subsidiaries	-	-	-	-	-	-
Advance for share	-	-	20,000	-	-	20,000
Investments in subsidiaries	-	-	-	843,359	473,359	13,999
Investments in associated companies Investments in joint venture	208,123	298,943	-	185,633	289,000	-
Investments sales securities	177,660	-	-	177,660	-	-
Investments sales securities	1,372,212	525	189,300	1,372,212	525	189,300
Long term investment land building and equipment-net	-	-	45,000	-	-	45,000
Good view	1,770,131	1,040,047	33,192	1,165,402	413,881	30,756
Deferred income tax assets	103,936	123,936	-	-	-	-
Deposit for machineries	4,690	11,004	-	4,690	11,004	-
Deposit - related companies	-	108,225	-	-	108,226	-
Assets not used in operations	10,538	-	-	10,538	-	-
Income tax withheld at sources	8,697	8,697	47,116	7,797	7,797	46,157
Other non - current assets	3,677	4,665	4,495	2,297	3,421	3,057
<b>Total Non - Current Assets</b>	<b>63,746</b>	<b>17,273</b>	<b>3,528</b>	<b>61,707</b>	<b>14,697</b>	<b>1,060</b>
<b>Total Assets</b>	<b>3,817,523</b>	<b>1,684,079</b>	<b>393,230</b>	<b>4,158,770</b>	<b>1,872,863</b>	<b>398,928</b>
	<b>5,797,825</b>	<b>4,260,693</b>	<b>1,138,742</b>	<b>5,599,811</b>	<b>3,983,969</b>	<b>1,140,438</b>

General Engineering Public Company Limited and its subsidiaries

Statement of financial position

As of December 31

(Unit: Thousand Baht)

	Consolidated F/S			Separate F/S		
	2014	2013	2012	2014	2013	2012
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short - term loan from financial institution	164,103	-	-	164,103	-	-
Trade accounts payable	312,032	312,826	102,154	170,336	168,871	101,435
Trade accounts payable - related companies	20,423	-	-	22,748	-	-
Other payable - related companies	1,387	-	-	1,418	31	31
Construction payable	11,585	-	-	11,585	-	-
Construction payable - related company	16,381	-	-	16,381	-	-
Current portion of liabilities under finance lease agreement	502	2,019	2,139	502	2,019	2,139
Current portion of liabilities under finance lease agreement - related company	4,314	-	-	-	-	-
Income tax payable	22,561	-	-	22,561	-	-
Advances received from customers	68,784	38,798	-	68,784	38,798	-
Other current liabilities	90,471	97,250	88,274	87,328	77,407	88,161
<b>Total Current Liabilities</b>	<b>712,543</b>	<b>450,893</b>	<b>192,567</b>	<b>565,746</b>	<b>287,126</b>	<b>191,766</b>
<b>NON - CURRENT LIABILITIES</b>						
Liabilities under finance lease agreement - net	-	509	2,528	-	509	2,528
Employee retirement benefits obligation	25,033	23,602	15,052	17,751	15,624	15,052
Deferred income tax liabilities	107,438	91,329	-	18,622	33	-
Other non - current liabilities	2,822	2,790	2,793	2,821	2,791	2,793
<b>Total Non - Current Liabilities</b>	<b>135,293</b>	<b>118,230</b>	<b>20,373</b>	<b>39,195</b>	<b>18,956</b>	<b>20,373</b>
<b>TOTAL LIABILITIES</b>	<b>847,836</b>	<b>569,123</b>	<b>212,940</b>	<b>604,940</b>	<b>306,083</b>	<b>212,139</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		
	2014	2013	2012	2014	2013	2012
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
<b>SHAREHOLDERS' EQUITY</b>						
Authorized share capital— share						
- 7,505,964,239 shares 0.85 baht in 2014	6,380,070			6,380,070		
- 7,093,591,850 shares 30 baht in 2013		212,807,755			212,807,755	
- 2,470,503,859 shares 10 baht in 2013			24,705,039			24,705,039
Issued and fully paid-up share capital						
- 5,562,876,782 shares 0.85 baht in 2014	4,728,445	112,433,073	15,313,846	4,728,445	112,433,073	15,313,846
- 3,747,769,108 shares 30 baht in 2013						
- 1,531,384,554 shares 10 baht in 2012						
Premium on share capital	-	31,729	31,729	-	31,729	31,729
Discount on share capital	-	(108,663,577)	(14,012,330)	-	(108,663,577)	(14,012,330)
Surplus on capital reduction	71,131	-	-	71,131	-	-
Retained earnings (deficits)						
- Appropriated for legal reserve	6,500	-	-	6,500	-	-
- Unappropriated	69,423	(109,787)	(368,420)	114,305	(123,470)	(365,922)
Other components of shareholders' equity	74,489	131	(39,024)	74,489	131	(39,024)
<b>Equity attributable to the Company's shareholders — net</b>	<b>4,949,988</b>	<b>3,691,569</b>	<b>925,801</b>	<b>4,994,870</b>	<b>3,677,886</b>	<b>928,299</b>
Non - controlling interests	1	1	1	-	-	-
<b>Total Shareholders' Equity</b>	<b>4,949,989</b>	<b>3,691,570</b>	<b>925,802</b>	<b>4,994,870</b>	<b>3,677,886</b>	<b>928,299</b>
<b>SHAREHOLDERS' EQUITY</b>	<b>5,797,825</b>	<b>4,260,693</b>	<b>1,138,742</b>	<b>5,599,811</b>	<b>3,983,969</b>	<b>1,140,438</b>

Statements of Comprehensive Income  
As of December 31

(Unit: Thousand Baht)

	Consolidated financial statement			The separate financial statements		
	2014	2013	2012	2014	2013	2012
<b>Revenue</b>						
Revenue from sales	3,258,886	1,544,246	837,648	1,518,451	1,260,901	837,648
Revenue from services, construction and installation	-	1,893	45,138	-	1,893	43,698
Other income	24,602	37,434	30,944	19,199	8,737	31,319
Gain on revaluation of investments	29,573	-	112,350	29,573	-	112,350
Gain on sale of investment in subsidiary	-	-	22,409	-	-	22,409
Gain on sale of investment in associated	19,365	-	-	32,060	-	9,585
Reversal of allowance for doubtful accounts Reversal of impairment loss	14,849	2,284	-	14,849	2,284	-
Dividend income	-	-	9,765	-	-	-
Share of profit of investments in associates	10,071	-	-	10,071	17,941	-
Interest	25,243	27,884	-	-	-	-
Income	23,470	35,227	2,289	44,104	38,987	2,287
Gain on disposal of investments	9,765	-	-	9,430	-	-
	13,541	51,538	-	13,541	51,538	-
<b>Income</b>	<b>3,429,265</b>	<b>1,700,506</b>	<b>1,060,543</b>	<b>1,691,278</b>	<b>1,382,281</b>	<b>1,069,296</b>
<b>Expenses</b>						
Selling expenses	2,907,133	1,251,180	687,856	1,163,678	969,284	686,850
Cost of rental and services	-	7,082	49,425	-	7,082	48,516
Cost of sales	18,970	16,473	9,211	13,388	16,473	9,211
Administrative expenses	223,444	166,951	145,772	174,481	147,736	145,895
Loss from impairment of investments in subsidiaries	-	-	-	20,000	-	-
Loss on investments	20,000	-	-	-	-	-
Executive Compensation	14,410	9,934	8,484	13,691	9,814	8,484
Total expenses	<b>3,183,957</b>	<b>1,451,620</b>	<b>900,748</b>	<b>1,385,238</b>	<b>1,150,389</b>	<b>898,956</b>
Profit ( loss ) before interest expense and income taxes	<b>245,408</b>	<b>248,886</b>	<b>159,795</b>	<b>306,040</b>	<b>231,892</b>	<b>160,340</b>
Financial costs	(1,925)	(483)	(474)	(1,511)	(443)	(474)
Income (expense), income tax	(57,774)	10,230	-	(60,254)	11,003	-
Profit ( loss ) for the year	<b>185,709</b>	<b>258,633</b>	<b>159,321</b>	<b>244,275</b>	<b>242,452</b>	<b>159,866</b>
Other comprehensive income						
Gains (losses) on investments available for sale.	74,358	39,155	56,790	74,358	39,155	56,790
Profit (loss) for the year.	<b>260,067</b>	<b>297,788</b>	<b>216,111</b>	<b>318,633</b>	<b>281,607</b>	<b>216,656</b>
Share of profit (loss) for the year.						
Equity of the parent company	185,709	258,633	159,321	244,275	242,452	159,866
Attributable to non-controlling interests.	-	-	-	-	-	-
	<b>185,709</b>	<b>258,633</b>	<b>159,321</b>	<b>244,275</b>	<b>242,452</b>	<b>159,866</b>
Share of profit (loss) for the year.						
Equity of the parent company	260,067	297,788	(367,950)	318,633	281,607	(337,587)
Attributable to non-controlling interests.	-	-	(1,254)	-	-	-
	<b>260,067</b>	<b>297,788</b>	<b>(369,204)</b>	<b>318,633</b>	<b>281,607</b>	<b>(337,587)</b>
Earnings (loss) per share (Baht) basic	<b>0.04</b>	<b>0.11</b>	<b>0.31</b>	<b>0.05</b>	<b>0.11</b>	<b>0.31</b>

General Engineering Public Company Limited and its subsidiaries

Statement of financial position

As of December 31 2014, 2013 and 2012

(Unit: Thousand Baht)

Equity shareholders of the parent company

	Other components of equity									
	Share capital issued and paid up	Surplus stock value	Lower than the par value	Capital surplus on share reduction	Accumulated profit (loss)		Other comprehensive income		Non-controlling interests	Total equity attributable to shareholders
					Legal Reserve	Unappropriated	Gain (loss) on securities actual sales margins	Total shareholders' equity of large company		
Balance as at 1 January 2012	15,313,846	31,729	(14,012,330)	-	-	(528,501)	(95,814)	708,930	8,228	717,158
Surplus on revaluation of assets.	-	-	-	-	760	-	-	760	-	760
Comprehensive income for the year	-	-	-	-	159,321	159,321	56,790	216,111	-	216,111
ส่วนได้เสียที่ไม่อยู่ในอำนาจควบคุมลดลง	-	-	-	-	-	-	-	-	(8,227)	(8,227)
Balance as at 31 December 2012	15,313,846	31,729	(14,012,330)	-	-	(368,420)	(39,024)	925,801	1	925,802
Balance as at 1 January 2013	15,313,846	31,729	(14,012,330)	-	-	(368,420)	(39,024)	925,801	1	925,802
Increase in share capital	97,119,227	-	(94,651,247)	-	-	-	-	2,467,980	-	2,467,980
Comprehensive income for the year	-	-	-	-	258,633	258,633	39,155	297,788	-	297,788
Balance as at 31 December 2013	112,433,073	31,729	(108,663,577)	-	-	(109,787)	131	3,691,569	1	3,691,570
Balance as at 1 January 2014	112,433,073	31,729	(108,663,577)	-	-	(109,787)	130	3,691,569	1	3,691,571
Increase in share capital	57,453,230	-	(53,454,879)	-	-	-	-	998,351	-	998,351
Capital reduction	(162,157,858)	(31,729)	162,118,456	71,131	-	-	-	-	-	-
Legal Reserve	-	-	-	-	6,500	(6,500)	-	-	-	-
Comprehensive income for the year	-	-	-	-	185,709	185,709	74,358	260,067	-	260,067
Balance as at 31 December 2014	4,728,445	-	-	71,131	6,500	69,423	74,489	4,949,988	1	4,949,989



General Engineering Public Company Limited and its subsidiaries  
Statement of financial position  
As of December 31 2014, 2013 and 2012

Company-specific financial statement (unit: thousand baht)									
	Share capital issued and paid up	Surplus stock value	Lower than the par value	Capital surplus on share reduction	Legal Reserve	Accumulated profit (loss)	Other components of equity		
							Gain (loss) on available for-sale securities actual	Total shareholders' equity	Other comprehensive income
Balance as at 1 January 2012	15,313,846	31,729	(14,012,330)	-	-	(526,548)	(95,814)	710,883	
Surplus on revaluation of assets	-	-	-	-	-	760	-	760	
Comprehensive income for the year	-	-	-	-	-	159,866	56,790	216,656	
Balance as at 31 December 2012	15,313,846	31,729	(14,012,330)	-	-	(365,922)	(39,024)	928,299	
Balance as at 1 January 2013	15,313,846	31,729	(14,012,330)	-	-	(365,922)	(39,024)	928,299	
Increase in share capital	97,119,227	-	(94,661,247)	-	-	-	-	2,467,980	
Profit ( loss) for the year	-	-	-	-	-	242,452	39,155	281,607	
Balance as at 31 December 2013	112,433,073	31,729	(108,663,577)	-	-	(123,470)	131	3,677,886	
Balance as at 1 January 2014	112,433,073	31,729	(108,663,577)	-	-	(123,470)	131	3,677,886	
Increase in share capital	54,453,230	-	(53,454,879)	-	-	-	-	998,351	
Capital reduction	(162,157,858)	(31,729)	162,118,456	71,131	-	-	-	-	
Legal Reserve	-	-	-	-	6,500	(6,500)	-	-	
Comprehensive income for the year	-	-	-	-	-	244,275	74,358	318,633	
Balance as at 31 December 2014	4,728,445	-	-	71,131	6,500	114,305	74,489	4,994,870	

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		
	2014	2013	2012	2014	2013	2012
<b>Cash flow from operations</b>						
Profit (loss) before income tax	243,484	248,404	159,321	304,529	231,448	159,866
Update by						
Expenditure and depreciation write offs	48,531	18,979	10,459	18,291	10,845	10,459
Amortization of income tax has been withheld	(3,549)	-	-	(3,549)	-	-
Share of profit from investments in associated companies	(25,243)	(27,884)	-	-	-	-
Gain on disposal of investment in associated company	(19,365)	-	-	(32,060)	-	-
Dividend income	(10,071)	-	-	(10,071)	(17,941)	-
The profits from the sale of investments sale	-	(24,038)	-	-	(24,038)	-
Income compensation leasehold amortization and rents received in advance	-	(27,902)	(14,197)	-	-	(14,197)
Other revenue			30,000			30,000
The penalty						
Loss (gain) on sale of investments	-	-	(22,409)	-	-	(22,409)
The profits from the sale of investments	(13,541)	(27,500)	-	(13,541)	(27,500)	-
Loss on revaluation of temporary investment	(29,573)	-	(112,350)	(29,573)	-	(112,350)
Provision for (reversal of allowance) for doubtful accounts	(15,367)	24,271	(14,611)	(11,109)	24,271	(14,611)
Provision for (reversal of allowance) for obsolete and corrupt	-	(1)	(13,870)	-	(1)	(13,870)
Loss on impairment of investment in subsidiaries	-	-	-	20,000	-	-
Loss from impairment of goodwill	20,000	-	-	-	-	-
Profit from the sale and disposal of fixed assets	(6,813)	(1,059)	(438)	(308)	(1,059)	(438)
Damage estimates	1,476	-	-	1,476	-	-
Reversal of asset impairment losses	-	-	(9,765)	-	-	(9,585)
Provisions for employee benefits	3,602	688	2,263	2,511	523	2,263
Interest received	(23,470)	(35,227)	(2,035)	(44,104)	(38,987)	(2,287)
Interest paid	1,925	483	474	1,511	443	474
<b>Decrease in operating assets (increase)</b>						
Trade accounts receivable	293,019	(495,936)	706	34,544	(240,397)	(1,992)
Trade accounts receivable-related companies	(96,243)	(252)	-	(7,361)	(252)	(8,451)
Deposits and other - related companies	-	-	-	(7,465)	-	-
Value of work in progress not yet billed to customers	-	43,661	(3,370)	-	43,661	(3,370)
Other receivables - related parties	-	-	-	-	-	3,608
The investment sales receivable	-	75,000	-	-	75,000	-
The remaining items	(358,892)	(117,394)	(32,358)	(72,098)	(26,275)	(32,380)
Assets not used in operations	-	-	(381)	-	-	(381)
Other current assets	(11,790)	(34,363)	(7,203)	(5,424)	7,608	(19,380)
Other non-current assets	57,163	(32,144)	5,471	61,216	(34,443)	5,649
<b>Operating liabilities increase (decrease)</b>						
Trade accounts payable	(794)	195,989	14,672	1,466	67,435	14,347
Trade accounts payable - related companies	20,423	-	-	22,748	-	-
The project cost employee benefits	(3,079)	(302)	(2,321)	(1,013)	(302)	(2,321)
Other payables - related parties	1,387	-	-	1,387	-	(5,000)
Construction payable	11,585	-	-	11,585	-	-
Construction payable - related company	16,381	-	-	16,381	-	-
Advances received from customers	29,986	13,610	-	29,986	13,610	-
Other current liabilities	(8,410)	70,670	(18,842)	8,443	45,620	(12,602)
Other non-current liabilities	32	(24)	(1,868)	32	(2)	(1,869)

(unit: thousand baht)

	Consolidated financial statement			The separate financial statements		
	2014	2013	2012	2014	2013	2012
<b>Cash received (paid) from the operation</b>	<b>122,794</b>	<b>(132,271)</b>	<b>(32,652)</b>	<b>298,430</b>	<b>109,267</b>	<b>(50,827)</b>
The income tax return	1,124	-	4,295	1,124	-	4,295
Interest payments	(1,771)	(92)	(175)	(883)	(92)	(175)
Income taxes paid	(31,514)	(379)	(1,263)	(31,378)	(366)	(1,125)
<b>Cash provided by (used in) operating activities</b>	<b>90,633</b>	<b>(132,742)</b>	<b>(29,795)</b>	<b>267,293</b>	<b>108,809</b>	<b>(47,832)</b>
<b>Cash flows from investing activities</b>						
Pledged deposits at financial institutions	(23,349)	(20,165)	5,982	(24,397)	(19,117)	5,582
Investment in fixed deposits	499,204	(850,000)	-	499,204	(850,000)	-
Loans - subsidiary company	-	-	-	(126,000)	(478,425)	-
Cash received from sales of other long-term investments	-	-	-	375,425	-	-
Cash received from the sale of investments	-	45,000	-	-	45,000	-
Cash received from sales of investments temporarily	-	252,000	-	-	252,000	-
Temporary investment increased	371,047	127,500	-	371,047	127,500	-
Short-term loans to subsidiaries decreased	-	-	-	-	-	17,000
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	(1,633)	(269,000)	-	(1,633)	(269,000)	-
Investments in associated companies	137,060	-	-	137,060	-	-
Paid for investments in joint venture	(177,660)	-	-	(177,660)	-	-
Purchase of investment in available - for - sales securities	(1,279,101)	-	-	(1,279,101)	-	-
Cash paid for exercise warrants	(213,572)	-	-	(213,572)	-	-
Advance payment for the shares	-	(456,339)	-	(390,000)	(459,360)	-
Investments increased sales	-	-	(20,000)	-	-	(20,000)
Pay a deposit for machinery - related companies	(5,038)	-	-	(10,538)	-	-
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	(773,366)	(394,503)	(8,904)	(770,242)	(394,415)	(8,905)
Dividend income	28,012	-	-	28,012	-	-
Cash received from the sale of fixed assets	7,243	1,505	5,434	738	1,505	5,434
Interest received	27,379	28,990	2,072	46,459	28,929	2,324
<b>Net cash provided by (used in) investing activities</b>	<b>(1,403,774)</b>	<b>(1,604,878)</b>	<b>105,864</b>	<b>(1,535,198)</b>	<b>(2,085,249)</b>	<b>121,435</b>
<b>Cash flows from financing activities</b>						
Increase in short - term loan from financial institution	167,652	-	-	167,652	-	-
Loan payment from a third party	-	(175,425)	-	-	-	-
Cash received from capital increase	998,351	2,467,980	-	998,351	2,467,980	-
Payment liabilities under hire purchase contracts	(3,393)	(2,138)	(2,307)	(2,027)	(2,138)	(2,307)
<b>Net cash provided by (used in) financing activities</b>	<b>1,162,610</b>	<b>2,290,417</b>	<b>(2,307)</b>	<b>1,163,976</b>	<b>2,465,842</b>	<b>(2,307)</b>
<b>Cash and cash equivalents Net increase (decrease) in net</b>	<b>(150,531)</b>	<b>552,797</b>	<b>73,762</b>	<b>(103,929)</b>	<b>489,402</b>	<b>71,296</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>647,318</b>	<b>94,521</b>	<b>20,759</b>	<b>580,606</b>	<b>91,205</b>	<b>19,909</b>
<b>Cash and cash equivalents at end of year</b>	<b>496,787</b>	<b>647,318</b>	<b>94,521</b>	<b>476,677</b>	<b>580,607</b>	<b>91,205</b>
<b>Disclosure of cash flow information</b>						
Non-cash items						
- Fixed asset purchases under hire purchase contracts	8,080	-	-	-	-	-
- Loss (gain) on sales margin securities	93,111	(39,154)	(56,790)	93,111	(39,154)	(56,790)
- Dividends receivable	-	(17,941)	-	-	(17,941)	-



### Summary of key financial ratios

As of December 31

	Unit	Consolidated financial statement			The separate financial statements		
		2014	2013	2012	2014	2013	2012
Liquidity ratio							
Liquidity ratio	Time	2.78	5.71	3.87	2.55	7.35	3.87
Quick Liquidity Ratio	Time	1.92	5.15	3.08	2.13	6.78	3.07
Trade receivables turnover ratio	Time	6.19	3.95	5.97	4.30	4.81	6.04
Average collection period	Day	58.97	92.41	61.14	84.88	75.88	60.43
Inventory turnover ratio	Time	6.69	6.41	6.45	5.82	6.48	6.43
Average Inventory Period	Day	54.56	56.94	56.63	62.71	56.33	56.77
Turnover ratio of trade accounts payable	Time	9.01	6.06	7.78	6.43	7.22	7.80
Average Payment Period	Day	40.51	60.23	46.94	56.77	50.55	46.79
Cash Cycle	Day	73.02	89.12	70.83	90.82	81.66	70.41
The ratio shows the ability to gain							
Gross profit rate	%	10.79	18.62	16.48	23.36	22.68	16.56
Gross profit from operations	%	6.70	14.26	18.05	20.06	18.33	18.14
Net profit margin	%	5.42	15.12	15.02	14.44	17.40	15.09
Rate of return to shareholders	%	4.30	11.20	18.47	5.63	10.53	18.60
The ratio of performance in operation							
Return on assets	%	4.38	8.19	13.79	6.39	9.05	15.02
Rate of return on fixed assets	%	18.99	44.63	38.44	40.88	108.98	34.71
Asset turnover ratio	Time	0.68	0.63	0.92	0.35	0.54	0.99
Analysis of financial policy ratio							
Debt to equity shareholders	Time	0.17	0.15	0.22	0.12	0.08	0.22
Interest Coverage Ratio	Time	127.47	515.27	337.37	202.59	523.08	338.52
Per share data							
Book Value	Bath	0.89	0.99	1.81	0.90	0.98	1.82
Net profit (loss) per share	Bath	0.04	0.11	0.31	0.05	0.11	0.31

## 14. Management's Discussion and Analysis (MD & A)

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### 14.1 Overview of important business operations and changes

#### Overview of business operations in 2014

In the first half of the year, the real estate and construction business were slowed down due to the political violence. Different operators decelerated their development of projects; therefore, the situation resulted on an overview of the gloomy real estate and construction business. However, after the political situation was clear and stable, the overall real estate situation in the latter half of the year began to be in a better direction. The entrepreneur started developing the projects after they had been previously slowed down.

The marketing situation in the real estate and construction business in 2014 still be rather difficult. Beyond the negative political factors occurred beforehand, the overall economy was still decreasing continuously which affected the consumers' income. Thus, consumers delayed their purchasing decisions and their behavior impacted the overall market. Moreover, the market competition was quite violent. Consequently, comparing between 2013 and 2014, the main situation of real estate and construction business kept on declining. This was affected from factors mentioned previously.

In 2014, the construction industry and real estate confronted stronger competitive price. The overall prices in 2014 were higher than before because of the rising of capital cost of real estate, construction materials, and labor wages. However, due to the market continuous competition on prices, the company had the pricing strategy not to adjust too high prices to maintain market shares or to capture shares from other entrepreneurs

#### Significant changes

- The Company received additional capital from the specific private investors totally 998.25 million baht for the purpose of increasing working capital in the business process, and investing or jointed investing in companies which had potential and opportunities for future growth.
- The Company transferred reserved capital of premium on shares of 31,729,260 baht to reduce bond discount on capital stock, reduce authorized stock, and reduce share value, from par value of 30 baht per share to 0.85 baht. This action caused the capital surplus from capital reduction of 162,157.85 million baht. The company used this capital surplus to reduce the bond discount. The remaining net amount after reserved capital deduction was 162,086.72 million baht. The process caused the surplus capital from the capital decrease of 71.13 million baht.
- The company invested in shares of Millcon Steel Co. (Thailand) of 486.6 million shares for baht 987.14 million, representing 19.44 percent of the paid-in authorized capital. The investment was divided into ordinary shares of 237,044,789 shares at the price of baht 1.93 per share, and preferred shares of 249,555,211 shares at the price of baht 2.12 per share. Later, the Company invested in shares of Millcon Steel (Public Company Limited) (Thailand) which proposed shares to the existing shareholders in the ratio of 2 existing shares for 1 new share of 243,299,999 shares, at the price of baht 1.20 per share, totaling 291.96 million baht. The Company would receive share warrants to purchase shares of (MILL-W3) for 121,649,999 units.
- The Company paid of 177.66 million baht for investment in Wisdom Tree Investment (S) PTE. Limited, a listed company in Singapore. The objective was to invest in joint ventures in production and distribution of steel products in Myanmar, with the working capital of 12 million US dollars. The Company got the proportion of 45 percent of the joint ventures.

- The Company sold investment in Aqua Corporation (Public Company Limited) (AQUA) of 371,000,000 shares, at baht 1 per share. It cost 371 million baht, and gained profits from the sale of 13.29 million baht. The Company sold an additional amount of 285,132 shares, 1.81 and 1.83 baht per share, totaling baht 0.52 million baht with profits from the sale of 0.25 million baht.

- The Company sold its entire investment in the Bo Ploy Solar Co., Ltd. in the amount of baht 137.06 million to the Eastern Printing Co. (PCL). The Company got profit from the sale of the shares about 32 million baht.

- During the year 2014, the Company had a loan contract with a bank of 1,450 million baht. The Company also mortgaged both the land and equipment in the amount of 770 million baht as collateral. Subsequently, the Company got additional loan from a bank in the amount of 395.50 million baht, with a period of 7 years and 7 months, the interest rate of MLR-0.5% per year. Moreover, the Company had mortgaged land and buildings as collateral for investment in plants and machinery in the plants.

## Performance

In 2014, the Company had a net profit of 185.71 million baht or gained profit of 0.04 baht per share. Meanwhile in the year 2013, the Company had a net profit of 258.63 million baht, representing profits 0.11 baht per share, with revenue as follows:

### 1. Gross profit

Gross profit table consolidated financial statements

(Unit: thousand baht)

	2014	2013	Increase (Decrease)	Percentage
Revenue from the sales	3,258,886	1,546,139	1,712,747	110.78
<u>Reduce</u> Sales capital	2,907,133	1,258,261	1,648,872	131.04
Gross profit	351,753	287,878	63,875	22.19

1. Revenue from sales increased by baht 1,712.75 million, gaining from subsidiaries' business income of the scrap iron this year, in the amount of baht 1,514.39 million (the Company began recognizing revenue from the subsidiaries since 11/2556 onwards). Comparing to the same period of last year, the Company's revenue from the sale of precast concrete walls and cement products, which increased to 114 percent, and premium cement increased to 48 percent.

2. Cost of sales increased by 1,648.87 million baht, gaining from the sale of scrap iron this year. The cost of sales from the sale of precast concrete walls and premium cement increased in the same way of the total sales.

3. Gross profit increased by baht 63.88 million, gaining from prefabricated concrete and premium cement products, increased in the same way of the total sales.

### 2. Other Income

In 2014, the Company had other income of 170.48 million baht, representing 4.97 % of total revenue which increased by 5.88 million baht from the year 2013. The Company also gained other income in a number of 164.60 million baht, representing 9.62 percent of total revenue. Details of other income were as follows.



Other income (Unit: thousand Baht)	Consolidated financial statement		
	2014	2013	Increase (Decrease)
1. Interest income	23,470	35,227	(11,757)
2. Gain on sale and temporary reduction of investments	43,114	51,538	(8,424)
3. Gain on sales of investments in associates	19,365	-	19,365
4. Share of profit from investments in associates	25,243	27,884	(2,641)
5. Reversal of allowance for doubtful accounts	14,849	2,284	12,565
6. Dividend income	10,071	-	10,071
7. Income taxes	-	10,229	(10,229)
8. Other income	34,366	37,435	(3,069)
<b>Total</b>	<b>170,478</b>	<b>164,597</b>	<b>5,881</b>

The Company gained on sale and temporary revaluation of investments in the property - AQUA in the amount of 43.11 million baht, which increased when comparing to the same period of the previous year in the amount of 51.54 million baht. The Company also gained from the sale of investments and dividend income in the Bo Ploy Solar Co., Ltd., a joint venture, of 19.37 million baht, and 10.07 million baht respectively. The Company had a reversal of doubtful accounts due to getting payment of 14.85 million baht. This year the Company gained from foreign exchange in importing material from abroad of 9.76 million baht.

### 3. Selling and administrative expenses.

In 2014, the Company's had the selling and administrative expenses cost of 278.75 million baht, equivalent to 8.13 of the total income. The cost increased by 84.91 million baht from the year 2013, which cost of 193.84 million baht, representing 11.33 of income. The details were as follows:

Selling and administrative expenses (Unit : Thousand baht)	Consolidated financial statements		Increase (Decrease)
	2514	2513	
1. Cost of sales	18,969	16,473	2,496
2. The administrative expenses	223,444	166,952	56,492
3. Loss on impairment of goodwill	20,000	-	20,000
4. Executive compensation	14,410	9,934	4,476
5. Finance costs	1,925	483	1,442
<b>Total</b>	<b>278,748</b>	<b>193,842</b>	<b>84,906</b>

The Company's had a cost of administration of 223.44 million baht, an increasing of 56.49 million baht, representing 33.84 from the same period of the previous year which cost of 166.95 million baht. This cost was from the cost of the administration of its subsidiaries (the Company had just began recognizing the revenue from the subsidiary since 11/2013 onwards), and the cost of administering increased in the same way of sales. The cost was consist of expense on the staff, such as salaries, overtime and benefits which increased by 30.54 million baht. The travelling expenses increased by 10.06 million baht, the consulting expenses increased by 4.12 million baht, the fee from applying for credits from financial institutions, and others increased by 8.55 million baht, and the cost of public utilities increased by 2.99 million baht.

In quarter 4/2014, the Company considered the impairment of unit trust in subsidiaries and the goodwill from the investment in Suntech Metals Co., Ltd. According to the report of an independent value appraiser, the value of the Company based on business profits in the future, discounted to their present value plus the value of total existing assets with a total amount of 830 million baht. When comparing to the value of investment in subsidiaries amounting to 850 million baht, the Company recognized a loss on impairment of investments in subsidiaries and goodwill of the company amounting to 20 million baht (Note 12).

#### 4. Income Tax

In 2015, the Company had a net profit of 185.71 million baht, the income tax of 53.94 million baht, and a deferred income tax from temporary difference of 3.83 million baht. In 2013, the net profit was of 258.32 million baht. The company had effect of deficit tax losses which brought forward from the previous year, so there was no obligation to pay the tax. However, the company got a tax-deferred reversal of temporary deference of 10.23 million baht.

#### 5. Net income (loss)

The results of operations of the Company and its subsidiaries for the year 2014 consolidated net profit of 185.71 million baht. Comparing with the same period of the last year with the net profit of 258.63 million baht, the net income decreased 72.92 million baht, representing 28.19 percentages. Details are as follows:

Unit: Million Baht	2014	2013	Increase (Decrease)
Revenue	3,258.89	1,546.14	1,712.75
Capital of sales	(2,907.14)	(1,258.26)	(1,648.88)
Gross profit	351.75	287.88	63.87
Other income	170.48	154.36	16.12
Selling and administrative expenses	(256.82)	(193.36)	(63.46)
Loss on impairment of goodwill	(20.00)	-	(20.00)
Finance costs	(1.93)	(0.48)	(1.45)
Income tax (income)	(57.77)	10.23	(68.00)
Net profit	185.71	258.63	(72.92)

## Financial situation

### Asset

Statement of financial in 2014 of the Company's had consolidated total assets of 5,797.83 million baht, an increasing of 1,537.14 million baht, or 36.08 percentage increasing from 2013, with the total assets of 4,260.69 million baht, as detailed below.

- Inventories stocks were in the amounted to 613.79 million baht, an increasing of baht 358.89 million baht. Most of them were the increasing of raw materials, mainly scrap iron from foreign subsidiaries, which imported for customers who ordered them.

- The Company received increasing capital from the special private investor in the total amount of 998.25 million baht, for the purpose of working capital in the operation and investment or invest in joint companies that have the potential and opportunities for future growth.

- During the year 2014, the Company sold its investment in the company AQUA for 371.52 million baht and gained the profit from the sale of such shares about 14 million baht. Therefore, the Company had increased financial liquidity to be able to invest in the core business or the business related to the core business of the Company which was more profitable.

- The Company sold its entire investment in Bo Ploy Solar Co., Ltd., a joint venture, for the amount of 137.06 million baht due to the uncertain political and economic conditions. This action was to enhance the reserved financial liquidity provision to the company for business expansion in the future. Furthermore, the market price was higher than the present value of future cash flows. This selling made the Company gaining from the sale of such shares of about 32 million baht.

- In 2014, the Company invested in the shares of Mill Con Steel Limited in the amount of 1,279 million baht, representing a ratio of 19.44 percentage of the paid authorized capital as of December 31, 2014. The Company recorded the gain of the unrealized revenue by comparing the gross book value with the market price of such shares of 93.11 million baht. This investment resulted in the Company increasing property available for sale in market of 1,371.67 million baht in assets.

On November 21, 2014, the Company paid of 177.66 million baht for investment in the Wisdom Tree Investment (S) PTE. Limited, a company registered in Singapore. The objective was to invest in a joint venture for production and distribution of steel products in the Myanmar, with the working capital of 12 million US dollars and had the proportion of 45 percent of the joint ventures.

In 2014, the Company had machines imported from abroad and the machines were in the installation of 290.03 million baht, and had the assets during construction of a new plant of 131.60 million baht. There were records for the land and the land development increasing from land buying for the plant construction of 322 million baht. It was expected that the plant constructing would be completed in 2015.

### Liabilities

In 2014, the Company had total liabilities of 847.84 million baht, comparing to 2013, the liabilities increased from the year 2013 by 278.72 million baht. The total liabilities of 2013 was 569.12 million baht, they were from the following activities.

- The Company purchased raw materials for production from the joint venture, this made related party creditors of 20.42 million baht. The purchase price was the market price.

- The company had a plant under construction for production, so the company imported machines from abroad with the credit lines under Trustee Contract of 164.10 million baht. The Company had obligation that might arise for number of 81.50 million baht, and had creditors during the plant construction about 27.96 million baht. There were also obligations that may arise from the plant construction contract for the number of 118.25 million baht, and the further land development of 1.29 million baht. The proportion of the liabilities to the stakeholders' ratio was 0.17, it was considered low that the Company had the ability to pay back in the future.



- The Company had to pay for the income tax payable in 2014 for 22.56 million baht from gaining performance this year, and the Company had no accumulated tax losses.

Deferred tax liabilities increase of 16.11 million baht from the year 2013, with a total of 91.32 million baht. This caused by the change in par value of the securities on the market price over the cost of acquisition of 17.11 million baht.

#### Equity shares

In 2014, the Company had total equity shares of 4949.99 million baht, increasing 1,258.42 million baht, representing 34.09 percent from the year 2013. This was a part of the shareholders totaling 3,691.57 million baht, caused by following.

1. The increasing of the share capital was up to 1,815,000,000 shares at par value of 30 baht, for the whole shares or some part of them, in the same or different times, to the specific investors, and/ or to the institutional investors. These investors were in the limitation, and the offering price would be not less than 90 percent of the market price.

2. Transferred the excess reserved capital shares of 31,729,260 baht to reduce under-valued stocks.

3. The reduction of the authorized capital by reducing the par value of baht 30 per share to par value of baht 0.85 per share. This resulted in having the surplus capital from the reduction of 162,157.85 million baht to bring such excess to reduce the discount on the stock number after the deduction of the net of 162,086.72 million baht, causing an excess from capital decreased of 71.13 million baht.

4. The Company recorded the excess of the share change of - Mill from the comparison of the gross book value to the market price for the amount of 74.49 million baht.

5. The Company had accumulated profit which had not allocated after the deduction of legal reserves as of December 31, 2016 of 69.42 million baht. In the comparison to the same period of last year with an accumulate deficit of 109.78 million baht.

#### Liquidity and Capital Structure

In 2014, the finance liquidity of the Company and its subsidiaries were quite well with the net cash flow from the operations of 496.79 million baht, representing the liquidity of net a financial budget at the ratio of 2.78 times. The consolidated capital structure was strong, the ratio of liabilities to shareholders reduced to 0.17 times as of December 31, 2014.

In 2014, the company could pay dividends to shareholders by paying cash dividends totaling 55 million baht, representing a ratio of financial dividend to net profit (budget for specific business) equal to 22.5 percentage of net profit. However, the Company must be approved by the General Meeting of Shareholders for the year 2015, which will be held in April 2015.

#### Debt obligations and management of off-balance sheet obligations

- The Company has a contract for the sales of goods and services to customers who are not delivered totaling 715.31 million baht. The Company could deliver products or services on time of the deadline date indicated in the agreement, or as agreed with the customers as normal business.

- The Company and the subsidiaries ventures had liabilities which may arise from the bank that guaranteed the Company and its subsidiaries for the fulfillment of the contract, and the electricity usage totaling 337.83 million baht. The Company also brought its fixed deposited accounts in the amount of 93.11 million baht, and the subsidiary's account of 1 million baht, as well as some company's land and buildings to be collateral for such guarantees. It was the Company's normal business.

- The Company had commitments to lease factories and cars. The amount to be paid in the future according to the lease contract was non-cancelable for a total of 102 million baht.

- A car lease contract for 14 million baht was divided into: Part 1 of 2 cars worth 5.68 million baht paying by monthly installment that would finish the commitments in 2015, Part 2 of 3 cars worth 8.36 million baht paying by monthly installment as well. The lease contract would be finished in 2016. It was the Company's normal business.

- A factory leased at the headquarters of 88.30 million baht, paying by monthly installments. This caused annual commitments from 12 - 14.40 million baht, the lease contract would be finished in 2020. It was the Company's normal business.

- During the year 2013, the Company made agreement for a loan with a bank of 1,450 million baht. The Company transferred the right to claim on deposit accounts for 40 percent of the current working capital. (Overdraft of 30 million baht, promissory note of 145 million baht, and guarantees amounting of 200 million baht), including the land and equipment mortgage in the amount of 770 million baht as collateral. The Company had to maintain the ratio of debt to equity and the ratio of ability of paying debt service as scheduled, including transferred its rights to receive benefits from the building insurance policy to the bank.

- Overdraft of 30 million baht, promissory note of 145 million baht, and bank guarantees amounting of 200 million baht, was the company's core business.

- Credit of 390 million baht was a loan for a new plant construction of 100 million baht, and a loan to buy equipment from abroad of 290 million baht, which was a core business of the company. Such credit should be paid by monthly installments of 6.5 million baht for 4 years and 9 months. There had been no withdrawal yet, the fund was expected to be withdrawn in quarter 3/2015.

- Forward contract financial amount of 290 million baht had been used in quarter 1/2015 to determine the exchange rate of the credit facility to import equipment from abroad.

- Interest Rate Swap (IRS) amount of 390 million baht, which was at December 31, 2557 had not been withdrawn for any expense.

- The Company got an approval for additional credit facilities from a bank in the amount of 395.50 million baht for the period of 7 years and 7 months, with the interest rate of MLR-0.5% per year by mortgaging of land and buildings as collateral for investment in plant and machinery in the plant. The Company would maintain its status as a listed company in the stock market throughout the contract, and maintain the ratio of debt to capital not more than 2.0 times. The ratio of the ability in the debt payment must not be less than 1.25 times of the specific business financial budget. This was obligated to obtain additional credit for the plant with equipment and machinery in the new plant, which was the core business of the Company.

- The company was obligated to pay for the purchase of equipment and machinery of 81.59 million baht which would be finished in 2015. The obligation was from the purchase of machinery and equipment to be used in the new plant.

- The subsidiaries were obligated to pay for the import of raw materials abroad of 63.33 million baht. The commitment was from the purchased goods from foreign countries but had not been delivered yet. Such burden was the ordinary course of business of the subsidiaries importing scrap iron from abroad.

- The Company had obligation from the plant construction with one of its joint venture in the amount of 118.25 million baht. The obligation would be finished in 2015, after the construction of the new plant was completed.

- The company was obligated to pay for the land reclamation of 1.29 million baht. This obligation had already finished since the land reclamation was complete in quarter 1/2015.

- The company was obligated to pay for raw materials to a subsidiary in the amount of 50.48 million baht for the ordering of iron raw materials in order to sell and waiting for delivery.



### Factors affecting the future operations

In 2015, despite the country's overall economic outlook is not brilliant, the Company believes that the real estate sector of the city will be a better year. This will result to overall economy which is expected to grow better. The government's investment in infrastructure of 2 billion baht makes a turnover to increase more liquidity in the economy. The consumers' confidence in the economy will be back which may result in the Company's income from the future operations that will increase thereunder the Company's goals

In 2015, the construction industry and real estate sectors have a trend on competitive prices, the overall higher prices of goods in 2015 is likely to move upward according to the rising costs of the land, construction, and labor wage. However, the continuous pricing competition in the market makes the Company prepare pricing strategy not to increase too much to maintain the market shares, or to capture customers from the other entrepreneurs. The Company maintains its quality and gets both ISO 9001 standards and industrial standards (TIS). Moreover, the Company has prepared measures to control costs and expenses more concisely. Initially, the Company will measure the performance efficiency of all levels by using the Key Performance Indicator (KPI) as indicators and the company has reduced product costs by importing machines from overseas to reduce labor shortages and to control costs, reduce product cost and maintain standards.

However, in the 2015, the Company will focus on maintaining finance liquidity essentially since it will be a factor to help businesses to move forward in case of economic fluctuation.



## 15. 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.

List	Position	Appoint	Resign
1. Mr.Suchat Boonbanjerd Sri	Chairman of Audit committee	2 Oct 2014	-
2. Mrs.Panee Jarusombat	Audit committee	2 Oct 2014	-
3. Mr. Vichya Kreangam	Audit committee	1 June 2014	-
4. Mr.Chaiwat Atsawintarakun	Chairman of Audit committee	24 Oct 2012	9 Sep 2014
5. Mr.Chong Rangsibrahmanakul	Audit committee	24 Oct 2012	1 Aug 2014
6. Mr.Khemmachat Teerapong	Audit committee	13 Oct. 2013	12 May 2014

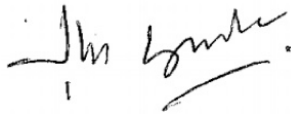
The Audit Committee is the experts from various fields as Legal, Accounting, Financial, etc. has an independent in the performance of duties which is assigned by the Board of Directors on the financial statements audit. Consider the selection and remuneration of the auditors. Opinion and suggestions 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 2014, the Audit Committee held a meeting regularly by the Audit Committee are in attendance at all times, including 5 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. Suchat Boonbanjerd Sri)  
Chairman of Audit Committee

## 16. Report of the Board of Directors' Responsibility in Financial Statement

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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. Somckid 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 2 March 2014 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.



A handwritten signature in black ink, appearing to be "T. Pongphonvivat".

(Mr. Thitipong Tangpoonphonvivat)  
Chief Executive Officer

A handwritten signature in black ink, appearing to be "T. Anantanavanich".

(Dr. Tawat Anantanavanich)  
Managing Director



## 17. REPORT OF INDEPENDENT AUDITOR

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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 2014, 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 2014, 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 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

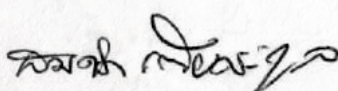
I perform the audit under ethical requirements, including planning and performing the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 evidences I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Opinion

In my opinion, the financial statements present fairly, in all material respects, the consolidated financial position as at 31 December 2014 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 2014 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.



Mr. Somckid Tiatragul  
Certified Public Accountant  
Registration No. 2785 Bangkok, Thailand  
2 March 2015

# 18. GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES STATEMENTS OF FINANCIAL POSITION

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

(Unit : Baht)

		Consolidated F/S		Separate F/S	
		31 December 2014	31 December 2013	31 December 2014	31 December 2013
	Notes				
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	5	496,787,290	647,318,193	476,677,388	580,606,357
Fixed deposit	6	350,796,500	850,000,000	350,796,500	850,000,000
Temporary investments	8	1,890	114,001,086	1,890	114,001,086
Trade accounts receivable - net	9	330,781,498	608,434,048	328,833,171	352,267,869
Trade accounts receivable - related companies	7	104,946,439	8,703,535	16,064,205	8,703,535
Deposit and others - related companies	7	-	-	7,476,050	10,700
Inventories - net	10	613,791,253	254,899,623	235,878,895	163,780,817
Accrued dividend income		-	17,941,320	-	17,941,320
Other current assets	11	83,197,234	75,316,597	25,312,433	23,794,524
<b>Total Current Assets</b>		<b>1,980,302,104</b>	<b>2,576,614,402</b>	<b>1,441,040,532</b>	<b>2,111,106,208</b>
<b>NON - CURRENT ASSETS</b>					
Restricted deposits with banks	29	94,113,168	70,764,432	93,113,168	68,716,432
Loans and accrued interest receivable - subsidiaries	7	-	-	234,362,438	482,236,099
Investments in subsidiaries	12	-	-	843,358,992	473,358,992
Investments in associated companies	12	208,123,132	298,942,852	185,632,500	289,000,000
Investments in joint venture	12	177,660,000	-	177,660,000	-
Investments in available - for - sales securities	8	1,372,211,998	525,084	1,372,211,998	525,084
Property, plant and equipment - net	14	1,770,131,814	1,040,046,387	1,165,401,988	413,880,846
Goodwill - net	12	103,935,580	123,935,580	-	-
Deferred income tax assets	20	4,690,208	11,003,972	4,690,208	11,003,972
Deposit for machineries		-	108,225,603	-	108,225,603
Deposit - related companies	7	10,538,000	-	10,538,000	-
Assets not used in operations	15	8,696,506	8,696,506	7,796,502	7,796,502
Income tax withheld at sources		3,677,113	4,665,499	2,297,059	3,421,276
Other non - current assets		63,745,394	17,272,930	61,707,129	14,697,744
<b>Total Non - Current Assets</b>		<b>3,817,522,913</b>	<b>1,684,078,845</b>	<b>4,158,769,982</b>	<b>1,872,862,550</b>
<b>TOTAL ASSETS</b>		<b>5,797,825,017</b>	<b>4,260,693,247</b>	<b>5,599,810,514</b>	<b>3,983,968,758</b>

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF FINANCIAL POSITION

(Unit : Baht)

		Consolidated F/S		Separate F/S	
	Notes	31 December 2014	31 December 2013	31 December 2014	31 December 2013
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Short - term loan from financial instution	-	164,102,721	-	164,102,721	-
Trade accounts payable		312,032,385	312,826,051	170,336,430	168,870,249
Trade accounts payable - related companies	7	20,422,820	-	22,747,889	-
Other payable - related companies	7	1,387,039	-	1,417,927	30,888
Construction payable		11,584,641	-	11,584,641	
Construction payable - related company	7	16,381,097	-	16,381,097	
Current portion of liabilities under					
finance lease agreement	17	502,407	2,018,951	502,407	2,018,951
Current portion of liabilities under					
finance lease agreement - related company	7	4,313,834	-	-	-
Income tax payable		22,561,436	-	22,561,436	-
Advances received from customers		68,784,185	38,797,922	68,784,185	38,797,922
Other current liabilities	18	90,470,568	97,249,946	87,326,990	77,408,278
<b>Total Current Liabilities</b>		<b>712,543,133</b>	<b>450,892,870</b>	<b>565,745,723</b>	<b>287,126,288</b>
<b>NON - CURRENT LIABILITIES</b>					
Liabilities under finance lease agreement - net	17	-	509,446	-	509,446
Employee retirement benefits obligation	19	25,032,827	23,601,666	17,750,819	15,624,119
Deferred income tax liabilities	20	107,438,363	91,328,560	18,622,152	32,636
Other non - current liabilities		2,821,693	2,790,054	2,821,694	2,790,054
<b>Total Non - Current Liabilities</b>		<b>135,292,883</b>	<b>118,229,726</b>	<b>39,194,665</b>	<b>18,956,255</b>
<b>TOTAL LIABILITIES</b>		<b>847,836,016</b>	<b>569,122,596</b>	<b>604,940,388</b>	<b>306,082,543</b>
<b>SHAREHOLDERS' EQUITY</b>					
Share capital					
- Common shares, Baht 0.85 par value as at 31 Dec 14					
- Common shares, Baht 30 par value as at 31 Dec 13					
Authorized share capital					
- 7,505,964,239 shares as at 31 Dec 14					
- 7,093,591,850 shares as at 31 Dec 13	21	6,380,069,603	212,807,755,500	6,380,069,603	212,807,755,500
Issued and fully paid-up share capital					
- 5,562,876,782 shares as at 31 Dec 14					
- 3,747,769,108 shares as at 31 Dec 13		4,728,445,265	112,433,073,240	4,728,445,265	112,433,073,240
Premium on share capital	22	-	31,729,260	-	31,729,260
Discount on share capital		-	(108,663,577,046)	-	(108,663,577,046)
Surplus on capital reduction	21	71,131,080	-	71,131,080	-
Retained earnings (deficits)					
- Appropriated for legal reserve	22	6,500,000	-	6,500,000	-
- Unappropriated		69,422,643	(109,786,614)	114,305,174	(123,469,644)
Other components of shareholders' equity		74,488,607	130,405	74,488,607	130,405
<b>Equity attributable to the Company's shareholders - net</b>		<b>4,949,987,595</b>	<b>3,691,569,245</b>	<b>4,994,870,126</b>	<b>3,677,886,215</b>
Non - controlling interests in subsidiary		1,406	1,406	-	-
<b>Total Shareholders' Equity</b>		<b>4,949,989,001</b>	<b>3,691,570,651</b>	<b>4,994,870,126</b>	<b>3,677,886,215</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>5,797,825,017</b>	<b>4,260,693,247</b>	<b>5,599,810,514</b>	<b>3,983,968,758</b>



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

		(Unit : Baht)	
		Consolidated F/S	Separate F/S
	Notes	2014	2013
		2014	2013
<b>REVENUES</b>	7		
Revenues from sales		3,258,885,737	1,544,246,146
Construction and installation services income		-	1,893,161
<b>Total Revenues</b>		3,258,885,737	1,546,139,307
<b>Costs of Sales and Services</b>	26		
Costs of sales		(2,907,132,524)	(1,251,179,910)
Costs of construction and installation services		-	(7,081,651)
<b>Total Costs of Sales and Services</b>		(2,907,132,524)	(1,258,261,561)
<b>Gross Income</b>		351,753,213	287,877,746
Gain on revaluation of temporary investment		29,573,189	-
Gain on disposal of temporary investment		13,540,508	51,537,619
Gain on disposal of investment in associated company		19,364,947	-
Reversal of allowance for doubtful accounts		14,849,038	2,284,423
Dividend income		10,071,118	-
Interest income		23,469,881	35,227,112
Gain on exchange rate		9,764,856	-
Other income		24,601,833	37,434,668
<b>Income before expenses</b>		496,988,583	414,361,568
Selling expenses	26	(18,968,555)	(16,473,264)
Administrative expenses	26	(223,443,560)	(166,951,035)
Loss from impairment of investments in subsidiaries	12	-	-
Loss from impairment of goodwill	12	20,000,000	-
Management benefit expenses	26	(14,410,365)	(9,934,335)
Financial costs		(1,925,302)	(483,019)
<b>Total Expenses</b>		(278,747,782)	(193,841,653)
<b>Income from operations</b>		218,240,801	220,519,915
Share of profit from investment in associated companies	12	25,242,753	27,884,172
<b>Income before income tax</b>		243,483,554	248,404,087
Income tax (tax income)	20	57,774,297	10,228,869
<b>Income for the year</b>		185,709,257	258,632,956
<b>Other comprehensive income</b>			
Unrealized gain on available - for - sales securities		74,358,202	39,154,641
<b>Total comprehensive income for the year</b>		260,067,459	297,787,597
<b>Attribution of income for the year :</b>			
Portion of the Company's shareholders		185,709,257	258,632,956
Portion of non-controlling interests in subsidiaries		-	-
		185,709,257	258,632,956
<b>Attribution of comprehensive income for the year :</b>			
Portion of the Company's shareholders		260,067,459	297,787,597
Portion of non-controlling interests in subsidiaries		-	-
		260,067,459	297,787,597
<b>Basic earnings per share</b>			
Income (Baht per share)		0.04157	0.11232
Weighted average number of common shares (shares)		4,466,971,354	2,302,709,086
<b>Diluted earnings per share</b>			

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

Equity attributable to the Company's shareholders											(Unit : Baht)
	Note	Issued and paid-up share capital	Premium on share capital	Discount on share capital	Capital surplus on share reduction	Retained earnings (deficits)	Other components of shareholders' equity				Total
							Legal Reserve	Unappropriated	Unrealised gain (loss) on valuation of available - for - sales securities	Total	
Consolidated F/S											
Balance as at 1 January 2013											
	21	15,313,845,540	31,729,260	(14,012,330,038)	-	-	(368,419,570)	(39,024,236)	925,800,956	1,406	925,802,362
Increase in share capital											
	21	97,119,227,700	-	(94,651,247,008)	-	-	-	-	2,467,980,692	-	2,467,980,692
Comprehensive income for the year											
		-	-	-	-	-	258,632,956	39,154,641	297,787,597	-	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	3,691,569,245	1,406	3,691,570,651
Balance as at 1 January 2014											
		112,433,073,240	31,729,260	(108,663,577,046)	-	-	(109,786,614)	130,405	3,691,569,245	1,406	3,691,570,651
Increase in share capital											
	21	54,453,230,220	-	(53,454,879,329)	-	-	-	-	998,350,891	-	998,350,891
Capital reduction											
	21	(162,157,858,195)	(31,729,260)	162,118,456,375	71,131,080	-	-	-	-	-	-
Legal Reserve											
	22	-	-	-	-	6,500,000	(6,500,000)	-	-	-	-
Comprehensive income for the year											
		-	-	-	-	-	185,709,257	74,358,202	240,067,459	-	240,067,459
Balance as at 31 December 2014											
		4,728,445,265	-	-	71,131,080	6,500,000	69,422,643	74,488,607	4,949,987,595	1,406	4,949,989,001

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									
		Unrealized gain (loss) on									
		valuation of available -									
		for - sales securities									
Note		issued and paid-up share capital	Premium on share capital	Discount on share capital	Capital surplus on share reduction	Legal Reserve	Unappropriated Retained earnings (deficits)		Total	Total	Total
<b>Separate F/S</b>											
<b>Balance as at 1 January 2013</b>											
		15,313,845,540	31,729,260	(14,012,330,038)	-	-	(365,921,886)	(39,024,236)	(39,024,236)	928,298,640	
21	Increase in share capital	97,119,227,700	-	(94,651,247,008)	-	-	-	-	-	2,467,980,692	
	Comprehensive income for the year	-	-	-	-	-	242,452,242	39,154,641	39,154,641	281,606,883	
<b>Balance as at 31 December 2013</b>											
		112,433,073,240	31,729,260	(108,663,577,046)	-	-	(123,469,644)	130,405	130,405	3,677,886,215	
<b>Balance as at 1 January 2014</b>											
		112,433,073,240	31,729,260	(108,663,577,046)	-	-	(123,469,644)	130,405	130,405	3,677,886,215	
21	Increase in share capital	54,453,230,220	-	(53,454,879,329)	-	-	-	-	-	998,350,891	
21	Capital reduction	(162,157,858,195)	(31,729,260)	162,118,456,375	71,131,080	-	-	-	-	-	
22	Legal Reserve	-	-	-	-	6,500,000	(6,500,000)	-	-	-	
	Comprehensive income for the year	-	-	-	-	-	244,274,818	74,358,202	74,358,202	318,633,020	
<b>Balance as at 31 December 2014</b>											
		4,728,445,265	-	-	71,131,080	6,500,000	114,305,174	74,488,607	74,488,607	4,994,870,126	



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

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
<b>Cash flows from operating activities</b>				
Income before income tax	243,483,554	248,404,087	304,528,827	231,448,270
Adjustments to reconcile income before income tax to net cash provided from (used in) operating activities:				
Depreciation	48,530,835	18,978,682	18,291,324	10,845,208
Unrealized gain on exchange rate	(3,548,874)	-	(3,548,874)	-
Gain on disposal of temporary investment	(13,540,508)	(27,500,000)	(13,540,508)	(27,500,000)
Gain on revaluation of temporary investment	(29,573,189)	-	(29,573,189)	-
Loss on revaluation of temporary investment	-	310	-	310
Share of profit from investment in associated companies	(25,242,753)	(27,884,172)	-	-
Gain on disposal of investment in associated company	(19,364,947)	-	(32,059,920)	-
Gain on disposal of available - for - sales securities	-	(24,037,759)	-	(24,037,759)
Dividend income	(10,071,118)	-	(10,071,118)	(17,941,320)
Other income	-	(27,901,725)	-	-
Allowance (reversal of allowance) for doubtful accounts	(15,366,522)	24,271,348	(11,109,123)	24,271,348
Reversal of allowance for obsolete and damaged inventories	-	(1,128)	-	(1,128)
Loss from impairment of investments in subsidiaries	-	-	20,000,000	-
Loss from impairment of goodwill	20,000,000	-	-	-
Gain on disposals of fixed assets	(6,812,949)	(1,059,382)	(308,299)	(1,059,382)
Provision for damage	1,476,100	-	1,476,100	-
Provisions for employee benefits obligation	3,601,717	688,304	2,511,218	523,192
Interest income	(23,469,881)	(35,227,112)	(44,104,364)	(38,987,572)
Interest expense	1,925,303	483,019	1,510,661	443,316
<b>Cash flows provided from operations before changes in operating Assets and Liabilities</b>	172,026,768	149,214,472	204,002,735	158,004,483
<b>Decrease (Increase) in operating assets</b>				
Trade accounts receivable	293,019,072	(495,936,017)	34,543,821	(240,397,262)
Trade accounts receivable - related companies	(96,242,904)	(252,183)	(7,360,669)	(252,183)
Deposit and others - related companies	-	-	(7,465,350)	-
Unbilled construction work in progress	-	43,661,138	-	43,661,138
Inventories	(358,891,631)	(117,393,755)	(72,098,078)	(26,274,949)
Account receivable from sale of investment	-	75,000,000	-	75,000,000
Other current assets	(11,789,970)	(34,363,121)	(5,423,625)	7,607,782
Other non - current assets	57,162,669	(32,143,760)	61,216,219	(34,442,950)
<b>Increase (Decrease) in operating liabilities</b>				
Trade accounts payable	(793,666)	195,989,447	1,466,181	67,435,373
Trade accounts payable - related companies	20,422,820	-	22,747,889	-
Other payable - related companies	1,387,039	-	1,387,039	-
Construction payable	11,584,641	-	11,584,641	-
Construction payable - related company	16,381,097	-	16,381,097	-
Advances received from customers	29,986,263	13,610,374	29,986,263	13,610,374
Other current liabilities	(8,410,297)	70,669,856	8,442,612	45,619,667
Employee retirement benefits obligation	(3,079,496)	(302,000)	(1,012,650)	(302,000)
Other non - current liabilities	31,640	(25,160)	31,640	(2,751)
<b>Cash provided from (used in) operating activities</b>	122,794,045	(132,270,709)	298,429,765	109,266,722
Refunded income tax	1,124,217	-	1,124,217	-
Interest payment	(1,771,076)	(92,424)	(882,530)	(92,424)
Income tax payment	(31,514,500)	(378,559)	(31,378,668)	(364,822)
<b>Net cash provided from (used in) operating activities</b>	90,632,686	(132,741,692)	267,292,784	108,809,476

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

	CONSOLIDATED F/S		SEPARATE F/S	
	2014	2013	2014	2013
<b>Cash flows from investing activities</b>				
Increase in loan to subsidiaries	-	-	(126,000,000)	(478,424,572)
Received of repayment from loan to subsidiary company	-	-	375,424,572	-
Decrease (increase) in fixed deposits	499,203,500	(850,000,000)	499,203,500	(850,000,000)
Decrease (increase) in restricted deposits with banks	(23,348,736)	(20,165,238)	(24,396,736)	(19,117,238)
Received from disposal of temporary investment	371,046,986	127,500,000	371,046,986	127,500,000
Received from disposal of other long-term investment	-	45,000,000	-	45,000,000
Purchase of investment in subsidiary company	-	(456,338,719)	(390,000,000)	(459,359,992)
Purchase of investment in associated companies	(1,632,500)	(269,000,000)	(1,632,500)	(269,000,000)
Proceed from disposal of investment in associated company	137,059,920	-	137,059,920	-
Paid for investments in joint venture	(177,660,000)	-	(177,660,000)	-
Purchase of investment in available - for - sales securities	(1,279,101,240)	-	(1,279,101,240)	-
Cash paid for exercise warrants	(213,572,190)	-	(213,572,190)	-
Proceed from disposal of available - for - sales securities	-	252,000,000	-	252,000,000
Paid for deposit for machinery - related companies	(5,038,000)	-	(10,538,000)	-
Paid for deposit for machinery	-	(108,225,603)	-	(108,225,603)
Purchases of fixed assets	(773,366,214)	(394,503,103)	(770,242,485)	(394,415,404)
Proceeds from sales of fixed assets	7,242,904	1,504,670	738,317	1,504,670
Proceeds from sales of assets not used in operations	-	38,360,002	-	38,360,002
Dividend received	28,012,438	-	28,012,438	-
Interest received	27,379,213	28,989,776	46,459,168	28,928,607
<b>Net cash used in investing activities</b>	<b>(1,403,773,919)</b>	<b>(1,604,878,215)</b>	<b>(1,535,198,250)</b>	<b>(2,085,249,530)</b>
<b>Cash flows from financing activities</b>				
Increase in short - term loan from financial institution	167,651,595	-	167,651,595	-
Cash paid for loan from third parties	-	(175,424,572)	-	-
Repayments of liabilities under finance lease agreement	(3,392,156)	(2,138,856)	(2,025,989)	(2,138,856)
Proceeds from share capital increase	998,350,891	2,467,980,692	998,350,891	2,467,980,692
<b>Net cash provided from financing activities</b>	<b>1,162,610,330</b>	<b>2,290,417,264</b>	<b>1,163,976,497</b>	<b>2,465,841,836</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(150,530,903)</b>	<b>552,797,357</b>	<b>(103,928,969)</b>	<b>489,401,782</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>647,318,193</b>	<b>94,520,836</b>	<b>580,606,357</b>	<b>91,204,575</b>
<b>Cash and cash equivalents at end of year</b>	<b>496,787,290</b>	<b>647,318,193</b>	<b>476,677,388</b>	<b>580,606,357</b>
<b>Supplemental disclosures for cash flows information</b>				
Non - cash items :				
- Unrealized gain on available - for - sales securities	93,110,758	(39,154,641)	93,110,758	(39,154,641)
- Accrued dividend income	-	(17,941,320)	-	(17,941,320)
- Purchase of asset under finance lease agreement	8,080,000	-	-	-

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
NOTES TO FINANCIAL STATEMENTS  
31 DECEMBER 2014 AND 2013

**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, Bangkadi, Muang Pathumthani, Pathumthani 12000, Thailand. The Company's shares have been listed for trading on the Stock Exchange of Thailand since the year in 1991. The core 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. The subsidiaries are engaged in sales of metal products.

**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 Financial Reporting 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 presentation of financial reporting, under the Securities and Exchange Act B.E. 2535. The financial statements have been prepared on a historical cost basis except as, otherwise, disclosed specifically.

The financial statements are officially prepared in Thai language in accordance with statutory requirements. The translation of these statutory financial statements to other languages must conform to the Thai financial report.

**2.2 New Accounting Standards**

Accounting standards that became effective in the current year and those that will become effective in the future are as follow :-

Accounting standards that became effective in the current year.

Accounting Standards:

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases

Accounting Standards: (Continued)

TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets



#### Financial Reporting Standards:

TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

#### Accounting Standard Interpretations:

TSIC 15	Operating Leases — Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets - Web Site Costs

#### Financial Reporting Standard Interpretations:

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programs
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers

#### Accounting Treatment Guidance for Stock Dividend

These accounting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. These accounting standards do not have any significant impact on the financial statements.

#### Accounting standards that will become effective in the future

The Federation of Accounting Professions has issued a number of revised and new accounting standards that become effective for fiscal years beginning on or after 1 January 2015. These accounting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards. However, some of these accounting standards involve changes to key principles, which will impact the Company as discussed below:

#### TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognize actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognize such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognize them gradually in profit or loss.

#### TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27 Consolidated and Separate Financial Statements. This standards change the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgment when reviewing whether the Company and its subsidiaries have control over the investees and determines which entities have to be included for preparation of the consolidated financial statements.

#### TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other accounting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognized prospectively.

Based on the assessment, the management believes that such standards will not have any significant impact on the financial statements.

### 2.3 Basis of consolidation

The consolidated financial statements include the financial statements of General Engineering Public Company Limited (the Company) 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
	2014	2013	
World Wire Processing Co., Ltd.	99.99	99.99	Metal business
Suntech Metals Co., Ltd.	100.00	100.00	Metal 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 proportion of subsidiaries financial statements included in the consolidated financial statements are as follows:

Name of entity	Percentage of subsidiaries' total assets to consolidated total assets		Percentage of subsidiaries' total revenues to consolidated total revenues	
			For the years ended 31 December	
	2014	2013	2014	2013
Subsidiary companies				
World Wire Processing Co., Ltd.	4.06	2.65	0.07	0.02
Suntech Metals Co., Ltd.	11.70	14.42	55.27	22.47

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Revenue recognition

Revenues are recognized at invoiced prices net of value added tax 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 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 at 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 dividend which, in the case of listed securities, is usually the ex-dividend date.

#### 3.2 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.

##### Financial 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.



### 3.3 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.

### 3.4 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.

### 3.5 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.

### 3.6 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 on revaluation 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 on revaluation 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 on revaluation that was reported in equity is recognized in the statement of comprehensive income.

### 3.7 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 equipment	5 years
Furniture, fixtures and office equipment	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.

### 3.8 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.

### 3.9 Impairment of assets

The Company and its subsidiaries regularly assess the impairment of assets. If any such indication of impairment exists, the asset recoverable amount 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.

### 3.10 Interest-bearing liabilities

Interest-bearing liabilities are recognized initially at fair value less attributed 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 rate.

### 3.11 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.

### 3.12 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 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 for accounting purpose, 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**

Deferred income tax is recognized in respect of temporary timing differences between the carrying amounts of assets and liabilities for financial reporting purpose and the amounts used for tax computation purpose. Deferred income tax is not recognized if it is probable that they will not be reversed in the foreseeable future. Deferred income tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the end of the reporting period.

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.

#### **3.13 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.

#### **3.14 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 trustee 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 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 for the computation of post-employee benefits are presented in other comprehensive income.

#### **3.15 Earnings per share**

Basic earnings per share are determined by dividing the net income for the year by the weighted average number of common shares outstanding during the year.



### 3.16 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.

### 3.17 Use of accounting estimates

The preparation of the financial statements in conformity with Thai Financial Reporting Standards 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.

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

The Company and subsidiaries are recognized provisions for liabilities and expenses 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.

### 3.19 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.

## 4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTION AND JUDGMENT AND CAPITAL RISK MANAGEMENT

### 4.1 Critical accounting estimates, assumption and judgments

#### 4.1.1 Impairment of receivables

The Company and subsidiaries provides allowances for doubtful accounts to reflect impairment of trade accounts receivable that may result from non-collection of customers accounts. The allowances are based on consideration of historical collection experiences couple with a review of outstanding receivables at the end of year.

#### 4.1.2 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 for devaluation.

#### 4.1.3 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.

#### 4.1.4 Impairment of assets

The Company and subsidiaries regularly assess the impairment of 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.

#### 4.1.5 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.

#### 4.1.6 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.

#### 4.1.7 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.

#### 4.1.8 Deferred tax assets

The extent to which deferred tax assets can be recognized 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.

### 4.2 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.

## 5. CASH AND CASH EQUIVALENTS

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
Cash on hand	520	312	453	288
Cash at banks	492,615	298,107	472,572	231,419
Bills of exchange	3,652	348,899	3,652	348,899
Total	496,787	647,318	476,677	580,606

As at 31 December 2014 and 2013, the Company has investment in bill of exchange with a bank of Baht 3.65 million and Baht 348.90 million, respectively, which are due at call. These bear interest at the rate of 1.65 percent per annum and 2.35 - 3.15 percent per annum, respectively.

#### 6. FIXED DEPOSITS

As at 31 December 2014 and 2013, the Company has investments in fixed deposits for 3 - 6 months with a local bank of Baht 350.80 million and Baht 850 million. These bear interest at the rates 2.75 percent per annum and 1.25 percent per annum, respectively. Such amounts represent part of cash received from increased share capital.

#### 7. 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 name	Type of business	Type of relationship
World Wire Processing Co., Ltd.	Metal business	Subsidiary
Suntech Metals Co., Ltd.	Metal business	Subsidiary
Prinda Public Company Limited	Distribution of sand and rock for construction	Associated
Borploi Solar Co., Ltd. (ended 31 March 2014)	Solar power plant	Associated
Metric Co., Ltd.	Construction and System installation services	Associated
Mill Con Steel Public Company Limited	Manufacturing and trading steel products	Invested company
Mill Con Burapa Co., Ltd.	Manufacture and distribution of round bars and deformed bars	Invested company's subsidiary
Zentra - Watung Engineering Co., Ltd.	Wholesales of steel products	Invested company's subsidiary
IBC1 — Metric Joint Venture	Construction of tissue plant	Associated's joint venture
Wisdom Tree Investment (S) PTE. Limited	Investment	Joint venture
Million Miles Co., Ltd.	Road transport services of freight by other goods, and lend machinery and vehicle not elsewhere classified	Related company of invested company



Significant transactions with related parties for the years ended 31 December 2014 and 2013 are as follows:

(Unit : Thousand Baht)

Pricing policy	Consolidated F/S		Separate F/S	
	For the years ended 31 December			
	2014	2013	2014	2013
<u>Revenue from sales and services and others</u>				
World Wire Processing Co., Ltd.	-	-	120	120
Metric Co., Ltd.	43,300	8,134	43,300	8,134
Mill Con Burapa Co., Ltd.	246,884	-	-	-
Zentra - Watung Engineering Co., Ltd.	4,479	-	3,416	-
IBCI — Metric Joint Venture	3,298	-	3,298	-
Total	297,961	8,134	50,134	8,254
<u>Purchase of raw materials</u>				
Market price				
Suntech Metals Co., Ltd.	-	-	56,958	-
Mill Con Steel Public Company Limited	173,445	-	62,563	-
Zentra - Watung Engineering Co., Ltd.	3,544	-	3,544	-
Total	176,989	-	123,065	-
<u>Rental expense</u>				
Negotiated price				
World Wire Processing Co., Ltd.	-	-	371	371
Million Miles Co., Ltd.	26	-	26	-
Total	26	-	397	371

(Unit : Thousand Baht)

		Consolidated F/S		Separate F/S	
		For the years ended 31 December			
	Pricing policy	2014	2013	2014	2013
<u>Other purchase</u>					
	Market price				
Zentra - Watung Engineering Co., Ltd.		1,947	-	-	-
Metric Co., Ltd.		43,922	-	43,922	-
Million Miles Co., Ltd.		2,185	-	2,185	-
Total		48,054	-	46,107	-
<u>Interest income</u>					
World Wire Processing Co., Ltd.	3 percent p.a.	-	-	8,136	155
Suntech Metals Co., Ltd.	MLR percent p.a.	-	-	12,642	3,656
Total		-	-	20,778	3,811
<u>Management's compensations</u>					
Current employment benefits		14,227	8,998	13,507	8,878
Post-employment benefits		183	936	183	936
Total		14,410	9,934	13,690	9,814

Significant balances with related parties as at 31 December 2014 and 2013 are as follows :

	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
<u>Trade accounts receivable - related companies</u>				
Metric Co., Ltd.	10,850	8,704	10,850	8,704
Mill Con Steel Public Company Limited	5,384	-	-	-
Mill Con Burapa Co., Ltd.	83,249	-	-	-
Zentra - Watung Engineering Co., Ltd.	3,904	-	3,655	-
IBCI — Metric Joint Venture	1,559	-	1,559	-
Total	104,946	8,704	16,064	8,704
<u>Deposit and others — related companies</u>				
World Wire Processing Co., Ltd.	-	-	311	11
Suntech Metals Co., Ltd.	-	-	7,165	-
Total	-	-	7,476	11

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
<u>Loan to subsidiaries</u>				
World Wire Processing Co., Ltd.	-	-	229,000	103,000
Suntech Metals Co., Ltd.	-	-	-	375,425
Total	-	-	229,000	478,425
<u>Accrued interest income - subsidiaries</u>				
World Wire Processing Co., Ltd.	-	-	5,362	155
Suntech Metals Co., Ltd.	-	-	-	3,656
Total	-	-	5,362	3,811
<u>Deposit - related companies</u>				
<u>Deposit for machineries - related company</u>				
Zentra - Watung Engineering Co., Ltd.	10,500	-	10,500	-
<u>Deposit for car rental — related company</u>				
Million Miles Co., Ltd.	38	-	38	-
Total	10,538	-	10,538	-
<u>Current portion of liabilities under finance lease agreement — related company</u>				
Million Miles Co., Ltd.	4,314	-	-	-
<u>Trade accounts payable — related companies</u>				
Suntech Metals Co., Ltd.	-	-	11,291	-
Mill Con Steel Public Company Limited	8,923	-	8,109	-
Zentra - Watung Engineering Co., Ltd.	3,333	-	3,333	-
Million Miles Co., Ltd.	15	-	15	-
Total	12,271	-	22,748	-
<u>Other payable — related companies</u>				
Metric Co., Ltd.	1,387	-	1,387	-
World Wire Processing Co., Ltd.	-	-	31	31
Total	1,387	-	1,418	31



	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
<u>Construction payable — related company</u>				
Metric Co., Ltd.	16,381	-	16,381	-
<u>Employee benefits obligation</u>				
<u>Key management</u>				
- Post - employment benefits	1,119	936	1,119	936

Movements in loans and accrued interest income - related companies for the year ended 31 December 2014 are as follows:

(Unit : Thousand Baht)

	Separate F/S			
	2013	Increase	Decrease	2014
Loans and accrued interest income				
<u>Subsidiary companies</u>				
World Wire Processing Co., Ltd.				
Loan	103,000	126,000	-	229,000
Accrued interest income	155	8,136	2,929	5,362
Suntech Metals Co., Ltd.				
Loan	375,425	-	375,425	-
Accrued interest income	3,656	12,642	16,298	-
Total	482,236	146,778	394,652	234,362

## 8. TEMPORARY AND AVAILABLE - FOR - SALES INVESTMENTS

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
Temporary investments				
Marketable securities (Held for trading)				
Warrant - AQUA - W2	-	143,572	-	143,572
Securities - Grand Asset and Property Public Company Limited	3	3	3	3
Total	3	143,575	3	143,575
Less : Unrealized loss on temporary investments	(1)	(29,574)	(1)	(29,574)
Net	2	114,001	2	114,001

Movements during the years ended 31 December 2014 and 2013 of temporary investments are as follows :

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
Book value — beginning balance	114,001	214,001	114,001	214,001
Purchase of investment	213,572	-	213,572	-
Disposal of investment	(357,507)	(100,000)	(357,507)	(100,000)
Transferred change type of investment	440	-	440	-
Fair value adjustment	29,496	-	29,496	-
Book value - ending balance	2	114,001	2	114,001

At the Board of Director Meeting No. 3/2014 held on 31 January 2014, the board passed a resolution to invest in Aqua Corporation Public Company Limited by conversion the Warrant AQUA - W2 of 285,000,040 units at the ratio of 1:1.301 to common shares of 370,785,052 shares at the conversion price of Baht 0.576, totaling Baht 213.57 million.

At the Board of Director Meeting No. 9/2014 held on 2 June 2014, the board passed a resolution for the Company to dispose investment in Aqua Corporation Public Company Limited (AQUA) of 371,000,000 shares at Baht 1 per share approximately Baht 371 million with gain on sales of Baht 13.29 million.

At the Board of Director Meeting No. 11/2014 held on 2 July 2014, the board passed a resolution for the Company to dispose investment in Aqua Corporation Public Company Limited (AQUA) of 285,132 shares at Baht 1.81 and Baht 1.83 per share approximately Baht 0.52 million with gain on sales of Baht 0.25 million.

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
Available - for - sales securities				
Securities — Aqua Corporation Public Company Limited	-	362	-	362
Securities — Mill Con Steel Public Company Limited	1,279,101	-	1,279,101	-
Add : Unrealized gain on available - for - sales securities	93,111	163	93,111	163
Net	1,372,212	525	1,372,212	525

Movements during the years ended 31 December 2014 and 2013 of available-for-sales securities are as follows :

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
	2014	2013
Book value — beginning balance	525	189,300
Purchase of investment	1,279,101	-
Disposal of investment	-	(189,000)
Transferred change type of investment	(525)	-
Unrealized gain	93,111	225
Book value - ending balance	1,372,212	525

At the Board of Director Meeting No. 6/2014 held on 5 March 2014, the board passed a resolution to change policy for investment in common share of Aqua Corporation Public Company Limited from long - term investment (available - for - sales securities) to short - term investment (temporary investment).

At the Board of Director Meeting No. 9/2014 held on 2 June 2014, the board passed a resolution to invest in Mill Con Steel Public Company Limited of 486,600,000 shares totaling Baht 987.14 million of 19.44% of paid - up share capital which can be classified to common share 237,044,789 shares at Baht 1.93 per share and preferred share 249,555,211 shares at Baht 2.12 per share.

At the Board of Directors Meeting No. 14/2014 held on 14 November 2014, the board passed a resolution to invest in the newly-issued ordinary shares of Mill Con Steel Public Company Limited offered to the existing shareholders at the ratio of 2 existing ordinary shares to 1 new ordinary share, totaling 243,299,999 shares at Baht 1.20 per share, amounting to Baht 291.96 million. The Company will receive warrants to purchase ordinary shares of Mill Con Steel Public Company Limited (MILL-W3), which is offered for free for the existing shareholders who subscribe for newly-issue ordinary shares, totaling 121,649,999 units.

#### 9. TRADE ACCOUNTS RECEIVABLE - NET

The balances of accounts receivable as at 31 December 2014 and 2013 are as follows :

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
	2014	2013
Trade accounts receivable	365,074	670,838
Retentions receivable	42,641	32,808
Postdated cheques	2,912	-
Total	410,627	703,646
Less : Allowance for doubtful accounts	(79,846)	(95,212)
Net	330,781	608,434



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

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
<u>Receivables from construction</u>				
<u>and installation services</u>				
Retentions receivable - not yet due	3,055	1,836	3,055	1,836
Retentions receivable - outstanding over				
12 months	15	15	15	15
Not yet due	3,118	4,548	3,118	4,548
Past due :				
Not over 3 months	2,022	768	2,022	768
3 - 6 months	224	-	224	-
6 - 12 months	182	31,185	182	31,185
Over 12 months	28,472	2,971	28,472	2,971
Total	37,088	41,323	37,088	41,323

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
<u>Receivables from sales of concrete</u>				
<u>and metal products</u>				
Retentions receivable - not yet due	32,933	24,319	32,933	24,319
Retentions receivable - outstanding over				
12 months	6,638	6,638	6,638	6,638
Not yet due	227,511	460,573	225,840	269,945
Past due :				
Not over 3 months	47,399	99,017	47,122	33,576
3 - 6 months	6,445	15,499	6,445	14,915
6 - 12 months	6,758	3,075	6,758	1,275
Over 12 months	42,943	53,202	13,740	22,029
Total	370,627	662,323	339,476	372,697
Grand Total	407,715	703,646	376,564	414,020
Postdated cheques	2,912	-	2,912	-
Total	410,627	703,646	379,476	414,020
Less : Allowance for doubtful accounts	(79,846)	(95,212)	(50,643)	(61,752)
Trade accounts receivable — net	330,781	608,434	328,833	352,268

The Company normally grants credit terms to customers ranging from 30 days to 60 days. As at 31 December 2014, the management believes that the allowance for doubtful accounts is adequate to cover possible loss which may arise from non-collection of trade receivables.

## 10. INVENTORIES – NET

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
Finished goods	343,008	107,819	158,619	105,538
Work in process	39,077	18,772	39,077	18,771
Raw materials and spare parts	224,500	56,866	42,677	43,962
Goods in transit	11,700	75,937	-	3
Total	618,285	259,394	240,373	168,274
Less : Allowance for defective inventories	(4,494)	(4,494)	(4,494)	(4,494)
Net	613,791	254,900	235,879	163,780

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

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
Balance at the beginning of year	4,494	4,495	4,494	4,495
Decrease	-	(1)	-	(1)
Balance at the ending of year	4,494	4,494	4,494	4,494

## 11. OTHER CURRENT ASSETS

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
Advances to subcontractors	24,568	24,140	24,568	24,140
Less : Allowance for doubtful accounts	(23,562)	(23,562)	(23,562)	(23,562)
Net	1,006	578	1,006	578
Deposit for goods purchase	24,767	47,383	3,878	9,423
Prepaid expenses	6,645	5,871	6,441	5,177
Accrued interest income	2,503	6,412	2,494	6,400
Revenue department receivable	27,535	920	3,920	-
Undue input VAT	16,625	12,840	4,053	1,082
Others	4,116	1,313	3,520	1,134
Total	83,197	75,317	25,312	23,794

## 12. INVESTMENTS IN SUBSIDIARY ASSOCIATED COMPANIES AND JOINT VENTURE - NET

Movements in investments in subsidiary and associated companies, which are accounted for by the equity method in the consolidated financial statements for the years ended 31 December 2014 and 2013 are as follows

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
Balance as at the beginning	298,943	-	762,359	13,999
Disposal of investment	(117,695)	289,000	(105,000)	748,360
Purchase of investment	1,632	27,884	391,632	-
Share of profit (loss) from associated companies	25,243	(17,941)	-	-
Balance as at the ending	208,123	298,943	1,048,991	762,359

### Investments in subsidiaries

(Unit : Thousand Baht)

	Paid - up capital		Percentage of shareholding		Cost method	
	2014	2013	2014	2013	2014	2013
Suntech Metals Co., Ltd.	716,000	326,000	100.00	100.00	849,360	459,360
World Wire Processing Co., Ltd.	14,000	14,000	99.99	99.99	13,999	13,999
					863,359	473,359
Less : Allowance for impairment					(20,000)	-
Net					843,359	473,359

At the Board of Director Meeting No. 9/2014 on 2 June 2014, the board passed a resolution to increase investment in the increased share capital of Suntech Metals Company Limited for 39,000,000 shares at Baht 10 per share amounting to Baht 390 million.

### Goodwill

(Unit : Thousand Baht)

	Consolidated F/S	
	2014	2013
Goodwill	123,936	123,936
Less : Allowance for impairment asset	(20,000)	-
Goodwill - net	103,936	123,936



As at 31 December 2014, the Company considered the impairment in its investment in subsidiary and goodwill from the investment in Suntech Metals Co., Ltd. Based on the report of an independent appraiser dated on 27 February 2015, the value of the firm of such subsidiary company, which is calculated from the projected future results of operations as discounted to the present value and the value of existing assets totaling Baht 830 million. When comparing the value of the Company's investment in subsidiary with the appraised value, there was an indication of impairment. The Company, therefore, recognized loss on impairment of investment in subsidiary and goodwill of such company amounting to Baht 20 million in the Company's separate F/S and consolidated F/S.

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 32,600,000 ordinary shares or 100 percent of total shares with par value of Baht 10 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	Recognized values
Assets			
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
Liabilities			
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

## Investments in associated

(Unit : Thousand Baht)

	Paid - up capital		Percentage of shareholding		Cost method		Equity method	
	2014	2013	2014	2013	2014	2013	2014	2013
Borploi Solar Co., Ltd.	-	245,100	-	24.00	-	105,000	-	110,933
Metric Co., Ltd.	250,000	245,000	32.65	32.65	185,633	184,000	208,123	188,010
Prinda Public Company Limited	23,000	23,000	17.39	17.39	87,126	87,126	87,126	87,126
					272,759	376,126	295,249	386,069
Less : Allowance for impairment					(87,126)	(87,126)	(87,126)	(87,126)
Net					185,633	289,000	208,123	298,943

At the Board of Director Meeting No. 5/2014 on 28 February 2014, the board passed a resolution to disposal all of investment in Borploi Solar Company Limited for approximately Baht 137.06 million to Eastern Printing Public Company Limited. The Company has gain on sale of this investment of approximately Baht 32 million.

At the Board of Director Meeting No. 9/2014 on 2 June 2014, the board passed a resolution to increase investment in share capital of Metric Company Limited for 16,325 shares at Baht 100 per share amounting of Baht 1.63 million.

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

(Unit : Thousand Baht)

	For the year ended 31 December 2014			
	Assets	Liabilities	Revenues	Net income
Metric Co., Ltd.	913,946	583,216	1,292,003	56,603
	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
Total	1,689,583	1,138,266	987,559	129,116

#### Investments in joint venture

On 21 November 2014, the Company paid for investment of Baht 177.66 million in Wisdom Tree Investment (S) PTE. Limited, an entity incorporated in Singapore. The objective is to invest in a joint venture to manufacture and distribute of steel formed products in Myanmar with a capital fund of USD 12 million for which proportionate investment in joint venture are as follow-:

Participant of Joint Ventures	Percentage of joint investment	Amount (USD million)
General Engineering Public Company Limited	45	5.40
Mill Con Steel Public Company Limited	45	5.40
Thiha Trading Limited	10	1.20
Total	100	12.00

Such entity has not started its operations with minimal initial expenses, which is not considered material. The Company therefore, has not recognized the share of expenses in the current period.

(Unit : Thousand Baht)

	For the year ended 31 December 2014			
	Assets	Liabilities	Revenues	Net loss
Wisdom Tree Investment (S) PTE. Limited	375,667	20,216	-	(544)

#### 13. OTHER LONG - TERM INVESTMENT

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.



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

(Unit : Thousand Baht)

	Consolidated F/S				2014
	2013	Increase	Decrease	Transfer in (out)	
<b>Cost :</b>					
Land and land improvement	733,925	311,322	(33,841)	44,649	1,056,055
Buildings and building improvement	134,483	-	-	1,549	136,032
Machinery and equipment	399,840	20,020	(3,360)	1,221	417,721
Furniture, fixtures and office equipment	30,523	2,242	-	-	32,765
Vehicles	57,957	10,288	(4,223)	-	64,022
Assets under construction	107	179,310	-	(47,419)	131,998
Machinery during installation	-	290,025	-	-	290,025
<b>Total</b>	<b>1,356,835</b>	<b>813,207</b>	<b>(41,424)</b>	<b>-</b>	<b>2,128,618</b>
<b>Accumulated depreciation :</b>					
Buildings and building improvement	18,916	10,052	-	-	28,968
Machinery and equipment	244,799	28,124	(3,040)	-	269,883
Furniture, fixtures and office equipment	25,090	1,801	-	-	26,891
Vehicles	27,984	8,553	(3,792)	-	32,745
<b>Total</b>	<b>316,789</b>	<b>48,530</b>	<b>(6,832)</b>	<b>-</b>	<b>358,487</b>
<b>Net book value</b>	<b>1,040,046</b>				<b>1,770,131</b>
<b>Depreciation for the year :</b>					
Cost of sales	7,882				38,869
Selling and administrative expenses	11,097				9,661
<b>Total</b>	<b>18,979</b>				<b>48,530</b>

(Unit : Thousand Baht)

	Separate F/S			
	2013	Increase	Decrease	Transfer in (out)
<b>Cost :</b>				
Land and land improvement	346,986	277,481	-	44,649
Buildings and building improvement	23,580	-	-	1,549
Machinery and equipment	168,661	11,620	-	1,221
Furniture, fixtures and office equipment	24,623	1,961	-	-
Vehicles	54,161	10,137	(1,666)	-
Assets under construction	108	179,018	-	(47,419)
Machinery during installation	-	290,025	-	-
<b>Total</b>	<b>618,119</b>	<b>770,242</b>	<b>(1,666)</b>	<b>-</b>
<b>Accumulated depreciation :</b>				
Buildings and building improvement	12,621	1,460	-	-
Machinery and equipment	147,431	6,734	-	-
Furniture, fixtures and office equipment	19,996	1,574	-	-
Vehicles	24,190	8,523	(1,236)	-
<b>Total</b>	<b>204,238</b>	<b>18,291</b>	<b>(1,236)</b>	<b>-</b>
<b>Net book value</b>	<b>413,881</b>			<b>1,165,402</b>
<b>Depreciation for the year :</b>				
Cost of sales	5,973			9,590
Selling and administrative expenses	4,873			8,701
<b>Total</b>	<b>10,846</b>			<b>18,291</b>

As at 31 December 2014 and 2013, 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 214.27 million and Baht 215.62 million, respectively (Separate F/S : Baht 180.63 million and Baht 176.84 million, respectively).

In 2014, the Board of Directors approved the purchase of vacant land of 3 plots at Pathumthani for construction new plant with total area 46-1-45.80 Rai or 18,545.80 square wah, at Baht 4 million per Rai, totaling Baht 185.46 million from unrelated party.

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

Parts of the Company's land and buildings have been mortgaged as collaterals for credit facilities with a bank as mentioned in Note 29.

As at 31 December 2014 and 2013, the Company and subsidiary had vehicles acquired under financial lease contracts, with net book value amounting to approximately Baht 17.62 million and Baht 9.54 million, respectively.

#### 15. ASSETS NOT USED IN OPERATIONS

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
Assets not used in operations				
Land	13,449	13,449	12,548	12,548
Less : Allowance for impairment	(4,872)	(4,872)	(4,872)	(4,872)
Net	8,577	8,577	7,676	7,676
Buildings and buildings improvement	320	320	320	320
Less : Accumulated depreciation	(200)	(200)	(200)	(200)
Net	120	120	120	120
Total assets not used in operations	8,697	8,697	7,796	7,796

#### 16. SHORT - TERM LOAN FROM FINANCIAL INSTITUTION

	Interest rate per annum			
	(Percentage)		Thousand Baht	
	2014	2013	2014	2013
Liabilities under trust receipt agreements	3.14 - 3.27	-	164,103	-

#### 17. LIABILITIES UNDER FINANCE LEASE

(Unit : Thousand Baht)

	Consolidated F/S and Separate F/S	
	2014	2013
Liabilities under finance lease		
Not over 1 year	506	2,091
Over 1 year but not over 5 years	-	506
Total	506	2,597
Less : Deferred interest	(4)	(69)
	502	2,528
Less : Current portion	(502)	(2,019)
Net	-	509

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



## 18. OTHER CURRENT LIABILITIES

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
Accrued expenses	51,515	42,251	48,907	35,436
Accrued costs	34,337	32,773	34,337	32,773
Others	4,619	22,226	4,083	9,199
Total	90,471	97,250	87,327	77,408

## 19. EMPLOYEE BENEFITS OBLIGATION

During the years ended 31 December 2014 and 2013, the movements in employee benefits obligation are as follows:

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
Balance as at 1 January	23,602	15,052	15,625	15,052
Increase from business combination	-	7,773	-	-
Current service costs	3,601	688	2,511	523
Interest on obligation	909	391	628	352
Decrease in obligation from payment	(3,079)	(302)	(1,013)	(302)
Balance as at 31 December	25,033	23,602	17,751	15,625

Principal actuarial assumptions at the reporting date are as follows:

	2014		2013	
	Monthly	Daily	Monthly	Daily
Discount rate	4	4	4	4
Salary incremental rate	8	2	8	2
Employee turnover rate	0 - 18	0 - 33	0 - 18	0 - 33
	(depend on working year)	(depend on working year)	(depend on working year)	(depend on working year)
Mortality rate	TMO 2008	TMO 2008	TMO 2008	TMO 2008

## 20. DEFERRED TAX AND INCOME TAX

### a. Deferred tax

Income tax recognized in the statement of income for the year ended 31 December 2014 and 2013 are as follows:

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
Current income tax	53,940	-	53,940	-
Deferred tax from temporary differences	3,834	10,229	6,314	11,004
Total income tax	57,774	10,229	60,254	11,004
Income tax recognized in other comprehensive income	18,622	33	18,622	33

### b. Current income tax

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
<i>Income tax recognized in profit or loss</i>				
<b>Current income tax</b>				
Income before income tax	243,483	248,404	304,529	231,448
Add : Items not yet allowable as expenses under Revenue Code	29,402	68,288	28,999	28,425
Less : Items previously added back of allowance for doubtful account and others in tax computation	(45,435)	(28,788)	(45,435)	(28,788)
Items not considered as income under the revenue code	(1,086)	(18,103)	(1,086)	(18,103)
Loss carry forward for 5 years	(222,907)	(505,116)	(17,306)	(230,288)
Taxable loss	3,457	(235,315)	269,701	(17,306)
Tax rate	20	20	20	20
Income tax for the year	53,940	-	53,940	-

c. Deferred tax

Deferred tax assets and liabilities are analyzed as follows :

			(Unit : Thousand Baht)	
	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
Deferred income tax assets	4,690	11,004	4,690	11,004
Deferred income tax liabilities	(107,438)	(91,329)	(18,622)	(33)
Net	(102,748)	(80,325)	(13,932)	10,971

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

	(Unit : Thousand Baht)			
	Consolidated F/S			
	Recognized as income (expense)			
	1 January	Statement of	Shareholders'	31 December
	2014	income	equity	2014
Deferred tax assets from :				
Allowance for doubtful accounts	3,728	(2,588)	-	1,140
Reserve for employee benefits obligation	3,125	425	-	3,550
Losses carried forward	4,151	(4,151)	-	-
	11,004	(6,314)	-	4,690
Deferred income tax liabilities from :				
Investment in available-for-sales	(33)	-	(18,589)	(18,622)
Fair value of assets from business combination	(89,308)	4,990	-	(84,318)
Investment in associated companies	(1,988)	(2,510)	-	(4,498)
	(91,329)	2,480	(18,589)	(107,438)

The subsidiaries has loss carried forward of Baht 133.18 million, which the Company has not recognized deferred tax assets since it is still uncertain for the subsidiary to have sufficient taxable income to utilize such losses in the near future.



(Unit : Thousand Baht)

	Separate F/S			
	Recognized as income (expense)			31 December 2014
	1 January 2014	Statement of income	Shareholders' equity	
Deferred tax assets from :				
Allowance for doubtful accounts	3,728	(2,588)	-	1,140
Reserve for employee benefits obligation	3,125	425	-	3,550
Losses carried forward	4,151	(4,151)	-	-
	11,004	(6,314)	-	4,690
Deferred income tax liabilities from :				
Investment in available-for-sales	(33)	-	(18,589)	(18,622)
	(33)	-	(18,589)	(18,622)

## 19. SHARE CAPITAL

At the General Shareholders' Meeting on 25 April 2014, shareholders passed resolution for following matters:

- To approve cancellation of General Shareholders' Meeting of year 2013 that approved the decrease registered capital by reducing the par value of share from Baht 30 to Baht 0.90 per share to reduce discount on share capital and deficit.
- Approved to decrease its registered capital for 1,815,012,514 shares at par value of Baht 30 each for Baht 54,450,375,420, which have been unsubscribed and reserved for right to exercise warrant.
- Approved to increase the registered capital for 2,227,384,903 shares at par value of Baht 30 each for Baht 66,821,547,090.
- Approved to allocate shares not exceeding 412,384,903 shares at par value of Baht 30 each to reserve for exercisable warrants "GEL-W3".
- Approved to allocate shares not exceeding 1,815,000,000 shares at par value of Baht 30 each to specified investors or institutional investors by way of private placement for all and/or certain portion in the same time or difference time at the offer price not lower than 90 percent of the market price.
- Approved to transfer premium on share capital Baht 31,729,260 to offset with discount on share capital.
- To approve the decrease registered capital by reducing the par value of share from Baht 30 to Baht 0.85 each. The decrease in share capital is to be used for the reduction of the discount on share capital and deficits.

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

- 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 each).
- 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 each).

3. Approved the issue and allocation of GEL-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.
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).
5. 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.
  - a. 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.
  - b. 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 (GEL-W3).
  - c. 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.
  - d. 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.

Movements in authorized and paid-up share capital as at 31 December 2014 are as follow:

Authorized share capital	Authorized date	Thousand Shares	Par value (Baht)	Thousand Baht
Balance as at 1 January 2014		7,093,592	30.00	212,807,756
Increase share capital	25 Apr 2014	412,372	30.00	12,371,171
Decrease in par value	25 Apr 2014		From 30.00	
		-	to 0.85	(218,798,857)
Balance as at 31 December 2014		7,505,964		6,380,070

Issue and fully paid-up share capital	Authorized date	Thousand Shares	Par value (Baht)	Thousand Baht
Balance as at 1 January 2014		3,747,769	30.00	112,433,073
Increase share capital	25 Apr 2014	1,815,108	30.00	54,453,230
Decrease in par value	25 Apr 2014		From 30.00	
		-	to 0.85	(162,157,858)
Balance as at 31 December 2014		5,562,877		4,728,445

(Unit : Thousand Baht)

	Issued and fully paid — up share capital	Premium on share capital	Discount on share capital	Capital surplus on share reduction
Balance as at 1 January 2014	112,433,073	31,729	(108,663,577)	-
Private placement 1,815,000 shares at 0.55 Baht per share	54,450,000	-	(53,451,750)	-
Exercise warrant	3,230	-	(3,129)	-
Transfer premium on share capital to offset discount on share capital	-	(31,729)	31,729	-
Balance before share reduction	166,886,303	-	(162,086,727)	-
Share reduction	(162,157,858)	-	-	162,157,858
Transfer capital surplus on share reduction to offset discount on share capital	-	-	162,086,727	(162,086,727)
Balance as at 31 December 2014	4,728,445	-	-	71,131



Movement of authorized share capital and issued and fully paid-up share capital as at 31 December 2013 are as follow :

Authorized share capital	Authorized date	Thousand		Thousand Baht
		Shares	Par value (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		Thousand Baht
		Shares	Par value (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

22.

PREMIUM ON SHARE  
CAPITAL AND LEGAL  
RESERVE

## 20. 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 (if any), 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.

## 21. PROVIDENT FUND

The Company and staff have established a contributory Provident Fund. This Provident Fund has already been registered under the Provident Fund Act, B.E. 2530. Under the Fund plan, staff has to contribute to the fund at the specific rate and will be entitled to receive the fund when staff is no longer member in accordance with regulation of the fund. The Company's contribution to the Fund for the years 2014 and 2013, amounted to Baht 2.35 million and Baht 1.67 million, respectively.

## 22. WARRANTS

On 16 May 2011, the Company issued and offered free warrants (GEL-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 1 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 (GEL-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 (GEL-W3) because the newly issued additional shares and issue and allocation of GEL-W4.

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

## 23. PROMOTIONAL PRIVILEGES

The Company obtained promotional privileges from the Board of investment under the promotional certificate issued on 15 January 2014 for manufacturing of metal product. Under these privileges, the Company has received an exemption from certain taxes and corporate income tax as specified in such promotional certificate for a period of 7 years, commencing from the first date the Company generates income from operations. As a promoted business, the Company is required to comply with the terms and conditions as specified in such promotional certificate.

## 24. EXPENSES BY NATURE

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	For the years ended 31 December			
	2014	2013	2014	2013
Changes in finished goods and work in progress	(40,993)	(12,093)	42,267	(9,812)
Raw materials and supplies used	2,392,193	834,647	631,237	562,279
Employee benefit expenses	190,095	114,026	149,710	108,114
Service fees	28,027	47,750	28,027	47,750
Installation costs	137,256	123,927	137,256	123,927
Labour costs	108,018	77,234	108,018	77,234
Depreciation	48,530	18,979	18,291	10,846
Transportation expenses	77,090	70,660	74,570	69,378
Doubtful accounts	3,837	17,649	3,740	15,212
Management benefit expenses	14,410	9,934	13,690	9,814
Provision for other damage	1,476	11,344	1,476	11,344
Selling expenses	18,969	16,473	13,389	16,473
Loss from impairment of investments in subsidiaries	-	-	20,000	-
Loss from impairment of goodwill	20,000	-	-	-

## 25. FINANCIAL INSTRUMENTS

### 27.1 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.

### 27.2 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.

### 27.3 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.

### 27.4 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.

As at 31 December 2014, the Company and subsidiaries had the following financial assets and financial liabilities denominated in foreign currency that have not been hedged as follow:



Currency	Consolidated F/S		Separate F/S	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
EUR	-	4,024,250	-	4,024,250
JPY	-	6,160,000	-	6,160,000

#### 27.5 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 2014 and 2013, 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)

2014

	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
	Rate	Rate	Total		Rate	Rate	Total	
<b>Assets</b>								
Cash at banks								
- saving deposits	474,939	-	474,939	0.50 - 2.44	-	472,779	472,779	0.50 - 2.44
- bill of exchange	3,652	-	3,652	1.65	-	3,652	3,652	1.65
- fixed deposits	350,796	-	350,796	-	2.75	350,796	350,796	-
Restricted deposits at bank	94,113	-	94,113	0.50 - 1.50	-	93,113	93,113	0.50 - 1.30
Loan to subsidiaries	-	-	-	-	-	229,000	229,000	-
								3.00

(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
	Rate	Rate	Total		Rate	Rate	Total	
<b>Assets</b>								
Cash at banks								
- saving deposits	300,545	-	300,545	0.55 - 0.75	-	233,978	233,978	0.55 - 0.75
- bill of exchange	348,899	-	348,899	2.35 - 3.15	-	348,899	348,899	2.35 - 3.15
- fixed deposits	850,000	-	850,000	-	3.10, 3.125, 3.50	850,000	850,000	-
Restricted deposits at bank	70,764	-	70,764	1.50 - 1.70, 2.30	-	68,716	68,716	1.50 - 1.70, 2.30
Loan to subsidiaries	-	-	-	-	-	478,424	478,424	6.875 - 7.00

#### 27.6 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 2014 and 2013, fair value approximates the carrying amount.

#### 226. SEGMENT REPORTING

The Company and subsidiaries' business operations are categorized mainly into 2 principal segments: (1) Manufacturing and sales of concrete products and (2) Metal product and others. Segmental 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 2014 and 2013.



(Unit : Thousand Baht)

## For the years ended 31 December

	Manufacturing and sales of concrete products		Construction and installation services		Metals products		Others		Elimination		Consolidated F/S	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Revenues from sales and services												
Revenue from external customers	1,518,451	1,260,900	-	1,893	1,797,392	283,346	371	371	(57,328)	(371)	3,258,886	1,546,139
Cost of sales	1,163,679	969,284	-	7,082	1,783,252	281,896	-	-	(39,798)	-	2,907,133	1,258,262
Gross income	354,772	291,616	-	(5,189)	14,140	1,450	371	371	(17,530)	(371)	351,753	287,877
Other income											132,159	116,856
Interest income											23,470	35,227
Interest expense											(1,925)	(483)
Depreciation											(48,530)	(18,979)
Income before income tax											243,484	248,404
Property, plant and equipment - net	1,165,402	413,881	-	-	565,401	541,442	231,706	159,952	(192,377)	(75,229)	1,770,132	1,040,046
Other assets											4,027,693	3,220,647
Total assets											5,797,825	4,260,693

Major Customer

The Company does not have revenue generated from any customer more than 10 percent of revenue in consolidated financial statements.

## 27. COMMITMENTS AND CONTINGENT LIABILITIES

29.1 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 totaling Baht 715.31 million.

29.2 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 337.83 million. The Company's fixed deposits of Baht 93.11 million and subsidiary's fixed deposit of Baht 1 million and partial of the Company's land and construction are mortgaged/pledged as collaterals for such letters of guarantee.

29.3 The Company has outstanding lease commitments regarding plant and car rental under non-cancelable agreements as follows :

(Unit : Thousand Baht)

	Consolidated F/S and Separate F/S
Due within 1 year	21,095
Due after 1 year but within 5 years	66,852
Due more than 5 years	14,400
Total	102,347

29.4 As at 31 December 2014 and 2013, the Company and subsidiaries have opened credit facilities as follow :

(Unit : Thousand Baht)

		Consolidated F/S					
		2014			2013		
	Currency	Total	Utilized	Remained	Total	Utilized	Remained
Letters of guarantee	Baht	366,613	145,285	221,328	118,100	94,851	23,249
Bank overdraft and others	Baht	1,270,000	192,548	1,077,452	25,000	1,111	23,889

(Unit : Thousand Baht)

		Separate F/S					
		2014			2013		
	Currency	Total	Utilized	Remained	Total	Utilized	Remained
Letters of guarantee	Baht	365,613	145,192	220,421	117,100	94,675	22,425
Bank overdraft and others	Baht	1,270,000	192,548	1,077,452	25,000	1,111	23,889

During the year 2014, the Company entered into loan agreement with a bank for credit facility of Baht 1,450 million. The Company transfers right on the savings account at 40% of current limit (bank overdraft amounting to Baht 30 million, promissory note amounting to Baht 145 million and letter of guarantee amounting to Baht 200 million), including to mortgage of land and machineries of Baht 770 million as collateral. In addition, the Company has to maintain debt to equity ratio and debt service coverage ratio as specified in the agreement and by the assignment of the beneficiary of insurance on construction.

The Company received the approval of additional loan from a bank amounting to Baht 395.50 million for a period of 7 years and 7 months. This bears interest at MLR-0.5% per annum and is mortgaged by land and construction thereon. The loan facility is for investing in plant construction and purchase of machinery. The Company must maintain status as listed company in SET through the contracted period, maintain debt to equity ratio not over 2.0 times and DSCR not less than 1.25 times of separate financial statements.

29.1 The Company has commitment for purchase of equipment and machinery amounting to Baht 81.59 million.

29.2 The subsidiary has commitment for importing raw materials from overseas amounting to Baht 63.33 million.

29.3 The Company has commitment for construction agreements from an associated amounting to Baht 118.25 million.

29.4 The Company has commitment for land fill amounting to Baht 1.29 million.

29.5 The Company has commitment for purchase of raw materials from the subsidiary amounting to Baht 50.48 million.

## 1. EVENT AFTER REPORTING PERIOD

On 5 February 2015, the Company has registered "General Engineering Mauritius Limited" with a share capital of USD 10,000 to invest in 45% of share capital in Wisdom Tree Investment PTE. (S) Limited incorporated in Singapore. The purpose of this Company is to invest in joint venture operate a steel plant and sales of steel products in Myanmar.

At the Board of Director Meeting No. 1/2015 held on 2 March 2015, board pass a resolution to propose to the General Shareholders' Meeting as follows :

- To approve the payment of dividend for operations of year 2014 to shareholder of 5,562,876,782 shares at Baht 0.01 per share, totaling Baht 55,628,768.
- To approve the reduction of registered capital for 615,900,024 shares at par value of Baht 0.85 each for Baht 523,515,020, which have been unsubscribed and reserved for right to exercise warrant.
- To approve purchase of the increase of share capital of Mctric Company Limited for 1,632,500 shares at Baht 1.35 per share amounting of Baht 2.20 million.

## 2. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized by Board of Directors on 2