

Your Total Construction  
Engineering Solution

Annual Report  
**2015 | 2558**  
รายงานประจำปี



Property & Construction • Construction Materials

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





# LOOKING AHEAD TO THE FUTURE



**1021**  
SATISFIED CUSTOMERS

**1497**  
SUCCESSFUL PROJECTS

**50**  
PRODUCTS

**53**  
YEARS OF EXPERIENCE

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# Message from the Chairman



Macroeconomics factors were tremendously volatile during the past year. Major factors, such as, reduction in oil price, slowdown of Global and Chinese economy, currency fluctuation in Southeast Asian countries, have reflected large-scale impacts, and, as a result, protection policies were applied in many countries as countermeasures to such factors. Not only that, the political instability within and outside the country as well as the shortage of skilled labors were inevitably factors that adversely affect the growth of construction industry.



“In 2015, the Company has satisfied growth rate, compared to mentioned factors above. It maintained making profits for 3 consecutive years as the leader of production of constructional materials business.”

Despite such uncontrollable external factors, the Company firmly proceeded its business as initially planned. Impact from these factors, on the other hands, have created new opportunities including essential developments in construction material as well as related businesses. As evidenced in 2015, the Company has achieved significant milestones such as treasury stock program and business expansion to the Eastern Seaboard in order to support the government's economic injection expected to proceed in 2016. - construction of mega projects in public transportation, business cluster development to synergistically enhance a value chain of related business within the same industrial group. In addition, there are also other positive influences includes private investment in housing maintenance and decorative materials, and the effectiveness of ASEAN free trade area. These would directly benefit the Company's business of producing variety and quality construction materials.

In 2015, the Company has maintained acceptable growth rate despite adverse factors mentioned above. In addition, the Company has been successful maintaining its profits making for 3 consecutive years. As a leader in constructional materials business, the Company offers variety of products corresponding to customers demands with exceptional quality and services. In addition, the Company provides technical advice to customers with determination to operate its business with integrity and transparency to all concerned parties including its shareholders, customers, suppliers, employees, and surrounding community.

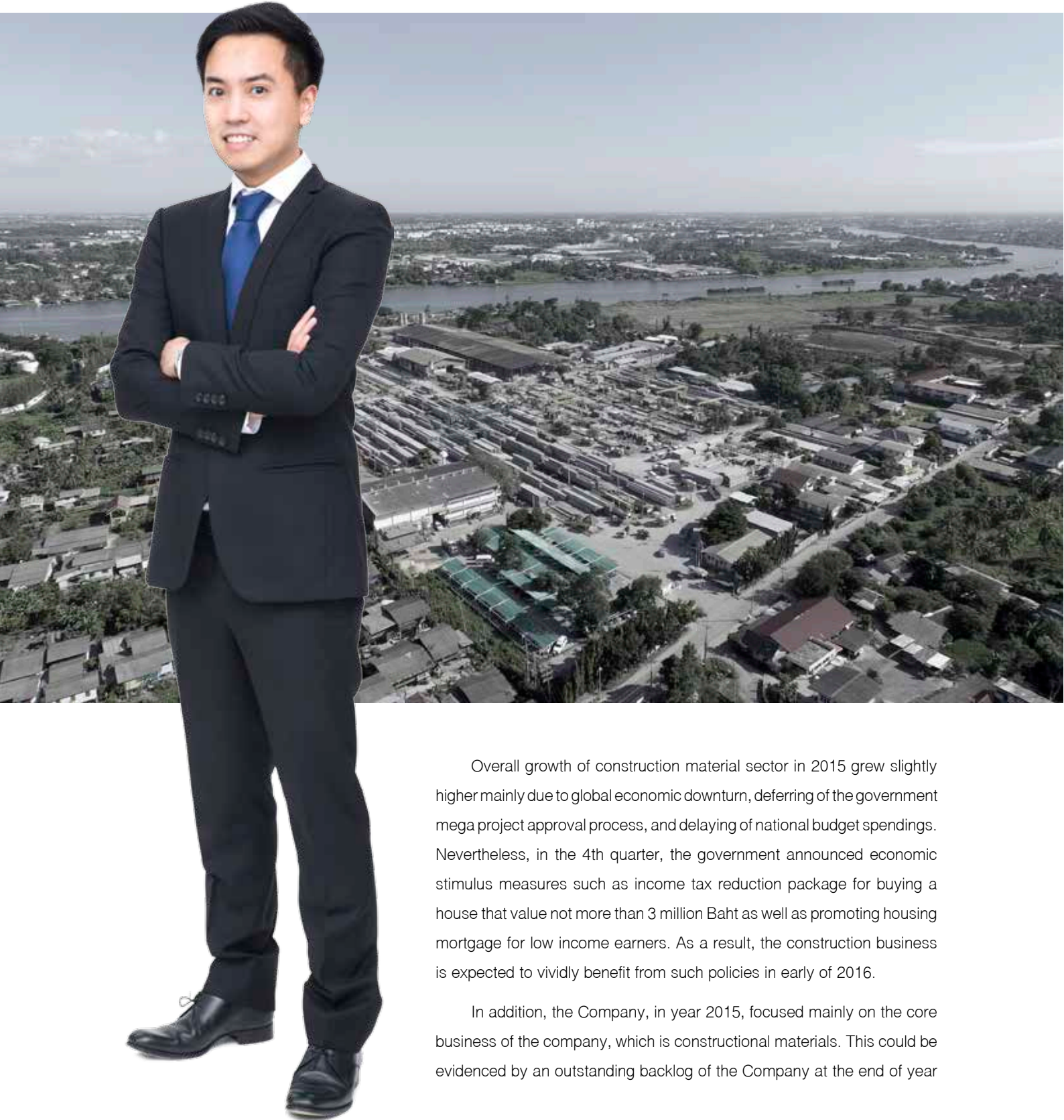
Moreover, last year, the Board of Directors has newly appointed two subcommittees, which were Good Corporate Governance Committee and Risk Management Committee. These will be the key to drive transparency and good governance for the business.

On behalf of the Board of Directors of the Company, I would like to express sincere gratitude to all customers and shareholders that continue extending their great supports to the Company. I also would like to thank all directors, executives and employees for their dedications to the Company's benefit and success.

Prof. Dr. Borwornsak Uwanno  
Chairman of the boards



# Message from the CEO



Overall growth of construction material sector in 2015 grew slightly higher mainly due to global economic downturn, deferring of the government mega project approval process, and delaying of national budget spendings. Nevertheless, in the 4th quarter, the government announced economic stimulus measures such as income tax reduction package for buying a house that value not more than 3 million Baht as well as promoting housing mortgage for low income earners. As a result, the construction business is expected to vividly benefit from such policies in early of 2016.

In addition, the Company, in year 2015, focused mainly on the core business of the company, which is constructional materials. This could be evidenced by an outstanding backlog of the Company at the end of year



“The Company has estimated the plant construction would be finished and be ready to serve the production and distribution service of structural steel by first half of 2016.”

2015 for a combined value of more than 1,800 million Bahts. This figure precisely reflects our customers expansion plan in 2015. Thus, despite current economic turmoil, the Company is confident that its business would continue to improve and yield significant turnovers in the year 2016.

Besides deriving profit from the core business, the Company also vitally see opportunity in business expansion to other related businesses in order to reduce cost as well as promote synergy. This would help strengthen the Company business and reduce risks of raw material shortage. As a result, the Company has extended its production bases to eastern seaboard area, which is considered to be the major industrial area of the country with significant economic growth. The company has purchased lands in industrial estate for 175 Rais in Rayong. To begin with, the Company has established the subsidiary company to invest in the production and distribution of PC wire/ PC strands and cold drawn wire plant in order to mainly support a growing consumption of the Company itself. Moreover, the products would also be an alternative source of supply to the growing domestic demand in the near future.

Back in 2014, the Company jointly invested in the plant construction for production and distribution of structural steel in Myanmar. The plant construction is expected to be completed and ready for production and distribution in the first half of 2016.

Currently, there is high level of competition within the constructional materials industries, and The reduction in sale price is strategically inevitable. Consequently, this year, the Company aims to reduce cost of production by seeking for alternative sources of raw materials at a lesser cost, controlling production with increase effectiveness and optimal lost, as well as providing further knowledge for professional development of the employees. In 2016, the Company will apply additional internal management systems, which are the use of ERP (Enterprise Resource Planning), Sales Force, and Performance Management in order to support effective management. Following such management strategy, the Company ultimately aims to be the national leader of the constructional materials industry in Thailand

The Company strongly believes that the strategic approach mentioned above will yield acceptable revenue and turnovers, as well as providing good image and earning trust from the customers, and most importantly creating a solid foundation for a sustainable development of the Company in the future.

Mr. Thitipong Tangpoonphonvivat  
Chief Executive Officer

# Board of Directors



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## Director

- |    |                    |                   |  |
|----|--------------------|-------------------|--|
| 1. | Dr.Vichaya         | Krea-Ngam         | Independent Director and Audit Committee                 |
| 2. | Mr.Wuttichai       | Sresthabutra      | Director/Executive Director and Secretary of the Company |
| 3. | Dr.Tawat           | Anantanavanich    | Director and Managing Director                           |
| 4. | Mr.Thitipong       | Tangpoonphonvivat | Director and Chief Executive Officer                     |
| 5. | Prof.Dr.Borwornsak | Uwanno            | Independent Director and Chairman of the boards          |





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#### Director

- |               |               |  |
|---------------|---------------|--|
| 6. Mr.Phinij  | Jarusombat    | Chief Advisor  |
| 7. Mr.Suchat  | Boonbanjersri | Independent Director and Chairman of the Audit Committee |
| 8. Mr.Sophon  | Pholprasit    | Vice Chairman of the board                               |
| 9. Mrs.Panee  | Jarusombat    | Independent Director and Audit Committee                 |
| 10. Dr.Wirach | Morakotkarn   | Independent Director                                     |



# COMPREHENSIVE CONSTRUCTION ENGINEERING SOLUTION





# 1. Policy and overall business operations

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

December 31, 2015 has registered capital of Baht 5,856,554,582.75 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 Thai Industrail Standards (TIS).

- **Vision**

Construction without complication.

- **Mission**

The company is committed to operating a successful result. Through the concept

- Total Solution Provider: We are the embodiment of service and advice to customers. So customers can control costs and construction period, as planned. The highest
- It is one of the customers: We are producing goods and services to provide customers with the most satisfaction.



## 1.2 Changing and important development

### 1.2.1) Year 2014

#### 1.) Changes in share capital

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 The company was registered with the Ministry of Commerce on May 2, 2014.

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. The company was registered with the Ministry of Commerce on September 16, 2014 and receive money from the sale of shares to the total amount of Baht 998,250,006.

(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.

### 1.2.2 Year 2015

In the 2015 Annual General Meeting of Shareholders on April 24, 2015, the shareholders resolved as summarized below.

(1) Allocation of net profit for legal reserve and dividend payment for the fiscal year 2014 , as detailed below.

- Allocation of net profit as legal reserve of at least 5% of net earnings. A total of 6.5 million baht
- Payment of dividend for the year 2014 to the holders of ordinary shares and paid amounts. 5,562,876,782 shares at the rate of Baht 0.01 ( one cent ) , totaling 55,628,767.82 Baht rate proposed dividend against earnings . The dividends accounted for 22.77 per cent of the net profit of the year 2014 in the amount of Baht 244,274,818.

Dividend Policy "Up to 60 percent of net profit after tax and legal reserves and the company had no deficit. This is in line with cash flow and expansion plans of the company in the future" and the dividend will be paid on the shares. Share equally

(2) The capital reduction has not yet been released, which is not reserved for the exercise of the warrants or convertible debentures of Baht 523,515,020.40 from the capital. 6,380,069,603.15 The registered capital of Baht 5,856,554,582.75 THB by cutting the number of shares has not issued 615,900,024 shares at par value of 0.85 baht per share, as detailed below.



Shares reserved for the exercise of warrants. GEN-W3 The expiration date is May 14, 2014 according to the company. Has allocated warrants to purchase ordinary shares (GEN-W3) Number of 577,868,385 units at no charge to existing shareholders, and the shareholders as of May 16, 2011 by Exercise of Warrants 1 unit per 1.066 ordinary shares at a price per share of 0.937 baht a warrant to ordinary shares GEN-W3 Expired on May 14, 2014 , and outstanding warrants GEN-W3 That is not the exercise of 577,767,376 Units cease to be listed on May 15, 2014 , the number of the number of shares to be issued 615,900,024 shares of the Company registered the capital reduction, the Company on. on May 11, 2015

## Changes of Warrants

### 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 at May 14, 2014, the last day of the exercise of warrants to purchase common shares of the Company (GEL-W3). Have exercised a total of six cases of warrants 101,009 units, the total number of ordinary shares resulting from the exercise of 107,674 shares after the exercise of warrants into common shares in the last remaining warrants . to purchase shares of the Company. (GEL-W3) That is not the exercise of 577,767,376 Units cease to be listed on May 15, 2014, the number of the number of shares to be issued 615,900,024 shares of the Company registered the capital reduction, the Company on that date. May 11, 2015

### 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.

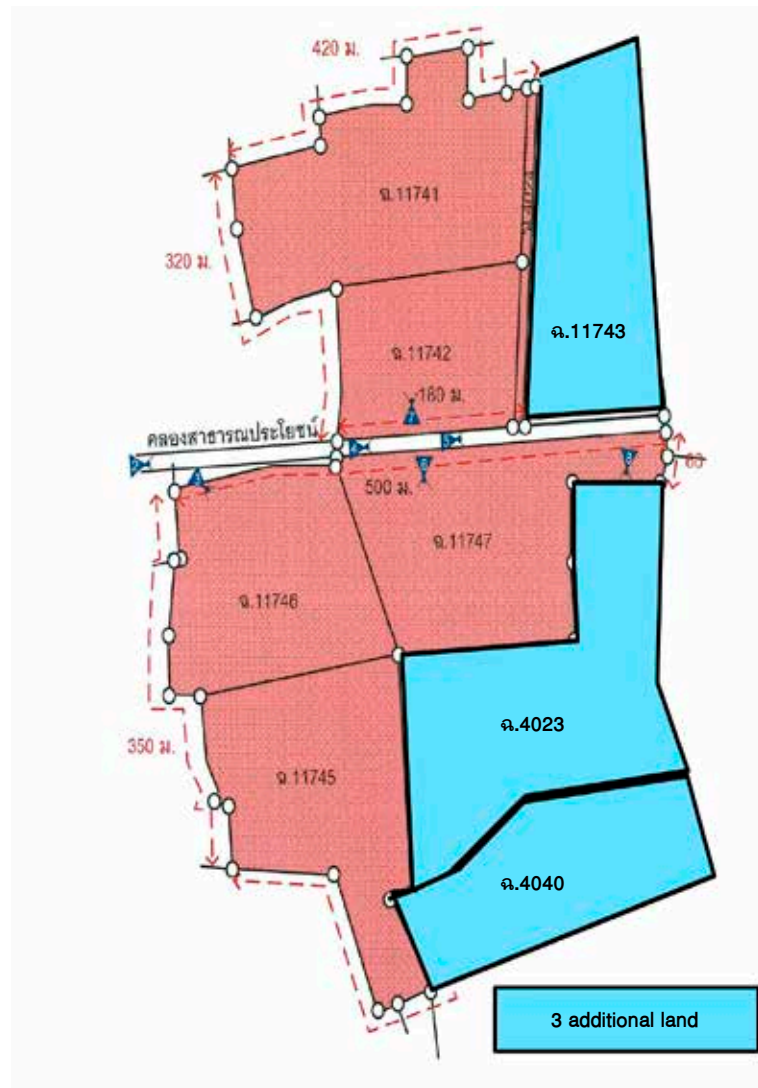
As of December 31, 2013, Warrants (GEL-W4) that has not been exercised a total of 1,327,187,433 units.

### 3) Significant developments

#### Year 2014

3.1) The Board of Directors' meeting No.1/2014 on January 21, 2014, has the resolution to approve 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 the 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 recognize 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 converts 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, a 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 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").

During this 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 approve a 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 at a total budget of 80 million Baht.

3.6) on June 4, 2014 has approved to purchase shares of Mill con 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 about 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 Sellers, 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 Sellers.

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 Sellers 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 invest 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 at a total budget of 440 million Baht.

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.

## Year 2015

1) The Board of Directors No. 5/2015 held on July 29, 2015.

1. Approved the sale of shares of the Company. Suntech Metals Co., Ltd. at a price of 807 million Baht. The company's World Wide Sales and Processing Limited at a price of about 233.21 million Baht. (A total of 13,999 ordinary shares of Baht 233.20 million Baht and liabilities) The Company's holding in the combined value of about 1040.21 million Baht. As at September 21, 2015 the company held in total worth about 1040.10 million Baht to Mill Con Steel Co., Ltd. (Thailand). By transaction The company was registered at the Department of Business Development. Ministry of Commerce is completed

2. Approved the purchase of 180 acres of land not exceeding a total value not exceeding Baht 1,327.14 million. As of September 21, 2015 the Company has completed the acquisition of 175 hectares of land, worth a total of 1277.50 million Baht of Mill Con Steel Co., Ltd. (Thailand) Based on the Deed No. 180024, 180025 and 180026 by such land in the industrial zone Eco IRPC Ban Lang District, Rayong by transaction The company was registered at the Land Office Rayong is already

The date of the transaction to acquire the assets and MILL GEL. MILL approved the transfer of a mortgage bank. MILL and made note of servitude To serve as the entrance to the farm of approximately 1 GEL to access land for approximately 175 acres traded in this.



3. Resolved to establish a subsidiary of a plant to produce and distribute high-tensile wire floor. Representing a total investment of up to 701.00 million Baht.

There will be construction of buildings for the installation of machinery and equipment. Including utilities To accommodate the production lines

1. High tensile wire for prestressed concrete single line. ( Prestressed Concrete Wire - PC Wire)
2. High tensile wire for prestressed concrete strand. ( Prestressed Concrete Strands - PC Strands)
3. High- tensile cold drawn wire (Cold Drawn Wire - CW)

4. By resolution of the Board of Directors. No. 8/2015 held on November 26, 2015. Has approved the issuance of shares to the public for the first time (IPO). Mctric Company Limited, an associated company of the Company. To carry out the capital increase for the IPO of 150 million shares. As a result, the shareholding of the Company in MCTRIC decreased from 32.65 percent to 21.77 percent, the details of the shareholding structure are as follows .



List of Shareholders	Before restructuring costs	Allocation of shares for the stock dividend 1	Allocation of shares for IPO	After Restructuring
GEL	81,632,500	16,326,500	-	97,959,000
other	168,367,500	33,673,500	150,000,000	352,041,000
Total	250,000,000	50,000,000	150,000,000	450,000,000
GEL	32.65%	32.65%	0.00%	21.77%
other	67.35%	67.35%	100.00%	78.23%
Total	100.00%	100.00%	100.00%	100.00%

Note :<sup>1</sup> GEL has been allocated from the stock dividend MCTRIC. By resolution of the Extraordinary General Meeting of Shareholders No. 1/2015 dated May 28, 2015 by the MCTRIC paid dividends in the form of shares of 16,326,5000 shares. And received a cash amount of 1,632,650 baht.

However, to reduce the impact of Dilution Effect is a shareholder of the Company. Have the right to subscribe for shares of MCTRIC (Pre-emptive Right) By requiring the exercise of the subscription amount not to exceed 48,979,500 shares, which doubled Dilution Effect. The reduced stake of GEL 32.65 percent from 21.77 percent. And to exercise the right to buy shares in proportion to their shareholding in the Company.

5. Approved by the Board of Directors Meeting No. 9/2015 held on December 22, 2015. Approved a share repurchase program for financial management (Treasury Stock) in an amount not exceeding 100 million Baht. Represents the number of shares to be repurchased approximately 180 million shares up. Par value of 0.85 Baht by the number of shares to be repurchased, representing approximately 3 percent of the shares sold.

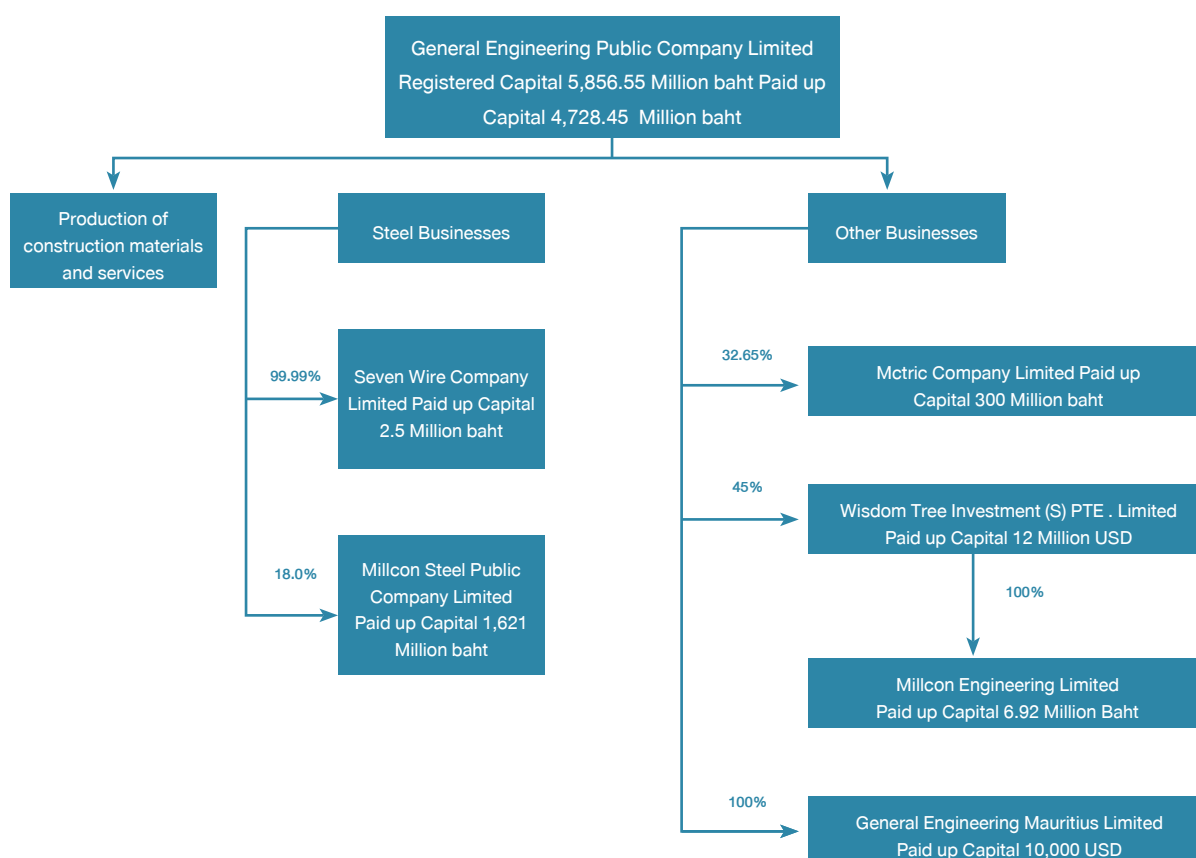
As of January 20, 2016 was carried out share repurchases The total number of shares repurchased to date is 113,512,900 shares representing 2.04 % of the paid-up capital. Total value of shares repurchased THB 62,200,055.39 million ( Net amount paid to acquire the shares )

### 1.3 The shareholding structure of the Group

The Company's core business is production of construction materials, pre-stressed concrete pile, Precast concrete floors and walls, Fiberglass reinforced concrete, Cement mixing to prevent shrinkage and pre-stressed 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, 2015



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

**List of Subsidiaries and other Associates as of December 31, 2015**

Company	Nature of Business	Proportion (%)	Paid up capital (Million Baht)	Cost of investment (Million Baht)	Value of investments (Million Baht)
<b>Subsidiaries</b>					
1. Seven Wire Company Limited 44/2 Moo 2 ,Tivanon Road,Tambon Bangkadee, Ampoe Muang,Pathumthani Province 12000 Telephone 66 (0) 2501-2020 Fax 66 (0) 2501-2134	steel business	99.99	2.50	2.49	2.49
2. General Engineering Mauritius Limited General Engineering Mauritius Limited 10th Floor, Standard Chartered Tower 19, Cybercity Ebene, Mauritius	Business Investment	100.00	0.34	0.34	0.34

Company	Nature of Business	Proportion (%)	Paid up capital (Million Baht)	Cost of investment (Million Baht)	Value of investments (Million Baht)
<b>Associates</b>					
Metric Public Company Limited 121/105, RS Tower, 39th Floor, Ratchadapisek Road, Dindaeng District, Bangkok Telephone 0-2641-2100 Fax 0-2641-2030, 0-2641-2029	Construction and System in installation service	32.65	250.00	185.63	227.78
Wisdom Tree Investment (S) PTE. Limited 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%	433.06	177.66	176.38

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

1.) On July 29, 2015 by resolution of the Board of Directors Meeting No. 5/2015. Has approved the sale of shares of Suntech Metals Co., Ltd. at a price of 807 million Baht. The company's World Wide Sales and Processing Limited at a price of about 233. 21 Billion Baht. (The median price of all ordinary shares 13,999 Baht and 233.20 million, But of debt) The Company's holding in the combined value of about 1040.21 million Baht to Mill Con Steel Co., Ltd. (Thailand)

2.) On July 29, 2015 by resolution of the Board of Directors Meeting No. 5/2015. Approved the establishment of the subsidiary factories to produce and distribute high-tensile wire rack exceptional quality. On November 27, 2015 the company was registered as a limited company named Seven Wire Co., the Department of Commerce. Ministry of Commerce To manufacture special grade high tensile wire.

## 2. Nature of Business

### 2.1) Revenue Structure by product line

The revenue structure from business operation of the company and its subsidiaries from the year 2013 - 2015 can be classified by business groups as follows:

The business group	Operated by the	% Of shares of the Company	2015		2014		2013	
			Million baht	%	Million baht	%	Million baht	%
Production of construction materials	General Engineering							
Products of prestressed concrete piles	Public Company Limited		701.54	29.08	1,005.92	29.33	916.34	53.64
Specialty concrete products			543.39	22.53	461.12	13.45	311.98	18.26
Specialty Products			37.49	1.55	44.39	1.29	30.05	1.76
Special Projects			9.72	0.40	7.02	0.20	4.42	0.26
Total			1,292.15	53.56	1,518.45	44.28	1,262.79	73.91
Steel scrap business	Suntech Metal Co., Ltd.	100.00						
Scrap Sales			273.14	11.32	1,386.81	40.44	209.65	12.27
Scrap recycling			188.03	7.79	260.63	7.60	64.37	3.77
			15.08	0.63	15.29		-	-
Coil wire distribution			182.06	7.55	-	-	-	-
Other			32.25	1.34	77.70	2.27	9.33	0.55
Total			690.56	28.63	1,740.43	50.75	283.35	16.59
Total revenues from sales and services			1,982.71	82.19	3,258.88	95.03	1,546.14	90.50
Investment Business	General Engineering							
Reversal of allowance for doubtful accounts	Public Company		0.35	0.01	14.85	0.43	-	-
Gains and losses on asset sales			-	-	-	-	1.06	0.06
Revenue from the sale of scrap			-	-	-	-	1.79	0.10
Interest and discount rates are			10.27	0.43	23.23	0.68		
			10.93	0.45	9.43	0.27	35.22	2.06
Gain on revaluation of investments			-	-	29.58	0.86	-	-
Reversal of impairment of assets			352.40	14.61	-	-	-	-
Gain on sale of investment in subsidiary			-	-	-	-	-	-
			-	-	10.07	0.29	-	-



The business group	Operated by the	% Of shares of the Company	2015		2014		2013	
			Million baht	%	Million baht	%	Million baht	%
Share of profit from associated companies			20.67	0.86	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			24.96	1.03	19.08	0.56	5.77	0.34
Total			419.58	17.39	164.48	4.80	133.48	7.81
Investment Business	World Wire Processing Co., Ltd.	99.99						
Interest and other			0.01	0.00	0.03	0.00	0.04	0.00
Profit (loss) from sales of assets			2.60	0.11	-	-	-	-
Total			2.61	0.11	0.03	0.00	0.04	0.00
Investment Business	Suntech Metal Co., Ltd.	100.00						
Interest and other			7.46	0.31	5.64	0.16	28.24	1.65
Gain on exchange			0.11	0.00	0.33	0.01	0.55	0.03
Total			7.57	0.31	5.97	0.17	28.79	1.69
Total income from investment business			429.76	17.81	170.48	4.97	162.31	7.82
Gross income			2,412.47	100.00	3,429.36	100.00	1,708.45	100.00

## 2.2 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	* Rectangular pile * Hollow rectangular pile * I-shape pile Prestressed Concrete Spun Piles	Being efficient piles saving time and costs of construction	Government units, state enterprises, department stores, factory, universities, airports, housing Developments and bridge works etc.

Product Group	Product Name	Properties	Usage
Concrete slab and wall products	* 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.
	* 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
	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
	* 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.
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

## Survey of Customer Satisfaction

Survey of Customer Satisfaction	Surveying Period		
	Jul – Dec'15	Jan – Jun'15	Jul – Dec'14
1. Professionalism of the Company	84.27	85.13	86.03
2. Quality of the products meets the expectation	85.60	88.29	87.87
3. Delivering of the products within the timeline	84.53	80.06	81.99
4. After-sales services	82.40	78.16	78.31
5. Ability to fix customers' immediate problems	80.53	78.48	77.21
<b>Total percentage %</b>	<b>83.47</b>	<b>82.02</b>	<b>82.28</b>

**Note:** The Company has set the expectation of customer satisfaction to be more than 80

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

### Subsidiaries companies

1) Seven Wire Co., Ltd has operated business of production and distribution of quality drawn wire. Its headquarter is located in Pathumthani. The plant of drawn wire production will be established in the Eco Industrial Zone, Rayong province. The plant construction will include the main buildings, machinery installation and other facilities to support these following products' production.

1. Prestressed Concrete Wire – PC Wire
2. Prestressed Concrete Strands – PC Strands
3. Cold Drawn Wire – CW

2) General Engineering Mauritius Limited is a holding company for the associate company, Wisdom Tree Investment (S) PTE. Limited

### Associate companies

(1) Mctric Public 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.

(2) 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.

## 2.3 Marketing and competition condition

In overall, due to fluctuation in price of oil/gas and raw material and also shortage in quality labor, the Company had higher cost of production and has to face instability of national politics and economics. These factors certainly impacted the business expansion, in particular, real estates and construction business. Since the construction industries always follow the condition of national economics, the business had to face the downturn.

In 2015, the downturn is still ongoing. As in the past 1-2 years, there were negative impacts such as low growth of economics, high household debt causing decrease in banking credit approval, and also the high number of existing unsold properties. On the other hand, there were still positive factors, such as, low interest rate, costs of labor and construction material remained stable, governmental policies that support the properties/real estate business for the late of 2015-this was as a consequence from high backlog of most properties entrepreneur.

## 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	2015			2014		
	Government	Private sector	Total	Government	Private sector	Total
Direct owner	-	57	57	-	39.75	39.75
Contractor companies	1.70	40.30	42	1.53	58.72	66.25
Design companies	-	1	1	-	-	-
<b>Total %</b>	<b>1.70</b>	<b>97.30</b>	<b>100.00</b>	<b>1.53</b>	<b>98.47</b>	<b>100.00</b>

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

#### Number of competitors

Products	The number of major competitors (list)		
	2015	2014	2013
Manufacture and sell prestressed concrete stake	7	7	7
Manufacture and installation of concrete wall finished	12	10	3
Production and distribution of glass fiber reinforced concrete products. G R C.	2	3	3
Manufacture and sell products in prestressed concrete beam wireless type	5	5	5
Production and sales of cement Denka Products	12	12	5
STEEL Product	-	3	14
Ready-mixed concrete products	-	-	7

## 2.4 Providing Products or Services

### 1) Manufacturing

The Company has three factories as follows.

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

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

(3) The second branch of sale office is located at 99/19 Moo 2, Tumbon Choeng-noen, Ampoe Muang Rayong, Rayong province.

## Capacity and actual production

Manufacturing		2015				2014				2013			
		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	96,943	58.75	-18.50	165,000	118,950	72.09	6.54	165,000	111,649	67.67	23.36
Post - Tensioned Slab	(Sq.meters)	500,000	375,348	75.07	-11.13	500,000	422,344	84.47	14.87	400,000	367,671	91.92	4.71
Glassfiber Reinforced Concrete	(k.g.)	1,700,000	831,980	48.94	102.45	1,700,000	410,957	24.17	-40.31	1,000,000	688,438	68.84	23.73
Special Cement Products	(k.g.)	15,000,000	5,749,225	38.33	-28.42	15,000,000	8,032,200	53.55	194.63	3,000,000	2,726,255	90.87	10.71
Precast Concrete Wall	(Sq.meters)	700,000	233,997	33.43	-13.83	350,000	271,545	77.58	253.83	70,000	76,744	109.63	73.30

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

In 2015, 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.

In addition, for 2015, the Company has set up procurement system for more effectiveness in the better direction. The Company has done some research on logistic cost to help set up middle price. This would lead to an auction with better standards. As a result, this year the Company has successfully reduced the logistic cost for 12.14%, compared to the logistic cost in 2014.

## 3) The main raw material suppliers

Cement	Buy-from vendor	2	Lists
PC Wire Steel	Buy-from vendor	2	Lists
Steel bar	Buy-from vendor	9	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)

## 2.5 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, 2015	December 31, 2014	December 31, 2013
Number of Work has not been delivered	1,818.66	715.31	722.09



## 3. Risk factors

### 3.1 Risk of business of the Company

#### 1) Risks of income

The 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 2015, the price of some raw materials had been decreased such as cables, steel and cements. Thus, the Company had to pursue the price of raw materials continuously. In addition, the Company had solved to the problem by planning to buy the products with the manufacturers of raw materials when the Company obtained the huge projects and had the prices agreed in advance before the Company offered customers the prices. The products therefore will be purchased and stored as a stock. As a result, this solution can be solved at a certain level.

#### 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 the deficit came after in some duration. Some materials were in the 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 of cost management, regular production process development so that the cost can be computed. 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 a request for guarantee of purchasing and service providing such as advance payment or a bank letter from the bank etc.

### 6) Risk of nation economic conditions

The construction business is a kind of business growing with the 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 but 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 the 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

#### 1.1 Seven Wire Company Limited

Production and distribution of high-tensile wire Special Class is a business that is growing in line with the country's construction industry. Which is considered as a positive factor, because the income from the industry in the construction of a significant proportion of the gross domestic product of Thailand However, the prices of raw materials used in the manufacture of high-tensile wire grade special fluctuating steel prices on the world market directly.

The policy of the subsidiary to focus on the management of inventory levels are sufficient And consistent pace with the demands of customer applications To reduce the risk of fluctuations in the price of raw materials working capital levels are appropriate Trading operation with both suppliers and customers trust In addition, most of the products produced will be sold to a subsidiary company To create a seal (Synergy) , contributing to both the Company and its subsidiaries have a certain cost. Reduce the volatility of raw material prices It can also help reduce the shortage of raw materials, the company has another way.

### 2) Investment risk in associated company

#### 2.1) Metric Company Limited

The construction business is growing 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 and economic stability 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 affect to the business of the Matrix's company (associates). The associates specialize in construction, engineering, electrical engineer and mechanical engineer which is 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 contract 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 growing 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 of the government of Myanmar that encourage investment and economic development, it leads to the infrastructure development in Myanmar was rapidly growing 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 police to focus on managing the quantity of production and selling and also maintaining the raw materials and the product 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**

### **Risk of exercise of right in warrant to purchase ordinary stocks of the company**

The company issued warrant to purchase ordinary stocks from 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 the capital increase. From such fluctuation of foreign economic conditions, including the political instability in the country affected by 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 prices. Therefore, the company has to take care on operation result regularly with transparency of operation for all investors' confidence.

The company sees earnings of the Company. Will directly affect the confidence of investors. The main factor that pushed the stock price of the company in the stock market. Reflect the fundamentals of the company to a level affordable price. The company is committed to the care of a consistently good financial results. Is transparent in its operations. The confidence to investors.

Board of Directors Meeting No. 3/2015 held on May 13, 2015. Has set up a Risk Oversight Committee. To investigate the risk of both internal and external. The duties and responsibilities are.

1. Establish and review the policy framework for enterprise risk management.
2. Oversee and support the implementation of enterprise risk management. Consistent with the strategy and business goals. The situation changed
3. Recommendations for monitoring and evaluation, risk management working group on risk management. To put into operation
4. The report on the risk management organization. And comment on the risks that may occur. Including ways to control or mitigation measures (Mitigation Plan). And the development of risk management.
5. Report on Enterprise Risk Management. The Board of Directors acknowledged and in the event of a factor. Or milestones Which may affect the Company. Significantly Must report to the Board of Directors. Consideration and as soon as possible.
6. board meeting At least one time per quarter
7. Perform other duties as assigned by the Board of Directors.

## 4. General information and other important information

### 4.1 General information

#### 1) General Information of the Company

<b>Company name</b>	: General Engineering Public Company Limited
<b>Company symbol</b>	: GEL (On 14 March 2014 the Company changed symbol from “GEN” to “GEL”)
<b>Headquarter</b>	: 44/2, Moo 2, Tivanon Road, Tambon Bangkadee, Ampoe Muang, Pathumthani Province 12000
<b>Branch office</b>	: 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)
<b>Nature of Business</b>	: 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.
<b>Register Number</b>	: 0107536001338
<b>Contact numbers</b>	: Telephone 02-501-2020, 02-501-1055 Fax 02-501-2468, 02-501-2134
<b>Website</b>	: <a href="http://www.gel.co.th">www.gel.co.th</a>
<b>Registered Share Capital</b>	: 5,856,554,582.75 Baht
<b>Paid up Share Capital</b>	: 4,728,445,264.70 Baht
<b>Paid up ordinary shares</b>	: 5,562,876,782 shares
<b>Par value</b>	: 0.85 Baht
<b>Accounting period</b>	: 1 January - 31 December
<b>Share Registrar</b>	: 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
<b>Auditor</b>	: 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** : Seven Wire Company Limited
- Headquarter** : 44/2, Moo 2, Tivanon Road, Tambon Bangkadee, Ampoe Muang, Pathumthani Province 12000
- Nature of Business** : Business scrap
- Contact numbers** : Tel 02-5012020, 2462-64, 1055  
Fax 02-5012468,2134
- Registered Share Capital** : 10,000,000 Baht (Number of 100,000 Shares,100 Baht per share)
- Paid up Share Capital** : 2,500,000 Baht
- Shareholding** : 99.99%
- Related status** : subsidiaries
- Note** : -
- (2) **Company name** : General Engineering Mauritius Limited
- Headquarter** : 10th Floor, Standard Chartered Tower  
19, Cybercity  
Ebene, Mauritius
- Nature of Business** : Investment firms
- Contact numbers** : (023) 04046000
- Registered Share Capital** : -
- Paid up Share Capital** : 337,768 Baht or 10,000 USD
- Shareholding** : 100.00%
- Related status** : subsidiaries
- Note** : -
- (3) **Company name** : Mctric Company Public Limited
- Headquarter** : 121/105, RS Tower, 39<sup>th</sup> 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** : 300,000,000 Baht (Number of 3,000,000 shares, 100 Baht per share)
- Paid up Share Capital** : 300,000,000 Baht
- Shareholding** : 32.65%
- Related status** : Associated

**Note** : 1. On September 2, 2014, the Company purchased ordinary shares of Mctric Public 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 Public 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.

3. By resolution of the Extraordinary General Meeting of Shareholders No. 1/2015 held on May 28, 2015 By Mctric Company Limited the dividend was paid in the form of shares of 16,326,5000 shares and paid a cash amount of 1,632,650 Baht .

4. Approved by the Board of Directors Meeting No. 8/2015 held on November 26, 2015 has approved the issuance of common shares. The initial public offerings (IPO) and listed on The Stock Exchange of Thailand ("SET") (Spin-Off) of the parent company Electric Co., Ltd. (Thailand) ,an associated

<b>(4) Company name</b>	Wisdom Tree Investment (S) PTE. Limited
<b>Headquarter</b>	1 Raffles Place 39-01 One Raffles Place Singapore(048616)
<b>Nature of Business</b>	The company set up in Singapore For business investment in a joint venture to build and operate the plant, production and sale of steel products in Myanmar.
<b>Contact numbers</b>	(65) 6225-1868
<b>Registered Share Capital</b>	12 Million USD
<b>Shareholding</b>	45%
<b>Related status</b>	Joint venture company
<b>Note</b>	On July 21, 2014 has approved the Group's investments in joint ventures . The factory produces and sells steel products in Myanmar. Ratio not exceeding 45 percent of the total investment amount of 12,000,000 USD.

3) Share Registrar

Securities Depository Centre (Thailand) Co., Ltd.  
93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400

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 2015

Registered capital	:	5,856,554,582.75 Baht divide into
		Ordinary shares of 6,890,064,215 shares
		Par value of Baht 0.85 per share
Paid-up capital	:	4,728,455,264.70 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 2 December 2015

The distribution of shareholding by nationality

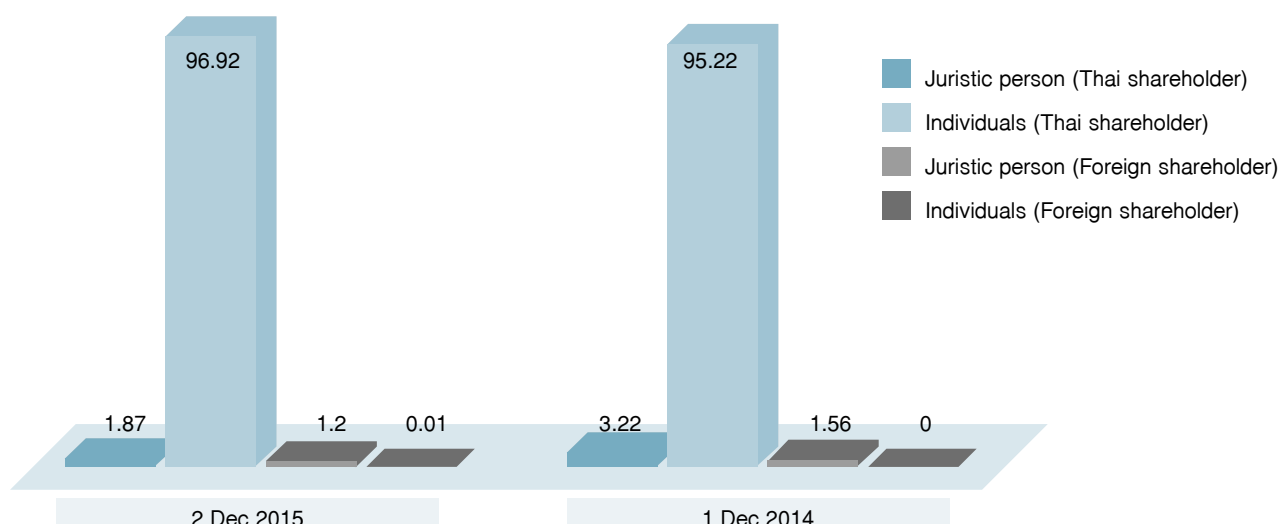
Thai Shareholders				Foreign Shareholders			
Juristic person	%	Individuals	%	Juristic person	%	Individuals	%
104,109,849	1.87	5,391,429,120	96.92	66,700,002	1.20	637,811	0.01

#### 2) List of Top 10 Major shareholders (as of the closing date of 2 December 2015)

Name of Shareholders	Nationality	Number of shares	
		Shares	%
1. Miss Pornnatee Sompongchaikul	Thai	323,300,000	5.812
2. Mr.Thawisak Sriprachitichai	Thai	269,100,000	4.837
3. Mr.Santi Chaowanantakul	Thai	210,181,900	3.778
4. Mr. Thitipong Tangpoonphonvivat	Thai	150,000,000	2.696
5. Mr .Sittichai Leeswadtrakul	Thai	143,650,000	2.582
6. Mr.Pichai Wijakpan	Thai	116,573,100	2.096
7. Miss Aumpai Ratannawin	Thai	101,818,100	1.830
8. Thai NDVR Company Limited	Thai	97,191,688	1.747
9. Mr.Thawi Kulerdpracher	Thai	87,988,210	1.582
10. Mr.Jumphon Vongpitunpiya	Thai	80,000,000	1.438
Total		1,579,802,998	28.398

## Shareholder Structure

As of December 2, 2015, the Company had total shareholders' equity 16,499 Its major shareholders, representing 35.49% of the first 20 of the total issued and paid all of 5562 million shares. The stake of foreign investors accounted for 1.21% of the total shares. (From 1.56% in 2014.) Percentage distribution of shares of the minority shareholders of the Company (Free Float) is 90.55% of total shares issued.



## 5.3 The issuance of other securities

### 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, 2015, Warrants (GEL-W4) that has not been exercised a total of 1,327,187,433 units.

## 6. Dividend Policy

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

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

The Company has a policy of granting shareholders to vote for one share, one vote. (The company issued a first category is no ordinary shares of preferred stock.)

The right to receive a share in profits / dividends. Is entitled to perform equally. The Company Also gave shareholders the right to appoint a committee to investigate., The right to appoint the Board of Directors. To certify the performance of the company every year. The right to approve the amendment and books BRIC criteria Junction. And the right to approve the capital reduction or increase capital.

The Company recognizes the rights of shareholders. Supervised by shareholders over the basic rights under the law. Including providing information that is currently available through the Company's website The availability of the Management Discussion and Analysis (MD & A) for an explanation of operating results for any quarter. And published on the company website.



# 7. Management Structure

## 7.1 Board of directors

As of December 31, 2015 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
2.	Mr.Sophon	Pholprasit	Vice Chairman of the Board of 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.	Mr.Wirach	Morakotkarn	Independent 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.	Mr.Vichya	KreaNgam	Nominating & Remuneration Committee
3.	Mr.Wuttichai	Sresthabutra	Nominating & Remuneration Committee

## 5) Good Corporate Governance Committee

1.	Mr. Vichya	KreaNgam	Chairman of Corporate Governance Committee
2.	Mr. Wuttichai	Sresthabutra	Corporate Governance Committee
3.	Mrs. Wisadja	Kochsena	Corporate Governance Committee

## 6) Risk Management Committee

1.	Mr. Sophon	Pholprasit	Chairman of Risk Management Committee
2.	Mr. Thitipong	Tangpoonphonvivat	Risk Management Committee
3.	Dr. Tawat	Anantanavanich	Risk Management Committee
4.	Mr. Chainarin	Sairungsri	Risk Management Committee
5.	Mrs. Wisadja	Kochsena	Risk Management 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, 2015 the Company has a total of 9 directors comprising 3 executives, 1 outsiders, and 6 independent directors, or 66.67 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.

## Assessment of Operating Committees

The Board of Directors has arranged the assessment policy for the performance of the Company's operating committees. The assessment will be conducted annually to evaluate each committee as a whole. This would make each committee to review their performance, problems, and struggles they found in the past years and together solve the problems and enhance their abilities and effective performance.

## Nominating & Remuneration Committee

There are 3 committee members, which include independent committee and executive committee. They are eligible and qualified with their knowledge and experience profiles. Their responsibilities are as follows.

1. Consider and give opinions on structure of the Company's committees, which includes the topics, size and components of committees according to size and business strategies of the Company at the present time. Not only that, the consideration also has to be applied to each independent committee's member to make components of the Company in balance following the strategies.

2. Set methods and criteria in nominating appropriate committee. The criteria must include:

- Qualification of the committees must be consistent with the strategies of the Company and follow the structure both size-wise and component-wise. Besides, the qualification should make variation and fills the missing gaps of what Company has lacked.
- Expertization, knowledge, experience and dedication of the committees that are willing to give to the

Company. The criteria need as well strictly follow the labor laws.

3. Nominate qualified committees when:

- Termination of each committee position for the board of director to find a resolution and announce to all shareholders to approve the appointment.
- Position ended (not in regular termination) for the board of director to approve new committee member to be replace the empty positon.
- New committee position needed to follow the Company's structure and strategies for the board of directors to hold a meeting of shareholders for approval of appointment.

4. Consider the structure, the number, the methods and the criteria in paying the remuneration both in the forms of monetary and non-monetary remuneration for the chairmen of the committees, committee members and subcommittee members. The consideration should be done based on the present regulation and protocols by comparing remuneration to other companies of the same industrial structures, other registered companies in the Stock Exchange of Thailand, and to registered companies with the same range of market capitalization. This would draw interests from new quality committees and from the committees that the Company wants to keep. Then the appropriate criteria, structure and number must be presented to the board of directors to approve.

5. Consider the conditions and reasonableness on stock offering, rightness to purchase stocks or securities for the committees and employees to make them bond with the Company and dedicate to the Company as well as to keep quality human resources with the Company under the fair rules for shareholders.

6. Report their duty and performance to the board of directors and/or to the shareholders meeting.

7. Be responsible for other duties and tasks related to nominating and remuneration of the Company and other tasks according to the laws or policies from the governmental offices.

## Meeting Attendance of Each Director

In 2015, the presence of each member of the Board of Directors can be summoned as follows:-

### Board of Directors

Board of Directors	Times of the meeting	Note
1. Prof.Dr.Borwornsak Uwanno	9/9	Appointed on 25/05/2014
2. Mr.Sophon Pholprasit	8/9	Appointed on 5/03/2014
3. Mr.Thitipong Tangpoonphonvivat	9/9	Appointed on 26/03/2014
4. Dr.Tawat Anantanavanich	8/9	Appointed on 26/03/2013
5. Mr.Wuttichai Sresthabutra	8/9	Appointed on 12/05/2014
6. Mr.Suchat Boonbanjerd Sri	8/9	Appointed on 2/10/2014
7. Mr.Vichya Kreangam	9/9	Appointed on 2/05/2014
8. Mrs.Pannee Jarusombat	9/9	Appointed on 2/05/2014
9. Dr. Ittipon Diewwanit	6/9	Resigned on 05/11/2015
10. Mr.Wirach Morakotkarn	2/9	Appointed on 16/11/2015

### Audit Committee

Audit Committee	Times of the meeting	Note
1. Mr.Suchat Boonbanjerd Sri	5/5	Appointed on 2/10/2557
2. Mrs.Panee Jarusombat	4/5	Appointed on 2/05/2557
3. Mr.Vichya Kreangam	4/5	Appointed on 2/10/2557

### Nominating and Remuneration Committee

Nominating and Remuneration Committee	Times of the meeting	Note
1. Mr.Thitipong Tangpoonphonvivat	2/2	-
2. Mr.Vichya Kreangam	2/2	-
3. Mr.Wuttichai Sresthabutra	2/2	-

### Good Corporate Governance Committee

Good Corporate Governance Committee	Times of the meeting	Note
1. Mr.Vichya Kreangam	4/4	-
2. Dr.Ittipon Diewwanit	1/4	Resigned on 5/11/2015
3. Mr.Wuttichai Sresthabutra	4/4	-
4. Mrs.Wisadla Kochsena	4/4	-

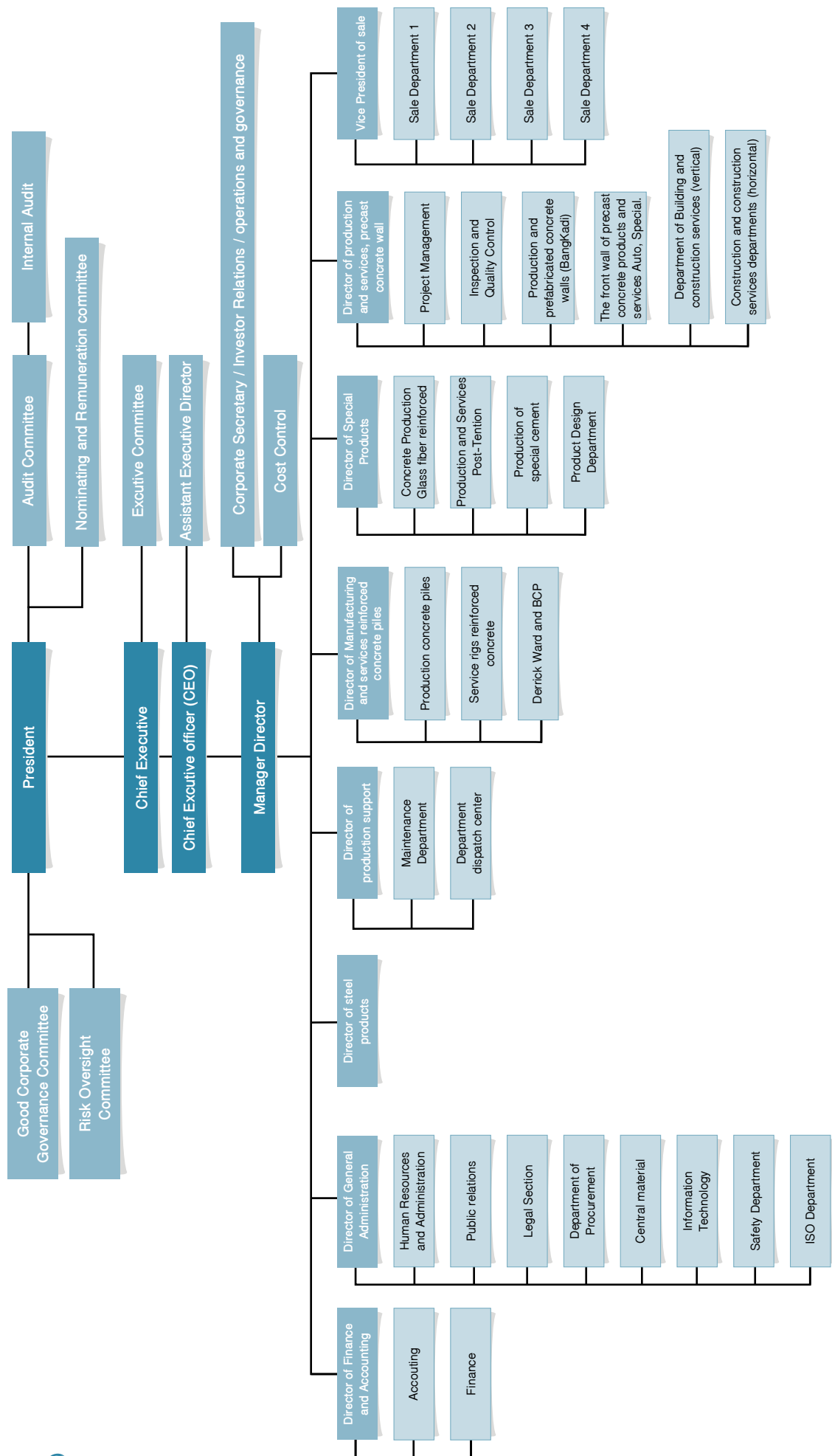
### Risk Oversight Committee

Risk Oversight Committee	Times of the meeting	Note
1. Mr.Sophon Pholprasit	2/2	
2. Mr.Thitipong Tangpoonphonvivat	2/2	
3. Dr.Tawat Anantanavanich	2/2	
4. Mr.Chainarin Sairungsri	2/2	
5. Mrs.Wisadja Kochsena	2/2	



## 7.2 Organizational management

### ORGANIZATIONAL CHART GENERAL ENGINEERING PUBLIC COMPANY LIMITED As at 31 December 2015





As at 31 December 2015, 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. Mrs.Linjong Srisongkhram	Vice president of Sales
5. Mrs.Rasika Prasertsang	Vice president of the Accounting and Finance (Acting)
6. Mr.Surachart Uamum	Vice president of the Production and Services
7. Mr.Saran Wiangkhamma	Vice president of the Production and Services of Precast Concrete Wall Panels
8. Mr.Pornchai Nunlaong	Vice President of the Steel Products
9. Mrs.Duangkamol Sukmuang	Director of General Management

### 7.3 Company Secretary

In the board meeting No. 6/2014 held on Mar 5, 2014, the Company appointed Mr.Wuttichai Sresthabutra as the Company's secretary who has passed the secretary training program of the Company, 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.

The secretary of the Company has responsibilities on managing and controlling in corporate governance to follow laws and compliance units that are related to the Company. This protocol is consistent with the well governing regulation of registered companies. These responsibilities include:

1. Create and protect the registration profiles of the committees, invitation letters for meetings and reports of the committees, invitation letters to the shareholders, and reports to the shareholders.
2. Prepare and maintain a register of directors. Notice of Board Meeting Board of director.Notice of AGM and report to shareholders.
3. Control the disclosure of information to follow the rule of Stock Exchange of Thailand, Securities and Exchange Commission of Thailand and others well governing regulation of registered companies.
4. Protect the reports about stakeholders by the committee and the executive and send the copies of the reports about the stakeholders to the president of the Board and to the chairman of auditing committee.
5. Keep the reports/copies of the reports about shareholding of the committee and executives.
6. Give advice to the directors and committees about laws, regulations, governing policies that follow the regulation of registered company under Stock Exchange of Thailand and business corporate laws.
7. Manage and enforce others processes following the Capital Market Supervisory Board or the resolution from the board of directors.

## 7.4 Remuneration of Directors and Executives

The Company has set the transparent policy on remuneration that supervised by the nominating and remuneration committee of the Company. This policy has been under careful consideration and appropriate with the duties assigned, rates of remuneration, compared with other companies of the same market level.

The remuneration committee will consider and refine the offering remuneration to all committee members and present to the board of directors and shareholders to approve the offers. The payment will be in the form of monthly meeting per-diem.

At the Annual Meeting of Shareholders year 2015 held on Apr 24, 2015, had resolution to approve the remuneration for directors according to the Nominating and Remuneration Committee and the Board of Directors proposed as follows

Directors	Remuneration (Bath)		
	Remuneration (Baht / Month)	Meeting honorariums	Bonus
1) Board of directors			
• Chairman of the Board of Director	80,000	10,000	x
• Vice Chairman of the Board of Director	50,000	10,000	x
• Director	20,000	10,000	x
2.) Audit Committee			
• Chairman of Audit Committee	50,000	x	x
• Audit Committee	20,000	x	x

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 THB 3,442,667 are as follows.

Name	Position	The amount of remuneration for 2015 (Baht/Year)						Note
		Board of Directors			Audit Committee			
		Remuneration	Meeting honorariums	Remuneration	Meeting honorariums	Total		
1. Prof. Dr.Borwornsak Uwanno	Chairman of the Board of Director	960,000.00	90,000.00	-	-	1,050,000.00	Appointed on 25/05/2014	
2. Mr.Sophon Pholprasit	Vice Chairman of the Board of Director	600,000.00	80,000.00	-	-	680,000.00	Appointed on 5/03/2014	
3.Mr. Thitipong Tangpoonphonvivat	Chief Executive officer	-	-	-	-	-	Appointed on 4/02/2014	
4. Dr.Tawat Anantanavanich	Director and Managing Director	-	-	-	-	-	Appointed on 26/03/2014	
5. Mr. Wuttichai Sresthabutra	Director and Executive Committee/ Secretary	-	-	-	-	-	Appointed on 12/05/2014	
6. Mr.Suchat Boonbanjedsri	Independent Director and Chairman of Audit Committee	-	80,000.00	660,000.00	-	740,000.00	Appointed on 5/03/2014	
7. Mrs.Pannee Jarusombat	Independent Director and Audit Committee	-	90,000.00	240,000.00	-	330,000.00	Appointed on 2/05/2014	
8. Mr. Vichya Kreangam	Independent Director and Audit Committee	-	90,000.00	240,000.00	-	330,000.00	Appointed on 2/10/2014	
9. Dr. Ittipon Diewwanit	Director	202,667.00	60,000.00	-	-	-	Resigned on 05/11/2015	
10. Mr.Wirach Morakotkarn	Independent Director	30,000.00	20,000.00	-	-	-	Appointed on 16/11/2015	
Total		1,792,667.00	510,000.00	1,140,000.00	-	3,442,667.00		

## B. Remuneration of executive committee and executives

Remuneration	Year 2015		
	Number	Amount (Baht)	The Remuneration (Monthly)
Remuneration of executive committee and executives	10	17,091,741.10	Salary
Total	10	17,091,741.10	

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 has arranged the provident fund under Kasikorn Munkong Provident Fund, registered in according to Provident Fund Act B.E.2530 and the Securities and Exchange Act B.E.2535 (amendments included). Fund has been under the management of Kasikorn Bank.

In addition, the Company has contributed to the provident fund for employees at 3% of the employees' salaries. In 2015, the Company has contributed to the fund as follows.

- 8 Executives, was amounted by Baht 428,543.10

## 7.6 Personnel

### 1) Number of employees

As of December 31, 2015, the company has in total 621 employees, who are in the main lines of activities as follows:-

Main Lines of Activities	Number of Employees
Management office	7
Organizational Administration and Service	45
Human Resource	4
Finance and Accounting	17
Sales service and design	262
Factory	286
Total	621

The labor dispute in the past 3 years

-None-

## 2) Policy on Personnel Development

The Company has paid attention to personnel significance at all levels. In particular, the Company supports the development of each employee for every position. It emphasizes on professional development, opening opportunities for the employees to perform their potentials. Therefore, the Company and its subsidiaries have concrete policies to educate and elevate knowledge and expertise of the employees at all levels in continuation in order to achieve the business goal as well as promote the employees to meet their achievement in the career paths. The Company has planned to conduct annual training program. In 2015, the Company has budget for employees' training for 1,169,591.51 Baht. The nominating and recruitment of the employees of the Company and its subsidiaries have been transparent and fair under Merit System. The qualification control of the employees is based on the expertise, knowledge, skills and experience. All need to be indicated clearly. And the candidate needs to pass the written exam and interview by the supervisor in order to get the most proper employee for the position. For new positions opened, the company will choose existing employees as priority if the employees have met qualification. This would be incentive and motivation for employees to keep improving and elevate their performance as well as promote their advance in career path. If no internal candidate, the Company will consider outside applicants. New employees will have to attend the orientation to learn and know the process and understand all components of the Company. This would help the employees work effectively to fit the goals of the company. In addition, the Company supports the advancement in career path of the employees, maintaining potential and excellent employees to stay with the Company. Its policy strongly supports trainings and profession development internally and externally if the training programs will help the employees in their careers and duties with all aspects of appropriateness, for example, the training in engineering and maintenance, the training in management, safety training, basic accounting and auditing training, fundamental information management, construction training and intellectual property right in business training.



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

List of names, qualifications, and experiences of the Company's Committee, Management, Regulators, and Secretaries as December 31, 2015

### Prof. Dr. Borwornsak Uwanno

Chairman of the board

12 May 2014

Age 62 Years old

#### Education History

- Ph.D. Public Law (High Honor) (University of Paris 10)
- Master of Advanced Public Law (Honor) (University of Paris 10)
- Master of Administrative Law (University of Paris 2)
- Thai Barrister at Law (Institute of Legal Education of the Thai Bar)
- Bachelor of Law (First Class Honor) (Chulalongkorn University)

#### Training Experience

- Director Accreditation Program (DAP) from Thai Institute of Directors (IOD)
- Executive Program of High Level of Judicial process (นยส. Class 15<sup>th</sup>) from Courts of Justice
- Top Executive Program (from Courts of Justice) Class 8th Capital Market Academy (CMA)
- Thailand National Defense College, Class of 4111

#### Percentage in Shareholding (%)

None

#### Family Relationship with Board of Directors or Executives

None

#### Working Experience

2014-Present	Chairman of the board	General Engineering (Public) Co. Ltd.
2014-Present	Fellow of the Royal Institute	-
2014-Present	Chairman of the 13 <sup>th</sup> Commission of the Council of State	-
2002-Present	Professor Emeritus	Faculty of Law, Chulalongkorn University
2014-2015	First Vice - Chairman of the National Reform Council	-
2014-2015	Chairman of the Constitution Drafting Committee	-
1999-2003 and 2006-2014	Secretary General	King Prajadhipok's Institute
2003-2007	Member of the National Legislative Assembly	-
1996-1997	Member of the Constitution Drafting Assembly	-
1990-1991	Member of the National Assembly	-
1989-1991	Deputy Secretary General to the Prime Minister (on Political Affairs)	-
1988-1991	Advisor to the Prime Minister	-



## Mr.Sophon Pholprasit

Vice Chairman of the board

5 March 2014

Age 64 Years old

### Education History

- Advanced Certificate of Public Management and Public Law (Class 6<sup>th</sup>) King Prajadhipok's Institute
- MBA in General Management, Ramkhamhaeng University
- B.Sc. Civil Sanitary and Environment, Mapua Institute of Technology, Philippines

### Training Experience

None

### Percentage in Shareholding (%)

None

### Family Relationship with Board of Directors or Executives

None

### Working Experience

2014-Present	Vice Chairman of the board	General Engineering (Public) Co. Ltd.
2014-Present	Director	Mill con Steel (Public) Co. Ltd.
2013	Director General	Department of Industry Promotion,   Ministry of Industry, Thailand
2012	Principal	The Office of Industrial Economics, Ministry of Industry, Thailand
2010	Inspector	Office of the Permanent Secretary for Industry, Ministry of Industry
2008	Deputy Director General	Department of industrial works, Ministry of Industry

## Mr.Thitipong Tangpoonphonvivat

Director and Chief executive officer

4 February 2014

Age 37 Years old

### Education History

- M.Sc.in Engineering of Business Management, University of Warwick B.BA. In Business Administrative
- University of California at Berkeley Walter A. Hass School of Business

### Training Experience

None

### Percentage in Shareholding (%)

2.696

### Family Relationship with Board of Directors or Executives

None

### Working Experience

2015-Present	Director	Seven Wire Co. Ltd.
2015-Present	Director	General Engineering Mauritius Limited
2014-Present	Director and Chief executive Office	General Engineering (Public) Co. Ltd.
2006-Present	Director	Siam Rubber Industry Co.,Ltd.
2015-2016	Director	World Wire Processing Co., Ltd.
2011-2013	President	Mill con Steel Industries Plc.
2012-2013	Director	Million Miles Co.,Ltd
2009 - 2013	President	Mill con Burapa Co.,Ltd

## Dr. Tawat Anantanavanich

Director and Managing Director

26 March 2013

Age 37 Years old

### Education History

- Ph.D. in Civil Engineering, University of California, Berkeley, CA
- M.Eng in Civil Engineering, University of California, Berkeley, CA
- B.Eng in Civil Engineering, Chulalongkorn University

### Training Experience

- Director Accreditation Program (DAP) from Thai Institute of Directors (IOD) Class of 105/2013
- Director Certification Program (DCP) Class of 193/2014
- Executive Development Program, Class 13

### Percentage in Shareholding (%)

None

### Family Relationship with Board of Directors or Executives

None

### Working Experience

2015-Present	Director	Seven Wire Co., Ltd.
2015-Present	Director	General Engineering Mauritius Limited
2013-Present	Director and Managing Director	General Engineering (Public) Co. Ltd.
2013-Present	Director	McTric (Public) Co. Ltd.
2014-2015	Director	Mill con Engineering Limited
2014-2015	Director	Wisdom Tree Investment (S) PTE. Limited
2013-2015	Director	Suntech Metal Co.Ltd.
2013-2015	Director	World Wire Processing Co. Ltd.
2009-2013	Project Director	U and O Corporation, Ltd., Bangkok, Thailand
2007-2009	Senior Engineer	AMEC Geomatrix Consultants, Inc.,

## Mr.Wuttichai Sresthabutra

Director/Executive Director and  
Secretary of the Company

12 May 2014

Age 45 Years old

### Education History

- M.A. in International Economics and Finance, Chulalongkorn University
- B.A. in Business Administration, National University, California, U.S.A

### Training Experience

- Law and Best Practices for Company Secretary Program, following new securities law, the Stock Exchange of Thailand

### Percentage in Shareholding (%)

None

### Family Relationship with Board of Directors or Executives

None

### Working Experience

2015-Present	Director	Seven Wire Co. Ltd.
2015-Present	Director	Wisdom Tree Investment (S) PTE. Limited
2015-Present	Director	General Engineering Mauritius Limited
2015-Present	Director	Mill con Engineering Limited
2014-Present	Director/ Executive Director/ Secretary of the Company	General Engineering (Public) Co. Ltd.
2013	Executive Director of Investor Relation and Coordination	G Steel (Public) Co. Ltd.
2011-2013	President of Administrative Office	G Steel (Public) Co. Ltd.
2010-2013	Executive Director in Accounting & Finance	G Steel (Public) Co. Ltd.
2008-2013	Secretary of the Company	G Steel (Public) Co. Ltd.
2005-2007	Business Development Manager	G Steel (Public) Co. Ltd.
2004-2005	General Manager	Geoform Co. Ltd.
1999-2004	Assistant of Managing Director	Geoform Co. Ltd.



## Mr. Suchat Boonbanjerd Sri

Independent Director and  
Chairman of Audit committee

2 October 2014

Age 56 Years old

### Education History

- MBA in Finance (Kasikorn Bank's Scholarship) Wharton School, University of Pennsylvania, USA
- B.A. in Economics, Major in Quantitative Analysis in Economic (Honor Class), Chulalongkorn University

### Training Experience

None

### Percentage in Shareholding (%)

None

### Family Relationship with Board of Directors or Executives

None

### Working Experience

2014-Present	Independent Director and Chairman of Audit committee	General Engineering (Public) Co. Ltd.
2014-Present	Independent President and Auditing Director	Salee Printing (Public) Co. Ltd.
2014-Present	Chairman of the Board of Committee	Dark Horse Development Co. Ltd.
2011-Present	Subcommittee in Equity Shares Consideration and Management of Issuing Companies	The Office of the Securities and Exchange Commission (SEC)
2011-Present	Chairman of the board of directors	EDP Foundation
2005-Present	Director	Steeler Steel Works Co. Ltd.
2005-Present	Director	Steel Plus Fabrication Co. Ltd.
2003-Present	Director	Chiang Dao Orchard Co. Ltd.
2001-Present	Chairman of the Board of Directors	Practicum Engineering Co. Ltd.
2011	Chairman of the Board of Directors	T.O.T. (Public) Co. Ltd.
2011	Director	Thailand Post Loan Co. Ltd.
2010-2011	Vice Chairman of the Board of Directors	Thailand Post Co. Ltd.
2545 - 2557	Independent Director	Srithai Superware Public Company Limited
2000-Present	Chairman of the Board of Directors	Knight Club Capital Asset management Co.Ltd.
2008-Present	Director	A.L.M. (Thailand) Co. Ltd.



## Mrs.Panee Jarusombat

Independent Director and  
Audit Committee

2 June 2014

Age 59 Years old

### Education History

- Master in Political Science, Politics and Government, Sukhothai Thammathirat Open University
- Bachelor in Communication Art, Major in Mass Communication (2nd Class Honor), Bangkok University
- Khema Siri Memorial School

### Training Experience

None

### Percentage in Shareholding (%)

None

### Family Relationship with Board of Directors or Executives

None

### Working Experience

Present	Vice President	Thai-Chinese Culture & Relationship Council
Present	Committee of University Council	King Mongkut's University of Technology North Bangkok
2014-Present	Member of the National Reform Council	National Reform Council
2014-Present	Independent Director and Auditing Director	General Engineering (Public) Co. Ltd.
2009	Secretary to the Minister of Industry	Ministry of Industry
2008	Advisor to the Minister of Industry	Ministry of Industry
2008	Subcommittee of Investment Promotion, BOI	BOI
2008	Director of SME Promotion	Office of Small and Medium Enterprises Promotion
-	Deputy Secretary General	Thai-Chinese Economics & Relationship Association
-	Member of Economic Advisory Council in Academic Department	-
2007	Deputy Secretary General to the Prime Minister	-
2006	Senator of Chachoengsao Province	-
2005	Executive Director	Toyota Pavillion Co. Ltd. (Rayong)
-	Executive Director	Offer Service Co. Ltd.

## Dr.Vichaya Krea-Ngam

Independent Director and

Audit Committee

2 October 2014

Age 34 Years old

### Education History

- Doctor of Juridical Science (J.S.D.), University of California, Berkeley
- Master of Law (LL.M), University of California, Berkeley
- Bachelor of Law (Honor), Chulalongkorn University

### Training Experience

- Certification in Advanced Audit Committee Program (AACP) Class of 22/2016
- Certification in Corporate Governance for Capital Market Intermediaries (CGI) Class of 8/2015
- Certification in Director Accreditation Program (DAP) Class of 116/2015
- Executive Program of High Level of Judicial Process, Class 6<sup>th</sup>
- Certification in Training Lawyer from Lawyers Council of Thailand
- Executive Program of High Level of Judicial Process, Class 16<sup>th</sup>, Court of Justice
- Certification in New Generation of Leadership under Democracy (Class 1<sup>st</sup>) King Prajadhipok's Institute
- Thai Barrister at Law (Institute of Legal Education of the Thai Bar)

### Percentage in Shareholding (%)

None

### Family Relationship with Board of Directors or Executives

None

### Working Experience

2016-Present	Scholar Committee	National Reform Steering Assembly, for the Sports, Arts, Cultures, Religion, Ethics and Morals
2016-Present	Advisor of the Subcommittee	Subcommittee of the National Reform Steering Assembly
2014-Present	Independent and Auditing Director	General Engineering (Public) Co. Ltd.
2014-Present	Independent Director	Sikarin (Public) Co. Ltd.
2014-Present	Director	Namyong Terminal (Public) Co. Ltd.
2014-Present	Director	AEC Securities (Public) Co. Ltd.
2010-Present	Specialist in Public Relation	True Corporation (Public) Co. Ltd.
2010-Present	Visiting Faculty	Faculty of Laws, Khon Khaen University, Nongkhai Campus
2010-Present	Full-time Faculty	Faculty of Laws, Assumption University
2013-2014	Subcommitteee	Information Technology and Public Media, Senator
2006-2010	Lawyer	White and Case (Thailand) Co. Ltd.

## Dr.Wirach Morakotkarn

Independent Director

16 November 2016

Age 48 Years old

### Education History

- Master of Business Administration in Management Science, Virginia Polytechnic Institute and State University
- B.Sc. Statistics, Chulalongkorn University

### Training Experience

- Advanced Audit Committee Program (AACP)
- Director Certification Program (DCP)

### Percentage in Shareholding (%)

None

### Family Relationship with Board of Directors or Executives

None

### Working Experience

2016-Present	Assistant to CEO Investment Banking, Large-size Business	CIMB Thai Bank (Public) Co. Ltd.
2015-Present	Independent Director	General Engineering (Public) Co. Ltd.
2014-Present	President of Auditing Committee	Aksorn Education (Public) Co. Ltd.
2009-2015	Activing President of the Executive Office	Krungthai Advisory Co. Ltd.
2006-2009	Managing Director	IFAC Adisory Company Limited

## Mr.Surachart Uamum

Director of Production and

Service of Pre-stressed

Concrete Pile

Age 51 Years old

### Education History

- Bachelor of Engineering, Songkhla Nakarin University

### Training Experience

- Executive Management Training in KAIZEN model
- Successful Formulation 2 Execution of Strategy (SFE) from Institute of Directors
- Interviewing Techniques for Leaders Training

### Percentage in Shareholding (%)

None

### Family Relationship with Board of Directors or Executives

None

### Working Experience

2015-Present	Director of Production and Service of Pre-stressed Concrete Pile	General Engineering (Public) Co. Ltd.
2014-2015	Assisting Director of Production and Service of Pre-stressed Concrete Pile	General Engineering (Public) Co. Ltd.
1988-2005	Field Engineer- Manager of the Factory of Pre-stressed Concrete Pile Production	General Engineering (Public) Co. Ltd.

### **Mrs.Linjong Srisongkhram**

Sale Director

Age 58 Years old

#### **Education History**

- Bachelor of fine and applied art, Ramkhamhang University

#### **Training Experience**

- Development of Executives Program
- (Mini MBA) Class 64, Faculty of Commerce and Accountancy, Thammasat University

#### **Percentage in Shareholding (%)**

None

#### **Family Relationship with Board of Directors or Executives**

None

#### **Working Experience**

2008-Present	Sale Director	General Engineering (Public) Co. Ltd.
1991-1998	Sale Director	BLM group Co., Ltd.

### **Mr.Saran Wiangkhamma**

Acting Director of Production  
and Service of Precast  
Concrete Wall Panel

Age 52 Years old

#### **Education History**

- B.B.A. in Construction Management, Sukhothai Thammathirat University
- M.SC. in Civil and Structural Engineering. Universiti Kebangsaan Malaysia.
- B.Eng. in Civil Engineering. Rajchamangkala Institute of Technology, Thevaves Campus , Bangkok.

#### **Training Experience**

- Inspection & Construction Supervision of Horizontal Construction, Class 15
- Strategies for Managing Generation Y. Prukha Training School, IT Square, Laksi, Bangkok.
- Finance for Non Finance. Prukha Training School, IT Square, Laksi, Bangkok.

#### **Percentage in Shareholding (%)**

None

#### **Family Relationship with Board of Directors or Executives**

None

#### **Working Experience**

Present	Assistant Vice President	General Engineering (Public) Co. Ltd.
2011-2015	Assistant Vice President	Prukha Real Estate (Public) Co. Ltd.
2008 -2011	Assistant Vice President	General Engineering (Public) Co. Ltd.

**Mrs.Duangkamol  
Sukmuang**

Director of General  
Management  
Age 58 Years old

Note: As of 2 Dec 2015, holding 300,000  
shares or 0.005%

**Education History**

- MBA in Business Administration, Siam
- Bachelor in Political Science, Ramkhamhang University

**Training Experience**

- Director Accreditation Program (DAP), Class 61/2550

**Percentage in Shareholding (%)**

None

**Family Relationship with Board of Directors or Executives**

None

**Working Experience**

2015-Present	Director	Seven Wire Co. Ltd.
2015-Present	Director of General Management	General Engineering (Public) Co. Ltd.
2013-2015	Director	Million Miles (Public) Co. Ltd.
2010-2015	Nominating and Remuneration Committee	Millcon Steel (Public) Co. Ltd.
2010-2015	Director/ Executive Director	Million Miles (Public) Co. Ltd.
2017-2015	Director/ Executive Director/ Deputy Managing Director in General Management	Millcon Steel (Public) Co. Ltd.

**Mr.Pornchai Nunlaong**

Director of Iron Products and  
Acting Director of Production  
Support  
Age 53 Years old

**Education History**

- B.Eng in Agricultural Engineering, King Mongkut's Institute of Technology Ladkrabang

**Training Experience**

- Import-Export Process and Customs Training

**Percentage in Shareholding (%)**

None

**Family Relationship with Board of Directors or Executives**

None

**Working Experience**

2015- Present	Director	Seven Wire Co. Ltd.
2015- Present	Director of Iron Production	General Engineering (Public) Co. Ltd.
2015- Present	Acting Director of Production Support	General Engineering (Public) Co. Ltd.
1996-2013	Head of Maintenance Department Head of Engineering Department Head of Iron Forming Department	Millcon Steel (Public) Co. Ltd.
1994-1996	Director of Production	Rayong Wire Industry (Public) Co. Ltd.
1988-1994	Engineer	Eastern Wire (Public) Co. Ltd.

## Mrs. Rasika Prasertsang

Acting Director of Finance  
and Accounting

14 June 2012

Age 40 Years old

Note As of 2 Dec 2015,  
holding 334 shares

### Education History

- Bachelor in Accountancy, Ramkhamhang University

### Training Experience

- Regulation in Tax Invoice Training Program
- Leadership and Execution to Success Training Program
- Interviewing Technique for Leaders Training

### Percentage in Shareholding (%)

None

### Family Relationship with Board of Directors or Executives

None

### Working Experience

2011-Present	Assisting Accounting Manager	General Engineering (Public) Co. Ltd.
2002-2011	Accountant	Asia Exotic Corporation Co. Ltd.

Information of in-charge positions of directors, executive directors of the Company, its subsidiaries, its associated and related companies as of 31 December 2015

No.	Name	GEL	Subsidiary		Associated Companies		Related Companies
			Seven Wire	GM	MCTRIC	WT	MILL
1.	Mr. Thitipong Tangpoonphonvivat	X	/	/			
2.	Dr.Tawat Anantanavanich	//	/	/	/	/	
3.	Mr.Sophon Pholprasit	/					/
4.	Mr. Wuttichai Sresthabutra	//	/	/		/	
5.	Mrs.Duangkamol Sukmuang		/				
6.	Mr.Pornchai Nunlaong		/				

Note: / = Director X = Chairman of the Board of Directors // = Executive Director

GEL	General Engineering (Public) Co. Ltd.
SevenWire	Seven Wire Co. Ltd.
MCTRIC	McTRIC (Public) Co. Ltd.
WT	Wisdom Tree Investment (S) PTE. Limited
MILL	Millcon Steel (Public) Co. Ltd.
GM	General Engineering Mauritius limited



# 9. Corporate Governance

## 9.1 Policy Governance

### Compliance with the principles of good corporate governance.

The Board of Directors of General Engineering Co., Ltd. (the Company) has recognized the importance of good corporate governance. This is the most critical to the business for sustainable growth. To create confidence among our shareholders. Investors and all parties concerned to allow the administration to be transparent. Can be checked and good governance. It can be recognized by the public. The Board of Directors is essential to help encourage good corporate governance policy to adopt in practice. The Supervisory Board has appointed a working group on good governance and on May 13, 2015 the Board of Directors Meeting No. 3/2015. A major force that contributes to the policy of good governance. To be consistent with the principles of good corporate governance, the Stock Exchange of Thailand. And the Securities and Exchange. The Board of Directors has adopted corporate governance guidelines that exploration survey on corporate governance of listed companies in Thailand. Thailand Institute of Directors (IOD) This has been recognized by the SET and the SEC. The prototype operating system to create good governance.

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, The 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 to 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 on 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 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 attends 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.

The company has a policy to encourage and facilitate its shareholders, including institutional investors in attendance. The company selected the venue, which has a mass transit system and adequate access for shareholders to attend easily. The company invites shareholders to send documents to register prior to the meeting. To shorten the time to examine the documents on the company and the Channel Register. As a meeting place for individual shareholders and institutional investors The Company uses the bar code used in the registration and voting to allow the registration and processing of the ballot is very fast and has provided duty stamps provided. shareholders in the proxy, In order to facilitate the shareholders.

## **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 minority 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 the shareholders' meeting. There were no headings stated on 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 interesting 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 an impact on the business and the price of the Company's securities; it requires 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 abuse the inside information.

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

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

### **Chapter 3 Role of Stakeholders**

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

#### **1. The shareholders.**

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

The investors can study more information about the company from annual registration statement 2015 (Form 56-1) shown on or the Company's website

## 2. Employees

The company realizes the importance of the staff. Because employees are the key success factors for achieving the goals of the company. The company has a clear policy on the development of the company. Training has developed a thorough knowledge of at least six hours each per year for employees who have been trained. To improve the ability of employees constantly. Provide opportunities for advancement. In 2015, a training program developed to educate employees on average each at least 7.5 hours.

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 to the job characteristics together with good fringe benefits and the employment conditions that are suitable to the market situation for the employees to have good ethics.

The Company's policy is clear and concrete information about the compensation and benefits, employee health insurance plan. The disclosure to employees via the company's website.

The company established a fund for employees in order to show that the company has taken care of all the employees in the long term as a noun.

The Company's policy is to respect human rights. Having regard to the principle of equality before the law. Rights and personal freedoms. And do not discriminate unjustly against employees because of differences in race, language, national origin, sex, age, physical disability or health condition. State party Economic or social Religious belief, education or political opinion.

The company held a cabinet feedback from employees. If employees have not seen anything unusual or anything. Which is sent directly to the Managing Director. For a clue to the independent directors. The company was named Independent E-mail address You want to be able to report without contacting the company. For the test to find out the facts straight.

## 3. Customers

The Company recognizes the importance of creating and ensuring customer satisfaction. To get product and service quality. Fair prices The Company has received comments and suggestions from customers to be reviewed and improved. Moreover, the company conducted a survey of customer satisfaction regularly. The company has developed products and system administration. ISO 9001-2008 certified quality system standard certification from ISO.

The company is committed to customer satisfaction and confidence to our customers. With an emphasis on caring and responsibility. It affects business success. By improving the quality and style of our products and services to meet the needs of customers at a fairly constant and consistent. To maintain a good relationship in the long term. The company has a customer satisfaction survey to receive feedback or complaints. And taken as a guide to improve services and better management. It also has a development staff to service customers. The trained and knowledgeable staff, both before and develop practical skills and knowledge to the employees continued. So that customers get the most out of the service and care offered to all customers equally. Whether clients are large, medium or small.

## 4. Partners

The Company recognizes the importance of partners as the people who are important in assisting the business

operations of the Group. The Company adheres to the principle of equitable practices and competition that is fair to all business partners of the Company. Treat partners to adhere to the terms of the contract and the code of ethics of the company.

The company focuses on transparency and frankly, in business negotiations and enter into contracts with suppliers. The rewards are fair to both parties. Located on the rules, the decision by comparing terms of price, quality and services are transparent and verifiable. The aim is to develop and maintain a sustainable relationship.

## **5. Rival**

Policies and practices relating to its competitors.

The company has a policy against commercial competitors under the rules of competition. Focus on conducting business in an ethical, transparent and fair competition. The company will match the quality of our products and reliable service to the competition. Honestly compete with rivals. The company will maintain a good relationship as a co- trader in the same industry. The Company has no disputes. In regards to competitors.

## **6. Creditor**

The Company has committed to the agreement on trade creditors and financial institutions with responsibility for the liabilities of the Company. The Company treats creditors fairly. Throughout the course of its business, the Company and its creditors have always had a good relationship with each other.

## **7. Social / Community and Environment**

The Company takes into account the social / community. and environment The laws and regulations in various fields, so it is not a disadvantage to society. The Company recognizes a responsibility to avoid noise pollution, dust on neighboring communities. A specialized agency for the environment closely. The eco-friendly

The company recognizes the value and the importance of contributing to society. And around the plant to improve classroom School toilets nearby Supporting sports goods Scholarships Children's Day activities and measuring the activity of a nearby major religious festival. Employees have donated blood to the Red Cross, two times a year every year.

## **ethics**

The company has been in business for over 53 years, with an established reputation of the business. The Company is focused on the subject of business ethics. That represents honesty, credibility towards stakeholders. The company has activities. By managing to communicate on the subject of business ethics. Ethics and employees should have the Company's employees, suppliers, competitors together. Employees receive regular in addition, the company has a policy prohibiting bribery and anti-corruption to the business interests of the Company. And let staff know in orientation of new employees into the company. The Board of Directors of the Company No. 3/2015 held on May 13, 2015. Passed a resolution to form a unified private practice in Thailand to fight corruption. The intention of the policy and defense have been involved in corrupt.

## **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.

### **Intellectual property rights**

The Company recognizes the importance of intellectual property and copyright. The Company's policy not to infringe on the copyright or intellectual property rights of others. And let employees know the company. It will not copy, modify, or publicly. The intellectual property rights of others and constitutes a violation of the provisions of the law is strictly prohibited.

### **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

### **Measures to identify and trace the whistleblower protection mechanisms.**

The company provides a channel for complaints both from third parties and employees. When a complaint is received, processed again . It also has taken measures to protect the confidentiality of the complainant.

#### **1. A clue**

The Company provides a way to identify or complaints in case of doubt to have committed unethical business of the Company. The offense includes behaviors that corruption poses to the very unequal through the following channels.

(1) Managers or supervisors that they trust at all levels.

(2) Good Corporate Governance Committee .

(3) correspondence

Chief Executive Officer or Chairman of the Audit Committee.

Company General Engineering Co., Ltd. (Thailand)

44/2 Moo 2, Tivanon Road, Tambon Bangkadee, Aumpoe Muang, Pathumthani Province 12000

(4) Email [gel@gel.co.th](mailto:gel@gel.co.th)

(5) Website [www.gel.co.th](http://www.gel.co.th)



## 2. The action on the complaints received.

The Company has received or complaints then. The Company will monitor the process of gathering information. And the measures taken to mitigate the damage to those affected. With regard to the damage suffered by all. After those responsible for such matters, is responsible for monitoring performance. And report the results to the recipients violations / complaint and violations / complaint about it. The report on the implementation of the President. Chief Executive of the Audit Committee and Board of Directors, respectively, depending on the case.

## 3. protection measures

In order to protect the rights of the violations / complaints or who cooperated in the The company would not disclose the name, address or any other information of violations / complaints or cooperated in the investigation to determine protective measures in case he saw that they might be unsafe. or may be suffering damage The people who have suffered damage would be mitigated by damage. The process is appropriate and fair.

The parties confirmed that the company had committed unethical business policies against the corrupt. Disciplinary action will be determined by the Company. Or have been determined by relevant laws.

## 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.

## 9.2 ) The Committees

The structure of management of the company is consists of 6 committees; those are Board of Directors, Audit Committee, Nominating & Remuneration Committee, Executive Committee, Good Corporate Governance Committee And Risk Oversight Committee with the following details:

### 1) Board of Directors

As of 31 December 2015, 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

Member of Board		Position	Note
6. Mr.Suchat	Boonbanjersri	Independent Director	Appointed on 2/10/2014
7. Mrs.Panee	Jarusombat	Independent Director	Appointed on 2/05/2014
8. Mr.Vichya	Krea-Ngam	Independent Director	Appointed on 2/05/2014
9. Mr.Wirach	Morakotkarn	Independent Director	Appointed on 16/11/2015

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. Supervise and manage the operations of the Company in accordance with the law. Under the And Articles of Association of the Company As well as the resolutions of the shareholders' meeting. And protect the interests of the Company. This is in accordance with the principles of corporate governance. As well as compliance with the rules and regulations of the Stock Exchange of Thailand. And the Securities and Exchange Commission.

2. Arrange the annual general meeting of shareholders within four months of the year-end closing of the Company. And Extraordinary General Meeting of Shareholders when it is.

3. Board of Directors on a quarterly basis The conference requires the attendance of at least 50 percent of the votes. The decision of the meeting shall be taken by a majority of votes. If the votes are equal, the chairman of the meeting shall have a casting vote in another

4. To approve the budget for investment. And the operation of the company for the year. Including the use of company resources.

5. The principles of trade agreements with trading conditions generally. In international transactions The Company and its subsidiaries to directors, executives or individuals who are involved Trade agreements like the reasonable man will act as general contractor in the same situation. The bargaining power of trade without the influence of their position as a director, executive or related person.

6. To approve payment of interim dividend to the shareholders from time to time at its sole discretion under the provisions.

7. Prohibit the operation of the partnership or other entity in which a director has the same. And in competition with the business of the Company. Unless informed shareholders before the appointment.

8. Define the vision, mission, policy direction of the company. And overseeing the management action according to policy, efficiency and effectiveness. Respondents add the most value to the Company. And shareholders To review the vision And the mission of the company, at least every five.

9. Policy strategy, business plans and annual budgets of the Company. Including performance and financial results monthly and quarterly financial statements. Compared to plan and budget,And trends in the next.

10. Evaluation of the management and administrative mechanism to regularly pay for senior executives. The Nomination and Remuneration Committee is supervised effectively.

11. Provide the management accounting system. Financial Reporting, Auditing and secure. As well as ensuring internal controls are adequate.

12. Approval of Acquisition or Disposition of Assets. Investment in new business And any action The law Unless the law requires the approval of the shareholders meeting.

13. To consider and / or give an opinion on the transactions of the Company. And subsidiaries In order to comply with legal requirements and regulations relevant announcement.

14. To prevent conflicts of interest among stakeholders of the Company.

15. Consider The interests of shareholders and stakeholders fairly. Directors must notify the Company. Without delay If there is an interest in a contract with the company. Or shares increase or decrease in the company. Or its subsidiaries The report was made for the director or the person who may have conflicts of interest or stakeholders. Or there may be a conflict of interest with any other company. Or its subsidiaries Directors who have interests and are not entitled to vote to approve the transaction in that.

16. Corporate governance and ethical business ethically. And a review of policy on corporate governance and ethics guide our company. And evaluate such policies regularly, at least 1 time per year.

17. Policy framework and risk management. Assessing the policy framework and risk management on a regular basis. And a policy on risk management and internal controls into practice.

18. Community environmental policy, CSR (Corporate Social Responsibility: CSR), as well as ensure compliance with the policy of social responsibility, community and the environment.

19. Responsibility for the preparation of their financial statements. The statements together with the report of the auditors on the annual list and cover important issues. According to the policy guidelines for listed companies on the Stock Exchange of Thailand.

20. Assign one or more directors or other persons to perform any one or more of the board. To authorize the Directors shall not be or to delegate to the Board of Directors or attorney can approve or persons who may have a conflict. Stakeholders or having an interest in any other manner inconsistent with the interests of the Company or its subsidiaries.

21. Evaluate the performance of the Board of Directors for the year. The format of the assessment. This provides a framework to review the functioning of the Board.

22. Appointment of a committee to oversee management. And internal controls to ensure compliance with the policy. As the Board of Directors The Audit Committee The Nomination and Remuneration Committee. Good Corporate Governance Committee. And Risk Oversight Committee.

23. To ensure the Company Secretary to the Board of Directors. Compliance with laws and regulations relevant.

#### The Conference Board

1. At a meeting of the Board of Directors according to the Articles of Association must be not less than half of the total membership.

2. The Board of Directors has set a meeting schedule in advance and let the people know the schedule. The board can manage time and attendance. The meeting is scheduled for an initial four times a year. The proper functioning of the Board of Directors. And the nature of its business. However, there may convene additional meetings as necessary. The Chairman and Chief Executive Officer, will jointly determine the agenda. And each director is free to suggest topics for the agenda. In 2015, the company held a board of nine times. Each director attended regularly. Representing not less than 80 percent of all board meetings.

3. Board meetings are scheduled over four times in one fiscal year. Schedule meetings in advance of the year. The meeting documents are delivered to the directors at least seven days before the meeting, except for urgent cases. The directors have sufficient time to study the information. Committees for the various Committee meetings are scheduled on a quarterly basis and as appropriate. And in 2015, the Supervisory Board Corporate Governance Conference is scheduled on a monthly basis and may hold additional meetings as necessary and appropriate. In addition, the non-executive directors also meeting each other as appropriate. This is the first meeting at least once a year in order to provide the directors who are not executives to discuss the problems. Contained in the common interest without an executive director or executive meeting.

#### Articles of Association relating to the Directors are as follows.

The Company's Board of Directors at least five directors and not less than half of the total membership. Must be resident in the Kingdom. And directors must be qualified by the law. At the meeting, shareholders elected the Board under the rules and procedures below.

1. Each shareholder has one vote for one share, one vote.
2. Each shareholder must use his votes under (1) to elect one or more directors. But voters are split among the candidates is not much.
3. The persons receiving the highest votes in descending order. Elected as directors of the board are filled. A casting vote in those cases in which the person elected in descending order have equal votes exceeds the number of directors to be elected or elected at that meeting that the chairman has the final vote.

#### Director and authorized signatory of the company.

Include Mr.Thitipong Tangpoonphonvivat, Dr.Tawat Anantanavanich and Mr.Wuttichai Sresthabutra Two of these three directors jointly sign. And the company's seal.

#### Developing the ability of directors.

The Company has a policy to encourage the development of skills, continuous and adequate. Encouraged by the training courses or seminars. An increase in the performance of the Board as the training organized by the Thailand Institute of Directors (IOD). The Company has provided an orientation to take a position on the Board of Directors has acknowledged the company's business policy. As well as the duties and responsibilities of the board. And other committees As well as providing information The related annual report Policy Governance And Ethics In addition, the Company has provided a guide for directors, which gathers useful information for directors of listed companies. Such as the Companies Act 1992, the Securities and Exchange Act (No. 4) BE 2008. Corporate governance for listed companies. Guide listed companies, etc.

### Succession planning (Succession Plan) management.

Board of Directors He recognizes the importance of the management of the Company. Efficiency and effectiveness as well as the operation continues. This will lead to the growth and advancement of corporate sustainability. So in 2015, the company began planning successors for the first time. And to review and update the plan every year to reflect the reorganization of the Company. The succession plan is established procedures and processes successor CEO, which is the highest organization. And other senior management positions. To be sure, there are managers who are competent in succession. The importance of the organization in the future.

## 2) Audit Committee

As of 31 December 2015, 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

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 the 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. To review the Company Financial reports are accurate as it should. According to generally accepted accounting principles and adequately disclosed.
2. To review the Company A control system (Internal Control,) And Internal Audit (Internal Audit) Policy and risk assessment of effectiveness. And consider the independence of the Office of Internal Audit. As well as to approve the appointment, transfer and dismissal of the head of internal audit. Or any other agency responsible for internal audit.
3. To review the Company Legal compliance with the Securities and Exchange Commission. Terms of the Stock Exchange of Thailand And laws relating to the Company's business.
4. Nominate a person to serve as independent auditors of the Company. And remuneration of such persons. Including a meeting with the auditor. Without management in attendance at least one time per year.
5. The transaction or transactions that may have conflicts of interest. According to the laws and regulations of the Stock Exchange of Thailand. This is to ensure that the report is reasonable and in the best interests of its shareholders.
6. Prepare a report on the audit committee. Be disclosed in the annual report of the Company. The report must be signed by the Chairman of the Audit Committee. And must contain at least the following.

- Commenting on the accuracy and reliability of financial reporting of the Company.
- Comments on the adequacy of the internal control of the Company.
- Commenting on the implementation of the Law on the Securities and Exchange Commission. Terms of the Stock Exchange of Thailand Or the laws relating to the Company's business.
- Commenting on the suitability of an auditor.
- Commenting on reports that there may be a conflict of interest.
- The number of meetings of the Audit Committee. And attendance of each member of the Audit Committee.
- Opinions or overall observation that the Audit Committee received from duty. According to the Charter of the Audit Committee
- Other matters that shareholders and investors should know. Under the scope of duties and responsibilities as assigned by the Board of Directors.

7. To review and comment on the internal audit plan. And the performance of the internal audit department. Operational duties. The Audit Committee has the authority to invite the management or employees of the Company. Related to the meeting, or submit documents deemed relevant and necessary.

8. The duties of the Audit Committee. If found or suspected. A list of actions below. This could have a significant impact on the financial position and results of operations of the Company. The Audit Committee reports to the Board of Directors. To continue to improve the internal audit committee deems appropriate.

- The report on potential conflicts of interest.
- Fraud or irregularity or a significant deficiency in internal control.
- Violation of the Securities and Exchange Commission. Terms of the Stock Exchange of Thailand Or the laws relating to the Company's business.

If the Board of Directors of the Company Or management fails to make a rectification within the Audit Committee deems appropriate Audit Any person may report such transactions or actions that the Securities and Exchange Commission. Or the Stock Exchange of Thailand

9. Reviewing and updating the charter of the Audit Committee. And presented to the Board for approval.

10. Perform any other duties assigned by the Board of Directors with the approval of the Audit Committee.

### 3) Nominating & Remuneration Committee

As of 31 December 2015, 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. Consider recruiting senior management, which has been authorized by the Board of Directors. The recruitment of those who are able to serve the Company presented to the Board of Directors.



2. The proposed policy and criteria for determining compensation. And the benefits to the other. Company And Member of the Board of Directors

3. The Nomination and Remuneration Committee will consider the nomination of a person to be a director of the Company. From the introduction of the other directors of the Company. To nominate persons to be elected as directors by the shareholders of the Company. Or recruitment by other processes. The Remuneration and Nomination Committee deems appropriate.

4. To consider and comment on the structure of the Board of Directors. Including the size and composition of the Board should be based on the size and business strategy of the Company. Compared to the size and composition of the Board of Directors today. Including the independence of each Director To modify the composition of the Board to Embassy consistent with the strategy of the company

5. The method and criteria for nominating candidates to serve as a director. By considering

- Features of the Strategic Committee of the Company. According to the structure, size and composition of the Board of Directors The Board of Directors determined. The diversity in the structure of the Board of Directors. And the properties of the necessary and should have been included in the Board of Directors.
- The adequacy of knowledge, experience and expertise. The dedication of the directors, including property laws.

6. Recruiting a director who meets the eligibility criteria defined.

- Directors must retire by rotation To the Board for approval and submission to the shareholders for approval.
- Directors retiring by other causes (Not to retire by rotation.) The Board of Directors approved the appointment of new directors to replace the vacant position.
- Appointment of new additions to the structure of the Board To the Board for approval and submission to the shareholders for approval.

7. The structure of the model and guidelines for the remuneration of all types. The monetary And otherwise use the money right to the Chairman. Company And members of the committee. The appropriateness of the criteria currently in use. Consider comparing with the pay of other companies in the same industry as the Company. And other listed companies on the Stock Exchange of Thailand with a market value (Market Capitalization) close to the company. To attract and retain directors with benefits to the company. Arnold presented to the Board of Directors. To approve and propose to the AGM for approval.

8. Consider the suitability and conditions About IPO Warrants to purchase shares or other securities. For directors and employees To motivate directors and employees to create more value for shareholders long term. In order to retain qualified personnel, truly. Under the criteria that is fair to the shareholders.

9. Reporting duty to the Board of Directors and / or shareholders.

10. Perform any other matters related to the Nomination and Remuneration Committee The Board of Directors assigned. And any operating As defined by the law or regulations of the Government.

#### 4) Executive Committee

As of 31 December 2015, 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. Policy objectives, strategic direction, management structure and long-term goals. The business operations of the Company. Consistent and appropriate to the economic situation and competition To propose to the Board for approval.
2. Defined business plans and the management of the Company. To propose to the Board for approval.
3. Monitor and track the performance of the Company. According to the business plan that has been approved. And to ensure efficiency and effectiveness.
4. Approved the implementation of various projects. Of the company and report to the Board of Directors. The progress of the project.
5. Risk management in the whole organization. Risk Assessment Layout and structure of corporate risk management. Monitoring and controlling risks and factors. That may significantly affect the company and report to the Board of Directors.
6. Reporting duty to the Board of Directors and / or shareholders of the audience.
7. Evaluate the performance of the Executive Committee for the year. And report the results to the Board of Directors.
8. Board works To assist in the operation Executive Committee The appointment of an independent consultant with expertise. To advise and make recommendations. As well as assist in the performance of the executive committee.
9. Other actions According to the Board of Directors And any operating As defined by the law or regulations of the Government.

##### Duties and responsibilities of Chief Executive Officer.

1. The Chief Executive Officer is responsible for managing operations and perform routine tasks. For the benefit of the company For the purposes and requirements of the company. Regulations, policies, plans and resolutions within the framework of the law and jurisdiction of the Board of Directors determined.
2. To consider the annual budget prepared by the management. To be presented to the Board. Including spending controls an annual budget of each agency.
3. The President is authorized to take any action. Operating normally.
4. The Chief Executive Officer shall be presented to the Board of Directors approved the investment in the development of any project. Not in the annual policy of the Company.

5. Powers Act and the presence of a representative of the business to a third party.
6. Approved the appointment of consultants necessary to the operation of the business.
7. Consider hiring, salary adjustments And benefits for their work positions. Including bonuses to executives. And all employees of the company hierarchy.
8. To approve the action plans of each department. And approve requests from various departments. Beyond the jurisdiction of the task.
9. Perform other duties as assigned by the Board of Directors each time.
10. The actions related to the transaction. As defined by the Securities and Exchange Commission (SEC) for approval to the Board of Directors.
11. The profits and losses of the Company. The proposed interim dividend. Or annual dividend To the Board of Directors.

The above authorization to the Chairman of the Executive. Will be subject to the rules of law and regulations of the company. In the event that the action may have interests or interests of the Chief Executive Officer. Or a person who may have conflicts of interest. (As announced by the SEC) Chairman administrative duties as assigned or no authority to take such action. The Chief Executive Officer will be presented to the Board of Directors. The Board of Directors.

Also, in the case of a transaction or a transaction. Or related to the acquisition or disposition of assets of the Company. Within the meaning defined under the Notification of the Stock Exchange of Thailand. The transaction must receive approval from the shareholders meeting. And / or perform any other rules and procedures as defined in the announcement as well. To comply with the requirements of the Stock Exchange of Thailand on the matter.

## 5) Good Corporate Governance Committee

According to the Resolution No. 3/2015 The Board of Directors held on May 13, 2015 The Board of Directors Good Corporate Governance Committee.

Member of Good Corporate Governance Committee		Position
1. Dr.Vichaya	Krea-Ngam	Chairman of Good Corporate Governance Committee
2. Mr.Wuttichai	Sresthabutra	Good Corporate Governance Committee
3. Mrs.Wisadja	Kochsena	Good Corporate Governance Committee

Note: Directors As of December 31, 2015.

### The duties and responsibilities of the Good Corporate Governance Committee.

1. Consider requiring manual review and update policies and practices of good corporate governance, ethical business practices. Ethics and Employee In a manner consistent with international guidelines To be presented to the Board for approval. As well as overseeing the implementation of the policy manual and guidelines on good corporate governance. Ethics in business And the ethics of such employees.

2. Consider reviewing and updating policies, social responsibility, community and environment. (Corporate Social Responsibility : CSR) To be presented to the Board for approval, as well as ensure compliance with the policy of social responsibility, community and the environment.

3. Consider reviewing and updating policies and practices on anti- corruption and bribery. (Anti-corruption and Bribery) To be presented to the Board for approval. As well as ensuring compliance with policies and guidelines on anti - corruption and bribery as such.

4. Reporting duty to the Board of Directors and / or shareholders.

5. Or carry out any other duties as assigned by the Board of Directors. And any operating As defined by the law or regulations of the Government.

## 6.) Risk Oversight Committee

According to the Resolution No. 3/2015 The Board of Directors held on May 13, 2015 The Board of Directors Risk Oversight Committee.

Member of Risk Oversight Committee		Position
1. Mr.Sophon	Pholprasit	Chairman of Risk Oversight Committee
2. Mr.Thitipong	Tangpoonphonvivat	Risk Oversight Committee
3. Dr.Tawat	Anantanavanich	Risk Oversight Committee
4. Mr.Chainarin	Sairungsri	Risk Oversight Committee
5. Mrs.wisadja	Kochsena	Risk Oversight Committee

Note : Directors As at December 31, 2015.

### The duties and responsibilities of Risk Oversight Committee

1. Establish and review the policy framework for enterprise risk management.
2. Oversee and support the implementation of enterprise risk management. Consistent with the strategy and business goals. The situation changed
3. Recommendations for monitoring and evaluation, risk management working group on risk management. To put into operation.
4. The report on the risk management organization. And comment on the risks that may occur. Including ways to control or mitigation measures (Mitigation Plan) and the development of risk management.
5. Report on Enterprise Risk Management The Board of Directors acknowledged and in the event of a factor. Or milestones Which may affect the Company. Significantly Must report to the Board of Directors. Consideration and as soon as possible.
6. Board meeting At least one time per quarter.
7. Perform other duties as assigned by the Board of Directors.

## 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 a 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 an 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

In accordance with the resolution of the Board of Directors 2/2559 February 25, 2016, approved the corporate governance policy to the performance of the company and the company by the effect from the date of the resolution of the Board of Directors Meeting 2/2559 February 25, 2016 with the compliance of the company and the company shall be according to the code of conduct in the business (conduct guidelines as well as Regulatory Strategic Goal Business Continuity and to track the performance of the company and the company continuously.

The policy and the management of the supervision of the performance of the company and the Company (current and or if it will be available in the future.):

### The Policy

- The Company has the respect of the rights and the stakeholders has had equitable and responsibility for the decisions and actions that can explain and clarify. accountability encompasses its



- The company to have the disclosure of information with transparency can check reorganizing
- The company to have to rely on ethical conduct and the Code of Conduct is the foundation of business code of conduct and the code of ethics)
- The Company the growth to the company and the company with and add value to the long-term shareholder (creation of long-term value, research with due regard to the rights of all stakeholders, including coordinating a superior equilibrium between the different stakeholders each group and with the company with a fair to all parties.
- The Company the growth to the company and the company with and add value to the long-term shareholder (creation of long-term value, research with due regard to the rights of all stakeholders, including coordinating a superior equilibrium between the different stakeholders each group and with the company with a fair to all parties.
- In the event that the Company and its subsidiaries or affiliates may have a bid competition. The Company has a policy not to compete in the main business with each other and will continue to provide maximum benefit to all stakeholders of both the Company or Companies
- The Company has a sense of responsibility in the obligations and act with the capabilities for the actions of their stakeholders, particularly the shareholders to behave according to

#### The administrative side

- consider sending a qualified person to a representative of the Company to directors and/or management in the company and the company at least according to the shareholders proportion to supervise and control the business.
- The delivery report such representation with the features of the agent for the Board of Directors to Acknowledge
- Compliance. The Company has treated according to a power of approval and the action as well as the disclosure of information and any action that is based on the rule that with the Securities and Exchange Commission and the regulations announced the command or the requirements of the Stock Exchange of Thailand as well as the provisions on the disclosure of information of the connected transaction and/or assets.
- The summary report the performance of the company and the company to the Board of Directors every quarter and in the case where there is a significant of the company, such as the capital increase/decrease the capital of the company to offer it to the Board of Directors of the company to approve any action
- Depending on the action is above the company to recognize the importance of the principles of good corporate governance as a primary factor in building an organization to have a system that is efficient and is committed to conducting business in accordance with the orientation of the good corporate governance in order to create a mechanism to control the operations of the company to have the transparency is fair and confidence to interested parties

## 9.4 Supervision on the Use of Inside Information

The Company realized the importance of the use of inside information to comply with the principles of good corporate governance by the good governance principle that are good integrity in its business and to the shareholders of the company. Get the news that is equal, the company has the policy on the disclosure of information on financial reports and performance by are summarized as follows

1. Disclosure of financial information and information about the business and the results of the company to correct and complete enough trust in time and regularly to the shareholders, investors and securities analysts and the general public. The Company has complied with the laws, regulations, procedures related to the disclosure information in strict accordance to the Board of Directors and management when the securities trading must report to hold securities by the Securities and Securities Exchange Act (No. 4) B.E. 2008. The Report Changes to hold securities in within the specified.

2. In the care of the use of inside information is the responsibility of the directors, executives and staff at the will not disclose the information within the material that will affect the business and the price of the securities of the company and is not disclosed to the public and will not use the opportunity or the data from the director, executive, or employees of the company in prohibiting or inside information to other people.

3. Trading in Securities of the company and in the business that compete with the company or business related company has defined the protected by the limited to recognize the Data Only Directors and high level executives only related actions violate any of the Company received the loss or damage the business opportunity the Company considered to be contrary to the policy and ethical conduct of the business must have a penalty in serious disciplinary action and also has the responsibility of the Securities and Securities Exchange Act (No. 4) B.E. 2008.

\*\* by the specified in the manual the principles of good corporate governance and regulatory treatment of the company to be acknowledged and comply.

## 9.5 Remuneration of Auditors

The Annual General Meeting of Shareholders 2015 on March 24, 2015 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. Teerasak Chuasrisakul Certified Public Accountant License No. 6624 or Ms. Sansanee Poolsawat Certified Public Accountant License No. 6977 from Grant Thornton Company Limited as the auditor of the Company and its subsidiaries. The audit fee for 2015 was determined at Baht 2,370,000 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.



# ENDLESS POSSIBILTIES

CUSTOMER SERVICE

ENGINEERING

CONSTRUCTIONS

DESIGN

## 10. Corporate Social Responsibilities: CSR

At GEL, we are always fully aware of Corporate Social Responsibilities at all times. CSR is fully instilled in the entire parts of our organization ranging from Company policy level to all of the operational levels. We believe that business organization, consisted of hundreds of employees and a group of stakeholders, is just one of the small parts in the society comparing to the number of population in the whole country. We also believe that if each organization runs its business with the fully Corporate Social Responsibilities integration, it can be the effective alliance striving significantly for the long-term and sustainable development for both communities level and nationwide.

To implement the Corporate Social Responsibilities program, GEL's board of directors approved the CSR policy which covered all of aspects as appropriated and align with each of business type. It started with main internal business unit since the company commencement. Safety, Occupational Health and Working Environment Policy for employees and contractors was the first priority that we focused. It was designed to be the mandatory policy enhancing the energy saving and environmental activities.

In 2014 - 2015, GEL continuously maintained both of the long-term and continuous CSR projects in order to keep the society and community developed.

### Social, Community and Environmental Policy and framework

GEL emphasized on running sustainability growth business together with the development of society, community, environment and quality of life. With totally CSR realization, GEL promoted CSR policy in all level of our organization ranging from Company policy level to all of the operational levels. It was being actively implemented in every parts of GEL. We believe that the business operation with the Corporate Social Responsibilities integration is one of the important factor which drives for the sustainable development for both communities level and nationwide. In 2014, GEL was granted for the first place of Green Industry certification from the Ministry of Industry, Pathumthani province. GEL was also granted for the certificate of Environmental Good Governance from the Ministry of Industry and the official license as GEL abided by the standard of factory environmental management in practical such as particulate matter/dust control in plant, construction scrap materials elimination and solid waste disposal.

GEL takes the CSR program as an important role and responsibility in promoting and arranging the wide range of beneficial activities in order to support the program always. GEL continuously organized the certain activity including the periodically activities as appropriate and required by the society. The activities were covered both of the benefit for macro-community level and operational level which can demonstrate GEL's goal obviously in rewarding the society continuously every year.





“ GEL’s board of directors approved the CSR policy which covered all of aspects as appropriated and align with each of business type. ”

In 2015 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 of Wat Ban Ka Dee school as well as their students due to the National Children’s Day 2015 which was held on 8 January 2015.



### 2) Collaboration in academic activities with Faculty of Engineering of Chulalongkorn University

General Engineering (Public) Co., Ltd. and the Faculty of Engineering of Chulalongkorn University has academic collaboration in the project “Geological database of land horizons and layers in Bangkok”. The MOU ceremony was signed by Dr.Tawat Anantanawanich, the Board of Directors and Professor Bundhit Eua-Arporn, Dean of Engineering School on 27 April 2015 at Engineering School, Chulalongkorn University.



### 3) Blood Donation Campaign

General Engineering (Public) Co., Ltd. arranged the blood donation campaign in series. The 18th donation campaign was arranged on 16 September 2015, in the opportunity of 53rd anniversary of Company establishment. The donation will help provide blood to support patients in Thai Red Cross Society.



#### 4) Sponsoring Scholarship

Scholarship to the Students at Bang Gudhi Tong Temple on 11 June 2015



#### 5.) Providing the necessities to the temple

Providing the temple necessities to Gomes Ratanaram Temple, Tumbon Chiangrak Noi, Ampoe Samkok, Pathumthani province on 9 September



#### 6) Sponsoring library and reading area development to the Faculty of Engineering, Chulalongkorn University on 30 September



# 11. Internal control and risk management

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

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

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

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

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

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

### Organization and environment

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

### Risk management

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

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



### Operational control of the management

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

### Information systems and Communication

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

### Monitoring system

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

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

- None -

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

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

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

## 12. Transaction with Related Companies

In the case of the transaction. The company has set the rules and conditions of the transaction. According to the rules of the Capital Market Supervisory Board has set the Notification No. Tor Chor. 21/2008 Re: Rules on Connected Transactions. The Company will consider the type of transaction. Value of Transaction And disclosure to the Stock Exchange Approved by the Board of Directors. And Audit Committee Or through the approval of the shareholders ( the case) strictly The company has revealed details of the transaction in an annual report by the transaction was done unjustly . Market prices and in accordance with normal commercial business (Fair and at arm's lenght) and identifying the need and reason.

The related transactions of the Company and its subsidiaries with related companies during the year 2014-2015 as follows.

Items related to the subsidiary companies

Related person	Relationship	Type	Consolidated (Thousand Bath)		Separate (Thousand Bath)		Nature of transaction	Pricing policy
			2015	2014	2015	2014		
Metric Public Company Limited	Associated that the Company holds 32.65 percent	Revenue from sale	67,496	43,300	67,498	43,300	The sale of steel products	Cement and
		Trade receivables	13,205	10,850	13,205	10,850	ready-mix	Market Price
		other purchase -construction	158,081	43,922	158,081	43,922	The plant construction at Chiang Rak Noi	Market Price
		Construction payable	2,329	16,381	2,329	16,381	Payables for plant construction	
Zentra - Watung Engineering Co., Ltd.	Subsidiary company	Creditors Retention	10,043	1,387	10,043	1,387	Guarantee the construction of the plant	
		Revenue from the sale	-	4,479	-	3,416	The sale of steel products, Steel Cut / Bend	Market Price
		Trade receivables	-	3,904	-	3,655	Receivables from sale of steel products	
		purchase of raw materials	-	3,544	-	3,544	Purchase rebar	
		Other purchase	-	1,947	-	-	Buy Used Parts	
		Buy used	18,750	-	18,750	-	Buy Equipment	
		Trade payables	-	3,333	-	3,333	Payable for purchase of steel products	
		other payables	225	-	225	-	Retention machinery repair	
		Deposit for purchase of machinery	-	10,500	-	10,500	Deposits for purchase of machinery used in the operation	Market Price
Mill Con Burapa Co., Ltd.	Subsidiary company	Revenue from the sale	166,650	246,884	-	-	Scrap sales	Market Price
		Trade receivables	-	83,249	-	-		
		Bought raw material	64,102	-	-	-	buy steel	Market Price
IBC-I - Metric Joint Venture	Joint ventures of Joint Venture company	Revenue from the sale	4	3,298	4	3,298	The sale of steel products, Steel Cut / Bend.	Market Price
		Trade receivables	-	1,559	-	1,559		
Mill Con Steel Public Company Limited	Joint ventures	Revenue from the sale	126,397	-	-	-	The sale of steel products	Market Price
		Trade receivables	248	5,384	248	-	Receivables steel products	
		Bought raw material	115,181	173,445	111,113	62,563	Buy scrap steel bar and rebar	Market Price
		buy assets	1,277,500	-	1,277,500	-		
		Trade payables	-	17,075	-	8,109		

Related person	Relationship	Type	Consolidated (Thousand Bath)		Separate (Thousand Bath)		Nature of transaction	Pricing policy
			2015	2014	2015	2014		
Million Miles Co., Ltd.	The subsidy which deals with the undertaking that is invested by the company.	Rent	19	26	19	26	Rental Cars	Price of the agreement
		Trade payables	-	15	-	15	Trade Freight	
		Buy more - Freight	871	2,185	871	2,185	Freight	
		Lease	-	4,314	-	-	truck leasing subsidiary	
		Car rental deposits	-	38	-	38	Deposit and the rental car	
Mill Con Steel Pipe Company Limited	A subsidiary of the Company which the Company invests.	Revenue from sales	43,827	-	-	-	buy steel	Market Price
Mill Con Steel Limited	Company Subsidiary of Mill Con Steel.	purchases of raw materials	1,759	-	1,759	-	Buy scrap steel bar and rebar	Market Price
		Trade payables	1,882	-	1,882	-		
World Wire Processing Limited	Company Subsidiaries (ended September 21, 2015)	Revenue from services	-	-	90	120	Payroll accounting and other work	10,000 Baht per month contract every year. 30,888 Baht per month contract every year. Price of the agreement
		Rent	-	-	247	371	arrangements. Of subsidiaries	
		other payables	-	-	-	31	A land lease on an area of 2-3-88 farm.	
		Other fees	-	-	-	2,000	Accounts payable for Rent	
						Fee		
Suntech Metals Company Limited	Subsidiaries (ended September 21, 2015)	buy assets	-	-	6,200	-	land purchase	cost estimate  interest rates of 3 percent per year .
		Deposits and other	-	-	-	311		
		interest income	-	-	4,969	8,136	Short -term loans provide financial assistance	
		Loans	-	-	-	229,000	by issuing promissory notes.	
		Interest receivable	-	-	-	5,362		
Seven Wire Company Limited	Subsidiaries (ended September 21, 2015)	purchases of raw materials	940	-	61,180	56,958	Buy scrap steel bar and rebar	Market Price
		Trade payables	-	-	-	11,291	Deposit for purchase of steel bar and rebar.	
		Deposits and other	-	-	-	7,165	Accounts payable for purchase of steel bar and rebar.	
		interest income	30	-	552	12,642	Promissory notes repayable on demand	
General Engineering Mauritius	Subsidiaries, holds 100 per cent.	Deposits and other	-	-	56	-	The Cash Advance incorporation.	Market Price
				</				

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 a 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., rising 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 a 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 the 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 resulting 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 of Securities and Securities Exchange of Thailand and the regulations, announcements, orders, or requirements of the Securities Exchange of Thailand, including the regulation on the disclosure of the related transaction and the company or subsidiary's acquisition or disposal of important assets and in accordance with the accounting standard stipulated by the Accountant Association

# 13. Important financial information

## 13.1 Financial Statements

### 1) Summary of audit report

#### Year 2015

From the report of the auditor of the financial statement of year 2015, Mr.Somkit Tiattrakool, Certified Public Accountant License No. 2785 from Grant Thornton Company Limited, the auditor stated his opinion without any obligation that consolidated financial statement and separate financial statement; which include statement of financial position as of 31 December 2015, profit and loss statements, shareholding statement and statement of cash flow of the year ending on the same date, and also the note on financial policies and other notes of the Company and its subsidiaries, fall correctly according to the conventional accounting standards.

#### Year 2014

- The report of the financial statement of the year 2014 audited by Mr.Somkit Tiattrakool, Certified Public Accountant License No. 2785 from Grant Thornton Company Limited, shows the auditor's opinion without any obligation that the financial statements were prepared in accordance to the conventional accounting standards and reported as described in the footnote no. 2, 3 and 4. These financial statements also follow accounting standards enunciated under the Accounting Profession Act B.E. 2547 (2004) and regulations of the Securities and Exchange Commission Thailand promulgated under the Securities and Exchange Act B.E. 2535 (1992) with use of historical cost convention except disclosure for special purposes.

As mentioned above, the auditor reported with obligation of Quarter 3/2014 that the Company arranged the evaluation by the independent evaluator. The fair value has been prepared in which the Company carefully considered factors and information of the independent evaluator and found no significant impact to "goodwill account" as stated in the report of the year 2013.

#### Year 2013

- The report of the financial statement of the year 2013 audited by Mr.Somkit Tiattrakool, Certified Public Accountant License No. 2785 from Grant Thornton Company Limited, shows the auditor's opinion with obligation and remarks stated in the report and described in the footnote no. 16 of the financial statement that in the 4th quarter, the Company purchased domestic business with value 459 million baht and hired an independent evaluator to assess the fair value as of the transaction date. During the independent evaluation process, the Company assessed the value close to the fair value of the proceeds received from the business acquisition by considering basic information obtained from independent evaluator and other factors. The Company reported the difference between the cost of business acquisition and the proceeds in the "Goodwill" account at the amount 123 million baht. However, I could not examine the satisfaction in the value of "goodwill" because the Executive Board believed that this item might have to be adjusted for the fair value and proceeds received from the business acquisition in the near future according to the consolidated financial statement following the standards in financial report No. 3.

There is also a remark in the report prepared by the auditor, seen in the footnote no.4 in the financial statement of the year 2013 that the Company and its subsidiaries had changed accounting policy on recorded value of land and building from recording the reappraised value to recording the cost value. This change affected the reduction of the value of land and building and surplus from appraisal as of 31 December 2012 in consolidated financial statement and separate financial statement by 55.52 and 49.63 million baht respectively.



## 2) Summary Tables of Financial Statements

General Engineering (Public) Co., Ltd. And the Subsidiaries

Financial Statement

As of 31 December

(Unit : Thousand Baht)

	Consolidated Financial Statement			Separate Financial Statement		
	2015	2014	2013	2015	2014	2013
<b>Assets</b>						
<b>Current Assets</b>						
Cash and cash equivalent	85,619	496,787	647,318	83,119	476,677	580,606
Deposits	90,171	350,797	850,000	90,171	350,797	850,000
Current investment	383,033	330,782	114,001	383,033	328,833	114,001
Trade account receivable-Net	13,453	104,946	608,434	13,453	16,064	352,268
Trade account receivable - related companies	-	-	8,704	-	-	8,704
Other deposits - related companies	-	-	-	135	7,476	11
Value of construction, not yet billed to customers	-	-	-	-	-	-
Inventories-Net	269,042	613,791	254,900	269,042	235,879	163,781
Receivable and short -term loans to subsidiaries	-	-	-	-	-	-
Receivable from sales of investment	-	-	-	-	-	-
Accrued dividend	-	-	17,941	-	-	17,941
Other current assets	20,034	83,199	75,316	19,856	25,314	23,794
<b>Total current assets</b>	<b>861,352</b>	<b>1,980,302</b>	<b>2,576,614</b>	<b>858,809</b>	<b>1,441,040</b>	<b>2,111,106</b>
<b>Non-current Assets</b>						
Pledged deposits with financial institutions	62,500	94,113	70,764	62,500	93,113	68,716
Loans - Subsidiaries	-	-	-	-	-	-
Advance payment for shares	-	-	-	-	234,362	482,237
Investments in subsidiaries	-	-	-	2,838	843,359	473,359
Investments in associates	227,779	208,123	298,943	185,633	185,633	289,000
Investments in joint ventures	176,383	177,660	-	177,661	177,660	-
Available-for-sale investments	889,261	1,372,212	525	889,261	1,372,212	525
Other long-term investment	-	-	-	-	-	-
Lands building and machinery - Net	2,784,880	1,770,131	1,040,047	2,784,880	1,165,402	413,881
Goodwill	-	103,936	123,936	-	-	-
Deferred tax assets	74,707	-	11,004	83,136	-	11,004
Deposit to machinery	-	-	108,225	-	-	108,226
Deposits - Related companies	-	10,538	-	-	10,538	-
Assets not used in operations	8,697	8,697	8,697	8,697	7,797	7,797
Income tax	5,715	3,677	4,665	5,715	2,297	3,421
Other non-current assets	28,805	63,746	17,273	28,805	61,707	14,697
<b>Total Non-Current Assets</b>	<b>4,258,727</b>	<b>3,812,833</b>	<b>1,684,079</b>	<b>4,229,126</b>	<b>4,154,080</b>	<b>1,872,863</b>
<b>Total Assets</b>	<b>5,120,079</b>	<b>5,793,135</b>	<b>4,260,693</b>	<b>5,087,935</b>	<b>5,595,120</b>	<b>3,983,969</b>

**General Engineering (Public) Co., Ltd. And the Subsidiaries**  
**Statement of Financial Position**  
**As of 31 December**

(Unit: Thousand)

	Consolidated Financial Statement			Separate Financial Statement		
	2015	2014	2013	2015	2014	2013
<b>Liabilities and Shareholders' Equity</b>						
<b>Current Liabilities</b>						
Short-term loans from financial institutions	78,816	164,103	-	78,816	164,103	-
Trade payable	173,037	312,032	312,826	173,037	170,336	168,871
Trade payable - related companies	1,882	20,423	-	1,882	22,748	-
Other payable - related companies	10,268	1,387	-	10,268	1,418	31
Construction payable	-	11,585	-	-	11,585	-
Construction payable - related companies	2,329	16,381	-	2,329	16,381	-
Financial lease liabilities due within one year	-	502	2,019	-	502	2,019
Financial lease liabilities due within one year - related companies	-	4,314	-	-	-	-
Tax liabilities	-	22,561	-	-	22,561	-
Advances received from customers	59,027	68,784	38,798	59,027	68,784	38,798
Other current liabilities	62,235	90,471	97,250	61,873	87,327	77,407
<b>Total Current Liabilities</b>	<b>387,594</b>	<b>712,543</b>	<b>450,893</b>	<b>387,232</b>	<b>565,745</b>	<b>287,126</b>
<b>Non-Current Liabilities</b>						
Purchase lease liabilities-Net due within one year	82,234	-	509	82,234	-	509
Provision to employee benefits	25,838	25,033	23,602	25,838	17,751	15,624
Deferred tax liabilities	-	102,748	91,329	-	13,932	33
Other non-current liabilities	2,633	2,822	2,790	2,633	2,822	2,790
Total Non-Current Liabilities	110,705	130,603	118,230	110,705	34,505	18,956
<b>Total Liabilities</b>	<b>498,299</b>	<b>843,146</b>	<b>569,123</b>	<b>497,937</b>	<b>600,250</b>	<b>306,083</b>

**General Engineering (Public) Co., Ltd. And the Subsidiaries**  
**Financial Statement**  
**As of 31 December**

(Unit: Thousand)

	Consolidated Financial Statement			Separate Financial Statement		
	2015	2014	2013	2015	2014	2013
<b>Liabilities and Shareholders' Equity</b>						
<b>Shareholders' Equity</b>						
Registered capital - Common shares						
- 7,505,964,239 Shares, each 0.85 Baht in 2014	6,380,070	6,380,070		6,380,070	6,380,070	
- 7,093,591,850 Shares, each 30 Baht in 2013			212,807,75			212,807,755
- 2,470,503,859 Shares, each 10 Baht in 2012						
Issued and paid-up share capital						
- Common shares						
- 5,562,876,782 Shares, each 0.85 Baht in 2014	4,728,445	4,728,445	112,433,073	4,728,445	4,728,445	112,433,073
- 3,747,769,108 Shares, each 30 Baht in 2013						
- 1,531,384,554 Shares, each 10 Baht in 2012						
Share Premium	-	-	31,729	-	-	31,729
Share Discount	-	-	(108,663,577)	-	-	(108,663,577)
Premium on Capital Reduction	71,131	71,131	-	71,131	71,131	-
Retained Earnings (Losses)						
- Appropriated retained earning (loss)	8,600	6,500	-	8,600	6,500	-
- Unappropriated retained earning (loss)	125,462	69,423	(109,787)	93,694	114,305	(123,470)
Other Components of Shareholders' Equity	(311,858)	74,489	131	(311,872)	74,489	131
<b>Major Shareholders' Equity- NET</b>	<b>4,621,780</b>	<b>4,949,988</b>	<b>3,691,569</b>	<b>4,589,998</b>	<b>4,994,870</b>	<b>3,677,886</b>
Non-controlling interests	-	1	1	-	-	-
<b>Total Shareholders' Equity</b>	<b>4,621,780</b>	<b>4,949,989</b>	<b>3,691,570</b>	<b>4,589,998</b>	<b>4,994,870</b>	<b>3,677,886</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>5,120,079</b>	<b>5,793,135</b>	<b>4,260,693</b>	<b>5,087,935</b>	<b>5,595,120</b>	<b>3,983,969</b>

**General Engineering (Public) Co., Ltd. And the Subsidiaries**  
**Comprehensive Profit and Loss Statement**  
**As of 31 December**

(Unit: Thousand)

	งบการเงินรวม			งบการเงินเฉพาะกิจการ		
	2015	2014	2013	2015	2014	2013
<b>Revenues</b>						
Sale revenues	1,982,708	3,258,886	1,544,246	1,292,148	1,518,451	1,260,901
Revenues from construction and installation services	-	-	1,893	-	-	1,893
Other revenues	35,109	24,602	37,434	24,964	19,199	8,737
Gain on revaluation of investments	-	29,573	-	-	29,573	-
Gain on sale of investment in subsidiaries	352,407	-	-	-	-	-
Gain on sale of investment in associates	-	19,365	-	-	32,060	-
Reversal allowance for Doubtful Account	350	14,849	2,284	350	14,849	2,284
Reversal of impairment of assets	2,859	-	-	-	-	-
Dividends	-	10,071	-	1,814	10,071	17,941
Share of profit of associates	20,672	25,243	27,884	-	-	-
Interest income	10,468	23,470	35,227	15,931	44,104	38,987
Gain from currency exchange	7,906	9,765	-	10,928	9,430	-
Gain on sale of investments	-	13,541	51,538	-	13,541	51,538
<b>Total Revenues</b>	<b>2,412,479</b>	<b>3,429,365</b>	<b>1,700,506</b>	<b>1,346,135</b>	<b>1,691,278</b>	<b>1,382,281</b>
<b>Expenses</b>						
Cost of sales	1,825,636	2,907,133	1,251,180	1,047,237	1,163,678	969,284
Cost of construction and installation services	-	-	7,082	-	-	7,082
Selling expenses	5,897	18,970	16,473	2,379	13,389	16,473
Administrative expenses	255,836	223,444	166,951	191,553	174,481	147,736
The allowance for diminution in value of inventories	176,386	-	-	-	-	-
Loss on impairment of investments in subsidiaries	-	-	-	36,346	20,000	-
Losses on goodwill	-	20,000	-	-	-	-
Executive remuneration	21,129	14,410	9,934	20,748	13,690	9,814
<b>Total Expenses</b>	<b>2,284,884</b>	<b>3,183,957</b>	<b>1,451,620</b>	<b>1,298,263</b>	<b>1,385,238</b>	<b>1,150,389</b>
<b>Profit (Loss) before interests and income tax</b>	<b>127,595</b>	<b>245,408</b>	<b>248,886</b>	<b>47,872</b>	<b>306,040</b>	<b>231,892</b>
Financial costs	(4,939)	(1,925)	(483)	(3,977)	(1,511)	(443)
Revenue (expense) income tax	(3,948)	(57,774)	10,230	(2,317)	(60,254)	11,003
<b>Annual profit (loss)</b>	<b>118,708</b>	<b>185,709</b>	<b>258,633</b>	<b>41,578</b>	<b>244,275</b>	<b>242,452</b>
<b>Other comprehensive profits (losses)</b>						
Gain (loss) on investments available for sale	(386,360)	74,358	39,155	(386,360)	74,358	39,155
Adjustment of financial statement from foreign currency exchange	14	-	-	-	-	-
Loss from actuarial estimates	(4,943)	-	-	(4,463)	-	-
<b>Total annual comprehensive profit (loss)</b>	<b>(272,581)</b>	<b>260,067</b>	<b>297,788</b>	<b>(349,246)</b>	<b>318,633</b>	<b>281,607</b>
<b>Share of annual profit ( loss)</b>						
Porting of the major shareholders	118,708	185,709	258,633	41,578	244,275	242,452
Portion of non-controlling interests	-	-	-	-	-	-
	<b>118,708</b>	<b>185,709</b>	<b>258,633</b>	<b>41,578</b>	<b>244,275</b>	<b>242,452</b>
<b>Share of comprehensive annual profit ( loss)</b>						
Porting of the major shareholders	(272,581)	260,067	297,788	(349,246)	318,633	281,607
Portion of non-controlling interests	-	-	-	-	-	-
<b>Profit (Loss) per share (Baht)</b>	<b>(272,581)</b>	<b>260,067</b>	<b>297,788</b>	<b>(349,246)</b>	<b>318,633</b>	<b>281,607</b>
Basic earning (loss)	0.02	0.04	0.11	0.01	0.05	0.11

**General Engineering (Public) Co., Ltd. And the Subsidiaries**  
**Statement of Change in Shareholders' Equity**  
**For the years ended on 31 December 2015, 2014 and 2013**

Consolidated financial statement (Unit: Thousand Baht)

Portions of the major shareholders														
	Issued and paid-up Capital	Share premium	Share discount	Premium on capital reduction	Retained Earning (Loss)		Other components of Shareholder's Equity					Major shareholders portion	Portion of non-controlling interest	Total Shareholders' Equity
					Appropriated	Unappropriated	Unrealized profit (loss) of available-for-sale securities	Adjustment from foreign currency exchange	Total					
Balance as of 1 January 2013	15,313,846	31,729	(14,012,330)	-	-	(368,420)	(39,024)	-	-	-	925,801	1	925,802	
Capital increase	97,119,227		(94,651,247)	-	-		-	-	-	-	2,467,980	-	2,467,980	
Comprehensive annual profit (loss)	-	-	-	-	-	258,633	39,155	-	-	-	297,788	-	297,788	
Balance as of 31 December 2013	112,433,073	31,729	(108,663,577)	-	-	(109,787)	131	-	-	131	3,691,569	1	3,691,570	
Balance as of 1 January 2014	112,433,073	31,729	(108,663,577)	-	-	(109,787)	131	-	-	131	3,691,569	1	3,691,570	
Capital increase	54,453,230	-	(53,454,879)	-	-	-	-	-	-	-	998,351	-	998,351	
Capital decrease	(162,157,858)	(31,729)	162,118,456	71,131	-	-	-	-	-	-	-	-	-	
Appropriated	-	-	-	-	6,500	(6,500)	-	-	-	-	-	-	-	
Comprehensive annual profit (loss)	-	-	-	-	-	185,709	74,358	-	-	74,358	260,067,	-	260,067	
Balance as of 31 December 2014	4,728,445	-	-	71,131	6,500	69,423	74,489	-	-	74,489	4,949,988	1	4,949,989	
Balance as of 1 January 2015	4,728,445	-	-	71,131	6,500	69,423	74,489	-	-	74,489	4,949,988	1	4,949,989	
Dividends	-	-	-	-	-	(55,626)	-	-	-	-	(55,626)	-	(55,626)	
Appropriated	-	-	-	-	2,100	(2,100)	-	-	-	-	-	-	-	
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sales of investment in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(1)	(1)	
Comprehensive annual profit (loss)	-	-	-	-	-	113,765	(386,360)	14	(386,346)		(272,581)	-	(272,581)	
Balance as of 31 December 2015	4,728,445	-	-	71,131	8,600	125,462	(311,872)	14	(311,857)		4,621,781	-	4,621,781	

**General Engineering (Public) Co., Ltd. And the Subsidiaries**  
**Statement of Change in Shareholders' Equity**  
**For the years ended on 31 December 2015, 2014 and 2013**

Separate Financial Statement (Unit : Thousand Baht)

	Issued and paid-up Capital	Share premium	Share discount	Premium on capital reduction	Retained Earning (Loss)		Unrealized profit (loss) of available-for-sale securities	Total	Total Shareholders' Equity
					Appropriated	Unappropriated			
Balance as of 1 January 2013	15,313,846	31,729	(14,012,330)	-	-	(365,922)	(39,024)	(39,024)	928,299
Capital increase	97,119,227		(94,651,247)			-	-	-	2,467,980
Comprehensive annual profit (loss)									
Balance as of 31 December 2013	112,433,073	31,729	(108,663,577)	-	-	242,452	39,155	39,155	281,607
Balance as of 1 January 2014	112,433,073	31,729	(108,663,577)	-	-	(123,470)	131	131	3,677,886
Capital increase	54,453,230		(53,454,879)						
Capital decrease	(162,157,858)	(31,729)	162,118,456	71,131	-	-	-	-	998,351
Appropriated					6,500	(6,500)	-	-	-
Comprehensive annual profit (loss)									
Balance as of 31 December 2014	4,728,445	-	-	71,131	6,500	114,305	74,358	74,358	318,633
Balance as of 1 January 2015	4,728,445	-	-	71,131	6,500	114,305	74,489	74,489	4,994,870
Dividends									
Appropriated						(55,626)	-	-	(55,626)
Comprehensive annual profit (loss)									
Balance as of 31 December 2015	4,728,445	-	-	-	2,100	(2,100)	-	-	-
Comprehensive annual profit (loss)									
Balance as of 31 December 2015	4,728,445	-	-	-	-	37,114	(386,360)	(386,360)	(349,246)
Balance as of 31 December 2015	4,728,445	-	-	71,131	8,600	93,694	(311,872)	(311,872)	4,589,998

General Engineering (Public) Co., Ltd. And the Subsidiaries

Financial statement of cash flow

For year ended on 31 December

(Unit: Thousand Baht)

	Consolidated Financial Statement			Separate Financial Statement		
	2015	2014	2013	2015	2014	2013
<b>Cash flow from operations</b>						
Profit (loss) before income tax	122,657	243,484	248,404	43,895	304,529	231,448
With adjustment						
Depreciation and amortization	45,437	48,531	18,979	29,237	18,291	10,845
Unrealized gains from currency exchange	-	(3,549)	-	-	(3,549)	-
Share of profit from investments in associates	(20,672)	(25,243)	(27,884)	-	-	-
Gain on sale of investment in associates	-	(19,365)	-	-	(32,060)	-
Withholding tax	232	-	-	-	-	-
Dividend income	-	(10,071)	-	(1,814)	(10,071)	(17,941)
Profit from sale of investments available for sale	-	-	(24,038)	-	-	(24,038)
Revenue form rentals and advances from rentals						
Other revenues	-	-	(27,902)	-	-	-
Fine						
Loss (profit) on sale of investments	-	-	-	-	-	-
Profit from sale of temporary investments	-	(13,541)	(27,500)	-	(13,541)	(27,500)
Loss (profit) on revaluation of temporary investments	1	(29,573)	-	1	(29,573)	-
Allowance ( Reversal of allowance) of doubtful accounts	(37,056)	(15,367)	24,271	(48,978)	(11,109)	24,271
Allowance (Reversal of allowance) for obsolete and damaged	176,386	-	(1)	(372)	-	(1)
Loss on impairment of investments in subsidiaries	(352,407)	-	-	36,345	20,000	-
Loss from the impairment of goodwill	-	20,000	-	-	-	-
Gain on disposal of fixed assets	(2,859)	(6,813)	(1,059)	-	(308)	(1,059)
Estimated damage	-	1,476	-	-	1,476	-
Reversal of loss on impairment of assets	-	-	-	-	-	-
Provisions for employee benefits	3,570	3,602	688	2,709	2,511	523
Interest income	(10,468)	(23,470)	(35,227)	(15,931)	(44,104)	(38,987)
Interest	4,939	1,925	483	3,977	1,511	443
<b>Decrease (Increase) in Operating Assets</b>						
Trade account receivable	19,407	293,019	(495,936)	(5,222)	34,544	(240,397)
Trade account receivable - related companies	37,998	(96,243)	(252)	2,611	(7,361)	(252)
Other deposits - related companies	-	-	-	7,341	(7,465)	-
Value of construction, not yet billed to customers	-	-	43,661	-	-	43,661
Other account receivable - related companies	-	-	-	-	-	-
Receivables from sales of investments	-	-	75,000	-	-	75,000
Inventories (remaining)	21,663	(358,892)	(117,394)	(32,791)	(72,098)	(26,275)
Assets not used in operations	-	-	-	-	-	-
Other current assets	(23,164)	(11,790)	(34,363)	5,636	(5,424)	7,608
Other non-current assets	49,051	57,163	(32,144)	49,118	61,216	(34,443)



(Unit: Thousand Baht)

	Consolidated Financial Statement			Separate Financial Statement		
	2015	2014	2013	2015	2014	2013
Increase (Decrease) in Operating Liabilities						
Trade account payable	(17,462)	(794)	195,989	2,701	1,466	67,435
Trade account payable — related companies	(9,433)	20,423	-	(20,866)	22,748	-
Expense for employee's benefits plans	(1,153)	(3,079)	(302)	(919)	(1,013)	(302)
Other account payable — related companies	8,881	1,387	-	8,850	1,387	-
Construction account payable	(11,585)	11,585	-	(11,585)	11,585	-
Construction account payable — related companies	(14,052)	16,381	-	(14,052)	16,381	-
Advance received from customers	(9,757)	29,986	13,610	(9,757)	29,986	13,610
Other current liabilities	12,723	(8,410)	70,670	(25,454)	8,443	45,620
Other non-current liabilities	(189)	32	(24)	(189)	32	(2)
Cash received (paid) from operations	<b>(7,312)</b>	<b>122,794</b>	<b>(132,271)</b>	<b>4,491</b>	<b>298,430</b>	<b>109,267</b>
Income tax return	1	1,124	-	-	1,124	-
Interest paid	(3,985)	(1,771)	(92)	(3,260)	(883)	(92)
Income tax paid	(43,864)	(31,514)	(379)	(43,837)	(31,378)	(366)
Cash received (used) in operational activities	<b>(55,160)</b>	<b>90,633</b>	<b>(132,742)</b>	<b>(42,606)</b>	<b>267,293</b>	<b>108,809</b>
Cash flow in investing activities						
Pledged deposits with financial institutions	3,613	(23,349)	(20,165)	30,613	(24,397)	(19,117)
Investment in saving deposits	260,625	499,204	(850,000)	260,625	499,204	(850,000)
Increase in loans to subsidiaries	-	-	-	(45,000)	(126,000)	(478,425)
Payments received on loans - subsidiaries	40,000	-	-	40,910	375,425	-
Cash received from the sale of other long-term investments	-	-	45,000	-	-	45,000
Cash received from the sale of available-for-sale investments	-	-	252,000	-	-	252,000
Cash received from sale of temporary investments	-	371,047	127,500	-	371,047	127,500
Decrease in short-term loans for subsidiaries	-	-	-	-	-	-
Received from the sale of investments in subsidiaries	-	-	-	-	-	-
Impact of the cash flows from sales and unconsolidated statement	-	-	-	-	-	-
Finance of subsidiaries	-	-	-	-	-	-
Expense in the investments in the associates	-	(1,633)	(269,000)	-	(1,633)	(269,000)
Sale of investments in the associates	-	137,060	-	-	137,060	-
Investments in joint venture	(1)	(177,660)	-	(1)	(177,660)	-
Investment in available-for-sale securities	-	(1,279,101)	-	-	(1,279,101)	-
Expense in cost of conversion	-	(213,572)	-	-	(213,572)	-
Investments in subsidiaries	-	-	(456,339)	(2,837)	(390,000)	(459,360)
Advance for raised value of shares	-	-	-	-	-	-
Deposits for machinery-related companies	-	(5,038)	-	-	(10,538)	-
Deposits for machinery	-	-	(108,226)	-	-	(108,226)
Cash received from sale of assets not used in operation	-	-	38,360	-	-	38,360
Purchase of fixed assets	(620,873)	(773,366)	(394,503)	(609,058)	(770,242)	(394,415)
Received dividends	1,814	28,012	-	1,814	28,012	-

(Unit: Thousand Baht)

	Consolidated Financial Statement			Separate Financial Statement		
	2015	2014	2013	2015	2014	2013
Cash received from sale of fixed assets	7,588	7,243	1,505	7,588	738	1,505
Interests income	12,749	27,379	28,990	23,574	46,459	28,929
<b>Net cash received (used) in investing activities</b>	<b>(294,485)</b>	<b>(1,403,774)</b>	<b>(1,604,878)</b>	<b>(291,772)</b>	<b>(1,535,198)</b>	<b>(2,085,249)</b>
<b>Cash flow from financial activities</b>						
Increase in short-term loans received from financial institutions	-	167,652	-	-	167,652	-
Payment of short-term loans	(3,053)	-	(175,425)	(3,053)	-	-
Cash received from capital increase	-	998,351	2,467,980	-	998,351	2,467,980
Payment of liabilities under leasing contracts	(2,858)	(3,393)	(2,138)	(502)	(2,026)	(2,138)
Payable dividends	(55,626)	-	-	(55,626)	-	-
<b>Net cash received (used) in financial activities</b>	<b>(61,537)</b>	<b>1,162,610</b>	<b>2,290,417</b>	<b>(59,181)</b>	<b>1,163,976</b>	<b>2,465,842</b>
<b>Adjustment of financial statement from foreign currency exchange</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Increase (decrease) of net cash and cash equivalents</b>	<b>(411,168)</b>	<b>(150,531)</b>	<b>552,797</b>	<b>(393,559)</b>	<b>(103,929)</b>	<b>489,402</b>
<b>Cash and cash equivalents beginning of the year</b>	<b>496,787</b>	<b>647,318</b>	<b>94,521</b>	<b>476,677</b>	<b>580,606</b>	<b>91,205</b>
<b>Cash and cash equivalents end of the year</b>	<b>85,619</b>	<b>496,787</b>	<b>647,318</b>	<b>83,118</b>	<b>476,677</b>	<b>580,607</b>
<b>Additional information of cash flow</b>						
Non-cash items						
- Purchase of fixed assets under leasing contracts	-	8,080	-	-	-	-
- Unrealized loss (profit) from available-for-sale assets	482,951	93,111	(39,154)	482,951	93,111	(39,154)
- Receivable dividends	-	-	(17,941)	-	-	(17,941)

**Summary of key financial ratios**  
**As of 31 December**

	Unit	Consolidated Financial Statement			Separate Financial Statement		
		2015	2014	2013	2015	2014	2013
Liquidity ratio							
Liquidity ratio	time(s)	2.22	2.78	5.71	2.22	2.55	7.35
Quick liquidity ratio	time(s)	1.48	1.80	5.15	1.47	2.09	6.78
Account receivable turnover	time(s)	4.76	6.19	3.95	3.49	4.30	4.81
Average collection period	day(s)	76.68	58.97	92.41	104.58	84.88	75.88
Inventory turnover	time(s)	4.14	6.69	6.41	4.15	5.82	6.48
Average sale period	day(s)	88.16	54.56	56.94	87.95	62.71	56.33
Trade receivable turnover	time(s)	7.20	9.01	6.06	5.69	6.43	7.22
Average payment period	day(s)	50.69	40.51	60.23	64.15	56.77	50.55
Cash cycle	day(s)	114.15	73.02	89.12	128.38	90.82	81.66
Profitability Ratio							
Gross profit margin	%	7.92	10.79	18.62	18.95	23.36	22.68
Operating profit margin	%	5.14	0.07	14.26	3.40	0.20	18.33
Net profit margin	%	4.92	5.42	15.12	3.09	14.44	17.40
Return On Equity (ROE)	%	2.48	4.30	11.20	0.87	5.63	10.53
Efficiency Ratio							
Return on assets	%	1.89	3.23	8.19	0.85	5.13	9.05
Return on fixed assets	%	6.47	18.99	44.63	3.70	40.88	108.98
Assets Turnover	time(s)	0.44	0.68	0.63	0.25	0.35	0.54
Leverage Ratio or Financial Ratio							
Debt/Equity Ratio	time(s)	0.11	0.17	0.15	0.11	0.12	0.08
Interest Coverage	time(s)	25.83	127.47	515.27	12.04	202.59	523.08
Per Share Data							
Book Value	Baht	0.83	0.89	0.99	0.83	0.90	0.98
Profit (Loss) per Share	Baht	0.02	0.03	0.11	0.01	0.04	0.11

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

## 14.1 An overview of the business and significant changes

### Overview of the Business

The construction business of the year 2015 was slow down from the previous year and grew less than expected. This happened because of the delay in investing large fundamental public projects according to governmental policies. Meanwhile, there were impacts from the growth in private investments, the downturn of housing projects according to demands of the country and others. The company on the other hand received revenues from existing construction projects together with decrease in cost of constructional materials and gas and low payment rate for labors. Nonetheless, market condition at that moment was quite hard to extend. Therefore, the Company focused on extending the business to related business areas that would reduce the cost of investments and produce connecting benefits as well as help forming Synergy to strengthen the business group and to lower the risk of raw material shortage. Consequently, the Company extended the production bases to Eastern part of the country, where the main industrial area located with significant economic growth. For this purpose, the Company successfully purchased lands in the industrial area for 175 Rais in Rayong.

At this moment, there is high level in competition among constructional materials industries. The reduction in sale price is unavoidable. However, this year, the Company will aim to reduce the cost in production by seeking for alternative raw materials at a cheaper cost, controlling production with optimal effectiveness and no lost, as well as providing knowledge for professional development of the employees.

### Significant Changes

- In the general meeting of shareholders on 24 April 2015, there was an agreement on paying dividends from retained earnings as of 31 December 2014 for 5,562,876,782 common shares that were eligible at the amount 55.63 million Baht or 0.01 Baht per share. The payment should be made within 22 May 2015.
- On 5 February 2015, the Company successfully established General Engineering Mauritius Limited with registered capital equal to 10,000 US Dollars. This company would invest 45% for Wisdom Tree Investment (S) PTE. Limited, the company in Singapore that operates factory construction, production and services of structural steel in Burma.
- In Board of Directors meeting no. 5/2015 on 29 July 2015, the board has agreed to dispose common shares of World Wire Processing Co., Ltd. for 13,999,999 shares and common shares of Suntech Metal Co., Ltd. for 716,000,000 shares; both at the amount 807 million Baht to some related company. The transaction was complete on 21 September 2015 and yielded profit 352 million Baht from the sale of investment in the consolidated financial statement and loss 36 million Baht from this sale of investment in the separate financial statement.

The Company purchased land of 175 Rais of value 1,277.50 million Baht from Millcon Steel (Public) Co., Ltd. “MILL”. The land is on the title deed no. 180024, 180025 and 180026, located in tumbon Lang, ampoe Muang Rayong in Rayong province.

The Company purchased land of 2 Rais-3 ngans-88 square wah in Pathumthani province (the land is a part of the headquarter in Pathumthani) and purchased the land in Chiang Mai province of area 180 square wah.

Besides, the board also agreed to form subsidiary, which is Seven Wire Co., Ltd. in order to invest in the construction of plants for production and distribution of PC wire/ PC strand and cold drawn wire with paid-in registered capital at the amount 2.5 million Baht.

Following the resolution of the Board of Directors meeting no. 9/2015 on 22 December 2015, it approved the Treasury Stock project with budget within 100 million Baht for repurchasing (within) 180,000,00 shares with par value 0.85 Baht. The number of share in the treasury project was approximately 3% of total shares sold.

### Operating Results

Operating results of the Company and its subsidiaries of the year 2015, following the consolidated financial statement, show net profit 118.71 million Baht. Compared with last year's profit at 185.71 million Baht, the Company has net profit decreased 67 million Baht or 36.08%. The details are described as follows.

#### **1.1 Gross profit**

Table of gross profit from financial statement (Unit : thousand Baht)

	2015	2014	Increase (decrease)	Percentage
Revenue from sale	1,982,708	3,258,886	(1,276,178)	(39.16)
<u>Less</u> Cost of sale	1,825,636	2,907,133	(1,081,497)	(37.20)
Gross profit	157,072	351,753	(194,681)	(55.35)

#### **(1) Revenue from sales**

For the year 2015, the Company and its subsidiaries have total revenue from sales 1,983 million Baht; 1,276 million Baht less than 2014, the previous year. This was mainly because the economic recession and high competition in sale price. These resulted in the revenue from sales of the Company decreased for 226 million Baht.

In 2015, the consolidated financial statement has reported revenue from sales in subsidiaries with the retirement of investment as of 21 September 2015 or 9-month period, at the amount 691million Baht, which was 1,050 million Baht decreased from last year of the same period.

#### **(2) Cost of sales**

In 2015, the Company and its subsidiaries have total cost of sales at the amount 1,826 million Baht, 1,081 decreased from last year at the same period. The reduction of cost of sale did not proportionally accord to the sale revenue. This happened because the Company had constant expenses in factory that did not deliver full effectiveness, for example, depreciation of the factory, higher employee's expenses. These resulted in cost of sales reduced from last year 117 million Baht.

In 2015, the consolidated financial statement reported cost of sales in subsidiaries with retirement of investment as of 21 September 2015, a period of 9 months, at the amount 779 million Baht, which was 964 million Baht decreased from last year of the same period.

### (3) Gross profit

In 2015, the Company and its subsidiaries have total gross profit at the amount 157 million Baht, which was 195 million Baht decreased from last year of the same period. This was because the cost of sale reduced and did not accorded to the sale revenues. Therefore, it resulted in gross profit of the Company reduced by 109 million Baht.

In 2015, the consolidated financial statement reported the gross loss in the subsidiaries with retirement of investment as of 21 September 2015, a period of 9 months, at the amount 88 million Baht, which was 88 million Baht more loss compared to the same period in last year.

## 2. Other revenues

In 2015, the Company has other revenues at the amount 430 million Baht, which was 260 million Baht increased from 2014, which has 170 million Baht from other revenues. The details are as follows.

Other revenues (Unit: Thousand Baht)	Consolidated Financial Statement		
	2015	2014	Increase (decrease)
1. Gain on revaluation of temporary investments	-	29,573	(29,573)
2. Gain on disposal of temporary investments	-	13,541	(13,541)
3. Gain on sale of investment in associate	-	19,365	(19,365)
4. Income from investments in associates and joint ventures	20,672	25,243	(4,571)
5. Gain on disposal of investment in subsidiaries	352,407	-	352,407
6. Reversal of allowance for doubtful accounts	350	14,849	(14,499)
7. Interest income	10,468	23,470	(13,002)
8. Other revenues	45,875	44,438	1,437
<b>Total</b>	<b>429,772</b>	<b>170,479</b>	<b>259,293</b>

- On 21 September 2015, the Company disposed common shares of World Wire Processing Co. Ltd. and common shares of Suntech Metal Co. Ltd., of value 807 million Baht to related company. This transaction yielded profit at the amount 352 million Baht from the sale of investment.

- In 2014, the Company gained profit from revaluation of temporary investments at the amount 29.57 million Baht and gained profit on disposal of temporary investments at the amount 13.54 million Baht, received dividend from AQUA securities at the amount 1007 million Baht, and received profit from sales of investment in gem stone mine for 19.36 million Baht. At the same time, there was the reversal of doubtful liabilities due to paid-up liabilities for 14.85 million Baht.

### 3. Expenses

In 2015, the Company has total expense 464 million Baht. Compared with year 2014 that has 279 million Baht as expense, it was 185 million Baht increased. The details are as follows.

Selling and Administrative Expenses (Unit : Thousand Baht)	Consolidated Financial Statement		Increase (decrease)
	2015	2014	
1. Selling expense	5,897	18,969	(13,072)
2. Administrative expenses	255,836	223,444	32,392
3. Allowance of impairment of the inventories	176,386	-	176,386
4. Loss of the impairment of goodwill	-	20,000	(20,000)
5. Executive remuneration	21,129	14,410	6,719
6. Financial cost	4,939	1,925	3,014
<b>Total</b>	<b>464,187</b>	<b>278,748</b>	<b>185,439</b>

#### 3.1 Selling and administrative expenses

The Company and its subsidiaries have selling and administrative expenses in total for 262 million Baht, which was 19 million Baht increased from previous year. This was because the Company had higher expenses on the employees, resulting 5 million Baht increased. In 2015, the consolidated financial statement reported selling and administrative expenses as of 21 September 2015, a period of 9 months, at the amount 69 million Baht, which was 14 million Baht increased from all reported selling and administrative expenses in the whole year.

#### 3.2 Allowance of impairment of the inventories

In 2015, the subsidiaries acknowledged the allowance of impairment of inventories from market value; that showed loss of 176 million Baht.

#### 3.3 Loss of impairment of goodwill

In the Quarter 4/2014, the Company considered the impairment in the investment and goodwill from the investment in Suntech Metal Co., Ltd.. As reported prepared by independent evaluator, the value of business based on prospective operational results, as current value, together with value of assets, was 830 million Baht. Compared to value of the Company's investment in the subsidiaries for 850 million Baht, the assessed value has some impairment. The Company acknowledged the loss from the impairment of investment and goodwill at the amount 20 million Baht.

### 4. Corporate Income Tax

In 2015, the Company had net profit at the amount 118.71 million Baht. The Company had corporate income tax for 1.8 million Baht and deferred income tax for 2.6 million Baht. Compared to 2014 the previous year, it was reduced. In 2014, the Company had profit 185.70 million Baht and corporate income tax 53.94 million Baht and deferred income tax 3.83 million Baht.



## 5. Net Profit (Loss)

The operating results of the Company and its subsidiaries for the year 2015, the consolidated financial statement reported the net profit at the amount 118.71 million Baht. Whereas the last year, the net profit was 185.71 million Baht. The net profit of 2015 was 67 million Baht reduced or reduced 36.08% as described in the following details.

Unit: Million Baht	2015	2014	Increase (decrease)
Revenue	1,982.71	3,258.89	(1,276.18)
Cost of sale	(1,825.64)	(2,907.14)	(1,081.50)
Gross profit	157.07	351.75	(194.68)
Other revenues	429.77	170.48	259.29
Selling and administrative expense	(282.85)	(256.82)	26.03
Allowance of impairment of inventories	(176.39)	-	176.39
Loss from impairment of goodwill	-	(20.00)	(20.00)
Financial cost	(4.94)	(1.93)	3.01
Income tax (Income tax return)	(3.95)	(57.77)	(53.82)
<b>Net profit</b>	<b>118.71</b>	<b>185.71</b>	<b>(67.00)</b>

### Financial position

(Unit: Thousand Baht)

Item	31 December 2015	31 December 2014	Increase (Decrease)	%
Total Assets	5,120,079	5,793,134	(673,055)	(11.62)
Total Liabilities	498,299	843,145	(344,846)	(40.90)
Total Shareholders' equity	4,621,780	4,949,989	(328,209)	(6.63)

### Assets

As of 31 December 2015, the Company had total assets at the amount 5,120 million Baht, which was 673 reduced from last year, equivalently 11.62% reduced. This was because the Company set higher allowance of the impairment of the investment for the available-for-sale securities at the amount 386 million Baht, to compensate the reduction of market value of the assets. The reduction was also deducted from the payment of trade liabilities from cash and bank deposits, the payment of corporate tax for 102 million Baht, and payment of dividends for 55 million Baht. Also in 2014, the total assets of the Company had included the assets of subsidiaries that sold this year.

### Liabilities

Total liabilities of the Company and its subsidiaries as of 31 December 2015 was at the amount 498 million Baht, which was 345 million Baht reduced, equivalently 40.90%, from the previous year of the same period. This was because the Company had trade payable account and other payable accounts decreased from the previous year for 70 million Baht; also the advance received from the customers also decreased 10 million Baht. There was no payable income tax, compared to last year with the amount of 23 million Baht as payable income tax. The Company also had deferred income tax as a result of disposal of the subsidiaries at the amount of 103 million Baht. Also in 2014, the total liabilities of the Company had included the liabilities of the subsidiaries with retirement of investment as of 21 September 2015.

### Shareholders' Equity

Shareholders' Equity as of 31 December 2015 was of the value 4,622 million Baht, 328 million Baht decreased from the previous year. This was due to the Company set higher allowance of the impairment of the investment for the available-for-sale securities at the amount 386 million Baht, to compensate the reduction of market value of the assets. The Company also had net profit 119 million Baht, and payment of dividends 55 million Baht and loss on actuarial estimates for 5 million Baht.

### Liquidity and Capital Structure

In 2015, the Company and its subsidiaries had liquidity from net cash flow from operating results of the amount 85 million Baht, with liquidity ratio equal to 2.22. The capital structure was strong, considered the ratio of debt/equity decreased to 0.11 as of 31 December 2015.

On 24 April 2015, the shareholders had resolution to pay dividends from retained earnings as of 31 December 2014 for eligible 5,562,876,782 common share for the amount 55.63 million Baht or 0.01 Baht/share. The payment of dividend was complete on 22 May 2015.

### Debt Servicing Obligation and Management of the Off-Balance Sheet Items

- The Company had contracts to sell products and services to the Customers that not yet delivered at the amount of 1,818.66 million Baht. Nonetheless, the Company was able to deliver products and services within the timeline stated in the contracts. And, this was the normal way in operating the business.

- The Company and its subsidiaries might have liabilities from issued guarantee of the Company and subsidiaries from the banks to make sure that the contracts were followed strictly and liabilities from electricity usage total at the amount 136.79 million Baht. In this context, the Company used saving deposit with 62.50 million Baht and some lands and buildings as its guaranteed value. This was also normal in business operation.

- The Company had obligation on leasing plants and cars. The amount to pay in the future according to the leasing contracts, with no cancellation, was 83.88 million Baht.

- Car leasing contract used 13.08 million Baht, paid based on monthly installment contract. This was normal in business operation.

- Plant or factory leasing contract at the headquarter used 70.80 million Baht, paid based on monthly installment contract, with annual obligation of 13.20 — 14.40 million Baht. The contract is supposed to end by 2020. This was normal in business operation.

- During year 2014, the Company made financial loans contract with some bank for 1,450 million Baht. The Company transferred claims in the account for 40% of current capitals (overdraft for 30 million Baht, promissory notes for 145 million Baht, issued guarantee letter for 200 million baht). In addition, there were mortgage of lands and machinery for 770 million Baht as mortgage securities. On the other hand, the Company well maintained ratio of debt/equity, leverage ratio and transferred the right to receive benefits from the insurance policy to the banks.

The Company got approval for additional credits facilities for 395.50 million Baht for the period of 7 year and 7 months with annual interest rate MLR-0.5%. The Company put lands and building mortgage as its guarantee.

Following the contract, the Company needed to maintain the status of registered company in Stock Exchange of Thailand throughout the contract, and maintain ratio of debt/equity not less than 1.25 of separate financial statement. This was obligation for additional credits facilities to use in plant construction and provision of machinery for the new plants, which was the main business of the Company.

- The company had obligation to pay for materials and machinery for 6.46 million Baht.
- The Company had obligation from contraction contract with another associate for 6.51 million Baht

#### Factors affecting results of operation in the future

In 2016, surrounding factors of real estate's business include supportive factors and risks. Trade of housing tends to grow better with the governmental support in real estate policy has been released in October 2015. The policy will continue to the year 2015 and it includes reducing the fee in housing transaction, reducing the fee of owner transfer, reducing the fee in registration which will end on 30 April 2016, and the policy on tax reimbursement for housing within 3 million Baht, for which transaction and owner transferring must be done by 31 December 2016. As for the first 4 month in 2016 where the fee reduction policies are still applicable, the forecast in real estate market trend would be better. The property developers will promote campaign to raise the demands and expedite the decision process of the prospective buyers.

Certainly in 2016, high competition in price in real estate market is expected. The property developers would have to create pricing strategies to share markets and expand customers' bases. Nonetheless, the property developers need to maintain their quality, ISO 9001 standards and Thai Industrial Standards. The Company has prepared strict plan for controlling costs and expenses. At the beginning, the Company will monitor and evaluate effectiveness in operation in all level, according to Key Performance Indicator (KPI). In addition, the Company will reduce cost of products by importing quality machines to reduce the problems of labor shortage as well as to control quality at a lower cost.

However, in 2016, the Company will focus on making profits from main business, emphasizing on expanding the customer bases and developing products and services with quality. These will be important factors that drive the business forward even in the economic fluctuations.



WE ARE THE LEGEND OF  
CONSTRUCTION PIONEER  
IN THAILAND

# 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.

Name	Position	The number of attendance	Appoint
1. Mr.Suchat Boonbanjerd Sri	Chairman of Audit Committee	5/5	2 Oct 2014
2.Mrs.Panee Jarusombat	Audit Committee	4/5	2 Jun 2014
3.Mr. Vichya Krea-Ngam	Audit Committee	4/5	2 Oct 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.

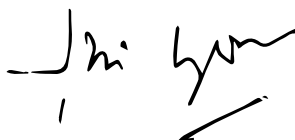
The performance of duties in 2015, the Audit Committee held a meeting regularly by the Audit Committee are in attendance at all times, including 5 times with consideration and review various issues that Important by Charter of the Audit Committee as follows.

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

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 25 February 2016 substantially portray the Company's financial position, operating performance and cash flow in an accurate and reasonable manner and comply with generally accepted accounting principles and related laws and regulations.



(Mr. Thitipong Tangpoonphonvivat)  
Chief Executive Officer



(Dr. Tawat Anantanavanich)  
Managing Director



# 17. Report Of Independent Auditor

To the Shareholders of General Engineering Public Company Limited

I have audited the accompanying consolidated financial statements of General Engineering Public Company Limited and its subsidiaries which comprise the consolidated statement of financial position as at 31 December 2015, 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 2015, 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.

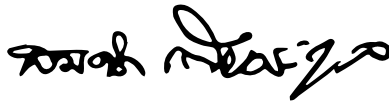
I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I perform the audit under ethical requirements, including planning and performing the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 2015 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 2015 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

25 February 2016

# General Engineering Public Company Limited And Subsidiaries

## 18. Statements of Financial Position

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		31 December 2015	31 December 2014	31 December 2015	31 December 2014
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5	85,619,300	496,787,290	83,118,635	476,677,388
Fixed deposits	6	90,170,877	350,796,500	90,170,877	350,796,500
Trade accounts receivable - net	9	383,033,551	330,781,498	383,033,551	328,833,171
Trade accounts receivable - related companies	7	13,452,768	104,946,439	13,452,768	16,064,205
Deposit and others - related companies	7	-	-	135,140	7,476,050
Inventories - net	10	269,042,299	613,791,253	269,042,299	235,878,895
Other current assets	11	20,033,665	83,199,124	19,856,002	25,314,323
Total Current Assets		861,352,460	1,980,302,104	858,809,272	1,441,040,532
NON - CURRENT ASSETS					
Restricted deposits with banks	29	62,500,000	94,113,168	62,500,000	93,113,168
Loan and accrued interest receivable - related company	7	-	-	-	234,362,438
Investments in subsidiaries	12	-	-	2,837,693	843,358,992
Investments in associated company	12	227,779,017	208,123,132	185,632,500	185,632,500
Investments in joint venture	12	176,383,051	177,660,000	177,661,465	177,660,000
Investments in available - for - sales securities	8	889,261,498	1,372,211,998	889,261,498	1,372,211,998
Property, plant and equipment - net	13	2,784,879,506	1,770,131,820	2,784,879,506	1,165,401,988
Goodwill - net	12	-	103,935,580	-	-
Deferred income tax assets	21	74,706,733	-	83,136,036	-
Deposit - related companies	7	-	10,538,000	-	10,538,000
Assets not used in operations	14	8,696,500	8,696,500	8,696,500	7,796,502
Income tax withheld at sources		5,715,138	3,677,113	5,715,136	2,297,059
Other non - current assets	15	28,805,508	63,745,394	28,805,508	61,707,129
Total Non - Current Assets		4,258,726,951	3,812,832,705	4,229,125,842	4,154,079,774
TOTAL ASSETS		5,120,079,411	5,793,134,809	5,087,935,114	5,595,120,306

The accompanying notes form an integral part of these financial statements.

# General Engineering Public Company Limited And Subsidiaries

## Statements of Financial Position

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		31 December 2015	31 December 2014	31 December 2015	31 December 2014
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Short - term loan from financial instution	16	78,815,625	164,102,721	78,815,625	164,102,721
Trade accounts payable		173,037,260	312,032,385	173,037,260	170,336,430
Trade accounts payable - related companies	7	1,881,678	20,422,820	1,881,678	22,747,889
Other payable - related companies	7	10,268,067	1,387,039	10,268,067	1,417,927
Construction payable		-	11,584,641	-	11,584,641
Construction payable - related company	7	2,329,405	16,381,097	2,329,405	16,381,097
Current portion of liabilities under					
finance lease agreement	18	-	502,407	-	502,407
<b>Current portion of liabilities under</b>					
finance lease agreement - related company	7	-	4,313,834	-	-
Income tax payable	21	-	22,561,436	-	22,561,436
Advances received from customers		59,027,070	68,784,185	59,027,070	68,784,185
Other current liabilities	19	62,234,750	90,470,568	61,872,814	87,326,991
<b>Total Current Liabilities</b>		<b>387,593,855</b>	<b>712,543,133</b>	<b>387,231,919</b>	<b>565,745,724</b>
<b>NON - CURRENT LIABILITIES</b>					
Liabilities under finance lease agreement - net	17	82,234,060	-	82,234,060	-
Employee benefits obligation	20	25,838,321	25,032,827	25,838,321	17,750,819
Deferred income tax liabilities	21	-	102,748,155	-	13,931,944
Other non - current liabilities		2,632,506	2,821,693	2,632,506	2,821,693
<b>Total Non - Current Liabilities</b>		<b>110,704,887</b>	<b>130,602,675</b>	<b>110,704,887</b>	<b>34,504,456</b>
<b>TOTAL LIABILITIES</b>		<b>498,298,742</b>	<b>843,145,808</b>	<b>497,936,806</b>	<b>600,250,180</b>

The accompanying notes form an integral part of these financial statements.

## General Engineering Public Company Limited And Subsidiaries

### Statements of Financial Position

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		31 December 2015	31 December 2014	31 December 2015	31 December 2014
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)</b>					
<b>SHAREHOLDERS' EQUITY</b>					
Share capital					
- Common shares, Baht 0.85 par value					
Authorized share capital					
- 7,505,964,239 shares					
		6,380,069,603	6,380,069,603	6,380,069,603	6,380,069,603
Issued and fully paid-up share capital					
- 5,562,876,782 shares					
		4,728,445,265	4,728,445,265	4,728,445,265	4,728,445,265
Surplus on capital reduction					
		71,131,080	71,131,080	71,131,080	71,131,080
Retained earnings (deficits)					
- Appropriated for legal reserve					
23		8,600,000	6,500,000	8,600,000	6,500,000
- Unappropriated					
		125,461,928	69,422,643	93,693,756	114,305,174
Other components of shareholders' equity					
		(311,857,678)	74,488,607	(311,871,793)	74,488,607
<b>Equity attributable to the Company's</b>		4,621,780,594	4,949,987,595	4,589,998,308	4,994,870,126
<b>shareholders - net</b>					
Non - controlling interests					
		75	1,406	-	-
<b>Total Shareholders' Equity</b>		4,621,780,669	4,949,989,001	4,589,998,308	4,994,870,126
<b>TOTAL LIABILITIES AND</b>					
<b>SHAREHOLDERS' EQUITY</b>		5,120,079,411	5,793,134,809	5,087,935,114	5,595,120,306

The accompanying notes form an integral part of these financial statements.

# General Engineering Public Company Limited And Subsidiaries

## Statements of Profit or Loss and Other Comprehensive Income

For the years ended 31 December

(Unit : Baht)

		Consolidated F/S		Separate F/S	
	Notes	2015	2014	2015	2014
REVENUES					
Revenues from sales	7	1,982,708,092	3,258,885,737	1,292,148,160	1,518,450,743
Total Revenues		1,982,708,092	3,258,885,737	1,292,148,160	1,518,450,743
Costs of Sales					
Costs of sales	7	(1,825,636,165)	(2,907,132,524)	(1,047,236,796)	(1,163,677,970)
Total Costs of Sales		(1,825,636,165)	(2,907,132,524)	(1,047,236,796)	(1,163,677,970)
Gross profit		157,071,927	351,753,213	244,911,364	354,772,773
Gain on revaluation of temporary investment		-	29,573,189	-	29,573,189
Gain on disposal of temporary investment		-	13,540,508	-	13,540,508
Gain on disposal of investment in associated company		-	19,364,947	-	32,059,920
Gain on disposal of investment in subsidiaries	12	352,406,914	-	-	-
Gain on disposal of assets	13	2,859,231	-	-	-
Reversal of allowance for doubtful accounts		350,000	14,849,038	350,000	14,849,038
Dividend income	12	-	10,071,118	1,814,111	10,071,118
Interest income	7	10,468,166	23,469,881	15,931,012	44,104,364
Gain on exchange rate		7,906,511	9,764,856	10,928,000	9,430,133
Other income		35,109,029	24,601,833	24,963,652	19,199,296
Profit before expenses		566,171,778	496,988,583	298,898,139	527,600,339
Selling expenses	27	(5,896,866)	(18,968,555)	(2,378,743)	(13,388,736)
Administrative expenses	27	(255,835,509)	(223,443,560)	(191,553,163)	(174,481,750)
Provision for decremental value on inventories	10	(176,386,371)	-	-	-
Loss on impairment of investments in subsidiaries	12	-	-	(36,346,093)	(20,000,000)
Loss on impairment of goodwill	12	-	(20,000,000)	-	-
Management benefit expenses	7	(21,129,095)	(14,410,365)	(20,748,095)	(13,690,365)
Financial costs		(4,938,956)	(1,925,302)	(3,977,504)	(1,510,661)
Total Expenses		(464,186,797)	(278,747,782)	(255,003,598)	(223,071,512)
Profit from operations		101,984,981	218,240,801	43,894,541	304,528,827
Share of profit from investment in associated company and joint venture	12	20,671,794	25,242,753	-	-
Profit before income tax		122,656,775	243,483,554	43,894,541	304,528,827
Income tax	21	(3,948,327)	(57,774,297)	(2,317,007)	(60,254,009)
Profit for the year		118,708,448	185,709,257	41,577,534	244,274,818
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss					
Unrealized gain (loss) on available - for - sales securities - net of tax	8	(386,360,400)	74,358,202	(386,360,400)	74,358,202
Translation adjustments for foreign currency financial statements		14,115	-	-	-
Items that will not be reclassified subsequently to profit or loss					
Actuarial loss - net of tax	20	(4,943,568)	-	(4,463,357)	-
Total comprehensive income (loss) for the year		(272,581,405)	260,067,459	(349,246,223)	318,633,020
Attribution of profit (loss) for the year :					
Portion of the Company's shareholders		118,708,448	185,709,257	41,577,534	244,274,818
Portion of non-controlling interests		-	-	-	-
		118,708,448	185,709,257	41,577,534	244,274,818
Attribution of comprehensive income (loss) for the year :					
Portion of the Company's shareholders		(272,581,405)	260,067,459	(349,246,223)	318,633,020
Portion of non-controlling interests		-	-	-	-
		(272,581,405)	260,067,459	(349,246,223)	318,633,020
Basic earnings per share					
Profit (Baht per share)		0.021	0.042	0.007	0.055
Weighted average number of common shares (shares)		5,562,876,782	4,466,971,354	5,562,876,782	4,466,971,354

The accompanying notes form an integral part of these financial statements.

# 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									
		Retained earnings (deficits)		Unrealized gain (loss) on valuation of available - for - sales securities		Translation adjustments for foreign currency financial statements		Total other components of shareholders' equity		Total	
		Legal Reserve	Unappropriated								
		Capital surplus on share reduction	Discount on share capital	Premium on share capital	Issued and paid-up share capital	Notes					
<b>Consolidated F/S</b>											
<b>Balance as at 1 January 2014</b>											
Increase in share capital	22	54,453,230,220	-	31,729,260	(108,663,577,046)	-	-	(109,786,614)	130,405	-	3,691,570,651
Appropriation of legal reserve	22	(162,157,858,195)	(31,729,260)		162,118,456,375	71,131,080					
Legal reserve	23	-	-	-	6,500,000	-	-	-	-	-	-
Comprehensive income (loss) for the year		-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 December 2014</b>		4,728,445,265	-	-	6,500,000	69,422,643	74,358,202	74,488,607	74,488,607	4,949,987,595	4,949,989,001
<b>Balance as at 1 January 2015</b>											
Dividend payment	25	-	-	-	-	-	-	-	-	-	-
Appropriation of legal reserve	23	-	-	-	-	-	-	-	-	-	-
Increase in non - controlling interests in subsidiary		-	-	-	-	-	-	-	-	-	75
Disposal of investment in subsidiaries		-	-	-	-	-	-	-	-	-	(1,406)
Comprehensive income (loss) for the year		-	-	-	-	113,764,880	(386,360,400)	14,115	(386,346,285)	(272,581,405)	(272,581,405)
<b>Balance as at 31 December 2015</b>		4,728,445,265	-	-	8,600,000	125,461,928	(311,871,793)	14,115	(311,857,678)	4,621,780,594	4,621,780,669





# Statements of Changes in Shareholders' Equity

For the years ended 31 December

(Unit : Baht)

	Notes	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		
						Legal Reserve	Unappropriated	Unrealized gain (loss) on valuation of available-for-sale securities	Total	
										Total
Separate F/S										
Balance as at 1 January 2014										
	22	112,433,073,240	31,729,260	(108,663,577,046)	-	-	(123,469,644)	130,405	130,405	3,677,886,215
		54,453,230,220	-	(53,454,879,329)	-	-	-	-	-	998,350,891
	22	(162,157,858,195)	(31,729,260)	162,118,456,375	71,131,080	-	-	-	-	-
	23	-	-	-	-	6,500,000	(6,500,000)	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	244,274,818	74,358,202	74,358,202	318,633,020
Balance as at 31 December 2014										
		4,728,445,265	-	-	71,131,080	6,500,000	114,305,174	74,488,607	74,488,607	4,994,870,126
Balance as at 1 January 2015										
		4,728,445,265	-	-	71,131,080	6,500,000	114,305,174	74,488,607	74,488,607	4,994,870,126
	25	-	-	-	-	-	(55,625,595)	-	-	(55,625,595)
		-	-	-	-	2,100,000	(2,100,000)	-	-	-
	23	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	37,114,177	(386,360,400)	(386,360,400)	(349,246,223)
Balance as at 31 December 2015										
		4,728,445,265	-	-	71,131,080	8,600,000	93,693,756	(311,871,793)	(311,871,793)	4,589,998,308

The accompanying notes form an integral part of these financial statements.



# General Engineering Public Company Limited And Subsidiaries

## Statements of Cash Flows

For the years ended 31 December

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2015	2014	2015	2014
<b>Cash flows from operating activities</b>				
Profit before income tax	122,656,775	243,483,554	43,894,541	304,528,827
<b>Adjustments to reconcile income before income tax to net cash provided from (used in) operating activities:</b>				
Depreciation	45,437,372	48,530,835	29,237,132	18,291,324
Unrealized gain on exchange rate	-	(3,548,874)	-	(3,548,874)
Gain on disposal of temporary investment	-	(13,540,508)	-	(13,540,508)
Loss (gain) on revaluation of temporary investment	1,100	(29,573,189)	1,100	(29,573,189)
Share of profit from investments in associated company and joint venture	(20,671,794)	(25,242,753)	-	-
Gain on disposal of investment in associated company	-	(19,364,947)	-	(32,059,920)
Withholding tax written - off	232,143	-	-	-
Dividend income	-	(10,071,118)	(1,814,111)	(10,071,118)
Reversal of allowance for doubtful accounts	(37,056,198)	(15,366,522)	(48,978,140)	(11,109,123)
Allowance (reversal) of allowance for defective inventories	176,386,372	-	(372,428)	-
Loss (Gain) on disposal of investments in subsidiaries	(352,406,914)	-	36,344,993	20,000,000
Loss on impairment of goodwill	-	20,000,000	-	-
Gain on disposal of fixed assets	(2,859,231)	(6,812,949)	-	(308,299)
Provision for damage	-	1,476,100	-	1,476,100
Provisions for employee benefits obligation	3,570,057	3,601,717	2,709,480	2,511,218
Interest income	(10,468,166)	(23,469,881)	(15,931,012)	(44,104,364)
Interest expense	4,938,956	1,925,303	3,977,504	1,510,661
<b>Cash flows provided from (used in) operations before changes in operating Assets and Liabilities</b>	<b>(70,239,528)</b>	<b>172,026,768</b>	<b>49,069,059</b>	<b>204,002,735</b>
<b>Decrease (Increase) in operating assets</b>				
Trade accounts receivable	19,407,056	293,019,072	(5,222,240)	34,543,821
Trade accounts receivable - related companies	37,998,351	(96,242,904)	2,611,436	(7,360,669)
Deposit and others - related companies	-	-	7,340,909	(7,465,350)
Inventories	21,662,616	(358,891,631)	(32,790,975)	(72,098,078)
Other current assets	(23,164,443)	(11,789,970)	5,635,691	(5,423,625)
Other non - current assets	49,051,137	57,162,669	49,117,899	61,216,219
<b>Increase (Decrease) in operating liabilities</b>				
Trade accounts payable	(17,462,229)	(793,666)	2,700,830	1,466,181
Trade accounts payable - related companies	(9,433,096)	20,422,820	(20,866,211)	22,747,889
Other payable - related companies	8,881,028	1,387,039	8,850,140	1,387,039
Construction payable	(11,584,641)	11,584,641	(11,584,641)	11,584,641
Construction payable - related company	(14,051,692)	16,381,097	(14,051,692)	16,381,097
Advances received from customers	(9,757,115)	29,986,263	(9,757,115)	29,986,263
Other current liabilities	12,722,718	(8,410,297)	(25,454,177)	8,442,612
Employee benefits obligation	(1,152,801)	(3,079,496)	(918,590)	(1,012,650)
Other non - current liabilities	(189,186)	31,640	(189,186)	31,640
<b>Cash provided from (used in) operations</b>	<b>(7,311,826)</b>	<b>122,794,045</b>	<b>4,491,137</b>	<b>298,429,765</b>
Refunded income tax	826	1,124,217	-	1,124,217
Interest payment	(3,985,442)	(1,771,076)	(3,260,088)	(882,530)
Income tax payment	(43,863,578)	(31,514,500)	(43,836,838)	(31,378,668)
<b>Net cash provided from (used in) operating activities</b>	<b>(55,160,020)</b>	<b>90,632,686</b>	<b>(42,605,789)</b>	<b>267,292,784</b>

The accompanying notes form an integral part of these financial statements.

# General Engineering Public Company Limited And Subsidiaries

## Statements of Cash Flows (continued)

For the years ended 31 December

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2015	2014	2015	2014
<b>Cash flows from investing activities</b>				
Increase in loans to subsidiaries	-	-	(45,000,000)	(126,000,000)
Receipt of repayment from loan to related companies	40,000,000	-	40,909,889	375,424,572
Decrease (increase) in fixed deposits	260,625,623	499,203,500	260,625,623	499,203,500
Decrease (increase) in restricted deposits with banks	3,613,168	(23,348,736)	30,613,168	(24,396,736)
Received from disposal of temporary investment	-	371,046,986	-	371,046,986
Purchase of investment in subsidiary company	-	-	(2,837,693)	(390,000,000)
Purchase of investment in associated companies	-	(1,632,500)	-	(1,632,500)
Proceed from disposal of investment in associated company	-	137,059,920	-	137,059,920
Paid for investments in joint venture	(1,465)	(177,660,000)	(1,465)	(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)
Paid for deposit for machinery - related companies	-	(5,038,000)	-	(10,538,000)
Purchases of fixed assets	(620,873,363)	(773,366,214)	(609,057,512)	(770,242,485)
Proceeds from sales of fixed assets	7,587,971	7,242,904	7,587,971	738,317
Dividend received	1,814,111	28,012,438	1,814,111	28,012,438
Interest received	12,748,697	27,379,213	23,573,982	46,459,168
<b>Net cash used in investing activities</b>	<b>(294,485,258)</b>	<b>(1,403,773,919)</b>	<b>(291,771,926)</b>	<b>(1,535,198,250)</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 short - term loan from financial institution	(3,053,036)	-	(3,053,036)	-
Repayments of liabilities under finance lease agreement	(2,858,196)	(3,392,156)	(502,407)	(2,025,989)
Proceeds from share capital increase	-	998,350,891	-	998,350,891
Dividend paid	(55,625,595)	-	(55,625,595)	-
<b>Net cash provided from (used in) financing activities</b>	<b>(61,536,827)</b>	<b>1,162,610,330</b>	<b>(59,181,038)</b>	<b>1,163,976,497</b>
<b>Translation adjustments for foreign currency financial statements</b>	<b>14,115</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(411,167,990)</b>	<b>(150,530,903)</b>	<b>(393,558,753)</b>	<b>(103,928,969)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>496,787,290</b>	<b>647,318,193</b>	<b>476,677,388</b>	<b>580,606,357</b>
<b>Cash and cash equivalents at end of year</b>	<b>85,619,300</b>	<b>496,787,290</b>	<b>83,118,635</b>	<b>476,677,388</b>
<b>Supplemental disclosures for cash flows information</b>				
Non - cash items :				
- Unrealized gain on available - for - sales securities	482,950,500	93,110,758	482,950,500	93,110,758
- Purchase of asset under finance lease agreement	-	8,080,000	-	-

The accompanying notes form an integral part of these financial statements.

## 19. Notes to Consolidated Financial Statements

31 December 2015

### 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 subsidiary has not yet started the business.

### 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 the Accounting Act B.E. 2543 and Thai Accounting Standards issued under the Accounting Professions Act B.E. 2547 and the financial reporting requirements promulgated by the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535. They are officially prepared in Thai. The translation of these financial statements to other language must conform to the official report in Thai.

The financial statements have been prepared on a historical cost basis, except as otherwise disclosed specifically.

#### 2.2 New Accounting Standards

The Federation of Accounting Professions has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2015. The initial application of these new and revised TFRS has resulted in changes in certain of the Company’s and subsidiary’s accounting policies as follow :

##### 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 standard changes 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 judgement when reviewing whether the Company has control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.

## TFRS 12 Disclosure of interests in other entities

This standard requires entities to disclose information that helps readers of financial statements to evaluate the nature of risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities.

## 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 preliminary analysis, the management believes that the above standards do not have any significant impact on the current year financial statements.

In addition to the above new and revised TFRSs, the FAP has issued a number of other new and revised TFRSs which are effective for accounting periods beginning on or after 1 January 2016. Those new and revised TFRSs that may be relevant to the Company's and subsidiary's operations are set out below. The Company and subsidiary do not plan to early adopt these TFRSs.

TFRS	Topic
TAS 1 (revised 2015)	Presentation of Financial Statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of Cash Flows
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2015)	Events After the Reporting Period
TAS 11 (revised 2015)	Construction Contracts
TAS 12 (revised 2015)	Income Taxes
TAS 16 (revised 2015)	Property, Plant and Equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee Benefits
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2015)	Borrowing Costs
TAS 24 (revised 2015)	Related Party Disclosures
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2015)	Separate Financial Statements
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures
TAS 33 (revised 2015)	Earnings Per Share
TAS 34 (revised 2015)	Interim Financial Reporting
TAS 36 (revised 2015)	Impairment of Assets
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets

TFRS	Topic
TAS 38 (revised 2015)	Intangible Assets
TAS 40 (revised 2015)	Investment Property
TFRS 2 (revised 2015)	Share-based Payment
TFRS 3 (revised 2015)	Business Combinations
TFRS 4 (revised 2015)	Insurance Contracts
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2015)	Operating Segments
TFRS 10 (revised 2015)	Consolidated Financial Statements
TFRS 11 (revised 2015)	Joint Arrangements
TFRS 13 (revised 2015)	Fair Value Measurement
TSIC 15 (revised 2015)	Operating Leases - Incentives
TSIC 25 (revised 2015)	Income Taxes - Changes in the Tax Status of an Enterprise or its Shareholders
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2015)	Determining Whether an Arrangement Contains a Lease
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment
TFRIC 14 (revised 2015)	TAS 19 (revised 2015) Employee Benefits - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2015)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2015)	Transfers of Assets from Customers

These financial statements have been approved by the Company's Board of Directors on 25 February 2016.

## 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
	2015	2014	
World Wire Processing Co., Ltd.	-	99.99	Metal business
Suntech Metals Co., Ltd.	-	99.99	Metal business
Seven Wire Co., Ltd.	99.99	-	Metal business
General Engineering Mauritius Limited	99.99	-	Investment business

These consolidated financial statements are prepared by applying the same basis as that applied for the preparation of the consolidated financial statements for the year ended 31 December 2014 with some changes in investments in subsidiaries during the current year as follow :

1. The Company sold its investments in shares capital of two subsidiaries, Suntech Metal Co., Ltd. and World Wire Processing Co., Ltd., to Mill Con Steel Public Company Limited (related company) for Baht 807.01 million.
2. New investment in subsidiaries, Seven Wire Co., Ltd. and General Engineering Mauritius Limited amounting to Baht 2.50 million and Baht 0.34 million, respectively.

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.

### 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*

Revenues from sale of goods are recognized in the statement of profit or loss and other 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.

##### *Interest and dividend income*

Interest income is recognized in the statement of profit or loss and other comprehensive income on an accrued basis.

Dividend income is recognized in the statement of profit or loss and other 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 profit or loss and other comprehensive income on a straight-line basis over the lease period.

##### *Financial costs*

Interest expense and similar cost are charged to the statement of profit or loss and other 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 profit or loss and other 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.

Restricted deposits with bank are presented under non - current assets in the statement of financial position.

### 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.

#### *Joint arrangement*

A joint arrangement is an arrangement of which two or more parties have joint control. A joint control as the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

Under the equity method of accounting, interests in joint ventures are initially recognized at cost and adjusted thereafter to recognize the Company's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Company's share of losses in a joint venture equals or exceeds its interests

in the joint ventures, the Company will recognize such losses as obligation of the Company's interest in the joint ventures.

#### *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 profit or loss and other 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 profit or loss and other comprehensive income.

### **3.7 Property, Plant and Equipment**

#### *Owned assets*

Land is presented at cost less allowance for impairment (if any).

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 profit or loss and other comprehensive income.

#### *Depreciation*

Depreciation is charged to the statement of profit or loss and other 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 - 30 years
Buildings improvements on leased land	upon of lease period
Machinery and equipment	5 - 30 years
Furniture, fixtures and office equipment	5 years
Vehicles	5 years

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

### 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 profit or loss and other 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 profit or loss and other comprehensive income over the year of the borrowings by using effective interest rate method.

### 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 profit or loss and other comprehensive income.

### 3.12 Income tax

The income tax expense recognized in profit or loss for the year comprises deferred income taxes and current income tax which is not recognized in other comprehensive income or directly in equity.

#### *Current income tax*

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

#### *Deferred income tax*

Deferred income taxes are calculated using the liability method on temporary differences between the accounting amounts of assets and liabilities and the amounts used for tax computation purpose. Deferred income taxes are calculated at the income tax rates that are expected to be applied to the temporary differences when they reverse, using income tax rates enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the Revenue Department on a net basis or when tax assets and liabilities will be realized simultaneously.

### 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

#### *Current employment benefits*

The Company and subsidiaries are recognized salaries, wages, bonuses and contribution to the social security 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 trusted 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 Financial instruments

The Company and its subsidiaries have no policy to speculate in or be engaged in the trading of any financial derivative instruments.

Financial instruments carried in the statement of financial position include cash and cash equivalents, trade accounts receivable, trade accounts payable and loans from financial institutions. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

### 3.17 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.

### 3.18 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.

## 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	
	2015	2014	2015	2014
Cash on hand	339	520	339	453
Cash at banks	85,280	492,615	82,779	472,572
Bills of exchange	-	3,652	-	3,652
Total	85,619	496,787	83,118	476,677

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

## 6. FIXED DEPOSITS

As at 31 December 2015 and 2014, the Company has investments in fixed deposits for 3 - 6 months with a local bank of Baht 90.17 million and Baht 350.80 million which bear interest at the rates 2.25 percent per annum and 2.75 percent per annum, respectively.

## 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.

Entity name	Type of business	Type of relationship
World Wire Processing Co., Ltd.	Metal business	Related company**
Suntech Metals Co., Ltd.	Metal business	Related company**
Seven Wire Co., Ltd.	Metal business	Subsidiary
General Engineering Mauritius Limited	Investment business	Subsidiary
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
Millcon Special Steel Compant Limited	Manufacturing metal	Invested company's subsidiary
Zentra - Watung Engineering Co., Ltd.	Wholesales of steel products	Invested company's subsidiary
IBCI - Metric Joint Venture	Construction of tissue plant	Associate's joint venture
Wisdom Tree Investment (S) PTE. Limited	Investment in overseas	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
Millcon Steel Pipe Company Limited	Manufacturing metal	Invested company's subsidiary

\*\* On 21 September 2015, the Company sold all its investments in shares capital of two subsidiaries (World Wire Processing Co., Ltd. and Suntech metal Co., Ltd.) to a related company which caused the status of such companies change to related companies.



Significant transactions with related parties for the years ended 31 December 2015 and 2014 are as follows:

(Unit : Thousand Baht)

	Pricing policy	Consolidated F/S		Separate F/S	
		For the years ended 31 December			
		2015	2014	2015	2014
<u>Revenue from sales and services and others</u>	Market price				
World Wire Processing Co., Ltd.		-	-	90	120
Metric Co., Ltd.		67,496	43,300	67,496	43,300
Mill Con Burapa Co., Ltd.		126,397	-	-	-
Mill Con Steel Public Company Limited		166,650	246,884	-	-
Zentra - Watung Engineering Co., Ltd.		-	4,479	-	3,416
IBCI - Metric Joint Venture		4	3,298	4	3,298
Millcon Steel Pipe Company Limited		43,827	-	-	-
Total		404,374	297,961	67,590	50,134
<u>Purchase of raw materials</u>	Market price				
Suntech Metals Co., Ltd.		940	-	61,180	56,958
Mill Con Steel Public Company Limited		115,181	173,445	111,113	62,563
Zentra - Watung Engineering Co., Ltd.		-	3,544	-	3,544
Mill Con Burapa Co., Ltd.		64,102	-	-	-
Millcon Special Steel Compant Limited		1,759	-	1,759	-
Total		181,982	176,989	174,052	123,065
<u>Rental expense</u>	Negotiated price				
World Wire Processing Co., Ltd.		-	-	247	371
Million Miles Co., Ltd.		19	26	19	26
Total		19	26	266	397
<u>Other service expense</u>	Negotiated price				
World Wire Processing Co., Ltd.		-	-	-	2,000
<u>Other purchase</u>	Market price				
Zentra - Watung Engineering Co., Ltd.		-	1,947	-	-
<u>Transportation</u>	Negotiated price				
Million Miles Co., Ltd.		871	2,185	871	2,185
<u>Purchase of machinery</u>	Market Price				
Zentra - Watung Engineering Co., Ltd.		18,750	-	18,750	-

(Unit : Thousand Baht)

	Pricing policy	Consolidated F/S		Separate F/S	
		For the years ended 31 December			
		2015	2014	2015	2014
<u>Construction</u>	Negotiated price				
McTric Public Company Limited		158,081	43,922	158,081	43,922
<u>Purchase of assets</u>	Appraisal Value				
World Wire Processing Co., Ltd.		-	-	6,200	-
Mill Con Steel Public Company Limited		1,277,500	-	1,277,500	-
Total		1,277,500	-	1,283,700	-
<u>Interest income</u>					
World Wire Processing Co., Ltd.	3 percent p.a.	-	-	4,969	8,136
Suntech Metals Co., Ltd.	MLR percent p.a.	30	-	552	12,642
Total		30	-	5,521	20,778
<u>Management's compensations</u>					
Current employment benefits		20,916	14,227	20,535	13,507
Post-employment benefits		213	183	213	183
Total		21,129	14,410	20,748	13,690

Significant balances with related parties as at 31 December 2015 and 2014 are as follows :

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2015	2014	2015	2014
<u>Trade accounts receivable - related companies</u>				
McTric Co., Ltd.	13,205	10,850	13,205	10,850
Mill Con Steel Public Company Limited	248	5,384	248	-
Mill Con Burapa Co., Ltd.	-	83,249	-	-
Zentra - Watung Engineering Co., Ltd.	-	3,904	-	3,655
IBCI - McTric Joint Venture	-	1,559	-	1,559
Total	13,453	104,946	13,453	16,064
<u>Deposit and others - related companies</u>				
World Wire Processing Co., Ltd.	-	-	-	311
Suntech Metals Co., Ltd.	-	-	-	7,165
Seven Wire Co., Ltd.	-	-	56	-
General Engineering Mauritius Limited	-	-	79	-
Total	-	-	135	7,476

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2015	2014	2015	2014
<u>Loan and accrued interest receivable</u>				
<u>- related company</u>				
<u>Loan to related company</u>				
World Wire Processing Co., Ltd.	-	-	-	229,000
<u>Accrued interest income - related company</u>				
World Wire Processing Co., Ltd.	-	-	-	5,362
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>234,362</b>
<u>Deposit - related company</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
<b>Total</b>	<b>-</b>	<b>10,538</b>	<b>-</b>	<b>10,538</b>
<u>Trade accounts payable - related companies</u>				
Suntech Metals Co., Ltd.	-	-	-	11,291
Mill Con Steel Public Company Limited	-	17,075	-	8,109
Millcon Special Steel Compant Limited	1,882	-	1,882	-
Zentra - Watung Engineering Co., Ltd.	-	3,333	-	3,333
Million Miles Co., Ltd.	-	15	-	15
<b>Total</b>	<b>1,882</b>	<b>20,423</b>	<b>1,882</b>	<b>22,748</b>
<u>Other payable - related companies</u>				
Mctric Co., Ltd.	10,043	1,387	10,043	1,387
Zentra - Watung Engineering Co., Ltd.	225	-	225	-
World Wire Processing Co., Ltd.	-	-	-	31
<b>Total</b>	<b>10,268</b>	<b>1,387</b>	<b>10,268</b>	<b>1,418</b>
<u>Construction payable - related company</u>				
Mctric Co., Ltd.	2,329	16,381	2,329	16,381
<u>Current portion of liabilities under finance lease agreement - related company</u>				
Million Miles Co., Ltd.	-	4,314	-	-

Movements in loans and accrued interest income - related companies for the year ended 31 December 2015 are as follows:

(Unit : Thousand Baht)

	Separate F/S			
	2014	Increase	Decrease	2015
Loans and accrued interest income				
<u>Related companies</u>				
World Wire Processing Co., Ltd.				
Loan	229,000	-	229,000	-
Accrued interest income	5,362	4,988	10,350	-
Suntech Metals Co., Ltd.				
Loan	-	45,000	45,000	-
Accrued interest income	-	687	687	-
Total	234,362	50,675	285,037	-

## 8. INVESTMENTS IN AVAILABLE - FOR - SALES SECURITIES

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2015	2014	2015	2014
<b>Available - for - sales securities</b>				
Securities - Mill Con Steel Public Company Limited	1,279,101	1,279,101	1,279,101	1,279,101
Add : Unrealized gain (loss) on available - for - sales securities	(389,840)	93,111	(389,840)	93,111
Net	889,261	1,372,212	889,261	1,372,212

Movements during the years ended 31 December 2015 and 2014 of available-for-sales securities are as follows :

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2015	2014	2015	2014
Book value - beginning balance	1,372,212	525	1,372,212	525
Purchase of investment	-	1,279,101	-	1,279,101
Transferred change type of investment	-	(525)	-	(525)
Unrealized gain (loss)	(482,951)	93,111	(482,951)	93,111
Book value - ending balance	889,261	1,372,212	889,261	1,372,212

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 2015 and 2014 are as follows :

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2015	2014	2015	2014
Trade accounts receivable	338,159	365,074	338,159	333,923
Retentions receivable	45,564	42,641	45,564	42,641
Postdated cheques	976	2,912	976	2,912
Total	384,699	410,627	384,699	379,476
<u>Less</u> : Allowance for doubtful accounts	(1,665)	(79,846)	(1,665)	(50,643)
Net	383,034	330,781	383,034	328,833

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

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2015	2014	2015	2014
Retentions receivable - not yet due	45,307	35,988	45,307	35,988
Retentions receivable - outstanding over 12 months	257	6,653	257	6,653
Not yet due	183,560	230,629	183,560	228,958
Past due :				
Not over 3 months	102,437	49,421	102,437	49,144
3 - 6 months	27,462	6,669	27,462	6,669
6 - 12 months	14,558	6,940	14,558	6,940
Over 12 months	10,142	71,415	10,142	42,212
Total	383,723	407,715	383,723	376,564
Postdated cheques	976	2,912	976	2,912
Total	384,699	410,627	384,699	379,476
<u>Less</u> Allowance for doubtful accounts	(1,665)	(79,846)	(1,665)	(50,643)
Trade accounts receivable - net	383,034	330,781	383,034	328,833

As at 31 December 2015, management believes that the allowance for doubtful accounts is adequate to cover possible loss which may arise from non-collection of trade receivables.

Movements of allowance for doubtful accounts are as follows :

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2015	2014	2015	2014
Balance at the beginning of year	79,846	95,213	50,643	61,752
Decrease	(78,181)	(15,367)	(48,978)	(11,109)
Balance at the ending of year	1,665	79,846	1,665	50,643

During the year, the Company wrote off receivables and related allowance for doubtful accounts for which allowances for non-collection had been fully provided amounted to Baht 48.98 million because the management considers that those debtors do not have ability to make payments.

## 10. INVENTORIES - NET

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2015	2014	2015	2014
Finished goods	179,381	343,008	179,381	158,619
Work in process	54,242	39,077	54,242	39,077
Raw materials and spare parts	39,540	224,500	39,540	42,677
Goods in transit	-	11,700	-	-
Total	273,163	618,285	273,163	240,373
Less : Allowance for defective inventories	(4,121)	(4,494)	(4,121)	(4,494)
Net	269,042	613,791	269,042	235,879

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

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2015	2014	2015	2014
Balance at the beginning of year	4,494	4,494	4,494	4,494
Decrease	373	-	373	-
Balance at the ending of year	4,121	4,494	4,121	4,494

## 11. OTHER CURRENT ASSETS

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2015	2014	2015	2014
Advances to subcontractors	23,746	24,568	23,746	24,568
Less : Allowance for doubtful accounts	(23,562)	(23,562)	(23,562)	(23,562)
Net	184	1,006	184	1,006
Deposit for goods purchase	4,029	24,767	4,029	3,878
Prepaid expenses	6,557	6,645	6,451	6,441
Accrued interest income	213	2,503	213	2,494
Receivable from Revenue Department	-	27,535	-	3,920
Undue input VAT	1,699	16,625	1,699	4,053
Others	7,352	4,118	7,280	3,522
Total	20,034	83,199	19,856	25,314

## 12. INVESTMENTS IN SUBSIDIARIES ASSOCIATED COMPANY AND JOINT VENTURE - NET

Movements in investments in subsidiaries, associated company and joint venture, which are accounted for by the equity method in the consolidated financial statements, for the years ended 31 December 2015 and 2014 are as follows :

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2015	2014	2015	2014
Balance as at the beginning of the year	385,783	298,943	1,206,652	762,359
Disposal of investments	-	(117,695)	(843,359)	(105,000)
Purchase of investments	1	179,292	2,838	569,293
Dividend income from associated company	(1,814)	-	-	-
Share of profit (loss) from associated companies	21,470	25,243	-	-
Share of profit (loss) from joint venture	(1,278)	-	-	-
Loss from impairment of investment in subsidiaries	-	-	-	(20,000)
Balance as at the ending of the year	404,162	385,783	366,131	1,206,652

## Investments in subsidiaries

(Unit : Thousand Baht)

	Paid - up capital		Percentage of shareholding		Cost method	
	2015	2014	2015	2014	2015	2014
Suntech Metals Co., Ltd.	-	716,000	-	99.99	-	849,360
World Wire Processing Co., Ltd.	-	14,000	-	99.99	-	13,999
General Engineering Mauritius Limited	338	-	99.99	-	338	-
Seven Wire Co., Ltd.	2,499	-	99.99	-	2,500	-
					2,838	863,359
Less : Allowance for impairment					-	(20,000)
Net					2,838	843,359

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. 9/2014 held 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.

At the Board of Directors Meeting No. 5/2015 held on 29 July 2015, the board passed a resolution for the Company to sell ordinary shares of World Wire Processing Co., Ltd. of 13,999,999 shares, and Suntech Metals Co., Ltd. of shares for a total amount of Baht 807 million to related company. The sale transactions of such companies were completed on 21 September 2015 with gain from disposal of investments in the consolidated financial statement of Baht 352 million and loss from disposal in the separate financial statements of Baht 36 million.

The Board of Director also passed a resolution to establish the subsidiary, Seven Wire Co., Ltd to manufacture and sell the special qualified PC Wire and PC Stand which the registered share capital of Baht 2.50 million.

### Losing control over a subsidiaries during the reporting period

During the year, the Company disposed investment in Suntech Metals Co., Ltd. and World Wire Processing Co., Ltd. as described in Note 2.



Net assets value of two subsidiaries are as follows :

(Unit : Thousand Baht)

	Suntech Metals Co., Ltd	World Wire Processing Co., Ltd.	Total
<b>At disposal date</b>			
<b>Assets</b>			
Cash and cash equivalents	10,800	1,741	12,541
Property, plant and equipment	465,949	223,743	689,692
Other current assets	288,943	216	289,159
<b>Total assets</b>	<b>765,692</b>	<b>225,700</b>	<b>991,392</b>
<b>Liabilities</b>			
Trade accounts payable	121,022	511	121,533
Deferred tax liabilities	51,827	30,060	81,887
Other current liabilities	98,627	234,738	333,365
<b>Total liabilities</b>	<b>271,476</b>	<b>265,309</b>	<b>536,785</b>
<b>Net assets</b>	<b>494,216</b>	<b>(39,609)</b>	<b>454,607</b>
<b>Consideration received</b>			<b>807,014</b>
<b>Gain on disposal in consolidated financial statement</b>			<b>352,407</b>

#### Goodwill

(Unit : Thousand Baht)

	Consolidated F/S	
	2015	2014
Goodwill	-	123,936
Less : Allowance for impairment asset	-	(20,000)
Goodwill - net	-	103,936

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 consolidated financial statements.

## Investments in associated

(Unit : Thousand Baht)

	Paid - up capital		Percentage of shareholding		Cost method		Equity method	
	2015	2014	2015	2014	2015	2014	2015	2014
Metric Co., Ltd.	300,000	250,000	32.65	32.65	185,633	185,633	228,336	208,123

During the year, the Company received the dividend from its associated company at Baht 0.22 per share divided into 2 parts as stock dividend at Baht 0.20 per share, totalling Baht 16.33 million and cash dividend of Baht 0.0222 per share, totalling Baht 1.81 million. The dividend was received on 18 June 2015.

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

At the Board of Director Meeting No. 9/2014 held 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 associated company are summarized as follows :

(Unit : Thousand Baht)

	2015	2014
Current assets	1,306,584	858,650
Non - current assets	346,264	214,512
	1,178,896	683,468
Current liabilities		
Non - current liabilities	63,319	53,195

(Unit : Thousand Baht)

	2015	2014
Revenues	1,997	1,320
Income for the year (from operations)	78,660	54,226
Other comprehensive income (loss) for the year	(1,471)	(1,967)
Comprehensive income (loss) for the year	77,189	52,260
Dividend from associated during the year	1,814	-

Reconciliation of the financial information with the associated company's equity which recognized in consolidation financial statement

(Unit : Thousand Baht)

	2015	2014
Net assets of associated	410,633	336,499
Proportion of shareholder in Mctric Co., Ltd.(percentage)	32.65	32.65
Goodwill	82,234	85,435
Other adjustments	11,963	12,821
Carrying amount of investment in Mctric Co., Ltd.	228,269	208,123

#### 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. The participants of this joint venture are as follow-:

	Percentage of joint investment		Amount (USD million)	
Participant of Joint Ventures	2015	2014	2015	2014
General Engineering Public Company Limited	45	45	5.40	5.40
Mill Con Steel Public Company Limited	45	45	5.40	5.40
Thiha Trading Limited	3	10	0.40	1.20
Others	7	-	0.80	-
Total	100	100	12.00	12.00

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

(Unit : Thousand Baht)

	For the year ended 31 December 2015			
	Assets	Liabilities	Revenues	Net loss
Wisdom Tree Investment (S) PTE. Limited	429,471	-	-	(2,841)

(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)

During the year 2014, 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.

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

(Unit :Thousand Baht)

	Consolidated F/S							
	Land and improvement	Building And building improvement	Machinery and equipment	Furniture Fixture and Office equipment	Vehicle	Asset under construction	Machinery during installation	Total
Cost								
1 January 2014	733,925	134,483	399,840	30,523	57,957	107	-	1,356,835
Acquisitions	311,322	-	20,020	2,242	10,288	179,310	290,025	813,207
Disposals	(33,841)	-	(3,360)	-	(4,223)	-	-	(41,424)
Transfer in / (out)	44,649	1,549	1,221	-	-	(47,419)	-	-
31 December 2014	1,056,055	136,032	417,721	32,765	64,022	131,998	290,025	2,128,618
Acquisitions	1,285,950	129	31,837	10,906	1,741	264,376	64,036	1,658,975
Disposals	(10,047)	-	(195)	-	-	-	-	(10,242)
Transfer in / (out)	73,324	124,258	437,253	-	-	(280,774)	(354,061)	-
Disposal investment in subsidiaries	(386,939)	(110,903)	(236,024)	(6,395)	(1,389)	(291)	-	(741,941)
31 December 2015	2,018,343	149,516	650,592	37,276	64,374	115,309	-	3,035,410
Accumulated depreciation								
1 January 2014	-	18,916	244,799	25,090	27,984	-	-	316,789
Depreciation for the year	-	10,052	28,124	1,801	8,553	-	-	48,530
Depreciation for disposals	-	-	(3,040)	-	(3,792)	-	-	(6,832)
31 December 2014	-	28,968	269,883	26,891	32,745	-	-	358,487
Depreciation for the year	-	8,731	24,652	2,290	9,764	-	-	45,437
Depreciation for disposals	-	-	(195)	-	-	-	-	(195)
Disposal investment in subsidiaries	-	(20,655)	(125,727)	(5,344)	(1,472)	-	-	(153,198)
31 December 2015	-	17,044	168,613	23,837	41,037	-	-	250,531
Net book value								
31 December 2014	1,056,055	107,064	147,838	5,874	31,277	131,998	290,025	1,770,131
31 December 2015	2,018,343	132,472	481,979	13,439	23,337	115,309	-	2,784,879
Depreciation for the year 2014								
Cost of sales								38,869
Administrative expenses								9,661
Total								48,530
Depreciation for the year 2015								
Cost of sales								35,574
Administrative expenses								9,863
Total								45,437

(Unit :Thousand Baht)

	Separate F/S							
	Land and improvement	Building And building im-provement	Machinery and equipment	Furniture Fixture and Office equipment	Vehicle	Asset under construction	Machinery during installation	Total
Cost								
1 January 2014	346,986	23,580	168,661	24,623	54,161	108	-	618,119
Acquisitions	277,481	-	11,620	1,961	10,137	179,018	290,025	770,242
Disposals	-	-	-	-	(1,666)	-	-	(1,666)
Transfer in / (out)	44,649	1,549	1,221	-	-	(47,419)	-	-
31 December 2014	669,116	25,129	181,502	26,584	62,632	131,707	290,025	1,386,695
Acquisitions	1,285,950	129	31,837	10,692	1,741	264,376	64,036	1,658,761
Disposals	(10,047)	-	-	-	-	-	-	(10,047)
Transfer in / (out)	73,324	124,258	437,253	-	-	(280,774)	(354,061)	-
31 December 2015	2,018,343	149,516	650,592	37,276	64,373	115,309	-	3,035,409
Accumulated depreciation								
1 January 2014	-	12,621	147,431	19,996	24,190	-	-	204,238
Depreciation for the year	-	1,460	6,734	1,574	8,523	-	-	18,291
Depreciation for disposals	-	-	-	-	(1,236)	-	-	(1,236)
31 December 2014	-	14,081	154,165	21,570	31,477	-	-	221,293
Depreciation for the year	-	2,963	14,448	2,267	9,559	-	-	29,237
31 December 2015	-	17,044	168,613	23,837	41,036	-	-	250,530
Net book value								
31 December 2014	669,116	11,048	27,337	5,014	31,155	131,707	290,025	1,165,402
31 December 2015	2,018,343	132,472	481,979	13,439	23,337	115,309	-	2,784,879
Depreciation for the year 2014								
Cost of sales								9,590
Administrative expenses								8,701
Total								18,291
Depreciation for the year 2015								
Cost of sales								21,279
Administrative expenses								7,958
Total								29,237

As at 31 December 2015 and 2014, 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 183.44 million and Baht 214.27 million, respectively (Separate F/S : Baht 183.44 million and Baht 180.63 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.

Machine and parts of the Company's land and buildings have been mortgaged as collaterals for credit facilities with a bank as mentioned in Note 30.

As at 31 December 2014, the Company and subsidiary had vehicles acquired under financial lease contracts, with net book value amounting to approximately Baht 9.19 million.

## 14. ASSETS NOT USED IN OPERATIONS

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2015	2014	2015	2014
Assets not used in operations				
Land	13,449	13,449	13,449	12,548
Less : Allowance for impairment	(4,872)	(4,872)	(4,872)	(4,872)
Net	8,577	8,577	8,577	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	8,697	7,796

## 15. OTHER NON - CURRENT ASSETS

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2015	2014	2015	2014
Deposit	14,306	63,745	14,306	61,707
Prepaid tax	14,500	-	14,500	-
Total	28,806	63,745	28,806	61,707

## 16. SHORT - TERM LOAN FROM FINANCIAL INSTITUTION

(Unit : Thousand Baht)

	Interest rate per annum (Percentage)		Consolidated F/S and Separate F/S	
	2015	2014	2015	2014
Liabilities under trust receipt agreements - short - term	3.75 - 6.03	3.14 - 3.27	78,816	164,103

## 17. LONG - TERM LOAN FROM FINANCIAL INSTITUTION

(Unit : Thousand Baht)

	Interest rate per annum (Percentage)		Consolidated F/S and Separate F/S	
	2015	2014	2015	2014
Liabilities under trust receipt agreements - long - term	6.03 - 6.88	3.14 - 3.27	82,234	-

As at 31 December 2015, the Company has credit facilities in the form of liabilities under trust receipt agreements totalling Baht 181 million. These credit facilities are collateralized by the mortgages of the Company's machine and land and construction thereon, and cash at bank as mentioned in Notes 13 and 30.

## 18. LIABILITIES UNDER FINANCE LEASE

(Unit : Thousand Baht)

	Consolidated F/S and Separate F/S	
	2015	2014
Liabilities under finance lease		
Not over 1 year	-	506
Over 1 year but not over 5 years	-	-
Total	-	506
Less : Deferred interest	-	(4)
Less : Current portion	-	(502)
Net	-	-

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

## 19. OTHER CURRENT LIABILITIES

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2015	2014	2015	2014
Accrued expenses	32,687	51,515	32,325	48,907
Accrued costs	22,738	34,337	22,738	34,337
Others	6,810	4,619	6,810	4,083
Total	62,235	90,471	61,873	87,327

## 20. EMPLOYEE BENEFITS OBLIGATION

- Employee benefits expense

Expenses recognised for employee benefits are as follow :

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2015	2014	2015	2014
Salaries and wages	133,868	109,604	113,760	83,236
Social security costs	4,135	3,613	3,612	2,904
Pensions - defined benefit plans	3,680	3,035	3,133	2,298
Total	141,683	116,252	120,505	88,438

- Movements in employee benefits obligation for the years ended 31 December 2015 and 2014 are as follows :

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2015	2014	2015	2014
Employee benefit obligation as at 1 January	25,033	23,602	17,751	15,625
Current service cost	3,570	3,601	2,709	2,511
Interest expense	953	909	717	628
Remeasurement - actuarial loss from changes in demographic assumptions	2,928	-	2,928	-
Remeasurement - actuarial loss from changes in financial assumptions	2,652	-	2,652	-
Decrease from disposal of subsidiaries	(8,145)	-	-	-
Benefits paid	(1,153)	(3,079)	(919)	(1,013)
<b>Employee benefit obligation as at 31 December</b>	<b>25,838</b>	<b>25,033</b>	<b>25,838</b>	<b>17,751</b>
Wholly unfunded	25,838	25,033	25,838	17,751

- Principal actuarial assumptions at the reporting date for the years ended 31 December 2015 and 2014 are as follows :

(Unit : Percent)

	Consolidated F/S		Separate F/S	
	2015	2014	2015	2014
Discount rates	2.77	4.02	2.77	4.02
Salary growth rate	3 - 5	3 - 5	3 - 5	3 - 5
Average life expectancies:				
Male, 60 years of age at reporting date	38	37	38	37
Female, 60 years of age at reporting date	38	39	38	39
Weighted average duration of the defined benefit obligations (years)	22	21	22	21



The present value of the defined benefit obligation was measured using the projected unit credit method.

- Defined benefit plan expenses

Amounts recognised in profit or loss related to the Company's and subsidiaries' defined benefit plans are as follows:

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2015	2014	2015	2014
Current service cost	3,570	3,601	2,709	2,511
Net interest expense	953	909	717	628
Total expenses recognised in profit or loss	4,523	4,510	3,426	3,139

The current service cost is included in employee benefits expense. The net interest expense is included in finance costs.

- Amounts recognised in other comprehensive income related to the Companies' and subsidiaries' defined benefit plans are as follows:

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2015	2014	2015	2014
Actuarial loss from changes in demographic assumptions	2,928	-	2,928	-
Actuarial loss from changes in financial assumptions	2,652	-	2,652	-
Total expense recognised in other comprehensive income	5,580	-	5,580	-

All expenses summarised above were included within items that will not be reclassified subsequently to profit or loss.

- Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Changes in the significant actuarial assumptions

(Unit : Thousand Baht)

	Consolidated F/S and Separate F/S	
	Increase 1%	Decrease 1%
<b>2015</b>		
<b>Discount rate</b>		
Increase (decrease) in the defined benefit liability	(2,093)	2,443
<b>Salary growth rate</b>		
Increase (decrease) in the defined benefit liability	2,366	(2,072)
<b>Staff turnover rate</b>		
Increase (decrease) in the defined benefit liability	(2,244)	1,410

## 21. DEFERRED TAX AND INCOME TAX

### 21.1 Deferred tax

Income tax recognized in the statement of income for the years ended 31 December 2015 and 2014 are as follows:

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2015	2014	2015	2014
Current income tax	1,810	53,940	1,679	53,940
Deferred tax from temporary differences	2,138	3,834	638	6,314
Total income tax	3,948	57,774	2,317	60,254
Income tax recognized in other comprehensive income	60,462	18,622	60,462	18,622

### 21.1 Current income tax

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2015	2014	2015	2014
<b>Income tax recognized in profit or loss</b>				
Current income tax				
Income before income tax	123,097	243,484	43,895	304,529
Add Items not yet allowable as expenses under Revenue Code	5,949	28,999	5,949	28,999
Less Items previously added back of allowance for doubtful account and others in tax computation	(38,278)	(45,435)	(38,278)	(45,435)
Items not considered as income under the revenue code	(3,170)	(1,086)	(3,170)	(1,086)
Loss carry forward for 5 years	-	(17,306)	-	(17,306)
Effect from related party transactions	(78,546)	61,045	-	-
Taxable profit (loss)	9,052	269,701	8,396	269,701
Tax rate	20	20	20	20
Income tax for the year	1,810	53,940	1,679	53,940

## 21.3 Deferred tax

Deferred tax assets and liabilities are analyzed as follows :

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2015	2014	2015	2014
Deferred income tax assets	83,136	4,690	83,136	4,690
Deferred income tax liabilities	(8,429)	(107,438)	-	(18,622)
Net	74,707	(102,748)	83,136	(13,932)

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

(Unit : Thousand Baht)

	Consolidated F/S				
	Recognized as income (expense)				
	1 January 2015	Statement of profit or loss	Shareholders' equity	Disposal of investment	31 December 2015
<b>Deferred income tax assets from :</b>					
Allowance for doubtful accounts	1,140	(1,140)	-	-	-
Employee benefits obligation	3,550	502	1,116	-	5,168
Investments in available-for-sales securities	-	-	77,968	-	77,968
	4,690	(638)	79,084	-	83,136
<b>Deferred income tax liabilities from :</b>					
Investments in available-for-sales securities	(18,622)	-	18,622	-	-
Fair value of assets from business combination	(84,318)	2,431	-	81,887	-
Investment in associated company	(4,498)	(3,931)	-	-	(8,429)
	(107,438)	(1,500)	18,622	81,887	(8,429)

(Unit : Thousand Baht)

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

(Unit : Thousand Baht)

	Separate F/S			
	Recognized as income (expense)			
	1 January 2015	Statement of profit or loss	Shareholders' equity	31 December 2015
<b>Deferred income tax assets from :</b>				
Allowance for doubtful accounts	1,140	(1,140)	-	-
Employee benefits obligation	3,550	502	1,116	5,168
Investment in available-for-sales securities	-	-	77,968	77,968
	4,690	(638)	79,084	83,136
<b>Deferred income tax liabilities from :</b>				
Investment in available-for-sales securities	(18,622)	-	18,622	-
	(18,622)	-	18,622	-

(Unit : Thousand Baht)

	Separate F/S			
	1 January 2014	Recognized as income (expense)		31 December 2014
		Statement of profit or loss	Shareholders' equity	
Deferred income tax assets from :				
Allowance for doubtful accounts	3,728	(2,588)	-	1,140
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 securities	(33)	-	(18,589)	(18,622)
	(33)	-	(18,589)	(18,622)

## 22. SHARE CAPITAL

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

1. 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.
2. 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.
3. 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.
4. Approved to allocate shares not exceeding 412,384,903 shares at par value of Baht 30 each to reserve for exercisable warrants "GEL-W3".
5. 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.
6. Approved to transfer premium on share capital Baht 31,729,260 to offset with discount on share capital.
7. 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.

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

## 23. 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.

## 24. 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 2015 and 2014, amounted to Baht 3.16 million and Baht 2.35 million, respectively.

## 25. DIVIDEND PAYMENT

At the Annual General Shareholders' meeting held on 24 April 2015, the shareholders passed a resolution to pay cash dividend from the retained earnings as at 31 December 2014 for eligible shareholders of 5,562,876,782 common shares, totalling Baht 55.63 million or at Baht 0.01 per share which was paid on 22 May 2015.

## 26. 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.

## 27. EXPENSES BY NATURE

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	For the years ended 31 December			
	2015	2014	2015	2014
Changes in finished goods and work in progress	23,376	(40,993)	54,225	42,267
Raw materials and supplies used	1,270,132	2,392,193	516,856	631,237
Employee benefit expenses	208,868	190,095	179,423	149,710
Service fees	36,070	28,027	34,148	28,027
Installation costs	129,685	137,256	129,685	137,256
Labour costs	101,801	108,018	101,801	108,018
Depreciation	45,438	48,530	29,237	18,291
Transportation expenses	62,224	77,090	60,429	74,570
Doubtful accounts	11,922	3,837	-	3,740
Management benefit expenses	21,129	14,410	20,748	13,690
Provision for other damage	-	1,476	-	1,476
Selling expenses	5,897	18,969	2,379	13,389
Loss from impairment of investments in subsidiaries	-	-	36,346	20,000
Loss from impairment of goodwill	-	20,000	-	-
Loss on decremental value of inventories	176,386	-	-	-

## 28. FINANCIAL INSTRUMENTS

### 28.1 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.

### 28.2 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.

### 28.3 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.



## 28.4 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 2015, 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
JPY	-	2,694,000	-	2,694,000
USD	74,756	-	74,756	-

## 28.5 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 2015 and 2014, 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)

2015									
Consolidated F/S						Separate F/S			
Principal		Average Interest Rate (%)				Principal		Average Interest Rate (%)	
Floating Interest Rate	In-Fixed Interest Rate	Total	Floating	Fixed	Floating Interest Rate	Floating Interest Rate	Fixed Interest Rate	Floating	Fixed
<b>Assets</b>									
Cash at banks									
- saving deposits	85,588	-	85,588	0.37 - 1.62	-	83,087	-	83,087	0.37 - 1.62
- fixed deposits	-	90,171	90,171	-	2.25	-	90,171	90,171	2.25
Restricted deposits at bank	62,500	-	62,500	0.37 - 1.62	-	62,500	-	62,500	0.37 - 1.62

(Unit : Thousand Baht)

2014									
Consolidated F/S						Separate F/S			
Principal		Average Interest Rate (%)				Principal		Average Interest Rate (%)	
Floating Interest Rate	In-Fixed Interest Rate	Total	Floating	Fixed	Floating Interest Rate	Floating Interest Rate	Fixed Interest Rate	Floating	Fixed
<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	2.75
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	-

## 28.6 Fair values measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

The following table presents assets that are measured at fair value as at 31 December 2015.

	Baht		
	Level 1	Level 2	Level 3
<b>Assets</b>			
Investment in available-for-sales securities	889,261,498	-	-

## 29. SEGMENT REPORTING

Below are segmental revenues and gross profit of the Company and its subsidiaries for the ended 31 December 2015 and 2014.

(Unit : Thousand Baht)

	For the years ended 31 December									
	Manufacturing and sales of concrete products		Metals products		Others		Elimination		Consolidated F/S	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Revenues from sales and services										
Revenue from external customers	1,292,148	1,518,451	750,801	1,797,392	247	371	(60,488)	(57,328)	1,982,708	3,258,886
Cost of sales	(1,047,237)	(1,163,679)	(836,597)	(1,783,252)	(2,043)	-	60,241	39,798	(1,825,636)	(2,907,133)
Gross profit	244,911	354,772	(85,796)	14,140	(1,796)	371	(247)	(17,530)	157,072	351,753
Other income									46,225	132,159
Interest income									10,468	23,470
Interest expense									(4,939)	(1,925)
Depreciation									(45,437)	(48,530)
Profit before income tax									123,097	243,484
Property, plant and equipment - net	2,784,879	1,165,402	-	565,401	-	231,706	-	(192,377)	2,784,879	1,770,132
Other assets									2,322,654	4,027,693
<b>Total assets</b>									5,120,525	5,793,135
Major Customer										

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

### 30. COMMITMENTS AND CONTINGENT LIABILITIES

30.1 The Company has commitments under contracts with customers for sales and services for which goods or services have not been delivered or rendered totaling Baht 1,818.66 million.

30.2 The Company is liable for letters of guarantee issued by a bank to customers for the performance bonds and for the use of electricity totaling Baht 136.79 million. The Company's fixed deposits of Baht 62.50 million and part of the Company's land and construction have been mortgaged/pledged as collaterals for such letters of guarantee.

30.3 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	17,482
Due after 1 year but within 5 years	66,403
Total	83,885

30.4 As at 31 December 2015 and 2014, the Company and subsidiaries have opened credit facilities as follow :

(Unit : Thousand Baht)

Consolidated F/S							
	Currency	2015			2014		
		Total	Utilized	Remained	Total	Utilized	Remained
Letters of guarantee	Baht	355,000	(136,798)	218,202	365,613	145,285	221,328
Bank overdraft and others	Baht	1,643,500	(161,056)	1,482,444	1,270,000	192,548	1,077,452

(Unit : Thousand Baht)

Separate F/S							
	Currency	2015			2014		
		Total	Utilized	Remained	Total	Utilized	Remained
Letters of guarantee	Baht	355,000	(136,798)	218,202	365,613	145,192	220,421
Bank overdraft and others	Baht	1,643,500	(161,056)	1,482,444	1,270,000	192,548	1,077,452

The above obligations are collateralized by the mortgages of part of the Company's land and construction thereon as mentioned in Note 13.

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 machine and 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.

30.5 The Company has commitment for purchase of equipment and machinery amounting to Baht 6.46 million.

30.6 The Company has commitment for construction agreements from an associated amounting to Baht 6.51 million.

### 31. EVENT AFTER REPORTING PERIOD

31.1 The Company has shares repurchase which totalling treasury stocks until current period are 113,512,900 shares at amounting to Baht 62,200,055.39 (2.04% of paid in share capital)

31.2 At the Board of Directors meeting No.1/2016 held on 4 February 2016, the subsidiary obtained the credit facilities from the financial institutions which have the loan collateral as follow;

31.2.1 Land and buildings of Baht 315 million

31.2.2 Machineries and components which can be registered as machinery under the PC Wire PC Stand and Cold Drawn production line amounting to Baht 225 million (subsidiary's right)

31.2.2 The Company has to guarantee for loan for 30 years

31.2.3 Others important conditions are summarised as follows;

31.2.4 Subsidiary must increase the register share capital Baht 40 million totalling Baht 50 million before loan drawing and gradually increases its share capital not less than Baht 250 million in 2016.

31.2.5 The Company must provide the financial and others assistants to subsidiary in case that it has cost overrun and the remaining credit facilities are insufficient for making repayment according to the construction agreement.







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