

ANNUAL REPORT 2016

General Engineering Public Company Limited





Construction without complication



Content

Message from the Chairman	02
Message from the Chief Executive Officer	04
Board of Directors	06
1. Policy and overall business operations	08
2. Nature of Business	12
3. Risk Factors	21
4. General information and other important information	24
5. Securities and Shareholder Information	27
6. Dividend Policy	30
7. Management Structure	31
8. Details of Company Committee, Management, Regulators, and Secretaries	44
9. Corporate Governance	56
10. Corporate Social Responsibilities: CSR	94
11. Internal Control and Risk Management	96
12. Transaction with Related Companies	99
13. Important Financial Information	103
14. Management Discussion and Analysis (MD&A)	117
15. Report of the Audit Committee	125
16. Report of the Board of Directors' Responsibility in Financial Statement	128
17. INDEPENDENT AUDITOR'S REPORT	129
18. STATEMENTS OF FINANCIAL POSITION	134
19. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	144

Message from the Chairman

It has been a trying and difficult year in 2016 due to the global economy taking a downturn caused by several key factors. Firstly, at the start of the year the depreciation of China's Yuan was experienced and inevitably shook the stock market globally. Adding to this, in June 2016 there was the unforeseen 'Brexit' vote that has had a turbulent effect to the world's monetary markets. Many Central banks kept interest rate low due to inflation was low and used Quantitative Easing to stimulate the economic. Consequently, the downturn in global economic conditions was clearly evident even though World oil prices remained low.

Due to the slowdown of global economic situation, as such no specific measures were announced to invigorate the construction material market. However, it has been a remarkable year for Thailand as the Thai economic growth rate was greater than the previous two years. As a result, the construction materials sector, which is directly linked to the real estate and construction industries, has grown up vividly due to the government has consistently approved several investment projects including the development of motorways, rail transport infrastructure (inc MRT transportation in Bangkok Metropolitan Region), intercity double-track railway development and medium-high speed railways. With all of these projects in the pipeline it is believed that the construction material business will continuously grow for years to come.

The Company indirectly received orders from government investment projected as mentioned above, which is double-track railway, development of motorways. As a result, the Company's revenue and orders have increased. Moreover, the Company successfully executed several business development schemes in 2016, for example, the approval to construct a pre-stressed concrete pile factory located in PathumThani Province. The shares repurchase project for financial management (treasury stock) with the number of shares repurchased was 165,000,000 shares, and the share resale period has been fixed to be from 1 – 15 February 2017. At the end of above mentioned share resale period, the Company has not sold the repurchased shares; therefore, the Company decreased its paid up capital shares by writing off such unsold repurchased registered shares, and it has registered this amendment paid up capital on 24 February 2017.

The Company, also, approved the capital increase in Seven Wire Co., Ltd., which is the subsidiary of the Company (held 99.99% shares). Millcon Thiha GEL Ltd., situated in Republic of Union of Myanmar, has already obtained the Letter of Approval of Factory Operation from Thilawa Special Economic Zone Management committee and also officially started its commercial operation. Also, one of our most successful achievements of the year was earning the good corporate governance (3 scores) for the first time in the 50-year period. This award outlines the direction that reflect our commitment to follow the good governance, integrity, transparency to our stakeholder; customers, suppliers, employees, shareholders, and surrounding communities.



The company aims for a sustainable long-term growth from its determination to execute transparent management, oppose of all kind of corruption, and uphold good governance. So that the Company can become an exceptional organization that operates with integrity, honest and trustworthy. This will ultimately profit our employee, shareholders and all stakeholders in the long run. Lastly, the company is proud to inform our shareholders and stakeholders that even though we have to face so many challenges and obstacles, but with our management and employee's utmost determination and dedication, together with decisive strategic adaptation of our management team, our Company will be able to wage through any challenge and obstacle and attain our desired goal, as always.

On behalf of all the Board of Directors, I wish to express my heartfelt gratitude to all of our customers and shareholders. Your continued support is greatly appreciated. I would also like to thank all directors, executives and employees for the devote dedication to the Company.

A handwritten signature in black ink, consisting of stylized initials and a long horizontal stroke.

Prof. Dr. Borwornsak Uwanno
Chairman of the Board of Directors

Message from the Chief Executive Officer

2016 was another challenging year for the business caused by the slowdown in the construction industry, excess supply of construction material. As the result, the construction material price was decreased despite positive factors from the government's economic injection. Therefore, the Company was affected inevitably.

The Company recorded an increase in sales and sales volume for the year 2016. Since, the material prices were decreased as well as the precast concrete wall factory was in the process of ramping up, thus could not produce to its full capacity. As such, the company's production costs increased, and overall results could not reach the target. Nevertheless, the Company has continued its business expansion in production capacity to meet the rising demand of its customers. Construction of a factory for manufacturing and distributing PC Wire/ PC Strand will backwardly integrate our supply chain to cover the main raw material production of PC Wire/ PC Strand, which is used to produce many of our products, thus reduces the production costs significantly. The company also invested in the joint venture company to build factory of a manufacturing and distributing structural steel products under the name of Millcon Thiha GEL Ltd, located in Myanmar. This will help the Company increase its distribution channel of our products to neighboring countries.

In 2017, the Company consistently determines to further expand the business with the policy to expand into an integrated enterprise by seeking and working with allies; those leading enterprise from each sector with strong capital and solid capability for both local and overseas partners. The Company believes that such collaboration will augment our potential and support our existing business to better fulfill the demand and expectations of our customers. Furthermore, it will fortify the Company's competitiveness and reinforce our business strengths moving forward.



With new and ongoing government investments into infrastructure projects, for the overall industrial plan of 2017, it is foreseeable that the construction material price would rise. Private sector's businesses would largely improve, including property development, industrial factories and commercial buildings, which lead us to strongly believe that our business operation will be imminently recovered. In addition, strategic policies of our management team focus on reducing costs and expenses of production. Coupling with highly efficient management, increase in production capacity, reliable quality control process, minimization of defective products, and development of our employee's skills and knowledge will contribute to the Company's success in achieving and exceeding its targets.

Mr. Thitipong Tangpoonphonvivat
(Chief Executive Officer)

Board of Directors and Executive Committee



Director

- | | | |
|----|-----------------------------|--|
| 1. | Prof. Dr. Borwornsak Uwanno | Chairman of the boards and Independent Director |
| 2. | Dr. Wirach Morakotkarn | Independent Director |
| 3. | Dr. Tawat Anantanavanich | Director Executive Director and Managing Director |
| 4. | Mr. Wuttichai Sresthabutra | Director/Executive Director and Secretary of the Company |



Director

- 5. Mr. Sophon Pholprasit Vice
- 6. Mr. Thitipong Tangpoonphonvivat
- 7. Mr. Suchat Boonbanjerd Sri
- 8. Mrs. Pannee Jarusombat
- 9. Dr. Vichaya Krea-Ngam

Vice Chairman of the board and Independent Director
 Director and Chief Executive Officer
 Chairman of the Audit Committee and Independent
 Director
 Audit Committee and Independent Director
 Independent Director and Audit Committee

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 Stock Exchange of Thailand (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, 2016 has registered capital of Baht 5,856,554,582.75 and paid up capital of Baht 4,728,445,610.65 divided into 5,562,877,189 shares at a par value of Baht 0.85 per share

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 (“The Company”) 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 Year 2016

- On 9th June

The Board of Directors' Meeting No. 6/2016 had the resolution and agreement to invest in plant construction with total budget 280 million Baht to extend the manufacturing power of prestressed concrete piles. The plant's location is on Klong Wat Plub Road, Bang Sai Royal Folk Arts And Crafts Center (ThorLor. 347), Tambon Chiangraknoi, Ampoe Samkok, Pathumthani (which includes values of developed land equal to 60 million Baht of area 12 Rais, owned by the 2013).

And has the resolution to appoint Mr. Wirach Morakotkarn, Independent Director is Chairman of the Nomination and Remuneration Committee instead of Mr. Thitipong Tangpoonphonvivat and to be Corporate Governance Committee. Mr. Wuttichai Sresthabutra has resign form Nomination and Remuneration Committee
- On 23rd June

The Company reported on the results of the details of Warrants' exercise of GEL No.4 (GEL-W4) finally, had 3 lists of Warrants' exercise of GEL No.4 (GEL-W4) total of number of exercised warrant 407 units. The ratio of the warrant: share as one unit: one share, an exercise price amount THB. 1.20 per share. The total number of shares derived from exercised warrants amount 407 shares.
- On 30th June

The new shares of GEL amount 407 shares to be traded in the Stock Exchange of Thailand (SET).
- On 5th July

The Company reported on the completion date of the shares repurchase project for financial management purposes (Treasury Stock), the total number of shares repurchased was 165,000,000 shares or 2.96 % of the total paid up shares for an amount of THB. 91,075,109.12.
- On 15th August

The Board of Directors' Meeting No. 7/2016 had the resolution and agreement to increase in Seven Wire Co.,Ltd. which be the subsidiary by the Company holds shares 99.99% of Seven Wire Co.,Ltd. which it had registered capital of THB.10 Million and the Company will increase a capital in an amount of THB. 270 Million, a total capital net of THB. 280 Million.

- On 27th September

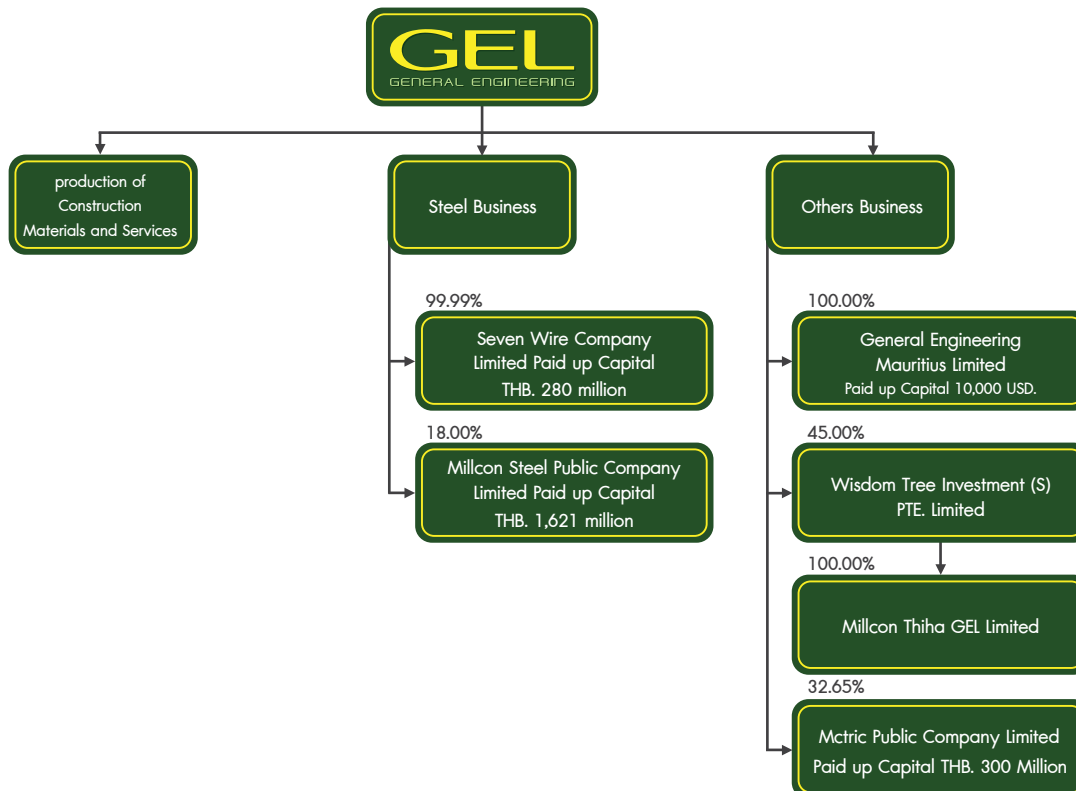
The Company informed the progress of the plant construction of “Millcon Thiha GEL Limited” (joint venture company) in Republic of Union of Myanmar that it has already obtained the Letter of Approval of Factory Operation from Thilawa Special Economic Zone Management Committee, Republic of the Union of Myanmar and also officially started operating.

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, 2016



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

List of Subsidiaries and other Associates as of December 31, 2016

Company	Nature of Business	Proportion (%)	Paid up capital (Million Baht)	Cost of investment (Million Baht)	Value of investments (Million Baht)
Subsidiaries					
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	280.00	279.99	279.99
2. General Engineering Mauritius Limited General Engineering Mauritius Limited 10 th Floor, Standard Chartered Tower 19, Cybercity Ebene, Mauritius	Business Investment	100.00	0.34	0.34	0.34
Associates					
Metric Company Limited 121/105, RS Tower, 39 th 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	300.00	185.63	227.78
บริษัท 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	45.00	426.79	177.66	176.38

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

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 Public Company Limited							
Products of prestressed concrete piles			741.47	44.00	701.54	29.08	1,005.92	29.33
Specialty concrete products			761.32	45.18	543.39	22.53	461.12	13.45
Specialty Products			73.13	4.34	37.49	1.55	44.39	1.29
Special Projects			9.68	0.57	9.73	0.40	7.02	0.20
Total			1,585.60	94.09	1,292.15	53.56	1,518.45	44.28
Steel scrap business	Suntech Metal Co., Ltd.	100.00						
Scrap Sales			-	-	273.14	11.32	1,386.81	40.44
Scrap recycling			-	-	188.03	7.79	260.63	7.60
			-	-	15.08	0.63	15.29	0.45
Coil wire distribution			-	-	182.06	7.55	-	-
Other			-	-	32.25	1.34	77.70	2.27
Total			-	-	690.56	28.63	1,740.43	50.75
Total revenues from sales and services			1,585.60	94.09	1,982.71	82.19	3,258.88	95.03
Investment Business Reversal of allowance for doubtful accounts	General Engineering Public Company		0.86	0.05	0.35	0.01	14.85	0.43
Gains and losses on asset sales			-	-	-	-	-	-
Revenue from the sale of scrap			-	-	-	-	-	-
Interest and discount rates			2.69	0.16	10.27	0.43	23.23	0.68
Gain on revaluation of investments			-	-	10.93	0.45	9.43	0.27
Reversal of impairment of assets			-	-	-	-	29.58	0.86
Gain on sale of investment in subsidiary			-	-	352.40	14.61	-	-
Reversal of asset impairment			-	-	-	-	-	-
Dividends			68.27	4.05	-	-	10.07	0.29
Share of profit from associated companies			4.82	0.29	20.67	0.86	25.24	0.74
Gain on disposal of investments			-	-	-	-	32.90	0.96
Income tax revenue			-	-	-	-	-	-
Other income			22.96	1.36	24.96	1.03	19.08	0.56
Total			99.60	5.91	419.58	17.39	164.48	4.80

The business group	Operated by the	% Of shares of the Company	2015		2014		2013	
			Million baht	%	Million baht	%	Million baht	%
Investment Business	World Wire Processing Co., Ltd.	99.99						
Interest and other			-	-	0.01	0.00	0.03	0.00
Profit (loss) from sales of assets			-	-	2.60	0.11	-	-
Total			-	-	2.61	0.11	0.03	0.00
Investment Business	Suntech Metal Co., Ltd.	100.00						
Interest and other			-	-	7.46	0.31	5.64	0.16
Gain on exchange			-	-	0.11	0.00	0.33	0.01
Total			-	-	7.57	0.31	5.97	0.17
Total income from investment business			99.60	5.91	429.76	17.81	170.48	4.97
Gross income			1,685.20	100.00	2,412.47	100.00	3,429.36	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.
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

Product Group	Product Name	Properties	Usage
	* 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.
	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
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.
	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.
	Construction Chemicals (ESTOP)	There are varieties of products which are suitable for different projects such as Waterproofing, Surface Treatment and Repairing etc.	Used for all types of construction
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'16	Jan-Jul'16	Jul – Dec'15	Jan – Jun'15
1. Professionalism of the Company	82.48	79.55	84.27	85.13
2. Quality of the products meets the expectation	81.90	81.12	85.60	88.29
3. Delivering of the products within the timeline	77.90	75.73	84.53	80.06
4. After-sales services	76.38	75.51	82.40	78.16
5. Ability to fix customers' immediate problems	74.48	72.13	80.53	78.48
Total percentage %	78.63	76.81	83.47	82.02

Note: The Company has set the expectation of customer satisfaction to be more than 80. Survey of Customer Satisfaction, slightly below the target. The work had increased. It is also sometimes a problem in terms of the resources used in the operation.

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 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 2016, 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	2016			2015		
	Government	Private sector	Total	Government	Private sector	Total
Direct owner	3	26	29	-	57	57
Contractor companies	15	53	68	1.70	40.30	42
Design companies	-	1	1	-	1	1
Others	-	2	2	-	-	-
Total %	18	82	100.00	1.70	97.30	100.00

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

3) Industry conditions and competition

The company is a manufacturer of building materials who has long experience with strong 53 years old, as well as a focus on continuous product development.

Number of competitors

Products	The number of major competitors (list)			
	2016	2015	2014	2013
Manufacture and sell prestressed concrete stake	10	10	10	10
Manufacture and installation of concrete wall finished	14	12	10	3
Production and distribution of glass fiber reinforced concrete products. G R C.	4	2	3	3
Manufacture and sell products in prestressed concrete beam wireless type	5	5	5	5
Production and sales of cement Denka Products	12	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		2016				2015				2014			
		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	100,344	60.81	3.51	165,000	96,943	58.75	-18.50	165,000	118,950	72.09	6.54
Post - Tensioned Slab	(Sq.meters)	600,000	455,869	75.98	21.45	500,000	375,348	75.07	-11.13	500,000	422,344	84.47	14.87
Glassfiber Reinforced Concrete	(k.g.)	2,500,000	530,240	21.21	(36.27)	1,700,000	831,980	48.94	102.45	1,700,000	410,957	24.17	-40.31
Special Cement Products	(k.g.)	21,000,000	21,396,050	101.89	272.16	15,000,000	5,749,225	38.33	-28.42	15,000,000	8,032,200	53.55	194.63
Precast Concrete Wall	(Sq.meters)	700,000	404,434.12	57.78	72.84	700,000	233,997	33.43	-13.83	350,000	271,545	77.58	253.83

2) Supply of raw materials or manufactured to sell

In 2016, 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 2016, 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 2015.

3) The main raw material suppliers

Cement	Buy-from vendor	2	Lists
PC Wire Steel	Buy-from vendor	4	Lists
Steel bar	Buy-from vendor	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, 2016	December 31, 2015	December 31, 2014	December 31, 2013
Number of Work has not been delivered	1,634.72	1,818.66	715.31	722.09

3. Risk Factors

The Risk Oversight Committee considered the Company's risk factors in 2016 that can be summarized as follows.

Business Operation Risks

(1) Risk of Commodity Market

Since the global commodity market is based on uniform standards, commodity prices are generally determined by demand and supply in the world marketplace. Commodity prices change in the same direction globally, affecting the Company's profits which fluctuate depending on the economic situation. When commodity market is on an uptrend and consumer demand is higher, the Company enjoys considerable profits. In contrast, when the market plunges and economic crisis occurs, the consumer demand quickly drops. The decrease in demand may go in opposite direction to the production capacity which is still high continuing from the booming economy, resulting in oversupply of commodities and the Company's decline in profits.

The Company has managed this risk by following up the sales presentations to customers using Salesforce program; becoming the total solution provider to increase value to the products; and expanding into emerging markets.

(2) Risk of Replacement by Innovative Products

Amidst the intensifying competition in the borderless world, all companies are forced to increase their competitiveness through product innovation to attract customers to use their products and services. Product innovation therefore becomes the new strategic tool for business competition. Over the past years, the global commodity prices have declined sharply due to the world economic slowdown. If the Company does not improve our existing products to be always accepted by the target customers, other competitors will launch new products to replace ours.

The Company, thus, mainly focuses on innovative or hi-tech technologies to develop more value-added products and services in order to boost the sales volume. The Product Development Department was established to mutually work with other production-related departments with the dedicated attempt to determine the directions for product innovation, product differentiation, business diversification, and emphasis on business development through building of corporate image and branding to be better recognizable. These will further bring about positive changes to the Company and uplifting of our competitive edge in international arena.

(3) Risk of Human Resources Management and Personnel Competencies to Support Future Business Growth

The Company has continually improved our human resources management system to be consistent with the planned business strategies in order to prepare our personnel to be ready for business growth in

the future. For example, the Company has prepared manpower to accommodate expansion of business via personnel assessment, development of personnel competencies, and experimentation of highly efficient personnel management system. We place importance on all aspects of personnel, including their remuneration, career growth and development, and assignment of tasks which suit personnel capabilities. As for development of personnel's business knowledge and skills, the Company provides training programs which are suitable for each level of personnel, including leadership and teamwork training courses to support business growth in the future.

(4) Risk of Compliance with the Company's Rules, Regulations and Articles of Association

This risk also covers non-compliance with both internal and external rules and regulations, including laws, government policies, anti-corruption practices, and ethics. These rules, regulations and Articles of Association are always subject to change. Failure to conform to, in full or in part, these rules, regulations and Articles of Association will lead to damage of the Company's reputation, punishment, penalty, or loss of business opportunities.

In 2015, the National Legislative Assembly passed the Organic Act on Counter Corruption (No. 3), B.E. 2558 (2015) which is the amendment to the counter corruption legislation by increasing the penalties. Complying with this law, the Company stresses the importance of anti-corruption and cultivates it as the organizational culture.

Corruption generally results in far-reaching damage to businesses, e.g. too high costs of business, unfair competition, lack of trust in products and organizations. Therefore, in 2016 the Company established the anti-corruption policy and communicated to all directors, executives, and personnel of all levels to ensure they strictly follow the code of conduct and anti-corruption policy. The Company raises anti-corruption awareness; provides relevant knowledge; and prevents corrupt practices within the organization in conformity with the anti-corruption policy. This will consequently avoid unnecessary costs of business, and business partners will be interested in joint investment with the Company as they are confident that they will receive fair and equal treatment. Besides, customers will have trust in the Company's quality products and services.

Apart from regular communication of anti-corruption policy within the organization, the Company also has intention to promote and disseminate to other corporations in Thailand and business partners the good corporate citizenship practice in tandem with development of communities, society, and environment to benefit the public at large and to achieve sustainable business.

Production Risks

(1) Risk of Raw Material Cost Control

Based on the nature of concrete pile and concrete slab distribution business, it is necessary to manufacture the construction materials according to the customers' orders. This makes it difficult to control the production costs and the Company does not save costs from the economy of scale model. Moreover,

it has to encounter risk factors throughout the supply chain, starting from raw materials and equipment procurement, transport, distribution and delivery of products and services. In case of inconsistency in the supply chain process, it will affect customers' trust, stakeholders, and entire business. As a result, the Company has managed this risk by using the ERP system to control the costs of raw materials.

(2) 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.

(3) Risk of Product Quality Control

In the present market situation, competition is increasingly tougher and consumers' demands are different and volatile. Manufacturers need to develop their product quality to satisfy consumer demand. They have to become the leaders in creating new products to convince and interest their customers. In the highly competitive market, only quality products that are in high demand and sustainably developed will survive. They must create the products which respond to their target customers in terms of quantity and quality through quality control in all operation steps.

The Company, therefore, provides our personnel with the standard training program on our products every quarter and the stricter criteria were established for inspection of product and service quality.

(4) Risk of Manpower Shortage and Wage Hike

The world and Thailand are entering the aged society and the working age population is shrinking, causing lack of workforce. The businesses which rely on a large number of employees will be inevitably affected. Competition for workers and wage increase will subsequently occur. Shortage of construction workers is also a serious problem for the property development business. Insufficiency in labor force, especially technicians, in Thailand spurs many business entrepreneurs to look for prefabricated construction technologies which help reduce construction period and workforce.

Realizing the risk of manpower shortage and wage hike, the Company has initiated activities to create good relationship with universities and other organizations. Also we have the student internship program to prepare them for their future careers through learning in our organization.

4. General information and other important information

General information

1) General Information of the Company

Company name	:	General Engineering Public Company Limited
Company symbol	:	GEL (On 14 March 2014 the Company changed symbol from "GEN" to "GEL")
Headquarter	:	44/2, Moo 2, Tivanon Road, Tambon Bangkadee, Ampoe Muang, Pathumthani Province 12000
Branch office	:	Branch 2: 544 Moo 3 Baanlen, Bang Pa Inn district, Ayutthaya province 13160 Branch 3: 99 Moo 4 Tambon Pa District, Pathum Thani Province. 12160 (Registered on 9 March 2015)
Nature of Business	:	Building Materials, Prestressed concrete pile products, Concrete slab and wall products, Fiber glass reinforced concrete product (GRC), Being non-shrink cement and In-situ precast concrete slab without beams.
Register Number	:	0107536001338
Contact numbers	:	Telephone 02-501-2020, 02-501-1055 Fax 02-501-2468, 02-501-2134
Website	:	www.gel.co.th
Registered Share Capital	:	5,856,554,582.75 Baht
Paid up Share Capital	:	4,728,445,264.70 Baht
Paid up ordinary shares	:	5,562,876,782 shares
Par value	:	0.85 Baht
Accounting period	:	1 January - 31 December
Share Registrar	:	Securities Depository Centre (Thailand) Co., Ltd. 62, The Stock Exchange of Thailand Building. Ratchadaphisek Road Khwaeng Khlongtoei, Khet Khlongtoei Bangkok Metropolis 10110 Telephone 02-229-2800 Fax 02-359-1259
Auditor	:	Grant Thornton Company Limited 18 th 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

2.1 Subsidiaries

1. Company name	:	Seven Wire Co. Ltd.
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	:	280,000,000 Baht (Number of 2,800,000 Shares, 100 Baht per share)
Paid up Share Capital	:	280,000,000 Baht
Shareholding	:	99.99%
Related status	:	subsidiaries
2. Company name	:	General Engineering Mauritius Limited
Headquarter	:	10 th 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

2.2 Associates

1. Company name	:	Metric Company Limited
Headquarter	:	121/105, RS Tower, 39th Floor, Ratchadapisek Road, Dindaeng District, Bangkok
Nature of Business	:	Construction and System in installation service
Contact numbers	:	Telephone 0-2641-2100 Fax 0-2641-2030, 0-2641-2029
Registered Share Capital	:	450,000,000 Baht (Number of 450,000,000 shares, 1 Baht per share)
Paid up Share Capital	:	300,000,000 Baht
Shareholding	:	32.65%
Related status	:	Associated

2. Company name	:	Wisdom Tree Investment (S) PTE. Limited
Headquarter	:	1 Raffles Place #39-01 One Raffles Place Singapore(048616)
Nature of Business	:	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.
Contact numbers	:	(65) 6225-1868
Registered Share Capital	:	12 Million USD
Shareholding	:	45%
Related status	:	Joint venture company

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



5. Securities and Shareholder Information

5.1 Number of registered capital and paid-up capital

Registered and paid-up capital as at 31 December 2016

Registered capital : 5,856,554,582.75 Baht divide into
 Ordinary shares of 5,562,877,189 shares
 Par value of Baht 0.85 per share

Paid-up capital : 4,728,455,610.65 Baht divide into
 Ordinary shares of 5,562,877,189 shares
 Par value of Baht 0.85 per share

5.2 Shareholders

1) Shareholder structure as of 30 December 2016

The distribution of shareholding by nationality

Thai Shareholders				Foreign Shareholders			
Juristic person	%	Individuals	%	Juristic person	%	Individuals	%
236,826,592	4.26	5,258,715,784	94.53	66,700,002	1.20	637,811	0.01

2) List of Top 10 Major shareholders (as of the closing date of 30 December 2016)

Name of Shareholders		Nationality	Number of shares	
			Shares	%
1. Miss Pornnatee Sompongchaikul		Thai	313,497,100	5.64
2. Mr. Thawisak Sriprachitichai		Thai	269,100,000	4.84
3. General Engineering PLC.		Thai	165,000,000	2.97
4. Mr. Thitipong Tangpoonphonvivat		Thai	154,000,000	2.77
5. Mr. Sittichai Leeswadtrakul		Thai	148,072,100	2.66
6. Mr. Anupong Koottikul		Thai	104,770,800	1.88
7. Miss Aumpai Ratannawin		Thai	101,818,100	1.83
8. Mr. Pichai Wijakpan		Thai	88,347,200	1.59
9. Mr. Thawi Kulerdpracher		Thai	87,988,210	1.58
10. Mrs. Pranee Wongpaitoonpiya		Thai	81,851,000	1.47
Total			1,514,344,510	27.23

3) Change in Holding of the Company's Shares of the Director and Executive during the year 2016

Name	Position	Number of Securities held		
		As of December 31, 2016	As of January 1, 2016	Increase (Decrease)
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	154,000,000	150,000,000	4,000,000
4. Dr. Tawat Anantanavanich	Director	-	-	-
5. Mr. Wuttichai Sresthabutra	Director	-	-	-
6. Mr. Suchat Boonbanjerd Sri	Independent Director	-	-	-
7. Mrs. Pannee Jarusombat	Independent Director	-	-	-
8. Mr. Vichya Krea-Ngam	Independent Director	-	-	-
9. Mr. Wirach Morakotkarn	Independent Director	-	-	-
10. Mrs. Duangkamol Sukmuang	Director of General Management	400,000	400,000	0
11. Mrs. Wisadja Kochsena	Director of Accounting & Finance effective since on 15 August 2016	334	334	0
12. Mrs. Rasika Prasertsang	Acting Director of Finance and Accounting 14 June 2012 – 14 August 2016	334	334	0
13. Mrs. Linjong Srisongkhram	Director of Sale	-	-	-
14. Mr. Surachart Uamum	Director of Production and Service of Pre-stressed Concrete Pile	-	-	-
15. Mr. Saran Wiangkhamma	Director of Production and Service of Precast Concrete Wall Panel effective since on 15 August 2016	-	-	-
16. Mr. Pornchai Nunlaong	Director of Iron Products and Acting Director of Production Support	-	-	-



5.3 The issuance of other securities

On 23 June 2016 the Company reported on the results of the details of Warrants' exercise of GEL No.4 (GEL-W4) finally, had 3 lists of Warrants' exercise of GEL No.4 (GEL-W4) total of number of exercised warrant 407 units. The ratio of the warrant: share as one unit: one share, an exercise price amount THB. 1.20 per share. The total number of shares derived from exercised warrants amount 407 shares and on 23 June 2016 The new shares of GEL amount 407 shares to be traded in the Stock Exchange of Thailand (SET).

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.)

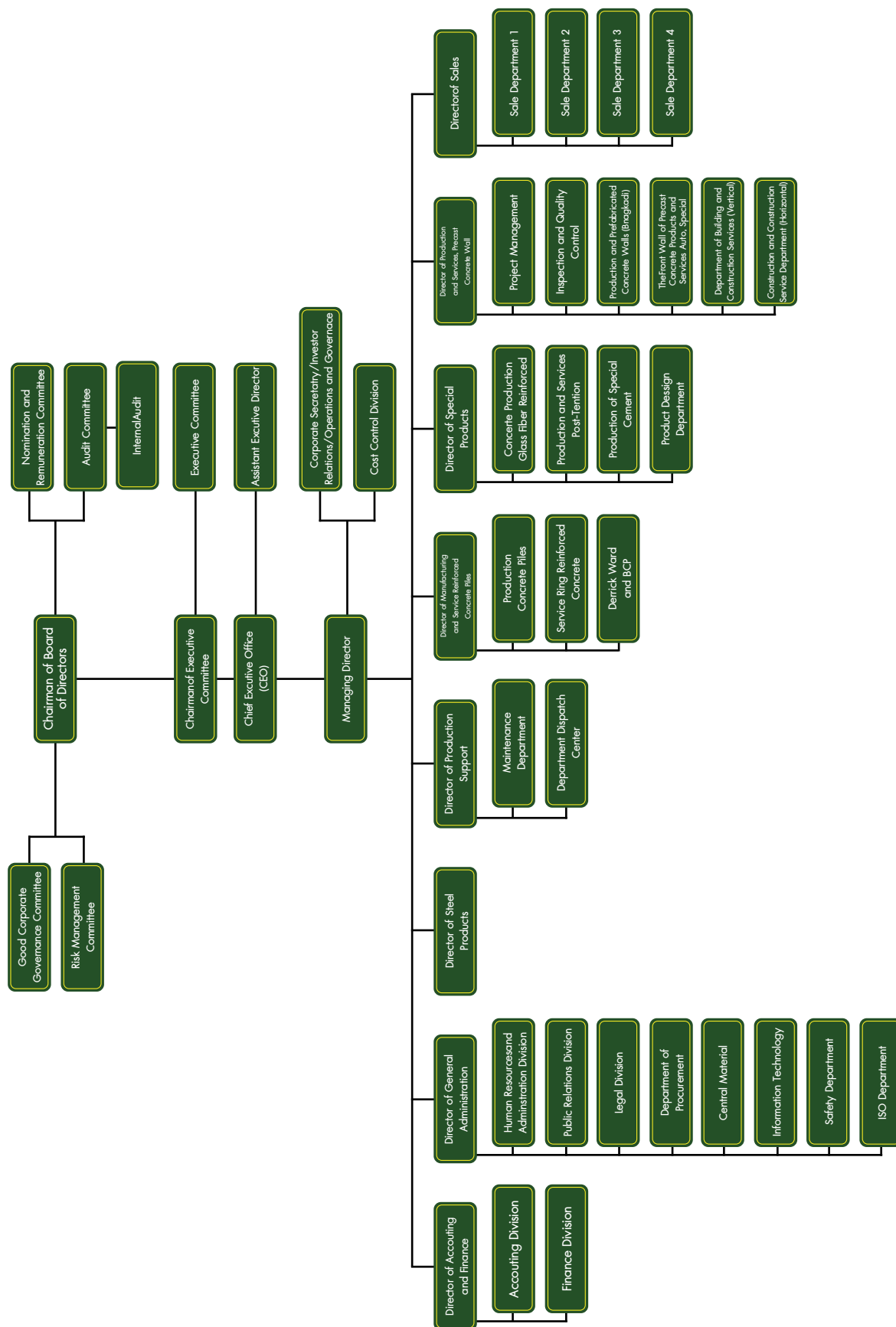
The right to receive a share in profits / dividends. Is entitled to perform equally. The Company Also gave shareholders the right to appoint a committee to investigate, The right to appoint the Board of Directors. To certify the performance of the company every year. The right to approve the amendment 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

General Engineering Public Company Limited Organizational Chart



Board of directors

Composition of the Board of Directors

The Board of Directors comprises individuals who possess all the qualifications prescribed in Section 68 of the Public Limited Companies Act B.E. 2535 and the applicable regulations announced by the Capital Market Supervisory Board. The Board of Directors is composed of individuals who, on the basis of their knowledge and experience, make valuable contributions to the planning of the company's policy. As of December 31, 2016, the Board of Directors comprises 9 members, whose names are 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 Boonbanjerd Sri	Independent Director
7.	Mrs. Pannee Jarusombat	Independent Director
8.	Mr. Vichya Kreangam	Independent Director
9.	Mr. Wirach Morakotkarn	Independent Director

With Mr. Wuttichai Sresthabutra as Corporate Secretary.

Directors vested with the powers to commit the Company to a binding agreement

Directors vested with the power to commit the Company to a binding agreement are Mr. Thitipong Tangpoonphonvivat, Mr. Tawat Anantanavanich Mr. Wuttichai Sresthabutra. The Company may enter into a binding agreement by signature by the three directors with the company seal affixed.

Audit Committee

Composition of the Audit Committee

The Audit Committee is made up of 3 independent members of the Board of Directors. All members of the Audit Committee are knowledgeable and have acceptable experience in finance and accounting. Mr. Suchat Boonbanjerd Sri Chairman of the Audit Committee, has sufficient employment experience which enables her to maintain the reliability and integrity of the Company's accounting policies, financial reporting practices and financial statements, in order to ensure compliance with applicable international auditing standards. He also oversees the design, implementation, adequacy and effectiveness of the Company's internal controls and risk management. The Audit Committee is free to perform its duties and express its opinions.

The Company's Office of Internal Audits, overseen independently by DIA Company Limited, reports directly to the Audit Committee. The independent auditors, advisers and legal and accounting experts are consulted on a regular basis. The Audit Committee will meet separately with the independent auditors, without management present, at least one a year to discuss the results of their examinations. As of December 31, 2016, the Audit Committee comprises 3 members whose names are as follows:

- | | | |
|----------------|-----------------|---------------------------------|
| 1. Mr. Suchat | Boonbanjerd Sri | Chairman of the Audit Committee |
| 2. Mrs. Pannee | Jarusombat | Audit Committee |
| 3. Mr. Vichya | Kreangam | Audit Committee |

With Ms. Patcharaporn Phumphoung as secretary to the Audit Committee

Risk Oversight Committee

Composition of the Risk Oversight Committee

To ensure that the Company's operations are carried out in accordance to the Company's policies, strategies and objectives and to drive the Company's sustainable growth and effective business expansion while preparing for possible internal and external changes that may affect the Company's business, the Board of Directors sees it fit to establish a risk management committee, as of December 31, 2016, the Risk Oversight Committee 5 members whose names are as follows:

- | | | |
|------------------|-------------------|---------------------------------------|
| 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 |

With Mr. Wuttichai Sresthabutra as Secretary to the Risk Oversight Committee.

Nominating & Remuneration Committee

Composition of the Nominating & Remuneration Committee

To ensure that the Company's operations are carried out in accordance to the Company's policies, strategies and objectives and to drive the Company's sustainable growth and effective business expansion while preparing for possible internal and external changes that may affect the Company's business, the Board of Directors sees it fit to establish a Nominating & Remuneration Committee, as of December 31, 2016, the Risk Management Committee 4 members whose names are as follows:

- | | | |
|---------------|-------------|---|
| 1. Mr. Wirach | Morakotkarn | Chairman of the Nominating & Remuneration Committee
(Appointed at the 6/2016 meeting of the Board of Directors on June 9, 2016.
The appointment took effect from June 9, 2016.) |
|---------------|-------------|---|

- | | | |
|------------------|-------------------|-------------------------------------|
| 2. Mr. Thitipong | Tangpoonphonvivat | Nominating & Remuneration Committee |
| 3. Mr. Vichya | KreaNgam | Nominating & Remuneration Committee |
| 4. Mr. Wuttichai | Sresthabutra | Nominating & Remuneration Committee |
- (Resigned on June 9, 2016.)*

With Mr. Wuttichai Sresthabutra as Secretary to the Nominating & Remuneration Committee

Good Corporate Governance Committee

Composition of the Good Corporate Governance Committee

To ensure that the Company's operations are carried out in accordance to the Company's policies, strategies and objectives and to drive the Company's sustainable growth and effective business expansion while preparing for possible internal and external changes that may affect the Company's business, the Board of Directors sees it fit to establish Good Corporate Governance Committee, as of December 31, 2016, the Good Corporate Governance Committee 4 members whose names are as follows:

- | | | |
|---------------|-------------|--|
| 1. Mr. Vichya | KreaNgam | Chairman of Corporate Governance Committee |
| 2. Mr. Wirach | Morakotkarn | Corporate Governance Committee |
- (Appointed at the 6/2016 meeting of the Board of Directors on June 9, 2016. The appointment took effect from June 9, 2016.)*
- | | | |
|------------------|--------------|--------------------------------|
| 3. Mr. Wuttichai | Sresthabutra | Corporate Governance Committee |
| 4. Mrs. Wisadja | Kochsena | Corporate Governance Committee |

With Mr. Wuttichai Sresthabutra as Secretary to the Good Corporate Governance Committee

Executive Committee and Management

The Executive Committee have 3 members and Management have 7 members as of December 31, 2016, as follows:

- | | | |
|--------------------|-------------------|--|
| 1. Mr. Thitipong | Tangpoonphonvivat | Chairman of Executive Committee /
Chief Executive Officer |
| 2. Dr. Tawat | Anantanavanich | Executive Committee / Managing Director |
| 3. Mr. Wuttichai | Sresthabutra | Executive Committee |
| 4. Mrs. Duangkamol | Sukmuang | Director of General Management |
| 5. Mrs. Wisadja | Kochsena | Director of Accounting and Finance |
- (The appointment took effect from August 15, 2016.)*
- | | | |
|----------------|-------------|---|
| 6. Mrs. Rasika | Prasertsang | Director of Accounting and Finance (Acting) |
|----------------|-------------|---|
- (The appointment took effect since June 14, 2012- August 14, 2016)*
- | | | |
|-----------------|--------------|-------------------|
| 7. Mrs. Linjong | Srisongkhram | Director of Sales |
|-----------------|--------------|-------------------|

8. Mr. Surachart	Uamum	Director of Production and Services
9. Mr. Saran	Wiangkhamma	Director of Production and Services of Precast Concrete Wall Panels (The appointment took effect from August 15, 2016.)
10. Mr. Pornchai	Nunlaong	Director of the Steel Products

With Mr. Wuttichai Sresthabutra as Secretary to the Executive Committee.

The senior executives named above are in compliance with the definition of “Executives” as prescribed in the Notification of the Capital Market Supervisory Board TorChor 23/2551. The senior executives are authorized to carry out operations under the policies, strategies and objectives laid out by the Board of Directors. The Board of Directors has agreed to publish a handbook that describes clearly the responsibilities, authority and duties of the executives in order to ensure transparency and smooth flows of operations. All 10 executives do not possess the following prohibited characteristics:

1. Having a record of criminal offences related to asset frauds.
2. Having a record of taking actions that may be regarded as a conflict of interest with the Company the past year.

Meetings of the Board of Directors

The Board of Directors is due to hold a meeting quarterly and can hold additional extraordinary meetings as necessary. The Company has laid out a clear meeting schedule, with the Corporate Secretary in charge of sending out the invite to the members of the Board of Directors and preparing the documents for the meeting in advance. All members of the Board of Directors can express their opinion with the utmost freedom and are not affiliated with any particular individual or group of individuals. In 2016, the Board of Directors met 8 times, 4 of which were pre-scheduled meetings and the other 4 were extraordinary meetings. At each meeting, the necessary accompanying documents for the meeting were sent to each member of the Board of Directors in advance so that they could study the documents and have sufficient information for discussions at the meeting. In 2016, the Company held one meeting of the shareholders. The record of attendance of each member of the Board of Directors, the Audit Committee, the Nominating & Remuneration Committee, the Good Corporate Governance Committee, the Risk Management Committee and the Executive Committee at the meetings in 2016 is summarized as follows:

Board of Directors

Board of Directors	Times of the meeting	Note
1. Prof. Dr.Borwornsak Uwanno	8/8	-
2. Mr. Sophon Pholprasit	7/8	-
3. Mr. Thitipong Tangpoonphonvivat	6/8	-
4. Dr. Tawat Anantanavanich	6/8	-

Board of Directors	Times of the meeting	Note
5. Mr. Wuttichai Sresthabutra	7/8	-
6. Mr. Suchat Boonbanjersri	6/8	-
7. Mr. Vichya Kreangam	8/8	-
8. Mrs. Pannee Jarusombat	8/8	-
10. Mr. Wirach Morakotkarn	7/8	-

Audit Committees

Audit Committee	Times of the meeting	Note
1. Mr. Suchat Boonbanjersri	5/5	-
2. Mrs. Pannee Jarusombat	5/5	-
3. 3.Mr. Vichya Kreangam	5/5	-

Risk Management Committees

Risk Oversight Committee	Times of the meeting	Note
1. Mr. Sophon Pholprasit	1/1	-
2. Mr. Thitipong Tangpoonphonvivat	1/1	-
3. Dr. Tawat Anantanavanich	1/1	-
4. Mr. Chainarin Sairungsri	0/1	-
5. Mrs. Wisadja Kochsena	1/1	-

Nominating & Remuneration Committees

Nominating and Remuneration Committee	Times of the meeting	Note
1. Mr. Wirach Morakotkarn	1/1	The appointment took effect from June 9, 2016
2. Mr. Thitipong Tangpoonphonvivat	1/1	-
3. Mr. Vichya Kreangam	1/1	-
4. Mr. Wuttichai Sresthabutra	-	Resigned on June 9, 2016

Good Corporate Governance Committees

Good Corporate Governance Committees	Times of the meeting	Note
1. Mr. Vichya Kreangam	10/10	-
2. Mr. Wirach Morakotkarn	6/10	Resigned on June 9, 2016
3. Mr. Wuttichai Sresthabutra	8/10	-
4. Mrs. Wisadla Kochsena	9/10	-

Executive Committees

Executive Committees	Times of the meeting	Note
1. Mr. Thitipong Tangpoonphonvivat	11/12	-
2. Dr.Tawat Anantanavanich	12/12	-
3. Mr. Wuttichai Sresthabutra	12/12	-

• 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. 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 Corporate Secretary is also in charge of adoption and application of the Company's good governance principles.

In addition, the Company also encourages the Corporate Secretary to undergo training and continued to improve her knowledge in accounting laws or performance in the capacity of Corporate Secretary. The Corporate Secretary's qualifications and experience are disclosed in the Company's annual reports.

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.

Remuneration for Directors

At the Annual Meeting of Shareholders year 2016 held on April 21, 2016, had resolution to approve the remuneration for directors according to the Nominating and Remuneration Committee and the Board of Directors proposed as follows

Directors	Annual remuneration 2016 (Baht)		Bonus/ Gratuities	Annual remuneration 2015 (Baht)		
	Monthly remuneration	Meeting remuneration (per time)		Monthly remuneration	Meeting remuneration (per time)	
1) The Board of Director						
<input type="checkbox"/> Chairman of the Board	80,000	10,000	×	80,000	10,000	
<input type="checkbox"/> Vice Chairman of the Board	50,000	10,000	×	50,000	10,000	
<input type="checkbox"/> Directors	20,000	10,000	×	20,000	10,000	
2) The Audit Committee						
<input type="checkbox"/> Chairman of Audit Committee	50,000	10,000	×	50,000	-	
<input type="checkbox"/> Audit Committees	20,000	10,000	×	20,000	-	
3) The Nominating & Remuneration Committee						
<input type="checkbox"/> Chairman of The Nominating & Remuneration Committees	-	10,000	×	-	-	
<input type="checkbox"/> Nominating&Remuneration Committees	-	10,000	×	-	-	
4) The Good Corporate Governance Committee						
<input type="checkbox"/> Chairman of The Good Corporate Governance Committee	-	10,000	×	-	-	
<input type="checkbox"/> Good Corporate Governance Committee	-	10,000	×	-	-	
5) The Risk Management Committee						
<input type="checkbox"/> Chairman of The Risk Management Committee	-	10,000	×	-	-	
<input type="checkbox"/> Risk Management Committees	-	10,000	×	-	-	

Note :

1. Monthly remuneration is paid to Directors based on the maximum monthly remuneration of one position only.
2. For the Board of Directors, the meeting remuneration per time is paid to the Board of Directors who attended the meeting at the maximum rate that not exceeding nine times per year. The rate of remuneration is the same rate as the rate of the previous year as the Company considers that it is still appropriate.
3. For the subcommittees, the meeting remuneration per time is paid for each subcommittee who attended the meeting at the maximum rate that not exceeding five times per year.
4. The Board of Directors tenure as the executives and obtain salary will not receive the remuneration mentioned above.

Monetary Remuneration

A. The monetary remuneration, only the Board of Directors and Audit Committee of THB 3,570,000 are as follows.

Name	Position	The amount of remuneration for 2016 (Baht/Year)							Total
		Board of Directors		Audit Committee		The Good Corporate Governance Committee	The Risk Management Committee	The Nominating & Remuneration Committee	
		Remuneration	Meeting honorariums	Remuneration	Meeting honorariums				
1. Prof. Dr.Borwornsak Uwanno	Chairman of the Board of Director	960,000	80,000	-	-	-	-	-	1,040,000
2. Mr. Sophon Pholprasit	Vice Chairman of the Board of Director	600,000	70,000	-	-	-	10,000	-	680,000
3. Mr. Thitipong Tangpoonphonvivat	Chief Executive officer	-	-	-	-	-	-	-	-
4. Dr.Tawat Anantanavanich	Director and Managing Director	-	-	-	-	-	-	-	-
5. Mr. Wuttichai Sresthabutra	Director and Executive Committee/Secretary	-	-	-	-	-	-	-	-
6. Mr. Suchat Boonbanjerd Sri	Independent Director and Chairman of Audit Committee	-	60,000	600,000	40,000	-	-	-	700,000
7. Mrs. Pannee Jarusombat	Independent Director and Audit Committee	-	80,000	240,000	40,000	-	-	-	360,000
8. Mr. Vichya Kreangam	Independent Director and Audit Committee	-	80,000	240,000	40,000	50,000	-	10,000	420,000
9. Mr.Wirach Morakotkarn	Independent Director	240,000	70,000	-	-	50,000	-	10,000	370,000
Total		1,800,000	440,000	1,080,000	120,000	100,000	10,000	20,000	3,570,000

B. Remuneration of the Executive committee and the Executives

The Company had evaluated the performance of the executives in the form of performance indicators (Key Performance Index: KPI) submitted the plan to the Managing Director which is linked with remuneration guidelines of the Board of Directors.

Remuneration	Year 2016		Year 2015	
	Number	Amount (Baht)	Number	Amount (Baht)
Salary	10	20,470,321.44	10	17,091,741.10
Bonus	10	-	10	-
Total		20,470,321.44		17,091,741.10

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

Other Remunerations

Other Remunerations for the Board of Directors

-None-

Other Remunerations for the Executive committee and the Executives

Detail	Year 2016		Year 2015	
	Number	Amount (Baht)	Number	Amount (Baht)
Provident Fund	10	561,673.47	10	428,543.10
Total		561,673.47		428,543.10



Personnel

Number of employees

As of December 31, 2016, the company has in total 961 employees, who are in the main lines of activities as follows:-

Main Lines of Activities	Number of Employees
Management office	6
Organizational Administration and Service	51
Human Resource	5
Finance and Accounting	25
Sales service and design	438
Factory	436
Total	961

Remuneration for company personnel or employees

In year 2015 and in year 2016 the Company and its subsidiary paid remuneration in the forms salaries, bonuses, provident fund contributions, and other momentary payments (not including remuneration for the Board of Directors and Executives) to the employees in the total amount of Baht 185,501,227.90 and 220,749,769.56 Baht, respectively.

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. For Year 2015 the Company had contributed to the fund was amounted by Baht 3,166,485.75 and Year 2016 the Company has contributed to the fund was amounted by Baht 4,071,596.01.

The labor dispute in the past 3 years

-None-

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 2016, the Company has budget for employees' training for 807,265.00 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.

the Company had provided training within the organization for a list of the training courses as this bellows;

- 1) The writing WI Courses
- 2) Awareness organizations Courses
- 3) Standard ISO 9001 Basic Knowledge Courses
- 4) JorPor for the operation Courses
- 5) Fire Basic and Evacuation Courses
- 6) Social Security and Compensation fund Courses
- 7) JorPor for the Executive Courses
- 8) Efficiency Communication Courses
- 9) Derrick Controller Courses
- 10) Efficiency Decrease Cost Courses
- 11) Control Efficiency Hammering Courses

The Company had provide training outside the organization for a list of the training courses as this bellows;

- 1) Strategic Implementation Courses
- 2) Failure of Concrete Structures and Case Study No. 2 Courses
- 3) Law and Guide for Investment in Myanmar Courses
- 4) Intellectual Property Law in Yakima Indian business and industry Courses
- 5) Introduction And Internal Auditor ISO 9001:2015 Courses
- 6) Corporate Secretary Courses
- 7) Techniques Analysis for Engineers Courses
- 8) Review work on Crane Courses
- 9) Construction Design Technology and Infrastructure Components Courses
- 10) Promoting increased productivity Techniques for the Best Boss Courses
- 11) Open ERP for Logistic and Supply Chain Management for SMEs Courses
- 12) Concrete Safety Courses
- 13) Accounting Prepare for Review and Guide for Accountant of the company Courses
- 14) How to Develop a Risk Management Plan Courses
- 15) Anti Corruption : The practical Guide Courses
- 16) How to Develop a Risk Management Plan HRP Courses
- 17) 7 QC Tools Courses
- 18) Safety for Contractors in the workplace Courses
- 19) Anti-Corruption : The Practices Guide (ACPG) Courses
- 20) ULTRA WEAALTH PLUS Courses
- 21) Reinforced Concrete Design and Materials to Withstand Earthquakes Courses
- 22) Automatically Maintenance Courses
- 23) Motor Maintenance Courses
- 24) Document Management Control Courses
- 25) Design and High-Rise Buildings Construction of high-rise buildings in Thailand Courses
- 26) Accounting for businesses to be encouraged from BOI Courses

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

List of name, qualification and experiences of the Company's Committee, Management, Regulators, and Secretaries as December 31, 2016.

Prof. Dr. Borwornsak Uwanno

Chairman of the Board of Director/
Independent Director

25 April 2014

Age 63

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 (BorYorSor. Class 15th) 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 of Directors	General Engineering Public Company Limited
2014 - Present	First Vice - Chairman of the National Reform Council	-
2014 - Present	Chairman of the Constitution Drafting Committee	-
2014 - Present	Fellow and Deputy President of the Royal Institute	-
2014 - Present	Member of the Council of State	-
2007 - Present	Chairman of the Board of Directors	Eternal Energy Public Company Limited
2007 - Present	Independent Director	Glow Energy Public Company Limited
2002 - Present	Professor Emeritus	Faculty of Law, Chulalongkorn University
2006	Secretary General	King Prajadhipok's Institute
2002	Professor Emeritus	Faculty of Law, Chulalongkorn University
2006	Member of the Senate	-
2003	Member of the National Legislative Assembly	-
1996	Member of the Constitution Drafting Assembly	-
1989	Deputy Secretary General to the Prime Minister (on Political Affairs)	-
1988	Advisor to the Prime Minister	-

Mr. Sophon Pholprasit

Vice Chairman of the Board/
Independent Director/
Chairman of Risk Oversight
Committee

5 March 2014

Age 65

Education History

- Advanced Certificate of Public Management and Public Law (Class 6th)
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 Company Limited
2014 - Present	Director	Millcon Steel Public Company Limited
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/Chief Executive Office/
Member of Risk Oversight
Committee/Member of
Nominating & Remuneration
Committee

4 February 2014

Age 38

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 (%)

2.768%, holding 154,000,000 shares

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 Company Limited
2015 - 2016	Director	World Wire Processing Co., Ltd.
2011 - 2013	President	Millcon Steel Industries Plc.
2012 - 2013	Director	Million Miles Co.,Ltd
2009 - 2013	President	Millcon Burapa Co.,Ltd
2006 - Present	Director	Siam Rubber Industry Co.,Ltd.

Dr. Tawat Anantanavanich

Director and Managing Director/

Member of Risk Oversight

Committee

26 March 2513

Age 38

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 Company Limited
2013 - Present	Director	McTric Public Company Limited
2014 - 2015	Director	Millcon 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/

Member of Good Corporate

Governance Committee

Company Secretary

25 April 2014

Age 45

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
- Direct Accreditation Program (DAP) Class 131/2016

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
2015 - Present	Director	Millcon Engineering Limited
2014 - Present	Director/ Executive Director/ Company Secretary	General Engineering Public Company Limited
2014 - Present	Director	Geoform 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	Company Secretary	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 Auditing Committee

2 October 2014

Age 57

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

- Director Certification Program No. 19/2002
- Audit Committee Program No. 13/2006

Percentage in Shareholding (%)

None

Family Relationship with Board of Directors or Executives

None

Working Experience

23 March 2016 - Present	Director	PYLON Public Company Limited
2014 - Present	Independent Director and Chairman of Auditing Committee	General Engineering Public Company Limited
2014 - Present	Independent President and Auditing Director	Salae Printing Public Company Limited
2014 - Present	Chairman of the Board of Committee	Dark Horse Development Co. Ltd.
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.
2000 - Present	Chairman of the Board of Directors	Knight Club Capital Asset management Co.Ltd.
2012 - 2016	Subcommittee in Equity Shares Consideration and Management of Issuing Companies	Securities and Exchange Commis- sion, Thailand (SEC)
2011	Chairman of the Board of Directors	T.O.T. Public Company Limited
2011	Director	Thailand Post Loan Co. Ltd.
2010 - 2011	Vice Chairman of the Board of Directors	Thailand Post Co. Ltd.
2012 - 2014	Independent Director	Srithai Superware Public Company Limited
2008 - Present	Director	A.L.M. (Thailand) Co. Ltd.

Mrs. Pannee Jarusombat

Independent Director and Audit

Committee

2 June 2014

Age 60

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

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	Independent Director and Auditing Director	General Engineering Public Company Limited.
2014-2015	Member of the National Reform Council	National Reform Council
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

Audit Committee/

Remuneration Committee and

Nomination Committee/

Chairman of the Good Corporate

Governance Committee

2 October 2014

Age 35

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 Corporate Governance for Executive (CGE) Class 6th
- 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 6th
- Certification in Training Lawyer from Lawyers Council of Thailand
- Executive Program of High Level of Judicial Process, Class 16th, Court of Justice
- Certification in New Generation of Leadership under Democracy (Class 1st) 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

Present	Director, Independent Director, Audit Committee, Nominating and Remuneration Committee, Good Corporate Governance Committee	Namyong Terminal Public Company Limited
2016 - Present	Scholar Committee of National Reform Steering Assembly, for the Sports, Arts, Cultures, Religion, Ethics and Morals	Subcommittee of the National Reform Steering Assembly
2016 - Present	Risk Management Director	AEC Securities Public Company Limited
2016 - Present	Nominating & Remunera- tion Committee	Sikarin Public Company Limited
2015 - Present	Chairman of Corporate Governance Committee	General Engineering Public Company Limited
2014 - Present	Independent Director, Audit Committee, Nominating and Remuneration Committee	General Engineering Public Company Limited
2015	Director	CUAA, Chulalongkorn University
2014 - Present	Independent Director	Sikarin Public Company Limited
2014 - Present	Independent Director	AEC Securities Public Company Limited
2014 - Present	Chairman of the Board	Course of Youth, Court of justice
2013 - Present	Executive Director	Badminton of Thailand Association
2010 - Present	Specialist Professor	Faculty of Laws, Assumption University

Working Experience

2010 - Present	Specialist Professor	Faculty of Laws, Khon Kaen University
2010 - Present	Specialist in Public Relation	True Corporation Public Company Limited
2013 - 2014	Subcommittee of Information Technology and Public Media	Senate
2013 - 2014	Advisor of the Subcommittee	House of Parliament
2010 - 2014	Specialist Professor	Faculty of Laws, Bangkok University
2010 - 2014	Specialist Professor	Faculty of Laws, Nakhon Si Thammarat Rajabhat University
2006 - 2010	Lawyer Consultant	White and Case (Thailand) Co. Ltd.
2006	Lawyer Trainee	Tilleke & Gibbins Consultants Limited
2001	Lawyer Trainee	Baker & McKenzie Co. Ltd.

Mr. Wirach Morakotkarn

Independent Director/
Member of Good Corporate
Governance Committee/
Chairman of Nominating &
Remuneration Committee
16 November 2016
Age 49

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 Company Limited
2015 - Present	Independent Director and Chairman of Nominating & Remuneration Committee	General Engineering Public Company Limited
2015 - Present	Director	Tonraiko Co.,Ltd.
2014 - Present	President of Auditing Committee	Aksorn Education Public Company Limited
2009 - 2015	Acting President of the Executive Office	Krungthai Advisory Co. Ltd.

Mr. Surachart Uamum

Director of Production and Service
of Pre-stressed Concrete Pile
Age 52

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 Company Limited
2014 - 2015	Assisting Director of Production and Service of Pre-stressed Concrete Pile	General Engineering Public Company Limited
1988 - 2005	Field Engineer- Manager of the Factory of Pre-stressed Concrete Pile Production	General Engineering Public Company Limited

Mrs. Linjong Srisongkhram

Director of Sale
Age 59

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	Director of Sale	General Engineering Public Company Limited
1991 - 1998	Director of Sale	BLM group Co., Ltd.

Mr. Saran Wiangkhamma
 Director of Production and Service
 of Precast Concrete Wall Panel
 Age 53

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. Pruksa Training School, IT Square, Laksi, Bangkok.
- Finance for Non Finance. Pruksa Training School, IT Square, Laksi, Bangkok.

Percentage in Shareholding (%)

None

Family Relationship with Board of Directors or Executives

None

Working Experience

Present	Director of Production and Service of Precast Concrete Wall Panel	General Engineering Public Company Limited
2011 - 2015	Assistant Vice President	Pruksa Real Estate Public Company Limited
2008 - 2011	Assistant Vice President	General Engineering Public Company Limited

Mrs. Duangkamol Sukmuang
 Director of General Management
 Age 59

Education History

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

Training Experience

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

Percentage in Shareholding (%)

0.005% holding 300,000 shares

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 Company Limited .
2013 - 2015	Director	Million Miles Public Company Limited
2010 - 2015	Nominating and Remuneration Committee	Millcon Steel Public Company Limited
2010 - 2015	Director/ Executive Director	Million Miles Public Company Limited
2017 - 2015	Director/ Executive Director/ Deputy Managing Director in General Management	Millcon Steel Public Company Limited

Mr. Pornchai Nunlaong

Director of Iron Products and
Acting Director of Production
Support
Age 54

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 Company Limited
2015 - Present	Acting Director of Production Support	General Engineering Public Company Limited
1996 - 2013	Head of Maintenance Department Head of Engineering Department Head of Iron Forming Department	Millcon Steel Public Company Limited
1994 - 1996	Director of Production	Rayong Wire Industry Public Company Limited
1988 - 1994	Engineer	Eastern Wire Public Company Limited

Mrs. Rasika Prasertsang

Acting Director of Finance and
Accounting
14 June 2012 - 14 August 2016
Age 41

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 (%)

0.00% Holding 334 shares

Family Relationship with Board of Directors or Executives

None

Working Experience

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

Mrs. Wisadja Kochsena

Director of Accounting &
Finance effective since
on 15 August 2016

- Member of Good Corporate Governance Committee
- Member of Risk Oversight Committee

Age 46

Education History

- Master of Accounting, Ramkhamhang University

Training Experience

None

Percentage in Shareholding (%)

0.00% Holding 334 shares

Family Relationship with Board of Directors or Executives

None

Working Experience

2016 - Present	Director of Accounting & Finance	General Engineering Public Company Limited
2011 - 2016	Accounting & Finance Consulting	General Engineering Public Company Limited
1993 - 2008	Accounting & Finance Manager	P plus P Public Company Limited

Information of in-charge positions of directors, executive directors of the Company, its subsidiaries, its associated and related companies as of 31 December 2016

No.	Name	GEL	Subsidiary		Associated Companies		Related Companies
			Seven Wire	GEM	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.

9. Corporate Governance

9.1 Corporate Governance Policy

The Company has established the written good corporate governance policies as approved by the Board of Directors' Meeting No. 7/2016, dated 15 August 2016. Review of and compliance with the good corporate governance policies will be conducted on a regular basis, and the Company will follow all rules and regulations stipulated by the Securities and Exchange Commission (SEC).

9.2 The committee

The structure of company consists of 6 the committees such as the Board of Directors, the Audit Committee, Nominating & Remuneration Committee, Good Corporate Governance Committee, Risk Oversight Committee and the Executive Committee

1) Board of Directors

As of December 31, 2016, the Board of Directors comprises 9 members, whose names are as follows:

รายชื่อคณะกรรมการ	ตำแหน่ง
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 Boonbanjerd Sri	Independent Director
7. Mrs. Pannee Jarusombat	Independent Director
8. Mr. Vichya Kreangam	Independent Director
9. Mr. Wirach Morakotkarn	Independent Director

Term of Office and Retirement from Office for the Board of Directors

Each director holds office for a term of 3 years as stated in the Company's Articles of Association and the director who retires from office upon expiration of term may be re-elected to hold office for another term. At every annual general meeting of shareholders, one third of the total number of directors shall retire from office. If the number is not a multiple of three, the number of directors closest to one third shall retire from office. The directors retiring from their office in the first and the second years after registration of the Company shall be made by drawing lots. In subsequent years, the directors who have held office longest

shall retire. Apart from retirement upon expiration of the term of office, the directors shall vacate office upon:

- 1) Death
- 2) Resignation
- 3) Lack of qualifications or possess disqualifications as director under the Law on Public Company Limited Act, or having characteristics indicating a lack of appropriateness in respect of trustworthiness in managing business whose shares are held by public shareholders as specified in Section 89/3 of the Securities and Exchange Act (No. 4), B.E. 2551
- 4) Retirement by a resolution of the shareholders' meeting (by voting of not less than three-fourths (3/4) of the number of the shareholders present and entitled to vote and having shares in aggregate not less than one-half of the number of shares held by the shareholders present and entitled to vote)
- 5) Retirement by a court order
- 6) Any director wishing to resign from his office shall submit his resignation letter to the Chairman of the Board of Directors.

In case a directorship becomes vacant other than on retirement upon expiration of the term of office, the Board of Directors shall appoint a person who has qualifications and who is not disqualified under the relevant laws at the subsequent meeting of the Board of Directors. This is except when the remaining term of the director is less than two months, the replacement director shall hold office only for the remaining term of office of such director he replaces.

Authorities, duties and responsibilities of the Chairman of the Board

1. Summon the meetings of the Board of Directors and supervise the delivery of meeting notices and related documents so as to ensure that the Board of Directors acquire adequate and timely information;
2. Preside over the Board of Directors meeting;
3. Promote CG standards of the Board of Directors;
4. Preside over the Shareholders meeting and conduct the meeting in compliance with the Company Articles of Association and follow the sequence of the agenda;
5. Supervise efficient communications between the directors and shareholders;
6. Perform the duty specified by law as the duty to be performed by the Chairman.

Scope of Duties and Responsibilities of the Board of Directors

- 1) The Board of Directors shall manage and carry on the businesses of the Company in compliance with the laws, objects, and Articles of Association of the Company, including the resolutions of shareholders' meetings, with responsibility, honesty, care and protection of the interests of the Company. The directors shall also supervise the business operations, following the ethics, code of conduct and practices on anti-corruption.

- 2) The Board of Directors shall have authority to nominate a person, who possesses the qualifications and dispossesses the disqualification as stipulated in the Public Company Limited Act, B.E. 2535, laws on securities and exchange, notifications of the Capital Market Supervisory Board, including rules and/or regulations regarding the stock exchange, as a director to the shareholders' meeting for approval.
- 3) In the case of a vacancy of directorship for reason other than expiration of the term of office, the Board of Directors shall have authority to appoint a replacement director. Also, the Board of Directors shall have authority to appoint Audit Committee, Executive Committee, Nominating and Remuneration Committee, Risk Oversight Committee, Good Corporate Governance Committee, etc.; to determine the vision, mission, targets, directions, policies, and charter; and to oversee the administration and management of executives or any assigned person to comply with the policies set by the Board of Directors. The policies shall be reviewed every 5 years.
- 4) The Board of Directors shall review, examine, and approve policies, strategic directions, business plans, and large-scale investment projects of the Company as proposed by the management team, as well as supervise management in subsidiaries and/or affiliated companies.
- 5) The Board of Directors shall continually monitor the operating performance results to be in accordance with the work plans and budget.
- 6) The Board of Directors shall consider and approve investment for business expansion, joint-investment with entrepreneurs in other business sectors, or investment in other companies or business activities.
- 7) The Board of Directors shall consider and approve appointment of the Chief Executive Officer; regularly evaluate the management's performance; and oversee payment of suitable remuneration to the top management.
- 8) The Board of Directors shall ensure that the management provides the reliable accounting system, financial reporting, and auditing; and that internal control system, internal audit system, and risk management system are suitably and sufficiently in place.
- 9) The Board of Directors shall establish the principles on general commercial terms for any transaction between the Company & its subsidiary and director, executive, or related person. "Such transaction has the same commercial terms as those an ordinary person would agree with any counterparty under the similar circumstances, on the basis of commercial negotiation and without any influence resulted from the status of the director, executive or related person."
- 10) The Board of Directors shall designate or change the names of the persons authorized to sign on behalf of the Company, including the regulations of the Company.
- 11) The Board of Directors shall consider and approve the Company to pay interim dividend to shareholders from time to time as the Board of Directors thinks fit under the provisions of law; as well as consider payment of annual dividend and further propose to the shareholders' meeting for approval.

- 12) The Board of Directors shall hold the annual general meeting of shareholders within four months from the date ending the account period of the Company. The extraordinary general meeting of shareholders may be held when it is necessary.
- 13) The overall performance of the Board of Directors shall be evaluated annually and used as the basis for review of the Board of Directors' performance of duties.
- 14) The Board of Directors shall consider and approve other matters which are important and related to the Company, or deemed appropriate for the benefits of the Company. This is except for the following matters which shall be proceeded only upon approval of the shareholders' meeting first. As for the matter that any director or any person assigned by him or any person who may pose conflict of interest (as defined by a notifications of the Office of the Securities and Exchange Commission and/or the Stock Exchange of Thailand) has interests in or conflict of interest with the Company and/or its subsidiary and/or related company, such director or the person assigned by him shall not have authority to approve such matters.
 - a. Any matters which require the resolutions of the shareholders' meeting as stipulated by laws
 - b. Any matters that a director has interest in and require approval of the shareholders' meeting as stipulated by laws or the Stock Exchange of Thailand's regulations.

The following matters shall require approval of the Board of Directors' meeting with a majority vote of the total number of directors present at the meeting, and also approval of the shareholders' meeting by votes no less than three-fourths of the total votes of the shareholders who attend the meeting and have the right to vote.

- a. the sale or transfer of business of the Company, in whole or in essential part.
- b. the purchase or acceptance of transfer of business of other companies or private companies by the Company.
- c. entering into, amending, or terminating a lease of business of the Company in whole or in essential part; entrusting other person with the management of the Company; or amalgamating business with other persons with the objective to share profit and loss.
- d. amendment of the Memorandum of Association or the Articles of Association
- e. increase and reduction of capital, and issuance of debentures.
- f. amalgamation or dissolution.

As for other matters stipulated in the laws governing securities and/or the Stock Exchange of Thailand's regulations that require consent of the meeting of the Board of Directors and approval of the shareholders' meeting by votes as aforementioned, the director or any person assigned by him or any person who may pose conflict of interest that has interests in or conflict of interest with the Company and/or its subsidiary shall have no right to vote on such matter.

The Board of Directors' Meeting

1) The meeting of the Board of Directors shall be organized every quarter or at least 4 times a year. The meeting schedule of the whole year shall be arranged in advance. A special meeting may be summoned as necessary. In case of no meeting, the Company should deliver to the Board of Directors the operating performance result report in the month the meeting is not held in order to ensure the Board of Directors shall be able to continually supervise and oversee the operations of the management in time.

2) The Chairman and the Chief Executive of the Company shall jointly consider and approve the meeting agenda.

3) The Company Secretary shall deliver meeting notice together with meeting agenda, and supplementary documentation for the meeting to the directors not less than 7 working days in advance of the date of meeting in order for the directors to have enough time to study the information. This is except for the case of necessity or urgency, the notice of meeting may be served by other means and earlier date may be scheduled for the meeting.

4) The Chairman of the Company shall chair the meeting and arrange time for each agenda item which is enough for the directors to freely discuss and express their opinions in relation to the main issues, taking into consideration the benefits of the shareholders and related persons in a fair manner.

5) During the meeting, the directors shall not be present in the meeting during consideration of the matter they have interests in.

6) A resolution of the meeting shall be made by a majority vote. If such resolution is objected by any director, his objection shall be recorded in the minutes of meeting.

7) In consideration of any matter, the directors shall have the right to make a request to see or inspect the documents related to such matter, and to request related executives to attend the meeting to give explanations about the matter.

8) The Board of Directors shall set as the policy allowing non-management directors to hold meetings, in the absence of the management, to discuss the management-related problems which are in the spotlight. The results of the meetings shall be reported to the Managing Director.

9) The Company Secretary has the duties to record and prepare the minutes of the Board of Directors' meeting within 14 days; keep the minutes of the meetings and supplementary documents used during the meeting; provide support and follow up to facilitate the Board of Directors to perform the duties in compliance with laws, regulations, and resolutions of the shareholders' meetings; and coordinate with related parties.

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.

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 2016, the Audit Committee consisted of 3 directors with the following names;

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

Term of Office and Retirement from Office for the Audit Committee

The Audit Committee consists of at least 3 independent directors who possess qualifications as stipulated in the notifications of the Office of the Securities and Exchange Commission and shall be appointed by the Board of Directors of the Company. At least one member of the Audit Committee shall have sufficient knowledge and experience to review the reliability of financial statements pursuant to the Securities and Exchange Act (No. 4), B.E. 2551.

Each member of the Audit Committee shall hold office for a term of 3 years or shall vacate office upon:

- Death
- Resignation
- Removal by the Board of Directors
- Retirement from the position of director
- Retirement from the position of independent director

The Audit Committee members who retire upon the expiration of the term of office may be re-appointed for another term as the Board of Directors or the shareholders' meeting considers appropriate.

In case a vacancy exists on the Audit Committee for reason other than by retirement upon expiration of the term of office, the Board of Directors shall appoint a qualified person as the replacement member of the Audit Committee in order to reach a total number of members as stipulated in the charter by the Board of Directors. The replacement member of the Audit Committee shall hold office only for the remaining term of office of such member he replaces.

Scope of Duties and Responsibilities of the Audit Committee

- 1) To review the Company's financial reporting to ensure that it is accurate in accordance with the generally accepted accounting principles and that sufficient information is disclosed.
- 2) To review the Company's internal control system and internal audit system, including risk assessment policy to ensure they are suitable and effective; to consider the independence of the internal audit unit; and to approve the appointment, transfer or dismissal of the head of internal audit unit or any other agency responsible for internal audit.
- 3) To review the Company's compliance with the law on securities and exchange, the Stock Exchange of Thailand's regulations, and the laws relating to the Company's business.
- 4) To consider, select, and nominate an independent person to be the Company's auditor as well as terminate such person; to propose such person's remuneration; and to attend a meeting with the auditor, in the absence of the management, at least once a year.
- 5) To review the Connected Transactions or the transactions that may lead to conflicts of interests to ensure that they are in compliance with the laws and the Stock Exchange of Thailand's regulations and are reasonable for the highest benefit of the Company.
- 6) To prepare and to disclose in the Company's annual report, the Report of the Audit Committee which shall be signed by the Chairman of the Audit Committee and consist of at least the following information:
 - (1) An opinion on the accuracy, completeness and creditability of the Company's financial report.
 - (2) An opinion on the adequacy of the Company's internal control system.
 - (3) An opinion on the compliance with the law on securities and exchange, the Stock Exchange of Thailand's regulations, or the laws relating to the Company's business.
 - (4) An opinion on the suitability of the auditor.
 - (5) An opinion on the transactions that may lead to conflicts of interests.
 - (6) The number of the Audit Committee meetings, and the attendance of such meetings by each committee member.
 - (7) An opinion or overview comment of the Audit Committee from its performance of duties in accordance with the charter.

- (8) Other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors.
- 7) To review and comment on the internal audit plan and the performance of the internal audit unit. In performance of its duties under the scope of duties and authorities, the Audit Committee shall have authority to invite relevant management, executives, or employees to express opinions in the meeting or submit related documents as necessary.
- 8) In performance of duties of the Audit Committee, if any of the following transactions or actions which may cause significant impacts on the financial status and the operating result of the Company is found or in doubt, the Audit Committee shall investigate such transaction or action, and report the result to the Board of Directors for rectification within the period of time as the Audit Committee deems fit.
 - (1) Report which contains conflict of interest.
 - (2) Dishonest or irregular activities or significant defects in the internal control system.
 - (3) Violation of the law on securities and exchange, the Stock Exchange of Thailand's regulations, and the laws relating to the Company's business. If the Board of Directors or executives fail to carry out rectification within the period of time as the Audit Committee deems fit, any member of the Audit Committee may report such transaction or action to the Securities and Exchange Commission or the Stock Exchange of Thailand.
- 9) To consider, review, and revise the charter of the Audit Committee and propose to the Board of Directors for approval.
- 10) To perform any other act as assigned by the Company's Board of Directors with the consent of the Audit Committee.

The Audit Committee shall be directly responsible to the Board of Directors and the Board of Directors is responsible for the Company's operations to external people. In case of change in duties of the Audit Committee, the Company shall inform the resolution in regard to this change, and shall prepare the list of changes in scope of duties of the Audit Committee in the form as specified by the Stock Exchange of Thailand and submit it to the Stock Exchange of Thailand within 3 working days after the date of such change by using the method as stipulated in the regulations of the Stock Exchange of Thailand regarding reporting of information through electronic media.

Audit Committee's Meeting

The Audit Committee shall have at least 4 meetings a year and has the authority to convene additional meetings as necessary. Management or auditor or experts may be invited to attend the meeting during consideration of the agenda item which is related to them.

3) Risk Oversight Committee

The Risk Oversight Committee consisted of 5 directors with the following names;

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

The Risk Oversight Committee consists of the members who are representatives of different lines of work and relevant top management as appointed by the Board of Directors. There shall be at least 3 members in the Risk Oversight Committee and each member shall vacate office upon:

- 1) Death
- 2) Resignation
- 3) Removal by resolution of the Board of Directors

Members of the Risk Oversight Committee comprise Chief Executive Officer, director or independent director, Managing Director, executive, and/or suitable risk management officer. The Risk Oversight Committee shall be chaired by an independent director.

The Risk Oversight Committee shall appoint an officer of the Company to be the secretary of the Risk Oversight Committee.

Scope of Duties and Responsibilities of the Risk Oversight Committee

1. To study, review, and assess both internal and external risks that may occur, and the tendency of the impacts on the organization, covering at least the following 5 risks:

- Strategic risk
- Operational risk
- Financial risk
- Regulatory compliance risk
- Corruption risk

2. To establish and submit the risk management policies to the Board of Directors for consideration of overall risk management, and to assess, monitor, and control the risks of the Company to the acceptable level.

3. To determine the strategies, organizational structure, and resources required for management of the Company's risks in conformity with the Company's risk management policies, strategies, and business direction.

4. To determine the amount of budget or activity type based on the risks for submission to the Board of Directors for approval as the criteria for operations in different risk scenarios.
5. To oversee and review sufficiency of strategic policies and practices to ensure the risk management strategies will be suitably implemented, and also effectiveness of risk management system for full compliance with the established policies, as well as control and supervision of overall risks.
6. To appoint the risk assessment team, and to monitor risks in overall organization.
7. To report the risk management results, including the status of each risk type to the Audit Committee and the Board of Directors to ensure the Board of Directors is aware of and realizes the factors which may cause significant impacts on the business operation of the Company.
8. To consider and amend the charter and propose to the Board of Directors for approval.
9. To perform other tasks as may be assigned by the Board of Directors.

Risk Oversight Committee's Meeting

1. In the meeting of the Risk Oversight Committee, the presence of not less than one half of the total number of the Risk Oversight Committee members is required to constitute a quorum.
2. The meetings shall be convened no less than twice a year.
3. The Risk Oversight Committee may invite, as necessary, other persons to attend the meeting during consideration of the agenda item which is related to them.
4. The resolution on any matter shall be passed by votes of not less than one half of the total members present at the meeting.

The secretary of the Risk Oversight Committee is responsible for all arrangements for the meeting, including preparation of the meeting, meeting agenda, and supplementary documents for the meeting, and delivery of meeting documents via email to all members of the Risk Oversight Committee within the sufficient period of time or at least 7 days prior to the date of meeting. The secretary shall also prepare the minutes of the meeting and deliver to the Risk Oversight Committee members within 14 working days after the date of meeting.

4) Nominating & Remuneration Committee

As of 31 December 2016, the Nominating & Remuneration Committee consisted of 4 directors;

Member of Nominating & Remuneration Committee	Position
1. Mr. Wirach Morakotkarn	Chairman of the Nominating & Remuneration Committee (Appointed at the 6/2016 meeting of the Board of Directors on June 9, 2016. The appointment took effect from June 9, 2016.)
2. Mr. Thitipong Tangpoonphonvivat	Nominating & Remuneration Committee
3. Mr. Vichya KreaNgam	Nominating & Remuneration Committee

Member of Nominating & Remuneration Committee	Position
4. Mr. Wuttichai Sresthabutra	Nominating & Remuneration Committee (Resigned on June 9, 2016.)

Term of Office and Retirement from Office for the Nominating and Remuneration Committee

The Nominating and Remuneration Committee is appointed by the Board of Directors and consists of at least 3 members who are directors and executives. More than one half of the members shall be independent directors. The Chairman of the Nominating and Remuneration Committee shall be independent director. The member who retires from office upon expiration of term may be re-appointed to hold office for another term as the Board of Directors deems appropriate.

Each member of the Nominating and Remuneration Committee shall vacate office upon:

- 1) Death
- 2) Resignation
- 3) Removal by the resolution of the Board of Directors

The Board of Directors has authority to appoint additional members of the Nominating and Remuneration Committee for the benefit of business operation in compliance with the objectives and to replace the members who vacate office due to 1), 2), or 3) as above-stated. The replacement member of the Nominating and Remuneration Committee shall hold office only for the remaining term of office of such member he replaces.

The Nominating and Remuneration Committee shall appoint an officer of the Company to be the secretary of the Nominating and Remuneration Committee.

Scope of Duties and Responsibilities of the Nominating and Remuneration Committee

1. Nomination

1) To establish the policies, criteria and methods for nomination of directors and authorized managers and propose to the Board of Directors for approval.

2) To select a person who possesses qualifications in accordance with related regulations and laws to be nominated as director, member of sub-committee, and authorized manager to the Board of Directors for approval.

For nomination of a director, the Nominating and Remuneration Committee shall consider his experience in at least one of the following professions, e.g. sales, finance, business administration, marketing, human resource management, law, management, etc. which is important for the Board of Directors. Consideration should be also given to the competence to assist the Board of Directors in performing duties in a more careful manner, the ability to make reasonable business decisions, strategic thinking, leadership experience, high degree of professional expertise, integrity, and other appropriate personal qualifications.

- 3) To disclose the nomination policy and procedure in detail in the Company's annual report.
- 4) To review and conclude the result of succession planning and suitable continuity of administration for top management annually and report to the Board of Directors for acknowledgement.

2. Remuneration

- 1) To determine the policies, criteria or methods for consideration of remuneration and other benefits, and propose the remuneration for directors based on the fair and transparent criteria to the Board of Directors for consideration to further propose in the meeting of shareholders.
- 2) To establish the guidelines for assessment of performance of directors and authorized managers for consideration of annual remuneration and propose to the Board of Directors for consideration to further propose to the meeting of shareholders.
- 3) To disclose the remuneration policies and all forms of remuneration, and prepare the remuneration report which shall at least contain details on operation targets and opinions of the Nominating and Remuneration Committee in the Company's annual report.
- 4) To propose the suitable remuneration of the Board of Directors and the sub-committees to the Board of Directors for consideration before proposing to the meeting of shareholders for approval.

3. Others

- 1) To perform duties as assigned by the Board of Director; to review and amend the charter to propose to the Board of Directors for approval.

The Nominating and Remuneration Committee shall be responsible to the Board of Directors and report the performance result to the Board of Directors in every meeting of the Nominating and Remuneration Committee. Also the Nominating and Remuneration Committee shall review and amend the charter which shall be proposed to the Board of Directors for approval.

The Nominating and Remuneration Committee's Meeting

- 1) The Nominating and Remuneration Committee shall convene a meeting in case of nomination of directors or executives, or consideration of remuneration.
- 2) The Chairman of the Nominating and Remuneration Committee shall assign the secretary to deliver meeting notice together with meeting agenda, and supplementary documentation for meeting via email to the committee members 7 days in advance of the date of meeting in order for the committee members to have enough time to study the information. A written record of the meeting shall be prepared and kept in the well-organized filing system which is easy to retrieve. Details of the written record of the meeting cannot be changed without approval of the meeting and are ready for examination by the Board of Directors or related parties. The minutes of the meeting shall be prepared within 14 days after the date of meeting. The secretary shall keep the minutes of the meeting and supplementary documentation for the meeting; provide support to the Nominating and Remuneration Committee to ensure they perform duties in compliance with laws and regulations; and coordinate with related parties.

3) In the meeting of the Nominating and Remuneration Committee, the presence of not less than one half of the total number of the Nominating and Remuneration Committee members is required to constitute a quorum.

4) The meeting shall be convened at least once a year.

5) The resolution of the Nominating and Remuneration Committee shall be made by majority vote.

5) Good Corporate Governance Committee

As of 31 December 2016, the Good Corporate Governance Committee consisted of 4 directors;

Member of Good Corporate Governance Committee		Position
1. Mr. Vichya	KreaNgam	Chairman of Corporate Governance Committee
2. Mr. Wirach	Morakotkarn	Corporate Governance Committee <i>(Appointed at the 6/2016 meeting of the Board of Directors on June 9, 2016. The appointment took effect from June 9, 2016.)</i>
3. Mr. Wuttichai	Sresthabutra	Corporate Governance Committee
4. Mrs. Wisadja	Kochsena	Corporate Governance Committee

Term of Office and Retirement from Office for the Good Corporate Governance Committee

The Good Corporate Governance Committee consisted of at least 3 members who are directors or Independent Director and executives of the Company. The Chairman of the Good Corporate Governance Committee shall be independent director and shall appoint an officer of the Company to be the secretary of the Good Corporate Governance Committee. The Nominating and Remuneration Committee shall appoint an officer of the Company to be the secretary of the Nominating and Remuneration Committee.

The Good Corporate Governance Committee who vacate office shall be replace and in case of any director from office before the end of the term shall be elected within 90 days of the vacancy. The director who has replace into the tenure of the vacancy of directors to act for them.

The Good Corporate Governance Committee shall vacate office upon:

- 1) Death
- 2) Resignation
- 3) Removal by the resolution of the Board of Directors

Scope of Duties and Responsibilities of the Good Corporate Governance Committee

- 1) To consider, determine, review, and amend the policies and manual on good corporate governance practices, business code of conduct, ethics of employees, and anti-corruption at least once a year in compliance with the international practices; and to propose the criteria

for good corporate governance practices to the Board of Directors for approval and implementation at all levels.

- 2) To consider, determine, review, and amend the policies, manual and guidelines on corporate social responsibility (CSR) for submission to the Board of Directors for approval and implementation at all levels; and to ensure operation in compliance with CSR policies.
- 3) To provide advice on CSR to the Board of Directors.
- 4) To promote and oversee the Company's business operation and the performance of the Board of Directors, executives, and employees to be in compliance with CSR policies.
- 5) To assign the person to be responsible for overseeing Company's business operation in conformity with relevant laws, regulations policies, and practices.
- 6) To perform other tasks as may be assigned by the Board of Directors and/or the meeting of shareholders.
- 7) To report the results of the performance and the meeting of the Good Corporate Governance Committee to the Board of Directors for acknowledgement or for approval.
- 8) To review and amend the charter of the Good Corporate Governance Committee to propose to the Board of Directors for approval.

The Good Corporate Governance Committee's Meeting

- 1) The Good Corporate Governance Committee shall convene at least 4 meetings a year.
- 2) In each meeting, the presence of not less than one half of the total number of the Good Corporate Governance Committee members is required to constitute a quorum.
- 3) Any member of the Good Corporate Governance Committee who has an interest in the matter to be considered shall abstain from expressing opinions and voting in such matter.
- 4) A final decision of the meeting shall be made by majority vote. In case of equality of votes, the Chairman of the meeting shall have an additional vote as a casting vote. In making a resolution, not less than two-thirds of the total Committee members shall be present at the meeting.
- 5) The secretary of the Good Corporate Governance Committee shall deliver meeting notice via email to the committee members not less than 7 days in advance of the date of meeting. The minutes of the meeting shall be recorded and prepared within 14 days after the date of meeting. The secretary shall keep the minutes of the meeting and supplementary documentation for the meeting; provide support to the Good Corporate Governance Committee to ensure they perform duties in compliance with laws and regulations; and coordinate with related parties.

6) Executive Committee

As of 31 December 2016, the Executive Committee consisted of 4 members;

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

Term of Office and Retirement from Office for the Executive Committee

The Executive Committee consists of the directors who have experience and suitable qualifications as recommended by the Nominating and Remuneration Committee, and approved by the Board of Directors. The Chairman of the Executive Committee shall be appointed by the Board of Directors. The Company Secretary shall act as the secretary of the Executive Committee, except otherwise assigned by the Executive Committee.

The term of office of the Executive Committee member shall be the same as that of director and shall vacate office upon:

- 1) Death
- 2) Resignation
- 3) Removal by the resolution of the Board of Directors

Any member of the Executive Committee who wishes to resign from office shall tender a letter of resignation to the Chairman of the Board of Directors. In case a vacancy exists on the Executive Committee, the Board of Directors shall appoint a new member of the Executive Committee within 90 days in order to have the total number of the Committee members as stipulated by the Board of Directors.

Scope of Duties and Responsibilities of the Executive Committee

1. To propose the strategic plan, yearly business plan, cost budget, business targets, and project plans to the Board of Directors for approval.
2. To manage the Company's business to achieve the established objectives and targets; to control the business operations in compliance with laws and policies of the Company; and to oversee the Company's business management as determined.
3. To perform general business-related matters of the Company; to study, consider, and monitor the Company's business activities, e.g. investment which requires a considerable amount of money, launch of new products, joint-investment, loan offering or guarantee.
4. To supervise and monitor the operating performance results and financial status of the Company and its associate companies and report to the Board of Directors for acknowledgement every quarter.

5. To seek and assess new investment opportunities.
6. To consider and provide suggestions about the Company's dividend policy to the Board of Directors.
7. To review transactions relating to investment and disposal of assets, human resources management, general administration, and other business-related transactions of the Company within the scope of authority as assigned by the Board of Directors.
8. To supervise and manage the Company's investment budget, and to contemplate the important matters of the Company before raising the matters for consideration in the meeting of the management of each business sector.
9. To consider and provide comments on the matters which are not the Company's normal business affairs and shall be approved by the Board of Directors .
10. To consider and review the risk management and internal control system of the Company.
11. The Executive Committee may authorize an executive or a person to perform any act or all acts as it deems appropriate. Approval of the Executive Committee and/or empowerment shall not involve Connected Transactions or the transactions that may lead to conflict of interests or transactions that any member of the Executive Committee has interest in as stipulated in the Articles of Association of the Company and the notification of the Capital Market Supervisory Board. Approval of any transactions shall be in compliance with the policy and procedures stipulated by the Board of Directors and the regulatory compliance unit.
12. To consider employment of independent advisors or persons to provide opinions or suggestions as necessary.
13. To invite management team or related persons of the Company to provide opinions, attend the meeting or give related information.
14. To report important operation results to the Board of Directors on a regular basis, including significant issues that the Board of Directors should be aware of.
15. To consider, review, and amend the charter of the Executive Committee and propose to the Board of Directors for approval.
16. To perform any other duties as assigned by the Company's Board of Directors.

The Executive Committee's Meeting

1. The Executive Committee shall arrange or call a meeting as it deems appropriate at least once a month and all members shall regularly attend the meeting.
2. In each meeting, the presence of not less than one half of the total number of the Executive Committee members is required to constitute a quorum.
3. A resolution of the Executive Committee's meeting shall be made by a majority of votes of the members in attendance to form a quorum. Any member of the Executive Committee who has an interest in the matter to be considered shall not be present during the consideration of the matter or abstain from voting in such matter.

4. The Chairman of the Executive Committee or the secretary by order of the Chairman of the Executive Committee shall deliver meeting notice via email to the committee members not less than 7 days in advance of the date of meeting. This is except for the case of necessity or urgency, the Chairman of the Executive Committee shall call a meeting without delivery of the notice of meeting in advance. The minutes of the meeting shall be recorded and prepared within 14 days after the date of meeting. Other responsibilities include keeping of the minutes of the meeting and supplementary documentation for the meeting; providing support to the Executive Committee to ensure performance of duties in compliance with laws and regulations; and coordinating with related parties.

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.

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.

9.3 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 and Appointment of Directors and Top Management

2.1) Nomination of Independent Directors

Regarding nomination of independent directors, in the case that any independent director completes the term of office or in case of necessity to appoint an additional independent director, the Company by the Board of Directors holding office at that time shall discuss to select the qualified person who possess experience, knowledge and competence which are beneficial to the Company, and also have the following minimum qualifications, and then propose to the meeting of the Board of Directors or the meeting of shareholders for consideration in accordance with the Article of Association of the Company.

According to the Company's policy, the number of independent directors shall not be fewer than 1/3 of the total number of the members of the Board of Directors and there shall be at least 3 independent directors. The Company has also established the qualifications of independent directors in accordance with the requirements of the Capital Market Supervisory Board. All independent directors shall possess all of the following qualifications:

1. Holding shares not exceeding one per cent of the total number of shares with voting rights of the Company, its parent company, subsidiary company, associate company, or jurist entity which may pose conflict of interest, including shares held by related persons of such independent director.

2. Neither being, nor used to be an executive director, employee, staff, advisor who receives salary, or controlling person of the Company, its parent company, subsidiary company, associate company, same-level subsidiary company, or juristic entity which may pose conflict of interest, unless the foregoing status has ended not less than two years prior to the date of filing an application with the Securities and Exchange Commission, or prior to the date of being appointed as independent director.

3. Not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of child, executive, major shareholder, controlling person, or person to be nominated as executive or controlling person of the Company or its subsidiary company (if any).

4. Neither having, nor used to have a business relationship with the Company, its parent company, subsidiary company, associate company, or juristic entity which may pose conflict of interest, in a manner which may interfere with his independent judgment, and neither being, nor used to be a major shareholder or director who is not independent director, or controlling person of any person having a business relationship with the Company, its parent company, subsidiary company, associate company, or juristic person which may pose conflict of interest, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the Securities and Exchange Commission, or prior to the date of being appointed as independent director. The foregoing business relationship shall cover normal business transactions to conduct renting or letting for rent of real estate, asset- or service-related transactions, offering or accepting

financial assistance by receiving or giving loans, and giving assets as collateral for loans, including other similar activities, causing the Company or the party to the contract has burden to pay debts to the other party at least 3 per cent of the net tangible assets of the Company or at least 20 million baht depending on which one is lower. Calculation of such debt burden shall follow the method for calculation of value of the connected transactions pursuant to the notification of the Capital Market Supervisory Board regarding criteria for connected transactions mutatis mutandis. Such debt burden shall cover all debts arising during the period of 1 year before the date of having business relationship with such person.

5. Neither being, nor used to be an auditor of the Company, its parent company, subsidiary company, associate company, or juristic entity which may pose conflict of interest, and not being a major shareholder, director who is not independent director, controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary company, associate company, or juristic entity which may pose conflict of interest, unless the foregoing status has ended not less than two years prior to the date of filing an application with the Securities and Exchange Commission, or prior to the date of being appointed as independent director.

6. Neither being, nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding two million baht per year from the Company, its parent company, subsidiary company, associate company, juristic entity which may pose conflict of interest, and not being a major shareholder, director who is not independent director, controlling person or partner of the provider of professional services which is juristic entity, unless the foregoing status has ended not less than two years prior to the date of filing an application with the Securities and Exchange Commission, or prior to the date of being appointed as independent director.

7. Not being a director appointed as representative of director of the Company, major shareholder or shareholder who is related to major shareholder.

8. Not undertaking any business in the same nature and in competition to the business of the Company or its subsidiary company, or not being a significant partner in a partnership, or not being an executive director, employee, staff, advisor who receives salary or holding shares exceeding one per cent of the total number of shares with voting rights of other company which undertakes business in the same nature and in competition to the business of the Company or its subsidiary company.

9. Not having any other characteristics which cause the inability to express independent opinions with regard to the Company's business operations.

10. Not being a director assigned by the Board of Directors to make decision on the business operations of the Company, its parent company, subsidiary company, associate company, same-level subsidiary company, or juristic entity which may pose conflict of interest.

11. Not being a director of the parent company, subsidiary company, or same-level subsidiary company which is a listed company.

Each independent director shall check and endorse his qualifications of independence at least once a year and shall submit the report together with his profile at the end of each year for preparation of the annual information disclosure form and annual report of the Company.

2.2) Nomination of Directors

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.

2.3) Nomination of audit committee

The Audit Committee shall be appointed by the Board of Directors or shareholders. All members of the Audit Committee shall be independent directors and have the qualifications of independence as stipulated in the notifications of the Office of the Securities and Exchange Commission and the corporate governance principles. The Audit Committee consists of at least 3 independent directors and at least one member shall possess accounting and/or financial literacy to review and supervise the business operations of the Company, including financial reports, internal control system, selection of auditor, and consideration of conflict of interest. Each Audit Committee member shall holds office for a term of 3 years.

2.4) Nomination of Management

For nomination of a top-level executive, the Company shall consider the suitable person who possesses knowledge, abilities, skills, and experiences which are useful for the business operations of the Company, and thoroughly understand the business nature of the Company to be nominated as the executive of the Company.

9.4 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.
- 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.

9.5 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.

9.6 Remuneration of Auditors

The Annual General Meeting of Shareholders 2016 on April 21, 2016 had the resolution to approve the appointment of

- (1) Mr. Somckid Tiatragul, Certified Public Accountant License No. 2785 or
- (2) Mrs. Sumalee Chokdeeanant Certified Public Accountant License No.3322 or
- (3) Mr. Teerasak Chuasrisakul Certified Public Accountant License No. 6624 or
- (4) 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 2016 was determined at Baht 21,975,000 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.

(Unit: Million Baht)	General Engineering Public Company Limited and Subsidiaries	Year
1. Audit fee	1,975,000	2016
	2,370,000	2015
2. Non-audit fee *	124,272	2016
	109,395	2015

Remark : Non-audit fee is the actual expense, such as travel allowance, overtime and accommodation, etc.

Compliance with the principles of good corporate governance.

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 determined a policy on good governance on August 15, 2016 as the resolution of Board of Directors Meeting No. 7/2016 and has reviewed a policy for annual.

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 two 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:

A. The shareholders.

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

The investors can study more information about the company from annual registration statement 2013 (Form 56-1) shown on www.sec.or.th or the Company's website www.gel.co.th

B. 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 2016, 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 independentdirector@gel.co.th You want to be able to report without contacting the company. For the test to find out the facts straight.

C. 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.

D. 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.

E. Competitor

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.

F. 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.

H. 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.

Anti-corruption

The Company is in the process of enlisting in the declaration of the intent to join the Thailand's Private Sector Collective Action Coalition against Corruption (CAC) of the Thai Institute of Directors Association (IOD). Besides, the Company has assessed the opportunities for corruption to cover all kinds of frauds, e.g. fraudulent financial reporting, activities which lead to loss of assets, corruption, management override of internal control system, fraudulent change of significant information in reports, wrongful acquisition and use of assets, etc.

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.

Later in December 2016, the Company completed and submitted the self-evaluation tool version 2.0 in accordance with the regulations of the declaration of the intent to join the Thailand's Private Sector Collective Action Coalition against Corruption (CAC) in order to apply for certification. It is now under consideration. (Consideration takes a period of about 2 months from the date of submitting the self-evaluation tool to CAC.)

Anti-corruption Policy and Practices

The Company has arranged communication channels for all stakeholders to blow the whistle on, provide suggestions, or file complaints about fraud or corruption. Also the practices on gift-giving or receiving, acceptance of property or any other benefits, and hosting of receptions, have been established. The expenses which exceed the certain limit are not in compliance with the Company's criteria. Procurement process and donation-making must be in a transparent, fair, and in accordance with the Company's regulations and procedures.

The Company's handbooks on working rules and regulations have been distributed to all executives and all staff to ensure they will correctly understand and observe. They are also required to sign their names for acknowledgement and strict adherence to the working rules and regulations.

Whistle-blowing or Complaint Filing

The Company has appointed an executive to be directly responsible for complaint acceptance and a committee to mutually perform investigation in a correct and fair manner. The policy has been formulated to ensure efficient internal control system, and reporting on the basis of transparency and accountability so

that whistle-blowers trust and be confident in the fair investigation process. In place is the policy on protection of whistle-blowers. In the case of the whistle-blowers who are the Company's employees, customers, or persons who are engaged by the Company, their right shall be protected by laws. Details on complaint filing are included in the corporate governance policy of the Company.

If stakeholders have any suspicions or find any suspicious activities in violation or in breach of laws, regulations, rules or business ethics, they can report clues or file complaints together with evidences to the Company's Joint Investigation Committee for fairness and equity of the Company

The major issues will be reported to the executives of the Company for consideration. The channel for communication is as follows.

The Joint Investigation Committee for fairness and equity of the Company
General Engineering Public Company Limited (Head Office)
44/2 Moo 2 Tivanont Road, Bangkadi, Muang Pathumthani, Pathumthani, 12000, Thailand
Telephone 0-2501-2020 (auto), 0-2501-2462, 0-2501-1055 (auto), 0-2501-2128-30
Fax 0-2501-2468, 0-2501-2134

Throughout the year, the Company did not have significant conflict with any group of stakeholders.

Chapter 4 Revelation of Information and Transparency

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

Moreover, it has set up a unit to be responsible for supervising the job on the investor relations and secretarial job as its representative in communicating useful information to the shareholders, investors, securities analysts, and the involved persons. They can contact to inquire about the Company conveniently by the phone number 02-501-2020 ext. 775 , 333 and by fax at 02-501-2134

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 channel for complaints

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(5) Website 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 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.

Compliance with the principles of corporate governance on the other

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.

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.

1) A channel for complaints

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

(5) Website 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.

4) Internal Control System

The Company always places a particular emphasis on the internal control system at both managerial and operational levels. For the maximum efficiency in operations, the Company clearly determined the duties and authority of operational personnel and managerial personnel in writing, and also controls utilization of all assets in a useful manner. Personnel in charge of operation control are evidently separate from those responsible for performance evaluation. The Audit Committee was appointed to review the Company's internal control system and internal audit system in a suitable and effective manner. The independent internal auditors are responsible for monitoring and inspecting the internal control system, and reporting the inspection result to the Audit Committee to ensure that the key operations are efficiently performed in accordance with the established guidelines.

5) Risk Management

The Board of Directors appointed the Risk Oversight Committee and each member shall hold office for a term of 3 years. The Committee shall define the risk management policies and propose to the Board of Directors for consideration of the overall risk management in all aspects of operations. The Committee shall also supervise, review, and propose to the Board of Directors the policies and strategies on risk management and evaluation of overall risks to enable efficient implementation of risk management.

6) Report of the Board of Directors

The Audit Committee is responsible for reviewing the financial statements, and shall convene a meeting with the Accounting Department, the Finance Departments and the auditor in order to propose the financial statements to the Board of Directors every quarter. The Board of Directors is responsible for the financial statements of the Company, including the financial information that appears in the annual report

(Report of the Board of Directors' Responsibility for Financial Statements). The financial statements are prepared according to the generally accepted accounting standards and certified by the Company's auditor. Essential information, financial and others, is completely and consistently disclosed based on the matters of fact.

7) The Board of Directors' Meeting

According to the Articles of Association of the Company, the meeting of the Board of Directors shall be organized at least every 3 months. Additional meeting may be summoned as necessary. The meeting notice shall be delivered to the directors not less than 7 days in advance of the date of meeting, except where urgent for the purpose of preserving the benefits of the Company. The agenda of each meeting shall be clearly prescribed and supplementary documentation for the meeting shall be sufficient and delivered to the directors in advance of the date of meeting in order for the directors to have enough time to study the information before attending the meeting.

The Chairman and the Chief Executive Officer shall mutually arrange the agenda and consider the matters that should be included in the agenda. Each director shall have opportunity to propose the matters for consideration to be included in the agenda. All directors shall openly discuss and express their opinions and the Chairman shall compile the opinions and made conclusions. A resolution of the Board of Directors' meeting shall be made by a majority of vote. A director shall have one vote. A director having an interest in a given matter shall not attend the meeting and/or have no right to vote on such matter. In case of an equality of vote, the Chairman of the meeting shall have a casting vote. Besides, the written minutes of the meeting shall be prepared after the meeting and the minutes of the meeting certified by the Board of Directors shall be kept and ready for the Board of Directors or related persons to examine.

Meetings of the Board of Directors

The meetings in 2016 is summarized as follows:

Board of Directors

Board of Directors	Times of the meeting	Note
1. Prof. Dr. Borwornsak Uwanno	8/8	-
2. Mr. Sophon Pholprasit	7/8	-
3. Mr. Thitipong Tangpoonphonvivat	6/8	-
4. Dr. Tawat Anantanavanich	6/8	-
5. Mr. Wuttichai Sresthabutra	7/8	-
6. Mr. Suchat Boonbanjerd Sri	6/8	-
7. Mr. Vichya Kreangam	8/8	-
8. Mrs. Pannee Jarusombat	8/8	-
9. Mr. Wirach Morakotkarn	7/8	-

Audit Committees

Audit Committee	Times of the meeting	Note
1. Mr. Suchat Boonbanjerd Sri	5/5	-
2. Mrs. Pannee Jarusombat	5/5	-
3. Mr. Vichya Kreangam	5/5	-

Risk Management Committees

Risk Oversight Committee	Times of the meeting	Note
1. Mr. Sophon Pholprasit	1/1	-
2. Mr. Thitipong Tangpoonphonvivat	1/1	-
3. Dr. Tawat Anantanavanich	1/1	-
4. Mr. Chainarin Sairungsri	0/1	-
5. Mrs. Wisadja Kochsena	1/1	-

Nominating & Remuneration Committees

Nominating and Remuneration Committee	Times of the meeting	Note
1. Mr. Wirach Morakotkarn	1/1	The appointment took effect from June 9, 2016
2. Mr. Thitipong Tangpoonphonvivat	1/1	-
3. Mr. Vichya Kreangam	1/1	-
4. Mr. Wuttichai Sresthabutra	0/1	Resigned on June 9, 2016

Good Corporate Governance Committees

Good Corporate Governance Committee	Times of the meeting	Note
1. Mr. Vichya Kreangam	10/10	-
2. Mr. Wirach Morakotkarn	6/10	Resigned on June 9, 2016
3. Mr. Wuttichai Sresthabutra	8/10	-
4. Mrs. Wisadla Kochsena	9/10	-

Executive Committees

Executive Committees	Times of the meeting	Note
1. Mr. Thitipong Tangpoonphonvivat	11/12	-
2. Dr.Tawat Anantanavanich	12/12	-
3. Mr. Wuttichai Sresthabutra	12/12	-

(5) Remuneration

The Company has transparently and clearly established the policy on remuneration of the directors. The remuneration rate is suitable for the duties and responsibilities of each director and sufficient for retaining the competent directors. The remuneration shall be approved by the annual general meeting of shareholders.

The remuneration of directors and executives shall be disclosed in accordance with the form specified by the Securities and Exchange Commission.

As at 31 December 2016, the Company's directors who passed the training programs organized by the Thai Institute of Directors Association and other training institution are as follows.

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.

As at 31 December 2016, the Company's directors who passed the training programs organized by the Thai Institute of Directors Association and other training institution are as follows.

Training programs organized by the Thai Institute of Directors Association:

Name	Training Program	Training Institution
1. Dr. Vichaya Krea-Ngam	Corporate Governance for Executives	The Thai Institute of Directors Association
2. Mr. Wuttichai Sresthabutra	Director Accreditation Program Class 131/2016	The Thai Institute of Directors Association

Training program organized by other institution:

Name	Training Program	Training Institution
1. Mrs. Wisadja Kochsena	Law and Practical Guidelines for Investment in Myanmar	The Federation of Thai Industries

The Board of Directors' Self-Assessment

The Board of Directors conducts the collective self-assessment on a yearly basis to allow all directors to jointly consider and review their performance, including problems and obstacles during the past year for further improvement and increase in efficiency.

the Company delivers the self-assessment form to all directors to assess the Board's performance before doing the self-assessment form (Briefing) because this is the self-assessment form for the listed company that newly initiated assessment. The company will provide an assessment at least once a year. The criteria and methods of evaluation are as follows.

Meaning

Calculating (percent)	Level
80 - 100	excellent
79 - 70	good
69 - 60	Average
59 - 0	Improvement

Methods

- Assessor: All Directors
- This form evaluates scoring method for allow the evaluation to compare the results of each topic or compare the results of each year. The meaning of rating is as follows
 - 0 = strongly disagree Or no action on that issue
 - 1 = disagree or take action on that matter
 - 2 = agree or take action on that matter fairly
 - 3 = quite agree Or have a good deal on it.
 - 4 = strongly agree Or have a great deal about it.



The scoring details are as follows:

Details	Number of Topics	Score
1. The structure and qualifications of the Board in the following matters are appropriate make the work of the board effective.	9	36
2. The Board of Directors' meeting was held on the following issues in order for the Board to perform its duties effectively.	6	24
3. Roles and responsibilities of the Board have featured take into consider, review and action in the following matter in sufficient detail.	12	48
4. The other	2	8
Total	29	116

After all directors to assess the Board's performance already. Then it is proposed to the Board of Directors meeting to know or compare within the first quarter of next year.

For the self-assessment form for Year 2016 the Company summarizes and presents the assessment result to the Board of Directors No 1/2560 held on 17th January 2017 for acknowledgement.

In Year 2016, the total score of Board of Directors' self-assessment is 95.21%, the excellent level.

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 Year 20165, 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.

In 2016 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 Khun Watcgarporn Kromkreng, Director and Wat Bangkudeethong School's the students due to the National Children's Day 2016 which was held on 9 January 2016.



General Engineering Public Company Limited by HRD team donated the presents to Khun Tanate Lumyai, Director and Wat Bangkadee School's the students due to the National Children's Day 2016 which was held on 9 January 2016.

2) Blood Donation Activity



General Engineering Public Company Limited arranged the blood donation campaign in series. The 19th donation campaign was arranged on 14th September 2016, in the opportunity of 54th anniversary of Company establishment. The donation will help provide blood to support patients in Thai Red Cross Society.

3) Sponsoring Scholarship



General Engineering Public Company Limited in conjunction with Confederation of Momoro.-MoChoro. donated a sport equipment and scholarships to the students at Wat Khok Kruat School, Phachi District Phra Nakhon Si Ayutthaya Province by Phra Maha Sompong Talaputto.

11. Internal Control and Risk Management

11.1 Summary of Opinions of the Board of Directors and the Audit Committee on the Company's Internal Control System

- Opinions of the Board of Directors

The Board of Directors is responsible for the Company's internal control system which contributes to the operational efficiency in compliance with the established rules and regulations, and strengthens the risk management under the business environment of the Company. The Board of Directors authorizes the Audit Committee by the charter of the Audit Committee to oversee the internal control system and regularly report the result to the Board of Directors.

The Company prepared the written guide on approval limits and authorization to clearly specify the responsibilities and decision-making authority for all levels of managerial positions. Besides, the Company has the policy to review the guide every year to ensure it is always suitable for the future business situation.

The Board of Directors' Meeting No. 1/2560 on 17 January 2017, attended by the members of the Audit Committee to present the yearly report on the internal control system, resolved that the internal control system of the Company was appropriate and adequate, and that the Company's assets were safeguarded from misuse or unauthorized use by the management. Over the past year, no significant shortcoming of the internal control system was found.

Moreover, Grant Thornton Company Limited which is the Company's auditor for the year 2016 stated the opinion in the Report of Independent Auditor that the consolidated and separate financial statements presented fairly, in all material respects, the consolidated and separate financial status of the Group and the Company respectively as at 31 December 2016, and the consolidated and separate results of operations, including the consolidated and separate statements of income for the year then ended in accordance with the Thai financial reporting standards.

Both internal and external auditors reviewed the Company's internal control system and both are independent of the Company's management team. The internal auditor directly reports to the Audit Committee, and the annual audit plan prepared by the internal auditor is normally approved by the Audit Committee.

The Board of Directors and the Audit Committee mutually considered the adequacy of the internal control system in accordance with the internal control assessment form by placing emphasis on the following 5 major components.

1. Organization and environment
2. Risk management
3. Control activities of the management

4. Information and communication
5. Monitoring activities

Organization and Environment

The Company has established the clear and appropriate organizational structure, and also defined the scope of authority and duties, as well as responsibilities of management at different levels to oversee and take responsibility for the operations in various fields.

Risk Management

The Risk Oversight Committee appointed by the resolution of the Board of Directors' meeting No. 3/2558 on 13 May 2015 is in charge of overseeing overall risks of the Company. The Risk Oversight Committee appointed a working group to perform risk management, analysis and assessment of risk factors which may impact on the Company's business operations. It also identifies risk factors; determines the risk prevention and mitigation measures; and seeks the risk management measures to minimize the impacts on the Company. Risks are categorized into the following 4 main types in consistency with the criteria of the Stock Exchange of Thailand.

1. Strategic risk
2. Business risk or operational risk
3. Financial risk
4. Regulatory compliance risk

The Risk Oversight Committee reports the risk management results to the Audit Committee and the Board of Directors every year.

Control Activities of the Management

The Company has clearly determined the regulations in writing in regard to duties and responsibilities, including approval authority of each level of management to ensure no omission to perform significant and necessary activities as required by laws and regulations of the external regulatory bodies. This will also prevent the damage to the assets of the Company and its subsidiaries, and wrongful exploitation by the management and employees.

Information and Communication

The Company places particular importance to the management of information system and communication of information which is accurate, complete, and sufficient for the decision-making of the executives. The Company has also continually developed the information system on the website to facilitate its shareholders or investors in searching for information for their decision-making.

Monitoring Activities

The Company has regularly monitored, assessed and compared the operating results with the targets. The responsible units have mutually discussed to find solutions, set the system, and determine the criteria or regulations for operations to ensure the appropriateness and efficiency of the monitoring system development on a continual basis. The Company has also adopted the ISO 9001:2008 certification for the quality management system.

- **Opinions of the Audit Committee Which Are Different from the Opinions of the Board of Directors**

-None-

11.2 Internal Control System of the Company

The Company has the internal auditor that independently discharges the duties, including audit of the operations of various departments in the Company and the subsidiary companies, and preparation of internal audit report to propose to the Audit Committee in every meeting. The Audit Committee jointly considers the internal audit report with the independent internal auditor and provides suggestions necessary for improvement of operating policies of the internal auditor and also the internal control system of the Company. The Audit Committee holds at least 4 meetings a year and prepares the Report of the Audit Committee to submit to the Board of Directors for consideration to be disclosed in the annual report.

11.3 Chief Internal Audit and Chief Compliance Officer of the Company

At the Audit Committee's meeting No. 1/2559 on 24 February 2016, the Company appointed DIA and Associates Co., Ltd. by Mr. Apinan Sripramoj as the Company's internal auditor, mainly responsible for internal audit of the Company for the year 2016. DIA and Associates Co., Ltd.—approved by the Office of the Securities and Exchange Commission—has more than 20 years of experience in internal audit for businesses/industries.

Considering the qualifications of DIA and Associates Co., Ltd., the Audit Committee viewed that the DIA and Associates Co., Ltd. was sufficiently suitable to perform internal audit for the Company since it is independent and experienced in internal audit for many companies listed on the Stock Exchange of Thailand.

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 Chord. 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 length) and identifying the need and reason.

The related transactions of the Company and its subsidiaries with related companies during the year 2016-2015 as follows.

- Items related to the subsidiary companies

Related person	Relationship	Type	Consolidated (Thousand Bath)		Separate (Thousand Bath)		Nature of transaction	Pricing policy
			2016	2015	2016	2015		
Metric Public Company Limited	Associated that the Company holds 32.65 percent	Revenue from sale	25,426	20,224	25,426	20,224	The sale of steel products	Market Price
		Trade receivables	31,601	13,205	31,601	13,205	Trade receivables	Market Price
		Other purchase – construction	6,173	158,081	6,173	158,081	The plant construction at Chiang Rak Noi	Contract price
		Construction payable	16,720	2,329	16,720	2,329	Payables for plant construction	Contract price
		Creditors Retention	1,978	10,043	1,978	10,043	Guarantee the construction of the plant	Negotiated price
		Other service expense	114	-	114	-	Overtime pay	
		Other receivables	11	-	11	-	Overtime debtors	
		Construction deposit	9,753	-	9,753	-	Deposit for construction	
		Advance received	2,585	-	2,585	-	Advance received for goods	
IGEN Engineering Co., Ltd. (Formerly "Zentra - Watung Engineering Co., Ltd.")	Invested company's associate	Purchase of machinery	-	18,750	-	18,750	Purchase of machinery	market price
		Other payable	80	-	80	225	Warranty repair machine	
		Other service expense	492	225	492	-	Wiring fee	Negotiated price
Mill Con Steel Public Company Limited	Joint ventures	Revenue from sales	1,750	126,397	1,750	-	Sale of prestressed pile products, steel	market price
		Trade accounts receivable	1,873	248	1,873	248	Steel Products Debtors	market price
		Buy raw materials	112,926	115,181	112,926	111,113	Buy rebar and deformed iron	market price
		Deposit and Others	25,200	-	25,200	-	Deposit for goods	
		Purchase of assets	-	1,277,500	-	1,277,500	Purchase of assets (land)	Appraisal Value
		Trade accounts payables	6,247	-	6,247	-	Trade accounts payables	
		Other payable	42	-	42	-	Other payable	
Mill Con Steel Pipe Company Limited	Invested company's subsidiary	Revenue from sales	-	43,827	-	-	Selling steel products.	market price
		Purchase of raw materials	5,542	-	5,542	-	Buy rebar and deformed iron	
		Trade accounts payables	1,352	-	1,352	-	Trade accounts payables	
Suntech Metals Company Limited	Invested company's subsidiary	Purchase of raw materials	3,431	940	3,431	61,180	Buy rebar and deformed iron	market price
		Trade accounts payables	339	-	339	-	Deposit for the purchase of rebar and deformed iron.	
		Interest income	-	30	-	552	Promissory notes payable on demand.	3 percent p.a.
Seven Wire Company Limited	Subsidiaries, holds 99.99 percent.	Rent	-	-	1,250	-	Land rental income	market price
		Other fees	-	-	1,458	-	Management fee	Negotiated price
		Interest income	-	-	149	-	Interest	MLR -0.50 percent p.a.
		Interest expense	-	-	2,440	-	Interest	MLR -0.50 percent p.a.
		Other receivables	-	-	1,357	56	Other receivables (land rental, book value, advance payment)	
		Loans and accrued interest	-	-	261,940	-	Loans and accrued interest	

Related person	Relationship	Type	Consolidated (Thousand Baht)		Separate (Thousand Baht)		Nature of transaction	Pricing policy
			2016	2015	2016	2015		
General Engineering Mauritius Limited	Subsidiaries, holds 100 per cent.	Deposits and more	547	-	547	79	Advances to establish a company	
Milicon Thiha Limited	Invested company's subsidiary	Buy raw materials	5,157	2,875	5,157	2,875	Sales of special cement products, reinforced concrete in the beech type, glass fiber reinforced concrete.	market price
		Trade accounts payables	5,218	2,685	5,218	2,685	Trade accounts receivable	
Saharum Construction Materials Co., Ltd.	Invested company's subsidiary	Transportation	4,297	2,507	4,297	2,507	Buy rebar and deformed iron	market price
		Trade accounts payables	197	575	197	575	Trade accounts payables	
Complete Transport Co., Ltd.	Invested company's associate	Transportation	1,542	-	1,542	-	Transportation	market price
		Trade accounts payables	676	-	676	-	Car rental	
Million Miles Co., Ltd.	The subsidy which deals with the undertaking that is invested by the company.	Transportation	-	871	-	871	Transportation	Negotiated price
		Rental Expense	-	19	-	19	Car rental	
Kobelco Milicon Steel Company Limited (Formerly "Milicon Special Steel Company Limited")	Related company of invested company	Purchase of raw materials	1,759	1,759		1,759	Buy rebar and deformed iron	market price
		Trade accounts payables		1,882		1,882	Trade accounts payables	
IBCI – Mctric Joint Venture	Associate's joint venture	Revenue from the sale		4		4	Sell Concrete Products	market price
World Wire Processing Company Limited	Invested company's subsidiary	Asset purchase interest	-	-	-	6,250	Buy land used as factory	Appraisal Value
		rent	1			4,969	Short-term loans are financial assistance by issuing promissory notes.	Interest at 3% per annum Monthly Baht
		Service revenue	-	-		247	The land rental is 2-3-88 rai as lease payable.	30,888 per contract per year. Monthly fee is
						90	It is a payroll, accounting work and so on. Of subsidiaries	10,000 baht per contract per year
Mill Con Burapa Co., Ltd.	Invested company's subsidiary	Revenue from the sale	-	166,650	-	-	Sell scrap	market price
		Purchase of raw materials		64,102		-	Buy steel	market price

Note: related transactions are disclosed in the notes of the financial statements in Article 7 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

1) Financial Statements

Summary of Audit Report

Year 2016

Opinion

In the Report of Independent Auditor for the financial statements of year 2016, Mr. Somckid Tiatragul, Certified Public Accountant No. 2785, from Grant Thornton Company Limited, the auditor, stated his unqualified opinion that the consolidated financial statements and the separate financial statements, including the statements of financial position as at 31 December 2016, the statements of income and the statements of comprehensive income, the statements of changes in shareholders' equity and the statements of cash flows for the year then ended, as well as the notes on summary of significant accounting policies and other explanatory information of the Company and its subsidiaries, were fairly presented in all material respects according to the generally accepted accounting standards.

Significant Matters from Audit

Impairment of Investments in Joint Venture

The Company has invested in a joint venture registered in Singapore in the amount of 174 million Baht, accounting for 3% of the total assets, which is significant to the Company's consolidated financial statements and the separate financial statements. The joint venture has investments in a subsidiary registered in the Republic of the Union of Myanmar. The Company has not received any returns from such amount of investments because the subsidiary that the joint venture has invested in has just started the operations and still has loss from operations, leading to impairment of assets. As a consequence, the Company is required to test the impairment of assets in accordance with the financial reporting standards. The process for assessment of asset impairment is complicated and needs the judgment of the management. It depends on several assumptions, especially the assumptions on determination of the net cash inflow in the future and the discount rate affected by the economic conditions and marketing situation in the future, particularly in Singapore and the Republic of the Union of Myanmar.

Audit Summary

The auditor took into account the criteria the management used to consider that there was no impairment of investments, and tested the calculation of future returns at the discount rate in order to compare with the present value of investments. The auditor reviewed the rationale of the assumptions and the methods used by the management, especially forecast of the growth of income and gross profits of the subsidiary invested by the joint venture, and gave importance to adequate disclosure of information of such subsidiary.

Other Information

The management is responsible for other information in the annual report, but not including the financial statements of the Company and the Report of Independent Auditor therein. The management anticipated that the annual report would be prepared for my review after the date in the Report of Independent Auditor.

The auditor's opinion about the consolidated financial statements and the separate financial statements does not cover other information and I do not give assurance about other information.

After reviewing the annual report, if any material misstatement is found, the auditor shall inform it to the responsible person of the Company for further correcting such misstatement.

Year 2015

- In the Report of Independent Auditor for the financial statements of year 2015, Mr. Somckid Tiatragul, Certified Public Accountant No. 2785, from Grant Thornton Company Limited, the auditor, stated his unqualified opinion that the consolidated financial statements and the separate financial statements, including the statements of financial position as at 31 December 2015, the statements of income and the statements of comprehensive income, the statements of changes in shareholders' equity and the statements of cash flows for the year then ended, as well as the notes on summary of significant accounting policies and other explanatory information of the Company and its subsidiaries, were fairly presented in all material respects according to the generally accepted accounting standards.

Year 2014

- In the Report of Independent Auditor for the financial statements of year 2014, Mr. Somckid Tiatragul, Certified Public Accountant No. 2785, from Grant Thornton Company Limited, the auditor, stated his unqualified opinion that the financial statements were fairly prepared in all material respects in accordance with the financial reporting standards as described in Notes 2, 3 and 4. These financial statements were prepared following the accounting standards under the Accounting Profession Act B.E. 2547 (2004) and the regulations of the Securities and Exchange Commission regarding preparation and presentation of financial report under the Securities and Exchange Act B.E. 2535 (1992), based on the historical cost convention except otherwise disclosed.

As aforementioned that the auditor stated his qualified opinion about the financial statements in 2013, in Quarter 3/2014 the Company arranged the evaluation of fair value by the independent evaluator. The Company considered the information and factors in the report of the independent evaluator and found no significant impact on the "goodwill account" recorded in report of the year 2013.

2) Summary Tables of Financial Statements

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31

(Unit : Thousand Baht)

	Consolidated F/S			Separate F/S		
	2016	2015	2014	2016	2015	2014
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	58,517	85,619	496,787	55,366	83,119	476,677
Fixed deposits	50,001	90,171	350,797	50,001	90,171	350,797
Trade accounts receivable-net	-	-	330,782	-	-	328,833
Trade accounts receivable-general customers-net	450,768	334,783	104,946	450,768	334,783	16,064
Trade accounts receivable - related companies	38,692	16,138	-	38,692	16,138	-
Deposit and others - related companies	25,211	-	-	27,115	135	7,476
Inventories - net	387,558	269,042	613,791	387,558	269,042	235,879
Other current assets	21,753	20,035	83,199	20,986	19,857	25,314
Total Current Assets	1,032,500	815,788	1,980,302	1,030,486	813,245	1,441,040
NON - CURRENT ASSETS						
Restricted deposits with banks	65,100	62,500	94,113	65,100	62,500	93,113
Retention receivables	45,361	45,564	-	45,361	45,564	-
Investments in subsidiaries	-	-	-	280,337	2,838	843,359
Investments in associated company and joint venture	389,393	404,162	385,783	363,294	363,294	363,293
Loans and accrued interest receivable -subsidiaries	-	-	-	-	-	234,362
Investments in available - for - sales securities	1,147,159	889,261	1,372,212	1,147,159	889,261	1,372,212
Property, plant and equipment – net	2,057,094	1,796,950	1,770,131	1,565,551	1,504,230	1,165,402
Goodwill-net	-	-	103,936	-	-	-
Deferred income tax assets	26,425	74,707	-	32,461	83,136	-
Deposit for machinery	6,784	-	-	-	-	-
Deposit for construction - related company	9,753	-	10,538	9,753	-	10,538
Assets not used in operations	-	-	8,697	-	-	7,797
Investment property	996,627	996,627	-	1,289,347	1,289,347	-
Income tax withheld at sources	12,083	5,715	3,677	12,083	5,715	2,297
Other non - current assets	32,219	28,805	63,746	32,218	28,805	61,707
Total Non - Current Assets	4,787,998	4,304,291	3,812,833	4,842,664	4,274,690	4,154,080
TOTAL ASSETS	5,820,498	5,120,079	5,793,135	5,873,150	5,087,935	5,595,120

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31

(Unit : Thousand Baht)

	Consolidated F/S			Separate F/S		
	2016	2015	2014	2016	2015	2014
LIABILITIES AND SHAREHOLDERS' EQUITY						
CURRENT LIABILITIES						
Short - term loan from financial institution	119,213	816	164,103	1,173	816	164,103
Trade accounts payable - general suppliers	305,285	172,462	312,032	305,285	172,462	170,336
Trade accounts payable - related companies	8,811	2,457	20,423	8,811	2,457	22,748
Other payables - related companies	2,100	10,268	1,387	2,100	10,268	1,418
Construction payable	-	-	11,585	-	-	11,585
Construction payable - related company	16,720	2,329	16,381	16,720	2,329	16,381
Accounts payable overseas - machinery	73,968	-	-	-	-	-
Current portion of liabilities under finance lease agreement	127	-	502	127	-	502
Current portion of long - term loans from financial institution	78,000	78,000	-	78,000	78,000	-
Current portion of liabilities under finance lease agreement - related company	-	4,314	-	-	-	-
Income Tax payable	-	-	22,561	-	-	22,561
Advances received - general customers	75,275	59,027	68,784	75,275	59,027	68,784
Advances received - related company	2,585	-	-	2,585	-	-
Other current liabilities	80,366	62,235	90,471	79,754	61,873	87,327
Total Current Liabilities	762,450	387,594	712,543	569,830	387,232	565,745
NON - CURRENT LIABILITIES						
Loan payable and accrued interest expense - subsidiary company	-	-	-	261,940	-	-
Liabilities under finance lease agreement - net	492	-	-	492	-	-
Long - term loans from financial institution - net	206,109	82,234	-	206,109	82,234	-
Employee benefits obligation	30,362	25,838	25,033	30,362	25,838	17,751
Deferred income tax liabilities	-	-	102,748	-	-	13,932
Other non - current liabilities	11	2,633	2,822	11	2,633	2,822
Total Non - Current Liabilities	236,974	110,705	130,603	498,914	110,705	34,505
TOTAL LIABILITIES	999,424	498,299	843,146	1,068,744	497,937	600,250

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31

(Unit : Thousand Baht)

	Consolidated F/S			Separate F/S		
	2016	2015	2014	2016	2015	2014
LIABILITIES AND SHAREHOLDERS' EQUITY						
(Continued)						
SHAREHOLDERS' EQUITY						
Share capital - Common shares						
- 6,890,064,215 shares 0.85 Baht in 2015 and 2016	5,856,555	5,856,555	6,380,070	5,856,555	5,856,555	6,380,070
- 7,505,964,239 shares 0.85 Baht in 2014						
Issued and fully paid-up share capital						
- 5,562,877,189 shares 0.85 Baht in 2015 and 2016	4,728,446	4,728,445	4,728,445	4,728,445	4,728,445	4,728,445
- 5,562,876,782 shares 0.85 Baht in 2014						
Surplus on capital reduction and issued new share capital	71,131	71,131	71,131	71,131	71,131	71,131
Retained earnings						
- Appropriated for legal reserve	13,600	8,600	6,500	13,600	8,600	6,500
- Appropriated for treasury shares	91,070	-	-	91,070	-	-
- Unappropriated	113,423	125,462	69,423	96,783	93,694	114,305
<u>Less</u> Treasury shares - Common shares (165,000,000 shares, Baht 0.55 par value)	(91,070)	-	-	(91,070)	-	-
Other components of shareholders' equity	(105,526)	(311,858)	74,489	(105,553)	(311,872)	74,489
Equity attributable to the Company's shareholders - net	4,821,074	4,621,780	4,949,988	4,804,406	4,589,998	4,994,870
Non - controlling interests	-	-	1	-	-	-
Total Shareholders' Equity	4,821,074	4,621,780	4,949,989	4,804,406	4,589,998	4,994,870
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	5,820,498	5,120,079	5,793,135	5,873,150	5,087,935	5,595,120

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

(Unit : Thousand Baht)

	Consolidated F/S			Separate F/S		
	2016	2015	2014	2016	2015	2014
REVENUES						
Revenues from sales	1,585,605	1,982,708	3,258,886	1,585,605	1,292,148	1,518,451
Other income	23,824	46,224	49,216	25,272	36,242	43,478
Gain on revaluation of temporary investment	-	-	29,573	-	-	29,573
Gain on disposal of investment in subsidiaries	-	352,407	-	-	-	-
Gain on disposal of investment in associated company	-	-	19,365	-	-	32,060
Dividend income	68,271	-	10,071	87,863	1,814	10,071
Share of profit from investments in associated company and joint venture	4,823	20,672	25,243	-	-	-
Interest income	2,692	10,468	23,470	2,832	15,931	44,104
Gain on disposal of tempory investment	-	-	13,541	-	-	13,541
Total Revenues	1,685,215	2,412,479	3,429,365	1,701,572	1,346,135	1,691,278
EXPENSESE						
Costs of Sales	1,314,831	1,825,636	2,907,133	1,314,831	1,047,237	1,163,678
Selling expenses	8,987	11,443	18,970	8,987	7,925	13,389
Administrative expenses	236,186	250,290	223,444	232,584	186,007	174,481
Provision for devaluation on inventories	-	176,386	-	-	-	-
Loss on disposal of investments in subsidiaries	-	-	-	-	36,346	20,000
Loss from impairment of goodwill	-	-	20,000	-	-	-
Management benefit expenses	25,053	21,129	14,410	25,052	20,748	13,690
Total Expenses	1,585,057	2,284,884	3,183,957	1,581,454	1,298,263	1,385,238
Profit before Finance costs and income tax	100,158	127,595	245,408	120,118	47,872	306,040
Finance costs	(17,576)	(4,939)	(1,925)	(20,016)	(3,977)	(1,511)
Income tax benefit (expense)	1,450	(3,948)	(57,774)	(942)	(2,317)	(60,254)
Profit for the year	84,032	118,708	185,709	99,160	41,578	244,275
Other comprehensive income for the year						
Unrealized gain (loss) on valuation of available - for sales securities - net of tax	206,318	(386,360)	74,358	206,318	(386,360)	74,358
Translation adjustments for foreign currency financial statements	13	14	-	-	-	-
Actuarial loss - net of tax	-	(4,943)	-	-	(4,464)	-
Total comprehensive income for the year	290,363	(272,581)	260,067	305,478	(349,246)	318,633

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

(Unit : Thousand Baht)

	Consolidated F/S			Separate F/S		
	2016	2015	2014	2016	2015	2014
Attribution of income for the year :						
Portion of the Company's shareholders	84,032	118,708	185,709	99,160	41,578	244,275
Portion of non-controlling interests in subsidiary	-	-	-	-	-	-
	84,032	118,708	185,709	99,160	41,578	244,275
Attribution of comprehensive income for the year :						
Portion of the Company's shareholders	290,363	(272,581)	260,067	305,478	(349,246)	318,633
Portion of non-controlling interests in subsidiary	-	-	-	-	-	-
	290,363	(272,581)	260,067	305,478	(349,246)	318,633
Basic earnings per share						
Profit (Baht per share)	0.02	0.02	0.04	0.02	0.01	0.05

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2016, 2015 AND 2014

(Unit : Thousand Baht)

Consolidated F/S	Equity attributable to the Company's shareholders												Other components of shareholders' equity				Total
	Issued and paid-up share capital	Premium on share capital	Discount on share capital	Capital surplus on share reduction and issued new share capital	Retained earnings			Treasury shares - Common shares	Unrealized gain (loss) on valuation of available - for sales securities	Translation adjustments for foreign currency financial statements	Total	Total Equity attributable to the Company's shareholders	Non - controlling interests				
					Legal reserve	Appropriatd for treasury shares	Unappropri- ated										
Balance as at 1 January 2014	112,433,073	31,729	(108,663,577)	-	-	-	(109,786)	-	131	-	131	3,691,570	1	3,691,571			
Increase in share capital	54,453,230	-	(53,454,879)	-	-	-	-	-	-	-	-	998,351	-	998,351			
Capital reduction	(162,157,858)	(31,729)	162,118,456	71,131	-	-	-	-	-	-	-	-	-	-			
Legal Reserve	-	-	-	-	6,500	-	(6,500)	-	-	-	-	-	-	-			
Comprehensive income for the year	-	-	-	-	-	-	185,709	-	74,358	-	74,358	260,067	-	260,067			
Balance as at 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 at 1 January 2015	4,728,445	-	-	71,131	6,500	-	69,423	-	74,489	-	74,489	4,949,988	1	4,949,989			
Dividend payment	-	-	-	-	-	-	(55,626)	-	-	-	-	(55,626)	-	(55,626)			
Appropriation of legal reserve	-	-	-	-	2,100	-	(2,100)	-	-	-	-	-	-	-			
Disposal of investment in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(1)	(1)			
Comprehensive income for the year	-	-	-	-	-	-	113,765	-	(386,360)	14	(386,346)	(272,581)	-	(272,581)			
Balance as at 31 December 2015	4,728,445	-	-	71,131	8,600	-	125,462	-	(311,871)	14	(311,857)	4,621,781	-	4,621,781			

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2016, 2015 AND 2014

(Unit : Thousand Baht)

Consolidated F/S	Equity attributable to the Company's shareholders											Other components of shareholders' equity				Total Equity attributable to the Company's shareholders	Non - controlling interests	Total
	Issued and paid-up share capital	Premium on share capital	Discount on share capital	Capital surplus on share reduction and issued new share capital	Retained earnings			Treasury shares - Common shares	Unrealized gain (loss) on valuation of available - for sales securities	Translation adjustments for foreign currency financial statements	Total							
					Legal reserve	Appropriated for treasury shares	Unappropriated											
Balance as at 1 January 2016	4,728,445	-	-	71,131	8,600	-	125,462	-	(311,871)	14	(311,857)	4,821,781	-	4,821,781				
Appropriated for treasury shares	-	-	-	-	-	91,070	(91,070)	-	-	-	-	-	-	-				
Appropriation of legal reserve	-	-	-	-	5,000	-	(5,000)	-	-	-	-	-	-	-				
Repurchase of treasury shares - Common shares	-	-	-	-	-	-	-	(91,070)	-	-	-	(91,070)	-	(91,070)				
Comprehensive income for the year	-	-	-	-	-	-	84,032	-	206,318	13	206,331	290,363	-	290,363				
Balance as at 31 December 2016	4,728,445	-	-	71,131	13,600	91,070	113,424	(91,070)	(105,553)	27	(105,526)	4,821,074	-	4,821,074				

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2016, 2015 AND 2014

(Unit : Thousand Baht)

Separate F/S	Issued and paid-up share capital	Premium on share capital	Discount on share capital	Capital surplus on share reduction and issued new share capital	Retained earnings		Treasury shares - Common shares	Other components of shareholders' equity	
					Legal reserve	Appropriated for treasury shares		Unrealized gain (loss) on valuation of available-for-sale securities	Total
Balance as at 1 January 2014	112,433,073	31,729	(108,663,577)	-	-	-	(123,470)	131	3,677,886
Increase in share capital	54,453,230	-	(53,454,879)	-	-	-	-	-	998,351
Capital reduction	(162,157,858)	(31,729)	162,118,456	71,131	-	-	-	-	-
Legal Reserve	-	-	-	-	6,500	-	(6,500)	-	-
Comprehensive income for the year	-	-	-	-	-	-	244,275	74,358	318,633
Balance as at 31 December 2014	4,728,445	-	-	71,131	6,500	-	114,305	74,489	4,994,870
Balance as at 1 January 2015	4,728,445	-	-	71,131	6,500	-	114,305	74,489	4,994,870
Dividend payment	-	-	-	-	-	-	(55,626)	-	(55,626)
Appropriation of legal reserve	-	-	-	-	2,100	-	(2,100)	-	-
Comprehensive income for the year	-	-	-	-	-	-	37,114	(386,361)	(349,246)
Balance as at 31 December 2015	4,728,445	-	-	71,131	8,600	-	93,694	(311,872)	4,589,998
Balance as at 1 January 2016	4,728,445	-	-	71,131	8,600	-	93,694	(311,872)	4,589,998
Appropriated for treasury shares	-	-	-	-	-	91,070	(91,070)	-	-
Appropriation of legal reserve	-	-	-	-	5,000	-	(5,000)	-	-
Repurchase of treasury shares - Common shares	-	-	-	-	-	-	(91,070)	-	(91,070)
Comprehensive income for the year	-	-	-	-	-	-	99,160	206,318	305,478
Balance as at 31 December 2016	4,728,445	-	-	71,131	13,600	91,070	96,784	(105,554)	4,804,406

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

(Unit : Thousand Baht)

	Consolidated F/S			Separate F/S		
	2016	2015	2014	2016	2015	2014
Cash flows from operating activities						
Profit before income tax Update by	82,582	122,657	243,484	100,102	43,895	304,529
Depreciation	49,238	45,437	48,531	49,237	29,237	18,291
Unrealized gain on exchange rate	(174)	-	(3,549)	(165)	-	(3,549)
Share of gain from investments in associated company and joint venture	(4,823)	(20,672)	(25,243)	-	-	-
Gain on disposal of investment in associated company	-	-	(19,365)	-	-	(32,060)
Withholding tax written - off	-	232	-	-	-	-
Dividend income	(68,271)	-	(10,071)	(87,863)	(1,814)	(10,071)
Loss (gain) on disposal of investments in subsidiaries	-	(352,407)	-	-	36,345	-
Gain on disposal of temporary investmet	-	-	(13,541)	-	-	(13,541)
Loss (gain) on revaluation of temporary investment	-	1	(29,573)	-	1	(29,573)
Provision (reversal of allowance) for doubtful accounts	5,683	(37,056)	(15,367)	5,683	(48,978)	(11,109)
Allowance (reversal of allowance) for defective inventories	-	176,386	-	-	(372)	-
Loss from impairment of investmet in subsidiaries	-	-	-	-	-	20,000
Loss from impairment of goodwill	-	-	20,000	-	-	-
Gain on disposal of fixed assets	-	(2,859)	(6,813)	-	-	(308)
Provision for damage	-	-	1,476	-	-	1,476
Provisions for employee benefits obligation	4,771	3,570	3,602	4,771	2,709	2,511
Interest income	(2,692)	(10,468)	(23,470)	(2,832)	(15,931)	(44,104)
Interest expense	17,577	4,939	1,925	20,017	3,977	1,511
Cash flows provided from (used in) operations before changes in operating Assets and Liabilities	83,891	(70,240)	172,026	88,950	49,069	204,003
Decrease (Increase) in operating assets						
Trade accounts receivable - general customers - net	(121,636)	22,331	293,019	(121,636)	(2,299)	34,544
Trade accounts receivable - related companies	(22,554)	37,998	(96,243)	(22,554)	2,611	(7,361)
Deposit and others - related companies	(25,211)	-	-	(26,980)	7,341	(7,465)
Inventories	(118,515)	21,663	(358,892)	(118,515)	(32,791)	(72,098)
Other current assets	(1,862)	(23,164)	(11,790)	(1,272)	5,636	(5,424)
Retention receivables	203	(2,924)	-	203	(2,924)	-
Other non - current assets	(3,412)	49,051	57,163	(3,412)	49,118	61,216

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

(Unit : Thousand Baht)

	Consolidated F/S			Separate F/S		
	2016	2015	2014	2016	2015	2014
Increase (Decrease) in operating liabilities						
Trade accounts payable - general suppliers	134,836	(17,462)	(794)	134,836	2,701	1,466
Trade accounts payable - related companies	6,355	(9,433)	20,423	4,341	(20,866)	22,748
Employee retirement benefits obligation	(963)	(1,153)	(3,079)	(963)	(919)	(1,013)
Other payable - related companies	(8,168)	8,881	1,387	(8,168)	8,850	1,387
Construction payable	-	-	11,585	-	-	11,585
Construction payable-related company	-	-	16,381	-	-	16,381
Advances received - general customers	16,248	(9,757)	29,986	16,248	(9,757)	29,986
Advances received - related companies	2,585	-	-	2,585	-	-
Other current liabilities	18,308	12,723	(8,410)	18,057	(25,454)	8,443
Other non - current liabilities	(2,623)	(189)	32	(2,623)	(189)	32
Cash provided from (used in) operations	(44,532)	18,325	122,794	(40,903)	30,127	298,430
Refunded income tax		-	1,124		-	1,124
Interest payment	(17,038)	(3,985)	(1,771)	(17,038)	(3,260)	(883)
Income tax payment	(8,215)	(43,864)	(31,514)	(8,214)	(43,836)	(31,378)
Net cash used in operating activities	(69,785)	(29,524)	90,633	(66,155)	(16,969)	267,293
Cash flows from investing activities						
Decrease (increase) in restricted deposits with banks	(2,600)	3,613	(23,349)	(2,600)	30,613	(24,397)
Decrease in fixed deposits	40,170	260,625	499,204	40,170	260,625	499,204
Increase in loans to subsidiaries	-	-	-	-	(45,000)	(126,000)
Receipt of repayment from loan to related companies	-	40,000	-	-	40,910	375,425
Received from disposal of tempory investment	-	-	371,047	-	-	371,047
Purchase of investment in associated companies	-	-	(1,633)	-	-	(1,633)
Proceed from disposal of investment in associated company	-	-	137,060	-	-	137,060
Paid for investments in joint venture	-	(1)	(177,660)	-	(1)	(177,660)
Purchase of investment in available-for-sales securities	-	-	(1,279,101)	-	-	(1,279,101)
Cash paid for exercise warrants	-	-	(213,572)	-	-	(213,572)
Paid for investment in subsidiary company	-	-	-	(277,500)	(2,837)	(390,000)
Paid for deposit for machinery –related companies	-	-	(5,038)	-	-	(10,538)
Paid for deposit for machineriess	(6,784)	-	-	-	-	-

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

(Unit : Thousand Baht)

	Consolidated F/S			Separate F/S		
	2016	2015	2014	2016	2015	2014
Paid for deposit for construction - related company	(9,753)	-	-	(9,753)	-	-
Purchases of fixed assets	(181,551)	(646,510)	(773,366)	(95,480)	(634,694)	(770,242)
Dividend received	87,863	1,814	28,012	87,863	1,814	28,012
Proceeds from sales of fixed assets		7,588	7,243		7,588	738
Interest received	2,832	12,749	27,379	2,973	23,574	46,459
Net cash used in investing activities	(69,823)	(320,122)	(1,403,774)	(254,327)	(317,408)	(1,535,198)
Cash flows from financing activities						
Increase (decrease) in short - term loan from financial institution	79,754	(3,053)	167,652	491	(3,053)	167,652
Repayments of long - term loans from financial institutions	(84,500)	-	-	(84,500)	-	-
Proceeds from long - term loans from financial institutions	208,375	-	-	208,375	-	-
Proceeds from loans from subsidiary	-	-	-	259,500	-	-
Proceeds from share capital increase		-	998,351	-	-	998,350
Repayments of liabilities under finance lease agreement	(67)	(2,858)	(3,393)	(68)	(503)	(2,026)
Cash dividend payment	-	(55,626)	-	-	(55,626)	-
Purchase of treasury shares - common shares	(91,069)	-	-	(91,069)	-	-
Net cash provided from (used in) financing activities	112,493	(61,537)	1,162,610	292,729	(59,182)	1,163,976
Translation adjustments for foreign currency financial statements	13	15	-	-	-	-
Net decrease in cash and cash equivalents	(27,102)	(411,168)	(150,531)	(27,753)	(393,559)	(103,929)
Cash and cash equivalents at beginning of year	85,619	496,787	647,318	83,119	476,677	580,606
Cash and cash equivalents at end of year	58,517	85,619	496,787	55,366	83,118	476,677
Supplemental disclosures for cash flows information						
Non - cash items :						
- Oversea payable for purchase of machinery	73,968	-	-	-	-	-
- Purchase of assets under finance lease agreements	687	-	8,080	687	-	-
- Unrealized gain (loss) on available - for sales securities	257,898	(482,951)	93,111	257,898	(482,951)	93,111
- Purchase of machineries under trust receipt agreement	38,787	-	-	-	-	-
- Construction payable - related company	14,391	-	-	14,391	-	-

Summary of Key Financial Ratios

As of 31 December

	Unit	Consolidated Financial Statement			Separate Financial Staement		
		2016	2015	2014	2016	2015	2014
Liquidity ratio							
Liquidity ratio	time(s)	1.41	2.22	2.78	1.89	2.22	2.55
Quick liquidity ratio	time(s)	0.88	1.48	1.80	1.17	1.47	2.09
Account receivable turnover	time(s)	3.41	4.76	6.19	3.41	3.49	4.30
Average collection period	day(s)	107.04	76.68	58.97	107.04	104.58	84.88
Inventory turnover	time(s)	4.00	4.14	6.69	4.00	4.15	5.82
Average sale period	day(s)	91.25	88.16	54.56	91.25	87.95	62.71
Trade receivable turnover	time(s)	5.38	7.20	9.01	5.38	5.69	6.43
Average payment period	day(s)	67.84	50.69	40.51	67.84	64.15	56.77
Cash cycle	day(s)	130.45	114.15	73.02	130.45	128.38	90.82
Profitability Ratio							
Gross profit margin	%	17.08	7.92	10.79	17.08	18.95	23.36
Operating profit margin	%	4.90	5.14	0.07	6.31	3.40	0.20
Net profit margin	%	4.98	4.92	5.42	5.83	3.09	14.44
Return On Equity (ROE)	%	1.78	2.48	4.30	2.11	0.87	5.63
Efficiency Ratio							
Return on assets	%	1.77	1.89	3.23	2.17	0.85	5.13
Return on fixed assets	%	4.34	6.46	18.99	5.29	3.69	40.88
Assets Turnover	time(s)	0.31	0.44	0.68	0.31	0.25	0.35
Leverage Ratio or Financial Ratio							
Debt/Equity Ratio	time(s)	0.21	0.11	0.17	0.22	0.11	0.12
Interest Coverage	time(s)	5.70	25.83	127.47	6.00	12.04	202.59
Per Share Data							
Book Value	Baht	0.87	0.83	0.89	0.86	0.83	0.90
Profit (Loss) per Share	Baht	0.02	0.02	0.03	0.02	0.01	0.04

14. Management Discussion and Analysis (MD&A)

14.1 Overview of Business Operations and Significant Changes

In 2016 the Company saw the increase in sales values and volumes but at lower prices. Moreover, the precast concrete slab (specialty product) factory was in the process of expanding its production capacity, and thus could not manufacture concrete slabs at full capacity. Consequently, the Company's production costs were higher and the operating results did not reach the target. Nonetheless, the Company has continued its business expansion plan through increase in production capacity of pre-stressed concrete piles to satisfy the growing demand of customers; and construction of a factory for manufacturing and distributing PC wires with an aim to extend its businesses to upstream industry. In addition, these products are a part of materials mainly used in the Company's business, thus decreasing its production costs.

Owing to the fierce competition in construction material industry and decrease in selling prices, the Company focuses on reduction of the production costs by seeking new and cheaper sources of raw materials, control of production efficiency and minimization of defective products. Besides, the management always lays stress on the development of personnel's knowledge and capabilities as they consider the importance of personnel that contribute to the Company's success in achieving its business targets in order to become Thailand's leader in the construction material production and distribution industry.

Significant Changes

- In Seven Wire Co., Ltd.'s extraordinary general meeting of shareholders No. 2/2559 on 1 November 2016, the meeting reached the resolution to increase the capital by 2,700,000 shares at a par value of 100 Baht, amounting to 270 million Baht. The Company invested wholly in the additional capital of the subsidiary. On 4 November 2016, the subsidiary requested for payment of the capital-increase shares and "the remaining unpaid shares in the amount of 7.50 million Baht, totaling 277.5 million Baht"
- In 2016, the Company received the dividends from the associate companies and from investments in available-for-sale securities as follows.
 - The Company received the dividends from investments in available-for-sale securities. The dividends were divided into two parts as follows.
 - 1) Dividends of 0.21 Baht per share from preferred shares, amounting to 53.81 million Baht, received on 8 April 2016
 - 2) Dividends of 0.02 Baht per share from common shares, amounting to 14.46 million Baht, received on 27 May 2016
 - In 2016, the Company received the dividends of 0.20 Baht per shares from associate companies, amounting to 19.59 million Baht on 17 May 2016.

- The Board of Directors' meeting No. 9/2558 on 22 December 2015 reached the resolution to approve repurchase of treasury stocks in an amount of not exceeding 100 million Baht or not exceeding 180,000,000 shares. Until the end date of the share repurchase scheme (7 July 2016), the Company purchased back totally 165,000,000 shares, amounting to 91.07 million Baht, equaling 2.97% of the paid-up capital. The Board of Directors' meeting No.1/2560 on 17 January 2017 approved the resale of the repurchased treasury stocks during 1-15 February 2017 at the price of not less than 0.60 Baht per share. In case that, at the end of the resale period, the Company did not resell or was not able to resell the repurchased stocks, the Company would decrease its paid-up registered capital by writing off such entire repurchased shares. On 27 February 2017, the Company registered decrease in its paid-up capital with the Department of Business Development since it did not resell the repurchased shares.
- The Board of Directors' meeting No. 6/2559 on 9 June 2016 passed the resolution to approve the investment in the amount of 280 million Baht in the construction of a factory to expand the production capacity of pre-stressed concrete piles.

Operating Results

As for the operating results of the Company and its subsidiaries as at 31 December 2016, the consolidated financial statements revealed the net profit of 84.03 million Baht, decreasing by 34.68 million Baht or 29.21% when compared with the net profit of 118.71 million Baht of the previous year. Details are described below.

1. Gross profit

Table of gross profit from financial statement

(Unit: Thousand Baht)

	2016	2015	Increase (decrease)	Percentage
Revenues from sales	1,585,605	1,982,708	(397,103)	(20.03)
Less Costs of sales	1,314,830	1,825,636	(510,806)	(27.98)
Gross profit	270,775	157,072	113,703	72.39

(1) Revenue from Sales

In 2016, the Company and its subsidiaries earned a total revenue from sales in the amount of 1,585.61 million Baht, decreasing by 397.10 million Baht from the same period of the previous year. In 2015, the consolidated financial statements recorded the disposal of investments in the subsidiaries on 21 September 2015 in the amount of 690.56 million Baht as the revenue from sales. Therefore, the revenue from sales in 2016 was lower.

In 2016, the Company could deliver more concrete products, resulting in the increase in revenue from sales by 293.46 million Baht when compared with the same period of the preceding year.

(2) Cost of Sales

The Company and its subsidiaries had a total cost of sales in the amount of 1,314.83 million Baht, declining by 510.81 million Baht from the same period of the previous year. In 2015, the consolidated financial statements recorded the cost of sales from disposal of investments in the subsidiaries on 21 September 2015 in the amount of 778.40 million Baht, resulting in decrease in the cost of sales in 2016.

In 2016, the cost of sales of the Company increased by 267.59 million Baht. Its sales volumes and sales values were higher, but the unit price was lower than the same period of the previous year, thus increasing the cost of sales. In this year, the cost of small concrete piles was higher whereas the sales values of some products were lower by more than 54%. Besides, the cost of sales increased due to the fixed expenses on the factory employees while the factory could not yet operate at full capacity.

(3) Gross Profit

The Company and its subsidiaries had a total gross profit of 270.77 million Baht, increasing by 113.70 million Baht from the same period of the previous year. In 2015, the consolidated financial statements recorded the gross loss from disposal of investments in the subsidiaries on 21 September 2015 in the amount of 87.84 million Baht. Since no gross loss was recorded in 2016, the gross profit therefore increased.

The Company had a decline in gross profit which did not correspond to the increased sales. This was because the products were offered at lower unit price to survive in the intensified competition. The cost of sales was higher when compared with the selling price.

2. Other Revenues ¶

In 2016, other revenues amounted to 99.60 million Baht, reducing by 330.16 million Baht from 429.77 million Baht in 2015. Details are described below.

Other revenues (Unit: Thousand Baht)	Consolidated Financial Statement		
	2016	2015	Increase (decrease)
1. Dividend income	68,271	-	68,271
2. Share of profit from investments in associated company and joint venture	4,823	20,672	(15,849)
3. Gain on disposal of investment in subsidiaries	-	352,407	(352,407)
4. Interest income	2,691	10,468	(7,777)
5. Other income	23,824	46,225	(22,401)
Total	99,609	429,772	(330,163)

A. Dividend Income

In the consolidated financial statements of the Company, the recognized dividend income from investments in available-for-sale securities was 68.27 million Baht. (In the separate financial statements, the total dividend income was 87.86 million Baht, of which 68.27 million Baht from investments in available-for-sale securities and 19.59 million Baht from associate companies.) The consolidated financial statement did not include these connected transactions since the dividends from associate companies were already recognized as income from investment in associate companies.

B. Income from Investments in Associate Companies and Joint Venture

In the consolidated financial statements for 2016, the Company recognized the income from investments in its associate company—Mctric Plc.—in the amount of 7.63 million Baht, and recognized the loss of 2.81 million Baht from the company investing in Wisdom Tree Investment (S) PTE. Limited which is the joint venture. In 2015, the Company recognized the income from investments in the amount of 21.95 million Baht and the loss of 1.28 million Baht.

C. Gain on Disposal of Investments in Subsidiaries

On 21 September 2015, the Company sold its common shares in World Wire Processing Co., Ltd. and Suntech Metals Co., Ltd. in a total amount of 807 million Baht to a related company and had the gain from disposal of investments in the amount of 352 million Baht.

3. Expenses

In 2016, the Company had expenses of 287.80 million Baht in total, reducing by 176.38 million Baht from 464.18 million Baht in 2015. Details are described below.

Selling and Administrative Expenses (Unit : Thousand Baht)	Consolidated Financial Statement		
	2016	2015	Increase (decrease)
1. Selling expenses	8,987	11,443	(2,456)
2. Administrative expenses	236,186	250,290	(14,104)
3. Provision for devaluation on inventories	-	176,386	(176,386)
4. Management benefit expenses	25,053	21,129	3,924
5. Finance costs	17,577	4,939	12,638
Total	287,803	464,187	(176,384)

A. Selling and Administrative Expenses

The total selling and administrative expenses of the Company and its subsidiaries amounted to 245.18 million Baht, decreasing by 16.55 million Baht from the previous year. The employee expenses, including salaries, overtime payments, pensions, and social security contributions, were higher because of the increased number of personnel to support the business expansion, resulting in the Company's additional

expenses in the amount of 42.36 million Baht. The selling and administrative expenses of the subsidiaries were recorded at 3.61 million Baht.

The consolidated financial statements for 2015 recorded the amount of 67.80 million Baht as the selling and administrative expenses of the subsidiaries in which the investments were disposed of on 21 September 2015. Therefore, the total selling and administrative expenses for 2016 were slightly lower than last year.

B. Allowance of Impairment of Inventories

In 2015, the subsidiaries in which the investments were disposed of on 21 September 2015 recognized the allowance of impairment of inventories from market value, resulting in loss of 176 million Baht.

C. Financial Cost

The Company and its subsidiaries had a total financial cost of 17.58 million Baht from borrowing from a financial institution, causing the financial cost to increase by 12.64 million Baht from the same period of the preceding year.

4. Net Profit (Loss)

For the operating results of the Company and its subsidiaries for the year 2015, the consolidated financial statements recorded the net profit in the amount of 84.03 million Baht whereas the net profit in the same period of the previous year was 118.71 million Baht, decreasing by 34.68 million Baht or 29.21%. Details are narrated below.

Unit: Million Baht	2016	2015	Increase (decrease)
Revenues from sales	1,585.60	1,982.71	(397.11)
Costs of sales	(1,314.83)	(1,825.64)	(510.81)
Gross profit	270.77	157.07	113.70
Other income	99.61	429.77	(330.16)
Selling and Administrative expenses	(270.23)	(282.85)	(12.62)
Provision for devaluation on inventories	-	(176.39)	(176.39)
Finance costs	(17.57)	(4.94)	12.63
Income tax benefit (expense)	1.45	(3.95)	(5.40)
Net Profit	84.03	118.71	(34.68)

Financial statement

(Unit: Thousand Baht)

Item	31 December 2016	31 December 2015	Increase (Decrease)	%
TOTAL ASSETS	5,820,498	5,120,079	700,419	13.68
TOTAL LIABILITIES	999,424	498,298	501,126	100.57
Total Shareholders' Equity	4,821,074	4,621,781	199,293	4.31

Assets

As at 31 December 2016, the total assets of the Company amounted to 5,820.50 million Baht, an increase of 700.42 million Baht or 13.68% when compared with the total assets as at 31 December 2015. This was because cash and bank deposits decreased in the amount of 67.27 million Baht. The net trade accounts receivable and the trade accounts receivable from related companies increased by 138.33 million Baht. Deposit for related companies was recorded in the amount of 25.20 million Baht. Inventories increased by 118.52 million Baht from more factories, and available-for-sale investments increased by 257.90 million Baht in value. The subsidiaries recorded more machinery in the amount of 199.83 million Baht whereas the Company's machinery and equipment increased by 61.32 million Baht.

Liabilities

The total liabilities of the Company and its subsidiaries as at 31 December 2016 amounted to 999.42 million Baht, an increase of 501.13 million Baht or 100.57% when compared with the total liabilities as at 31 December 2015. This was due to the increase in loans from financial institutions in the amount of 242.27 million Baht. The net trade accounts payable and trade accounts payable from related companies increased by 145.39 million Baht. Machinery payable of subsidiaries was recorded at 73.97 million Baht whereas other liabilities from accrued costs increased in the amount of 23.40 million Baht.

Shareholders' Equity

The shareholders' equity of the Company and its subsidiaries as at 31 December 2016 amounted to 4,821.07 million Baht, increasing by 199.29 million Baht or 4.31% from the shareholders' equity as at 31 December 2015. This resulted from repurchase of treasury stocks in the amount of 91 million Baht, and the net profit of 84.03 million Baht. Allowance of impairment of investments in available-for-sale securities was lower because of higher market value, resulting in increased shareholder's equity of 206.32 million Baht

Liquidity and Capital Structure

In 2016, the Company and its subsidiaries had financial liquidity as the net cash flow from operating activities amounted to 58.52 million Baht with the liquidity ratio of 1.41 times in the consolidated financial statements. The capital structure was strong as the ratio of debt to equity declined to 0.21 times as at 31 December 2016.

The Board of Directors' meeting No. 9/2558 on 22 December 2015 reached the resolution to approve repurchase of treasury stocks in an amount of not exceeding 100 million Baht or not exceeding 180,000,000 shares. Until the end date of the share repurchase scheme (7 July 2016), the Company purchased back totally 165,000,000 shares, amounting to 91.07 million Baht, equaling 2.97% of the paid-up capital.

The Board of Directors' meeting No.1/2560 on 17 January 2017 approved the resale of the repurchased treasury stocks during 1-15 February 2017 at the price of not less than 0.60 Baht per share. In case that, at the end of the resale period, the Company did not resell or was not able to resell the repurchased stocks, the Company would decrease its paid-up registered capital by writing off such entire repurchased shares.

On 27 February 2017, the Company registered decrease in its paid-up capital with the Department of Business Development since it did not resell the repurchased shares.

Debt Servicing Obligations and Management of the Off-Balance Sheet Items

- The Company's contracts to sell products and services which were not yet delivered to the customers amounted to 1,634.72 million Baht. Nonetheless, the Company would deliver the products and services within the dates specified in the contracts or as mutually agreed with the customers. This was the normal way in operating the business.
- The Company and its subsidiaries had liabilities from the bank guarantees issued to the Company and its subsidiaries for performance of contracts and from electricity usage in the amount of 141.29 million Baht. The Company used the fixed deposits of 65.10 million Baht, some pieces of land and buildings as the security for the bank guarantees. This was also normal in business operation.
- The Company had obligations in regard to the plant and car lease contracts. The future payment as stipulated in the non-cancellable lease contracts amounted to 60.64 million Baht. The industrial plant in the lease contract is used for manufacturing products in normal business operation.
- The Company had the bank overdraft and others in the amount of 958.5 million Baht, and assigned the right of claim in the deposit account at 40% of the revolving line of credit (overdraft of 30 million Baht, promissory notes of 143 million Baht, and 785.5 million Baht of loans). Land and machinery were mortgaged as security. The Company was required to maintain the debt to equity ratio and leverage ratio as specified, and also transfer the right to receive benefits from the building insurance policy to the bank.
- In the Board of Director's meeting No. 1/2559 on 4 February 2016, the subsidiary was granted the credit limit of 540 million Baht from a bank by using machinery and land with building thereon as the guarantee for repayment. The subsidiary was required to maintain the debt to equity ratio at not over 1.5 times and the Company must always possess a shareholding stake of not less than 99.99% in the subsidiary. The right to receive benefits from the building insurance policy must be transferred to the bank. This loan was for investment in the new factory construction.
- In the Board of Director's meeting No. 8/2559 on 11 November 2016, the Company was granted an additional credit limit of 200 million Baht from a bank by using machinery and land with buildings thereon as the guarantee for repayment. The Company was required to maintain the debt to equity ratio at not greater than 2.0 times and the leverage ratio at not more than 1.20 times of the separate financial statements. The right to receive benefits from the building insurance policy must be transferred to the bank. This loan was for investment in the new pre-stressed concrete pile factory.
- The Company, together with a related company, had obligations from the L/C issued by a bank in an amount of 5.32 million USD to guarantee the credit limit for the joint venture. The Company's shares were used as the guarantee for such credit limit.
- The Company had obligations to pay for equipment and machinery in the amount of 23.10 million Baht.
- The subsidiaries had obligations to pay for machinery in the amount of 43,904 EUR and 20.11 million Baht.



- The Company had obligations incurred from the factory construction contract with an associate company in the amount of 91.39 million Baht.

Factors Affecting the Operating Results in the Future

In 2017, high competition in price in the market is anticipated and the construction material business is in an uptrend as a result of the government's acceleration of investment in infrastructure projects, both existing and new ones. Furthermore, the private sector's investment projects, including real estate development, industrial factories, and commercial buildings, become recovered. On account of these supportive factors, the Company is strongly confident that its operating results will be constantly better. The Company has formulated the pricing strategies to keep the market shares and expand the customer bases. Meanwhile, the quality standards, e.g. ISO 9001 and Thai Industrial Standards (TIS), are adopted. Stricter measures have been prepared to control costs and expenses. Besides, the Company will evaluate the performance of personnel at all levels by using the key performance indicators (KPI).

However, in 2017, the Company will focus on the continual business expansion and pursue the policies on profit-making from its main businesses and expansion to the integrated construction industry. Increase of customer bases, product development and maintenance of product and service quality will be also emphasized as they are the contributing factors to drive business to move forward even in the fluctuating economic conditions.

15. Report of the Audit Committee

Dear Shareholders,

The Audit Committee of the Company appointed by the Board of Directors consists of three independent directors having the term of office for 3 years. Highlights of the activities in 2016 are as follows.

Name	Position	Number of Attendance	Appointed
1. Mr. Suchart Boonbanjerd Sri	Chairman of the Audit Committee	5/5	2 Oct 2014
2. Mrs. Pannee Jarusombat	Member of the Audit Committee	5/5	2 Jun 2014
3. Mr. Vichya Krea-Ngam	Member of the Audit Committee	5/5	2 Oct 2014

All members of the Audit Committee are the experts from various fields, such as law, accounting, finance, etc. and have independence in the performance of duties as assigned by the Board of Directors. The scope of duties includes review of financial statements, selection and remuneration of the auditor, provision of opinions and suggestions on the internal control system, consideration of the transactions that may pose conflict of interest, compliance with the requirements of the regulatory bodies, and enhancement of the good corporate governance principles.

The Audit Committee performed its duties as entrusted by the Board of Directors in line with its own charter, and the requirements of the Stock Exchange of Thailand. In the 2016 accounting period, the Audit Committee held totally 5 meetings. All members of the Audit Committee attended every meeting with the management and the external and internal auditors to consider, discuss, and exchange opinions on related matters as appropriate. The meeting results were summarized and reported to the Board of Directors. The Audit Committee also attended the meeting on 17 January 2017 with the auditor and 2 independent directors, in the absence of the management, in order for the auditor to freely express opinions. The Audit Committee's performance of duties can be summarized as follows.

1. Review and Audit of the Company's Financial Statements for Accuracy and Adequacy of Financial Reporting

The Audit Committee and the auditor mutually reviewed the Company's quarterly and annual financial statements for 2016 in terms of accuracy and adequacy of financial information disclosure. After review, the Audit Committee did not find anything that might cause inaccuracy of the essential information in the financial statements according to the generally accepted accounting principles. In addition, the Audit Committee and the independent directors had a meeting with the auditor, in the absence of the management, to make inquiries with the external auditor and listen to his explanations, as well as to provide comments and suggestions in connection with the financial statements. This was to ensure that the essential information in the Company's financial statements was accurate, complete, and credible in accordance with the generally accepted accounting standards and that the adequate information in such financial statements was disclosed. Then, the reviewed

financial statements were submitted to the Board of Directors for consideration and approval to be disclosed to the Stock Exchange of Thailand and the Office of Securities and Exchange Commission.

2. Review of Compliance with Good Corporate Governance Policies

The Audit Committee had the meetings with the management and heads of relevant departments to review the Company's compliance with the law on securities and exchange, the Stock Exchange of Thailand's regulations, and the laws relating to the Company's business. Also, the Audit Committee regularly inspected, monitored, and inquired about the compliance with the good corporate governance policies, as well as accepted all information and complaints about frauds or violation of laws, regulations, and rules according to the whistle-blowing process. In 2016, no complaint about such frauds or violation was filed. Furthermore, the Audit Committee considered the self-evaluation tool for submission to the Thailand's Private Sector Collective Action Coalition against Corruption Council in order to enter the certification process.

3. Supervision of Compliance with Regulations of the Regulatory Bodies

The Audit Committee considered the regulations, requirements, criteria, and laws relating to the Company's business (collectively called regulations), including amendments of such regulations, and regularly reviewed the Company's compliance with the regulations. The Audit Committee viewed that the Company followed the law on securities and exchange, and the Stock Exchange of Thailand's regulations, e.g. entering into connected transactions with related companies based on the transparency and arm's length price according to the criteria established by the Board of Directors, as well as strictly adhered to the laws relating to the Company's business.

4. Review of Risk Management

The Audit Committee considered, reviewed, and evaluated the efficiency of the risk management processes of the Company. Also, the Audit Committee provided advice, suggestions and support to the Board of Directors and the management to perform duties in compliance with the risk management policies.

5. Review of Internal Control System

The Audit Committee considered and approved the annual audit plan and relevant reports prepared by the internal audit unit, and also provided advice to the management for rectification in order to ensure the Company's internal control system is suitable, sufficient, and effective for business operations.

6. Appointment of External Auditor for the 2016 Financial Statements

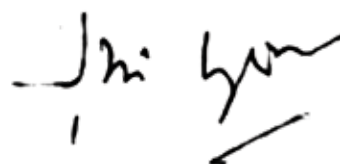
The Audit Committee considered, selected and nominated to the Board of Directors the person independent of the Company to be the external auditor. The Board of Directors appointed Grant Thornton Company Limited, represented by Mr. Somkid Tiatragul, Certified Public Accountant License No. 2785, or

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, as the auditor of the Company for the accounting period ended on 31 December 2016. The audit fee was determined at 1,975,000 baht with the approval of the Company's Board of Directors and the shareholders' meeting.

7. Revision of the Audit Committee Charter

In 2016, the Audit Committee reviewed and revised the charter of the Audit Committee to cover more working rules in aspects of good corporate governance and anti-corruption. The charter was amended as appropriate and approved by the Board of Directors.

In the performance of its duties as assigned, the Audit Committee opined that the financial statements audited by the Company's auditor were accurate with adequate disclosure in accordance with the generally accepted accounting standards, and that the auditor performed its duties suitably in compliance with the requirements. Nothing was found to significantly affect the accuracy of the financial statements. The Audit Committee viewed that the Company adequately adhered to the law on securities and exchange, and other laws relating to the Company's business; and also implemented the internal control system in a proper manner in line with the business environment under the enhancement of good corporate governance principles.



(Mr. Suchart Boonbanjerd Sri)
Chairman of the 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 27 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. INDEPENDENT AUDITOR'S REPORT

To the Shareholders of General Engineering Public Company Limited

Opinion

I have audited the consolidated financial statements of General Engineering Public Company Limited and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2016, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. I have also audited the separate financial statements of General Engineering Public Company Limited (the "Company"), which comprise the separate statement of financial position as at 31 December 2016, the separate statement of profit and loss and other comprehensive income, separate statement of changes in shareholders' equity and separate statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2016, and its consolidated financial performance and cash flows for the year then ended and the separate financial position as at 31 December 2016, and its separate financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants that is relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key audit matter under my professional judgement and summary of responding audit procedures is presented below:

The key audit matter

Responding Audit Procedures

Impairment investment in joint venture

As disclosed in Note 13 to the financial statements

The Company has investment in a joint venture which was registered in Singapore for an amount of Baht 174 million or 3% total assets as at 31 December 2016. This is considered significant to the consolidated and separate financial statements. Such joint venture has investment in a subsidiary which was registered in Republic of the Union of Myanmar. The Company has not received any return on investment from such investment in joint venture since the joint venture's subsidiary has just started its business with operating loss. This may affect the impairment of the Company's investment in joint venture. Therefore, the Company has to test impairment of investment in accordance with the Thai Financial Reporting Standards. Whereby the process for the test of impairment is rather complex and based on many assumptions that requires management's judgment, especially the assumption of net cash flows projection in the future and discount rate that are affected by future market and economic conditions, particularly those in Singapore and Republic of the Union of Myanmar.

I determined the basis that the management used to support the judgement for non-impairment of investment and tested the computation of discounted cash flows on returns that are expected to be received in the future for comparison with present value of investment. I also reviewed the reasonableness of the assumptions and methodologies used by management, in particular those relating to the forecasted revenue growth and gross margins of the joint venture's subsidiary. I also determined the adequacy of disclosure made by the joint venture's subsidiary.



Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available for my review after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to request management and those charged with governance to correct the material misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

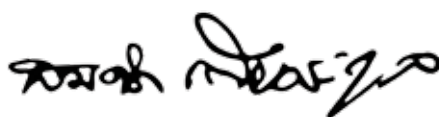
As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Mr. Somckid Tiatragul

Certified Public Accountant Registration No. 2785

Grant Thornton Limited Bangkok 27 February 2017

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

18. STATEMENTS OF FINANCIAL POSITION

(Unit : Baht)

		Consolidated F/S		Separate F/S	
	Notes	31 December 2016	31 December 2015	31 December 2016	31 December 2015
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5	58,516,697	85,619,300	55,366,483	83,118,635
Fixed deposits	6	50,001,000	90,170,877	50,001,000	90,170,877
Trade accounts receivable - general customers - net	9	450,767,709	334,783,598	450,767,709	334,783,598
Trade accounts receivable - related companies	7	38,691,985	16,138,265	38,691,985	16,138,265
Deposit and others - related companies	7	25,210,962	-	27,114,833	135,140
Inventories - net	10	387,557,508	269,042,299	387,557,508	269,042,299
Other current assets	11	21,754,160	20,033,666	20,986,491	19,856,002
Total Current Assets		1,032,500,021	815,788,005	1,030,486,009	813,244,816
NON - CURRENT ASSETS					
Restricted deposits with banks	33.2	65,100,000	62,500,000	65,100,000	62,500,000
Retention receivables		45,361,266	45,564,456	45,361,266	45,564,456
Investments in subsidiaries	12	-	-	280,337,468	2,837,693
Investments in associated company and joint venture	13	389,393,396	404,162,068	363,293,965	363,293,965
Investments in available - for - sales securities	8	1,147,159,498	889,261,498	1,147,159,498	889,261,498
Property, plant and equipment - net	14	2,057,094,012	1,796,949,506	1,565,550,501	1,504,229,506
Deferred income tax assets	23	26,424,507	74,706,733	32,461,161	83,136,036
Deposit for machinery		6,784,428	-	-	-
Deposit for construction - related company	7	9,753,050	-	9,753,050	-
Investment property	15	996,626,500	996,626,500	1,289,346,500	1,289,346,500
Income tax withheld at sources		12,083,031	5,715,138	12,082,944	5,715,136
Other non - current assets	16	32,217,960	28,805,508	32,217,960	28,805,508
Total Non - Current Assets		4,787,997,648	4,304,291,407	4,842,664,313	4,274,690,298
TOTAL ASSETS		5,820,497,669	5,120,079,412	5,873,150,322	5,087,935,114

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

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

(Unit : Baht)

		Consolidated F/S		Separate F/S	
	Notes	31 December 2016	31 December 2015	31 December 2016	31 December 2015
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short - term loan from financial institution	17	119,212,904	815,625	1,173,422	815,625
Trade accounts payable - general suppliers		305,284,543	172,462,103	305,284,543	172,462,103
Trade accounts payable - related companies	7	8,811,373	2,456,835	8,811,373	2,456,835
Other payables - related companies	7	2,100,401	10,268,067	2,100,401	10,268,067
Construction payable - related company	7	16,719,984	2,329,405	16,719,984	2,329,405
Accounts payable overseas - machinery		73,967,606	-	-	-
Advances received - general customers	18	75,275,049	59,027,070	75,275,049	59,027,070
Advances received - related company	7	2,584,800	-	2,584,800	-
finance lease agreement current portion of liabilities under	20	126,854	-	126,854	-
Current portion of long - term loans from financial institution	19	78,000,000	78,000,000	78,000,000	78,000,000
Other current liabilities	21	80,366,474	62,234,750	79,753,964	61,872,814
Total Current Liabilities		762,449,988	387,593,855	569,830,390	387,231,919
NON - CURRENT LIABILITIES					
Loan payable and					
accrued interest expense - subsidiary company	7	-	-	261,939,502	-
Liabilities under finance lease agreement - net	20	492,485	-	492,485	-
Long - term loans from financial institution - net	19	206,109,433	82,234,060	206,109,433	82,234,060
Employee benefits obligation	22	30,361,902	25,838,321	30,361,902	25,838,321
Other non - current liabilities		10,200	2,632,506	10,200	2,632,506
Total Non - Current Liabilities		236,974,020	110,704,887	498,913,522	110,704,887
TOTAL LIABILITIES		999,424,008	498,298,742	1,068,743,912	497,936,806

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

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

(Unit : Baht)

		Consolidated F/S		Separate F/S	
	Notes	31 December 2016	31 December 2015	31 December 2016	31 December 2015
LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)					
SHAREHOLDERS' EQUITY					
Share capital - Common shares, Baht 0.85 par value					
Authorized share capital - 6,890,064,215 shares		5,856,554,583	5,856,554,583	5,856,554,583	5,856,554,583
Issued and fully paid-up share capital					
- 5,562,877,189 shares (2015 : 5,562,876,782 shares)	24	4,728,445,611	4,728,445,265	4,728,445,611	4,728,445,265
Surplus on capital reduction and issued new share capital	24	71,131,343	71,131,080	71,131,343	71,131,080
Retained earnings					
- Appropriated for legal reserve	24	13,600,000	8,600,000	13,600,000	8,600,000
- Appropriated for treasury shares	25	91,070,451	-	91,070,451	-
- Unappropriated		113,423,066	125,461,928	96,782,849	93,693,756
Less Treasury shares - Common shares (165,000,000 shares, Baht 0.55 par value)	26	(91,070,451)	-	(91,070,451)	-
Other components of shareholders' equity		(105,526,434)	(311,857,678)	(105,553,393)	(311,871,793)
Equity attributable to the Company's shareholders - net		4,821,073,586	4,621,780,595	4,804,406,410	4,589,998,308
Non - controlling interests		75	75	-	-
Total Shareholders' Equity		4,821,073,661	4,621,780,670	4,804,406,410	4,589,998,308
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		5,820,497,669	5,120,079,412	5,873,150,322	5,087,935,114

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)

	Notes	Consolidated F/S		Separate F/S	
		2016	2015	2016	2015
REVENUES					
Revenues from sales	7, 32	1,585,605,477	1,982,708,092	1,585,605,477	1,292,148,160
Costs of Sales					
Costs of sales	7, 30, 32	(1,314,830,504)	(1,825,636,165)	(1,314,830,504)	(1,047,236,796)
Gross profit		270,774,973	157,071,927	270,774,973	244,911,364
Gain on disposal of investment in subsidiaries	12	-	352,406,914	-	-
Dividend income	8, 13	68,271,248	-	87,863,048	1,814,111
Interest income		2,691,733	10,468,166	2,832,000	15,931,012
Other income		23,823,879	46,224,771	25,272,677	36,241,652
Profit before expenses		365,561,833	566,171,778	386,742,698	298,898,139
Selling expenses		(8,987,372)	(11,443,016)	(8,987,372)	(7,924,893)
Administrative expenses		(236,185,933)	(250,289,359)	(232,583,564)	(186,007,013)
Provision for devaluation on inventories		-	(176,386,371)	-	-
Loss on disposal of investments in subsidiaries		-	-	-	(36,346,093)
Management benefit expenses		(25,053,038)	(21,129,095)	(25,053,038)	(20,748,095)
Finance costs		(17,577,050)	(4,938,956)	(20,016,552)	(3,977,504)
Total Expenses		30	(287,803,393)	(286,640,526)	(255,003,598)
Profit from operations			77,758,440	101,984,981	43,894,541
Share of profit from investments in associated company and joint venture	13	4,823,128	20,671,794	-	-
Profit before income tax			82,581,568	100,102,172	43,894,541
Income tax benefit (expense)	23	1,450,021	(3,948,327)	(942,628)	(2,317,007)
Profit for the year			84,031,589	99,159,544	41,577,534
Other comprehensive income for the year					
Items that will be reclassified subsequently to profit or loss					
Unrealized gain (loss) on valuation of available - for - sales securities - net of tax		206,318,400	(386,360,400)	206,318,400	(386,360,400)
Translation adjustments for foreign currency financial statements		12,844	14,115	-	-
Items that will not be reclassified subsequently to profit or loss					
Actuarial loss - net of tax	22	-	(4,943,568)	-	(4,463,357)
Total comprehensive income for the year			290,362,833	305,477,944	(349,246,223)
Attribution of income for the year :					
Portion of the Company's shareholders		84,031,589	118,708,448	99,159,544	41,577,534
Portion of non-controlling interests in subsidiary		-	-	-	-
		84,031,589	118,708,448	99,159,544	41,577,534

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)

	Notes	Consolidated F/S		Separate F/S	
		2016	2015	2016	2015
Attribution of comprehensive income for the year :					
Portion of the Company's shareholders		290,362,833	(272,581,405)	305,477,944	(349,246,223)
Portion of non-controlling interests in subsidiary		-	-	-	-
		290,362,833	(272,581,405)	305,477,944	(349,246,223)
Basic earnings per share					
Profit (Baht per share)		0.01556	0.02134	0.01836	0.00747
Weighted average number of common shares (shares)		5,400,419,602	5,562,876,782	5,400,419,602	5,562,876,782
Diluted earnings per share					
Profit (Baht per share)		0.01556	0.02134	0.01836	0.00747
Weighted average number of common shares (shares)		5,400,419,602	5,562,876,782	5,400,419,602	5,562,876,782

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

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED 31 DECEMBER

(Unit : Baht)

	Notes	Equity attributable to the Company's shareholders									
		Retained earnings					Other components of shareholders' equity				
		Issued and paid-up share capital	Capital surplus on share reduction and new share capital	Legal reserve	Appropriated for treasury shares	Unappropriated	Treasury shares - Common shares	Unrealized gain (loss) on valuation of available - for - sales securities	Translation adjustments for foreign currency financial statements	Total	Total
Consolidated F/S											
Balance as at 1 January 2015		4,728,445,265	71,131,080	6,500,000	-	69,422,643	-	74,488,607	-	74,488,607	4,949,987,595
Dividend payment	27	-	-	-	-	(55,625,595)	-	-	-	-	(55,625,595)
Appropriation of legal reserve	24	-	-	2,100,000	-	(2,100,000)	-	-	-	-	-
Increase in non - controlling interests in subsidiary		-	-	-	-	-	-	-	-	-	75
Disposal of investment in subsidiaries		-	-	-	-	-	-	-	-	-	(1,406)
Comprehensive income for the year		-	-	-	-	113,764,880	-	(386,360,400)	14,115	(386,346,285)	(272,581,405)
Balance as at 31 December 2015		4,728,445,265	71,131,080	8,600,000	-	125,461,928	-	(311,871,793)	14,115	(311,857,678)	4,621,780,595
Balance as at 1 January 2016		4,728,445,265	71,131,080	8,600,000	-	125,461,928	-	(311,871,793)	14,115	(311,857,678)	4,621,780,595
Appropriated for treasury shares	25	-	-	-	91,070,451	(91,070,451)	-	-	-	-	-
Appropriation of legal reserve	24	-	-	5,000,000	-	(5,000,000)	-	-	-	-	-
Repurchase of treasury shares - Common shares	26	-	-	-	-	-	(91,070,451)	-	-	-	(91,070,451)
Warrants converted to common shares	24	346	263	-	-	-	-	-	-	-	609
Comprehensive income for the year		-	-	-	-	84,031,589	-	206,318,400	12,844	206,331,244	290,362,833
Balance as at 31 December 2016		4,728,445,611	71,131,343	13,600,000	91,070,451	113,423,066	(91,070,451)	(105,553,393)	26,959	(105,526,434)	4,821,073,586

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

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED 31 DECEMBER

(Unit : Baht)

	Notes	Issued and paid-up share capital	Capital surplus on share reduction and issued new share capital	Retained earnings			Other components of shareholders' equity		
				Legal reserve	Appropriated for treasury shares	Unappropriated	Treasury shares - Common shares	Unrealized gain (loss) on valuation of available-for-sale securities	Total
Separate F/S									
Balance as at 1 January 2015		4,728,445,265	71,131,080	6,500,000	-	114,305,174	-	74,488,607	4,994,870,126
Dividend payment	27	-	-	-	-	(55,625,595)	-	-	(55,625,595)
Appropriation of legal reserve	24	-	-	2,100,000	-	(2,100,000)	-	-	-
Comprehensive income for the year		-	-	-	-	37,114,177	-	(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)	4,589,998,308
Balance as at 1 January 2016		4,728,445,265	71,131,080	8,600,000	-	93,693,756	-	(311,871,793)	4,589,998,308
Appropriated for treasury shares	25	-	-	-	91,070,451	(91,070,451)	-	-	-
Appropriation of legal reserve	24	-	-	5,000,000	-	(5,000,000)	-	-	-
Repurchase of treasury shares - Common shares	26	-	-	-	-	-	(91,070,451)	-	(91,070,451)
Warrants converted to common shares	24	346	263	-	-	-	-	-	609
Comprehensive income for the year		-	-	-	-	99,159,544	-	206,318,400	305,477,944
Balance as at 31 December 2016		4,728,445,611	71,131,343	13,600,000	91,070,451	96,782,849	(91,070,451)	(105,553,393)	4,804,406,410

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	
	2559	2558	2559	2558
Cash flows from operating activities				
Profit before income tax	82,581,568	122,656,775	100,102,172	43,894,541
Adjustments to reconcile profit before income tax to net cash provided from (used in) operating activities:				
Depreciation	49,238,388	45,437,372	49,236,685	29,237,132
Unrealized gain on exchange rate	(174,032)	-	(164,775)	-
Loss (gain) on revaluation of temporary investment	(11)	1,100	(11)	1,100
Share of gain from investments in associated company and joint venture	(4,823,128)	(20,671,794)	-	-
Withholding tax written - off	-	232,143	-	-
Dividend income	(68,271,248)	-	(87,863,048)	(1,814,111)
Provision (reversal of allowance) for doubtful accounts	5,682,620	(37,056,198)	5,682,620	(48,978,140)
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
Gain on disposal of fixed assets	-	(2,859,231)	-	-
Provisions for employee benefits obligation	4,771,488	3,570,057	4,771,488	2,709,480
Interest income	(2,691,733)	(10,468,166)	(2,832,000)	(15,931,012)
Interest expense	17,577,050	4,938,956	20,016,552	3,977,504
Cash flows provided from (used in) operations before changes in operating Assets and Liabilities	83,890,962	(70,239,528)	88,949,683	49,069,059
Decrease (Increase) in operating assets				
Trade accounts receivable - general customers - net	(121,636,271)	22,330,591	(121,636,271)	(2,298,705)
Trade accounts receivable - related companies	(22,553,720)	37,998,351	(22,553,720)	2,611,436
Deposit and others - related companies	(25,210,962)	-	(26,979,693)	7,340,909
Inventories	(118,515,209)	21,662,616	(118,515,209)	(32,790,975)
Other current assets	(1,861,781)	(23,164,443)	(1,271,777)	5,635,691
Retention receivables	203,190	(2,923,535)	203,190	(2,923,535)
Other non - current assets	(3,412,452)	49,051,137	(3,412,452)	49,117,899
Increase (Decrease) in operating liabilities				
Trade accounts payable - general suppliers	134,835,565	(17,462,229)	134,835,565	2,700,830
Trade accounts payable - related companies	4,341,413	(9,433,096)	4,341,413	(20,866,211)
Other payable - related companies	(8,167,666)	8,881,028	(8,167,666)	8,850,140
Advances received - general customers	16,247,979	(9,757,115)	16,247,979	(9,757,115)
Advances received - related companies	2,584,800	-	2,584,800	-
Other current liabilities	18,307,776	12,722,717	18,057,202	(25,454,177)
Employee retirement benefits obligation	(963,260)	(1,152,801)	(963,260)	(918,590)
Other non - current liabilities	(2,622,306)	(189,186)	(2,622,306)	(189,186)

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	
	2559	2558	2559	2558
Cash provided from (used in) operations	(44,531,942)	18,324,507	(40,902,522)	30,127,470
Cash refunded from withholding tax	-	826	-	-
Interest payment	(17,037,749)	(3,985,442)	(17,037,749)	(3,260,088)
Income tax payment	(8,215,247)	(43,863,578)	(8,215,160)	(43,836,838)
Net cash used in operating activities	(69,784,938)	(29,523,687)	(66,155,431)	(16,969,456)
Cash flows from investing activities				
Increase in loans to subsidiaries	-	-	-	(45,000,000)
Receipt of repayment from loan to related companies	-	40,000,000	-	40,909,889
Decrease in fixed deposits	40,169,877	260,625,623	40,169,877	260,625,623
Decrease (increase) in restricted deposits with banks	(2,600,000)	3,613,168	(2,600,000)	30,613,168
Paid for investment in subsidiary company	-	-	(277,499,775)	(2,837,693)
Paid for investments in joint venture	-	(1,465)	-	(1,465)
Paid for deposit for machineries	(6,784,428)	-	-	-
Paid for deposit for construction - related company	(9,753,050)	-	(9,753,050)	-
Purchases of fixed assets	(181,551,129)	(646,509,696)	(95,480,325)	(634,693,845)
Proceeds from sales of fixed assets	-	7,587,971	-	7,587,971
Dividend received	87,863,048	1,814,111	87,863,048	1,814,111
Interest received	2,833,031	12,748,697	2,973,298	23,573,982
Net cash used in investing activities	(69,822,651)	(320,121,591)	(254,326,927)	(317,408,259)
Cash flows from financing activities				
Increase (decrease) in short - term loan from financial institution	79,754,048	(3,053,036)	492,112	(3,053,036)
Repayments of long - term loans from financial institutions	(84,500,000)	-	(84,500,000)	-
Proceeds from long - term loans from financial institutions	208,375,373	-	208,375,373	-
Proceeds from loans from subsidiary	-	-	259,500,000	-
Repayments of liabilities under finance lease agreement	(67,437)	(2,858,196)	(67,437)	(502,407)
Cash dividend payment	-	(55,625,595)	-	(55,625,595)
Purchase of treasury shares - common shares	(91,070,451)	-	(91,070,451)	-
Cash received from warrants converted to common shares	609	-	609	-
Net cash provided from (used in) financing activities	112,492,142	(61,536,827)	292,730,206	(59,181,038)
Translation adjustments for foreign currency financial statements	12,844	14,115	-	-
Net decrease in cash and cash equivalents	(27,102,603)	(411,167,990)	(27,752,152)	(393,558,753)
Cash and cash equivalents at beginning of year	85,619,300	496,787,290	83,118,635	476,677,388
Cash and cash equivalents at end of year	58,516,697	85,619,300	55,366,483	83,118,635

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	
	2559	2558	2559	2558
Supplemental disclosures for cash flows information				
Non - cash items :				
- Unrealized gain (loss) on available - for - sales securities	257,898,000	(482,950,500)	257,898,000	(482,950,500)
- Purchase of assets under finance lease agreements	686,776	-	686,776	-
- Oversea payable for purchase of machinery	73,967,606	-	-	-
- Purchase of machineries under trust receipt agreement	38,786,804	-	-	-
- Construction payable - related company	14,390,579	-	14,390,579	-

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

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

19. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2016

1. GENERAL INFORMATION

General Engineering Public Company Limited (the “Company”) was incorporated in Thailand and has its registered office at 44/2 Moo 2 Tivanont Road, Bangkadi, Muang Pathumthani, Pathumthani District.

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 and sales of concrete products such as concrete pile, glass fiber reinforced concrete (GRC), electric concrete pole, diaphragm wall and barrette pile, and providing the manufacturing and installation services for such products. The subsidiary has not yet started its 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 Financial Reporting Standards (“TFRS”) 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. These financial statements are officially prepared in the Thai language. 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.

The Federation of Accounting Professions has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2016. The initial application of these new and revised TFRS has resulted in changes in certain Company’s accounting policies. These changes have no material effect on the financial statements.

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Company’s operations, which become effective for annual financial periods beginning on or after 1 January 2017, are set out below. The Company and its subsidiaries do not plan to early adopt these TFRS.

TFRS	Topic
TAS 1 (revised 2016)	Presentation of Financial Statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of Cash Flows
TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2016)	Events After the Reporting Period
TAS 11 (revised 2016)	Construction Contracts
TAS 12 (revised 2016)	Income Taxes
TAS 16 (revised 2016)	Property, Plant and Equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee Benefits
TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2016)	Borrowing Costs
TAS 24 (revised 2016)	Related Party Disclosures
TAS 26 (revised 2016)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2016)	Separate Financial Statements
TAS 28 (revised 2016)	Investments in Associates and Joint Ventures
TAS 33 (revised 2016)	Earnings Per Share
TAS 34 (revised 2016)	Interim Financial Reporting
TAS 36 (revised 2016)	Impairment of Assets
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2016)	Intangible Assets
TAS 40 (revised 2016)	Investment Property
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments: Disclosure and Presentation
TFRS 2 (revised 2016)	Share-based Payment
TFRS 3 (revised 2016)	Business Combinations
TFRS 5 (revised 2016)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2016)	Operating Segments
TFRS 10 (revised 2016)	Consolidated Financial Statements
TFRS 11 (revised 2016)	Joint Arrangements
TFRS 12 (revised 2016)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2016)	Fair Value Measurement
TSIC 15 (revised 2016)	Operating Leases – Incentives
TSIC 25 (revised 2016)	Income Taxes – Changes in the Tax Status of an Enterprise or its Shareholders
TSIC 27 (revised 2016)	Evaluating the Substance of Transactions in the Legal Form of a Lease

TFRS	Topic
TSIC 31 (revised 2016)	Revenue – Barter Transactions Involving Advertising Services
TSIC 32 (revised 2016)	Intangible Assets – Web Site Costs
TFRIC 1 (revised 2016)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2016)	Determining whether an Arrangement Contains a Lease
TFRIC 5 (revised 2016)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment
TFRIC 14 (revised 2016)	TAS 19 (revised 2016) Employee Benefits – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2016)	Agreements for the Construction of Real Estate
FAP Announcement	Accounting guidance for derecognition of financial assets and (05/2559) financial liabilities

The Company has made a preliminary assessment of the potential impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial adoption.

2.2 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 has investments at 99.99% of registered capital as follow :

Subsidiary companies	Percentage of shareholding		Type of business
	2016	2015	
Seven Wire Co., Ltd.	99.99	99.99	Manufacturing and sell the special qualified PC Wire and PC Stand
General Engineering Mauritius Limited	99.99	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 2015. During the year 2016, the Company increased investment in share capital of Seven Wire Co., Ltd. amounting to Baht 270 million.

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 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 on an accrual basis.

Dividend income is recognized in the statement of profit or loss on the date the Company and its subsidiaries are entitled to receive dividend which, in the case of listed companies, is usually at the ex-dividend date.

3.2 Expense recognition

Operating leases

Payments made under operating leases are recognized in the statement of profit or loss 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 for the year they 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 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 is 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 of 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.

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.

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 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.

Depreciation

Depreciation is charged to the statement of profit or loss 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 is applied for land and construction in progress.

3.8 Investment property

Investment property included land not used in operation of the Group and is initially recorded as cost plus transaction cost. This is presented at cost less allowance for impairment (if any).

3.9 Impairment of assets

The Company and 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.

3.10 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 year 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.

3.11 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.

3.12 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.

3.13 Employee benefits

Current employment benefits

The Company and subsidiaries recognize salaries, wages, bonuses and contribution to the social security are recognized as expenses when incurred based on the accrual basis.

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 subsidiaries. The fund's assets are held in a separate trustee fund from the Company and subsidiaries. The Company's and 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.

3.14 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.

3.15 Diluted earnings per share

Diluted earnings per share is calculated by dividing the net income for the year by the number of common shares and the number of equivalent common shares (warrant) by weighting based on the period as if there were conversion of common shares at the issued date of issuance of equivalent common shares.

A calculation is done to determine the potential number of shares that could have been acquired at market price (determined as the average share price of the Company's shares during the period) based on the outstanding warrants to determine the number of potential common shares to be additionally issued. The potential shares are added to the outstanding ordinary shares but no adjustment is made to profit or loss for the period.

3.16 Financial instruments

The Company and 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

Segmental 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 recognize provisions for liabilities and expenses in the financial statements when they Company and subsidiaries have present legal or constructive obligation as a result of past events with probable outflows 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.

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 assets when there has been a significant or prolonged decline in the fair value below their costs 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 with 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 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	
	2016	2015	2016	2015
Cash on hand	467	339	462	339
Cash at banks	58,049	85,280	54,904	82,780
Total	58,516	85,619	55,366	83,119

6. FIXED DEPOSITS

As at 31 December 2016 and 2015, the Company has fixed deposits for 3 - 6 months with a local bank of Baht 50.00 million and Baht 90.17 million, respectively. These bear interest at the rates 1 percent per annum and 2.25 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.

Details of related parties are as follow:

Entity name	Type of business	Type of relationship
Seven Wire Co., Ltd.	Manufacturing and sell the special qualified PC Wire and PC Stand	Subsidiary
General Engineering Mauritius Limited	Investment business	Subsidiary
Metric Public Company Limited	Construction and System installation services	Associated
Mill Con Steel Public Company Limited	Manufacturing and trading steel products	Invested company
World Wire Processing Co., Ltd.	Own plots of land to be expanded of Suntech Metal Co., Ltd.	Invested company's subsidiary
Suntech Metals Co., Ltd.	Manage scraps and trading steel pipe	Invested company's subsidiary
Mill Con Burapa Co., Ltd.	Manufacture and distribution of billet	Invested company's subsidiary
Kobelco Millcon Steel Company Limited (Formerly "Millcon Special Steel Company Limited")	Manufacturing and trading wire rod products	Invested company's associate
IGEN Engineering Co., Ltd. (Formerly "Zentra - Watung Engineering Co., Ltd.")	Manufacturing electrical equipment and electrical system service	Invested company's associate
Mill Con Steel Pipe Co., Ltd.	Manufacturing and trading of steel products	Invested company's subsidiary
Millcon Thiha Limited	Trading steel products and construction materials	Invested company's subsidiary
Saharum Construction Materials Co., Ltd.	Trading steel products and construction materials	Invested company's subsidiary
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
Complete Transport Co., Ltd.	Transportation services	Invested company's associate
IBCI – Metric Joint Venture	Construction of tissue plant	Associate's joint venture

Entity name	Type of business	Type of relationship
Wisdom Tree Investment (S) PTE. Limited	Investment in overseas	Joint venture
Millcon Thiha GEL Limited	Manufacturing and trading steel formed products	Joint venture'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 changed the status of such companies to be investee company's subsidiary.

Significant transactions with related parties for the years ended 31 December 2016 and 2015 are as follows:

(Unit : Thousand Baht)

		Consolidated F/S		Separate F/S	
		For the years ended 31 December			
		2016	2015	2016	2015
Pricing policy					
Transactions with subsidiaries					
Rental expense	Negotiated price	-	-	1,250	-
Other service expense	Negotiated price	-	-	1,458	-
Interest income	MLR-0.5 percent p.a.	-	-	149	-
Interest expense	MLR-0.5 percent p.a.	-	-	2,440	-
Transactions with associated and joint venture					
Revenue from sales and services and others	Market price	25,426	20,224	25,426	20,224
Other service expense	Negotiated price	114	-	114	-
Construction	Contract price	6,173	158,081	6,173	158,081
Transactions with related parties					
Revenue from sales and services and others	Market price	6,907	336,878	6,907	94
Purchase of raw materials	Market price	126,196	181,982	126,196	174,052
Rental expense	Negotiated price	-	19	-	266
Other service expense	Negotiated price	492	-	492	-
Transportation	Market price	1,542	871	1,542	871
Purchase of machinery	Market price	-	18,750	-	18,750
Purchase of assets	Appraisal Value	-	1,277,500	-	1,283,700
Interest income	3 percent p.a.	-	30	-	5,521
Management's compensations					
Current employment benefits		24,030	20,916	24,030	20,535
Post-employment benefits		1,023	213	1,023	213
Total		25,053	21,129	25,053	20,748

Significant balances with related parties as at 31 December 2016 and 2015 are as follows :

(Unit : Thousand Baht)

	Consolidated F/S and Separate F/S	
	2016	2015
Trade accounts receivable - related companies		
Metric Public Company Limited	31,601	13,205
Mill Con Steel Public Company Limited	1,873	248
Millcon Thiha Limited	5,218	2,685
Total	38,692	16,138
Trade accounts receivable - related companies classified by the age are as follows:		
Not yet due	12,849	12,850
Past due :		
Not over 3 months	13,651	616
3 - 6 months	9,603	2,672
6 - 12 months	2,280	-
Over 12 months	309	-
Total	38,692	16,138

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Deposit and others – related companies				
Seven Wire Co., Ltd.	-	-	1,357	56
General Engineering Mauritius Limited	-	-	547	79
Mill Con Steel Public Company Limited	25,200	-	25,200	-
Metric Public Company Limited	11	-	11	-
Total	25,211	-	27,115	135
Deposit for contruction – related company				
Metric Public Company Limited	9,753	-	9,753	-
Trade accounts payable – related companies				
Mill Con Steel Public Company Limited	6,247	-	6,247	-
Mill Con Steel Pipe Co., Ltd.	1,352	-	1,352	-
Kobelco Millcon Steel Company Limited	-	1,882	-	1,882
Suntech Metals Co., Ltd.	339	-	339	-
Saharuam Construction Materials Co., Ltd.	197	575	197	575
Complete Transport Co., Ltd.	676	-	676	-
Total	8,811	2,457	8,811	2,457

(หน่วย : พันบาท)

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Other payable – related companies				
Metric Public Company Limited	1,978	10,043	1,978	10,043
IGEN Engineering Co., Ltd.	80	225	80	225
Mill Con Steel Public Company Limited	42	-	42	-
Total	2,100	10,268	2,100	10,268
a				
Metric Public Company Limited	16,720	2,329	16,720	2,329
Advances received - related company				
Metric Public Company Limited	2,585	-	2,585	-
Loan and accrued interest expense – subsidiary company				
Seven Wire Co., Ltd.	-	-	261,940	-

Movements in loans and accrued interest income – subsidiary company for the year ended 31 December 2016 are as follows:

(Unit : Thousand Baht)

	Separate F/S			
	2015	Increase	Decrease	2016
Loans and accrued interest income				
Subsidiary company				
Seven Wire Co., Ltd.				
Loan	-	10,000	(10,000)	-
Accrued interest income	-	149	(149)	-
Total	-	10,149	(10,149)	-

Movements in loans and accrued interest income – subsidiary company for the year ended 31 December 2016 are as follows:

(Unit : Thousand Baht)

	Separate F/S			
	2015	Increase	Decrease	2016
Loans and accrued interest expense				
Subsidiary company				
Seven Wire Co., Ltd.				
Loan	-	259,500	-	259,500
Accrued interest expense	-	2,440	-	2,440
Total	-	261,940	-	261,940

Loans from subsidiary company is uncollateralized and repayable on demand. These loan bear interest at the rate of MLR – 0.5% per annum. However, management considered the Company will not pay this loan within 1 year.

8. INVESTMENTS IN AVAILABLE - FOR - SALES SECURITIES

(Unit : Thousand Baht)

	Consolidated F/S and Separate F/S	
	2016	2015
Investment in available - for - sales securities		
Security - Mill Con Steel Public Company Limited	1,279,101	1,279,101
Less Unrealized loss on available - for - sales securities	(131,942)	(389,840)
Available - for - sales securities - net	1,147,159	889,261

Movements during the years ended 31 December 2016 and 2015 of available-for-sales securities are as follows :

(Unit : Thousand Baht)

	Consolidated F/S and Separate F/S	
	2016	2015
Book value – beginning balance	889,261	1,372,212
Unrealized gain (loss)	257,898	(482,951)
Book value - ending balance	1,147,159	889,261

During the year 2016

The Company has converted preferred shares in investments in available - for - sales securities, totaling 249,555,211 shares to common shares which was effected to increase in common shares in investments in available - for - sales securities from, totaling 490,344,788 shares to 729,899,999 shares. Moreover, the Company has warrants to purchase common shares, totaling 121,649,999 units.

The Company received dividend from available-for-sales investments divided into 2 parts as follow:

- Dividend from preferred shares at Baht 0.21 per share, totaling Baht 53.81 million. The dividend was received on 8 April 2016.
- Dividend from common shares at Baht 0.02 per share, totaling Baht 14.46 million. The dividend was received on 27 May 2016.

9. TRADE ACCOUNTS RECEIVABLE - NET

The balances of accounts receivable as at 31 December 2016 and 2015 are as follows :

(Unit : Thousand Baht)

	Consolidated F/S and Separate F/S	
	2016	2015
Trade accounts receivable	452,971	335,473
Postdated cheques	5,145	976
Total	458,116	336,449
Less Allowance for doubtful accounts	(7,348)	(1,665)
Net	450,768	334,784

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

(Unit : Thousand Baht)

	Consolidated F/S and Separate F/S	
	2016	2015
Not yet due	364,183	183,248
Past due :		
Not over 3 months	30,317	101,931
3 - 6 months	6,761	25,594
6 - 12 months	25,097	14,558
Over 12 months	26,613	10,142
Total	452,971	335,473
Postdated cheques	5,145	976
Total	458,116	336,449
Less Allowance for doubtful accounts	(7,348)	(1,665)
Trade accounts receivable – net	450,768	334,784

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

The management believes that the recorded 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	
	2016	2015	2016	2015
Balance at the beginning of year	1,665	79,846	1,665	50,643
Increase (decrease)	5,683	(78,181)	5,683	(48,978)
Balance at the ending of year	7,348	1,665	7,348	1,665

In year 2015, 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 and Separate F/S	
	2016	2015
Finished goods	245,719	179,381
Work in process	105,426	54,242
Raw materials and spare parts	40,516	39,540
Goods in transit	17	-
Total	391,678	273,163
Less Allowance for defective inventories	(4,121)	(4,121)
Net	387,557	269,042

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

(Unit : Thousand Baht)

	Consolidated F/S and Separate F/S	
	2016	2015
Balance at the beginning of year	4,121	4,494
Decrease	-	(373)
Balance at the ending of year	4,121	4,121

11. OTHER CURRENT ASSETS

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Advances to subcontractors	1,084	1,586	1,080	1,586
Less : Allowance for doubtful accounts	-	(1,402)	-	(1,402)
Net	1,084	184	1,080	184
Prepaid expenses	6,558	6,557	6,461	6,451
Accrued interest income	72	213	72	213
Undue input VAT	2,929	1,699	2,920	1,699
Others	11,111	11,381	10,453	11,309

Total	21,754	20,034	20,986	19,856
--------------	---------------	---------------	---------------	---------------

12. INVESTMENTS IN SUBSIDIARIES

(Unit : Thousand Baht)

	Paid - up capital		Percentage of shareholding		Cost method	
	2016	2015	2016	2015	2016	2015
General Engineering Mauritius Limited	338	338	99.99	99.99	338	338
Seven Wire Co., Ltd.	280,000	2,500	99.99	99.99	279,999	2,499
Total					280,337	2,837

In year 2015, Board of Director 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.

At the Extraordinary Shareholder Meeting No. 2/2016 of Seven Wire Co., Ltd. held on 1 November 2016, its shareholders passed a resolution to increase its share capital for 2,700,000 shares at Baht 100 per share amounting of Baht 270 million. The Company had subscribed for all such additional capital increase of subsidiary. On 4 November 2016, the subsidiary had called for fully paid-up share capital and called for share payable of Baht 7.50 million totalling Baht 277.50 million.

On 5 February 2015, the Company established as subsidiary company, "General Engineering Mauritius Limited", with a share capital of USD 10,000 (Baht 338,000) 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 to operate a steel plant and sales of steel products in Myanmar.

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 716,000,000 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.

Losing control over a subsidiaries during the reporting period

In year 2015, the Company disposed investment in Suntech Metals Co., Ltd. and World Wire Processing Co., Ltd

Net assets value of two subsidiaries are as follows :

(Unit : Thousand Baht)

	Suntech Metals Co., Ltd	World Wire Processing Co., Ltd.	Total
At disposal date			
Assets			
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
Total assets	765,692	225,700	991,392
Liabilities			
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
Total liabilities	271,476	265,309	536,785
Net assets	494,216	(39,609)	454,607
Consideration received			807,014
Gain on disposal in consolidated financial statements			352,407

13. ASSOCIATED COMPANY AND JOINT VENTURE – NET

Movements in investments in associated company and joint venture, which are accounted for by the equity method in the consolidated financial statements, for the years ended 31 December 2016 and 2015 are as follows :

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Balance as at the beginning of the year	404,162	385,783	363,294	363,294
Dividend income from associated company	(19,592)	(1,814)	-	-
Share of profit from associated companies	7,628	21,471	-	-
Share of loss from joint venture	(2,805)	(1,278)	-	-
Balance as at the ending of the year	389,393	404,162	363,294	363,294

Investments in associated

(Unit : Thousand Baht)

	Paid - up capital		shareholding		Cost method		Equity method	
	2016	2015	2016	2015	2016	2015	2016	2015
Metric Public Company Limited	300,000	300,000	32.65	32.65	185,633	185,633	215,816	227,779

During the year 2016, the Company received dividend from its associated company at Baht 0.20 per share, totalling Baht 19.59 million. The dividend was received on 17 May 2016.

In year 2015, 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.

Significant financial information of the associated company are summarized as follows :

(Unit : Thousand Baht)

	Consolidated F/S and Separate F/S	
	2016	2015
Current assets	1,057,751	1,323,251
Non - current assets	274,688	346,264
Current liabilities	922,184	1,195,747
Non - current liabilities	31,468	63,135
Revenues	2,004,399	1,996,619
Profit for the year (from operations)	28,280	78,660
Other comprehensive income for the year	(126)	(1,471)
Comprehensive income for the year	28,155	77,189

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

(Unit : Thousand Baht)

	2016	2015
Net assets of associated	378,788	410,633
Proportion of shareholder in Mctric Public Company Limited (percentage)	32.65	32.65
Goodwill	81,744	81,744
Other adjustments	10,398	11,963
Carrying amount of investment in Mctric Public Company Limited	215,816	227,779

Investments in joint venture

The Company paid for investment 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 formed steel products in Myanmar with a capital fund of USD 12 million. The participants of this joint venture are as follow-:

Participant of Joint Ventures	Percentage of joint investment		Amount (USD million)	
	2016	2015	2016	2015
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	3	0.40	0.40
Others	7	7	0.80	0.80
Total	100	100	12.00	12.00

(Unit : Thousand Baht)

	Unit : Thousand USD Paid – up capital		Percentage of shareholding		Cost method		Equity method	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Wisdom Tree Investment (S) PTE. Limited	5,400	5,400	45	45	177,661	177,661	173,578	176,383

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

(Unit : Thousand Baht)

	For the year ended 31 December 2016			
	Assets	Liabilities	Revenues	Net loss
Wisdom Tree Investment (s) PTE. Limited	552,335	138,768	8,523	(6,234)

(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)

[illegible]

(Unit :Thousand Baht)

	Consolidated F/S							
	Land and improve- ment	Building And building improve- ment	Machinery and equipment	Furniture Fixture and Office equipment	Vehicle	Asset under construc- tion	Machinery during installation	Total
Cost								
1 January 2015	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)	-
Transfer land not use to investment property	(1,280,650)	-	-	-	-	-	-	(1,280,650)
31 December 2015	737,693	149,516	650,592	37,276	64,373	115,309	-	1,754,759
Acquisitions	-	218	35,975	9,380	11,194	53,791	-	110,558
Transfer in / (out)	-	94,265	41,333	2,104	-	(137,702)	-	-
31 December 2016	737,693	243,999	727,900	48,760	75,567	31,398	-	1,865,317
Accumulated depreciation								
1 January 2015	-	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
Depreciation for the year	-	7,640	29,275	3,682	8,640	-	-	49,237
31 December 2016	-	24,684	197,888	27,519	49,676	-	-	299,767
Net book value								
31 December 2015	737,693	132,472	481,979	13,439	23,337	115,309	-	1,504,229
31 December 2016	737,693	219,315	530,012	21,241	25,891	31,398	-	1,565,550
Depreciation for the year 2015								
Cost of sales								21,279
Administrative expenses								7,958
Total								29,237
Depreciation for the year 2016								
Cost of sales								37,598
Administrative expenses								11,639
Total								49,237

As at 31 December 2016 and 2015, certain plant and equipment in the Consolidated F/S and Separate F/S have been fully depreciated but are still in use. The original costs, before deducting accumulated depreciation, of those assets amounted to Baht 201.46 million and Baht 183.44 million, respectively.

As at 31 December 2016, the Company also had vehicles acquired under finance lease agreements, with net book value of approximately Baht 0.82 million.

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 33.

During the year 2016, the Company reclassified unused land, formerly intended for rent to the subsidiary for plant construction, but not yet processed, from Property, Plant and Equipment to Investment Property. Accordingly, the reclassification was also made to the statement of financial position as at 31 December 2015 for comparison with the statement of financial position as at 31 December 2016 as shown in Note 34.

15. INVESTMENT PROPERTY

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Investment property	1,001,379	13,449	1,294,099	13,449
Land				
Transfer unused land to investment property	-	987,930	-	1,280,650
Less Allowance for impairment	(4,872)	(4,872)	(4,872)	(4,872)
Net	996,507	996,507	1,289,227	1,289,227
Buildings and buildings improvement	320	320	320	320
Less Accumulated depreciation	(200)	(200)	(200)	(200)
Net	120	120	120	120
Total investment property	996,627	996,627	1,289,347	1,289,347

As at 31 December 2016, the net cost of investment property (land) of the Company is Baht 997 million (Separate F/S : Baht 1,281 million). The appraised value (fair market value) is Baht 1,281 million, based on the report of an independent appraiser firm dated 17 July 2015.

16. OTHER NON - CURRENT ASSETS

(Unit : Thousand Baht)

	Consolidated F/S and Separate F/S	
	2016	2015
Deposit	17,718	14,306
Prepaid tax	14,500	14,500
Total	32,218	28,806

The Company is on process to refund the prepaid tax of Baht 14.50 million. Management determine this prepaid tax is refundable for fully amount.

17. SHORT – TERM LOAN FROM FINANCIAL INSTITUTIONS

(Unit : Thousand Baht)

	Interest rate per annum (Percent)		Consolidated F/S		Separate F/S	
	2016	2015	2016	2015	2016	2015
Liabilities under trust receipt agreements	3.50 - 4.50	3.75 - 6.03	119,213	816	1,173	816

As at 31 December 2016, the Company has credit facility in the form of liabilities under trust receipt agreements totaling Baht 1.17 million. This credit facility is collateralized by cash at bank as mentioned in Note 33.

As at 31 December 2016, the subsidiary has credit facility in the form of liabilities under trust receipt agreements totaling Baht 118.04 million. This credit facility is collateralized by General Engineering Public Company Limited as mentioned in Note 33.

18. ADVANCES RECEIVED – GENERAL CUSTOMERS

As at 31 December 2016 and 2015, the Company has advances received from general customers of Baht 72.28 million and Baht 59.03 million, respectively. These advances received was advances for goods which the Company will be offset with trade accounts receivable by base on contracts when transferred goods to the buyer.

19. LONG – TERM LOAN FROM FINANCIAL INSTITUTION - NET

(Unit : Thousand Baht)

	Consolidated F/S and Separate F/S	
	2016	2015
Long – term loans	284,109	160,234
Less Current portion due within one year	(78,000)	(78,000)
Net	206,109	82,234

Movements in long - term loans from financial institution as at 31 December 2016 and 2015 are as follows:

(Unit : Thousand Baht)

	Consolidated F/S and Separate F/S	
	2016	2015
Balance – beginning of the year	160,234	-
Add Additional borrowings	208,375	-
Transferred from short - term loan from financial institution	-	160,234
Less Repayment	(84,500)	-
Balance – ending of the year	284,109	160,234

Loan has a period of 7 years and 7 months which bears interest at MLR-0.5% per annum and is mortgaged by machinery 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 and the assignment of the beneficiary of insurance on construction.

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 14 and 33.

20. LIABILITIES UNDER FINANCE LEASE - NET

(Unit : Thousand Baht)

	Consolidated F/S and Separate F/S	
	2016	2015
Liabilities under finance lease agreement	698	-
Less : Deferred interest	(80)	-
Net	618	-
Less : Current portion of finance lease agreement	(126)	-
Net	492	-

The Company entered into finance lease agreements with certain local company to lease vehicles which are repayable in 60 months.

21. OTHER CURRENT LIABILITIES

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Accrued expenses	25,618	32,687	25,169	32,325
Accrued sub - contract work	46,140	22,738	46,140	22,738
Others	8,608	6,810	8,445	6,810
Total	80,366	62,235	79,754	61,873

22. EMPLOYEE BENEFITS OBLIGATION

- Employee benefits expense

Expenses recognized for employee benefits are as follow :

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Salaries and wages	156,720	133,868	156,260	113,760
Social security costs	4,697	4,135	4,693	3,612
Pensions – defined benefit plans	4,104	3,680	4,099	3,133
Total	165,521	141,683	165,052	120,505

- Movements in employee benefits obligation for the years ended 31 December 2016 and 2015 are as follows :

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Employee benefit obligation as at 1 January	25,838	25,033	25,838	17,751
Current service cost	4,772	3,570	4,772	2,709
Interest expense	715	953	715	717
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	(963)	(1,153)	(963)	(919)
Employee benefit obligation as at 31 December	30,362	25,838	30,362	25,838
Total unfunded	30,362	25,838	30,362	25,838

- Principal actuarial assumptions at the reporting date for the years ended 31 December 2016 and 2015 are as follows :

(Unit : Percent)

	Consolidated F/S and Separate F/S	
	2016	2015
Discount rates	2.77	2.77
Salary growth rate	3 – 5	3 – 5
Average life expectancies:		
Male, 60 years of age at reporting date	39	38
Female, 60 years of age at reporting date	39	38
Weighted average duration of the defined benefit obligations (years)	21	22

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

- Defined benefit plan expenses

Amounts recognized in profit or loss related to defined benefit plans are as follows:

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Current service cost	4,772	3,570	4,772	2,709
Net interest expense	715	953	715	717
Total expenses recognized in profit or loss	5,487	4,523	5,487	3,426

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

- Amounts recognized in other comprehensive income related to the defined benefit plans are as follows:

(Unit : Thousand Baht)

	Consolidated F/S and Separate F/S	
	2016	2015
Actuarial loss from changes in demographic assumptions	-	2,928
Actuarial loss from changes in financial assumptions	-	2,652
Total expense recognized in other comprehensive income	-	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%
2016		
Discount rate		
Increase (decrease) in the defined benefit liability	(2,424)	2,836
Salary growth rate		
Increase (decrease) in the defined benefit liability	3,033	(2,638)
Staff turnover rate		
Increase (decrease) in the defined benefit liability	(2,600)	1,652

(Unit : Thousand Baht)

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

23. DEFERRED TAX AND INCOME TAX

23.1 Deferred tax

Income tax recognized in the statement of income for the years ended 31 December 2016 and 2015 are as follows:

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Current income tax	1,847	1,810	1,847	1,679
Deferred tax from temporary differences	(3,297)	2,138	(905)	638
Total income tax	(1,450)	3,948	942	2,317
Income tax recognized in other comprehensive income	(51,580)	60,462	(51,580)	60,462

23.2 Current income tax

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Income tax recognized in profit or loss				
Current income tax				
Profit before income tax	82,582	122,657	100,102	43,895
Tax rate	20	20	20	20
Income tax at corporation tax rate	16,516	24,531	20,020	8,779
Add Items not yet allowable as expenses under Revenue Code	2,275	1,190	2,275	1,190
Less Items previously added back of allowance for doubtful account and others in tax computation	-	(7,656)	-	(7,656)
Items not considered as income under the revenue code	(20,451)	(634)	(20,448)	(634)
Effect from related party transactions	3,155	(15,709)	-	-
Loss of subsidiary company	352	88	-	-
Net	1,847	1,810	1,847	1,679

23.3 Deferred tax

Deferred tax assets and liabilities are analyzed as follows :

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Deferred income tax assets	32,461	83,136	32,461	83,136
Deferred income tax liabilities	(6,037)	(8,429)	-	-
Net	26,424	74,707	32,461	83,136

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

(Unit : Thousand Baht)

	Consolidated F/S				
	1 January 2016	Recognized as income (expense)		Disposal of investment	31 December 2016
		Statement of profit or loss	Shareholders' equity		
Deferred income tax assets from :					
Employee benefits obligation	5,168	905	-	-	6,073
Investments in available-for-sales securities	77,968	-	(51,580)	-	26,388
	83,136	905	(51,580)	-	32,461
Deferred income tax liabilities from :					
Investment in associated company	(8,429)	2,392	-	-	(6,037)
	(8,429)	2,392	-	-	(6,037)

(Unit : Thousand Baht)

	Consolidated F/S				
	1 January 2015	Recognized as income (expense)		Disposal of investment	31 December 2015
		Statement of profit or loss	Shareholders' equity		
Deferred income tax assets from :					
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
Deferred income tax liabilities from :					
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)

	Separate F/S			
	1 January 2016	Recognized as income (expense)		31 December 2016
		Statement of profit or loss	Shareholders' equity	
Deferred income tax assets from :				
Employee benefits obligation	5,168	905	-	6,073
Investment in available-for-sales securities	77,968	-	(51,580)	26,388
	83,136	905	(51,580)	32,461

(Unit : Thousand Baht)

	Separate F/S			
	1 January 2015	Recognized as income (expense)		31 December 2015
		Statement of profit or loss	Shareholders' equity	
Deferred income tax assets from :				
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
Deferred income tax liabilities from :				
Investment in available-for-sales securities	(18,622)	-	18,622	-
	(18,622)	-	18,622	-

24. SHARE CAPITAL PREMIUM ON SHARE CAPITAL AND LEGAL RESERVE

Share Capital

During the year, the warrant holders exercised to buy 407 common shares with an exercise price of Baht 0.85 per share. The Company received additional paid-up share capital and share premium of Baht 346 and Baht 263, respectively.

As at 31 December 2016, the Company has remaining warrant totaling 1,327,187 thousand units outstanding unexercised warrants. The exercise price of the warrant is Baht 1.20 per share. The first Exercise Date will be on 30 December 2013 and the final Exercise Date will be on 9 June 2016.

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.

25. RESERVE FOR TREASURY SHARES

For the repurchase of its own shares, the Company must appropriate its retained earnings equal to the amount that the Company paid for the buy - back of such shares until such treasury shares are subsequently sold out for the whole amount or until the paid-up share capital is reduced by the number of outstanding unsold shares, as the case may be.

26. TREASURY SHARES - COMMON SHARES

At the Board of Director Meeting No. 9/2015 held on 22 December 2015, the board passed a resolution to purchase treasury shares not exceeding Baht 100 million which is not exceeding 180,000,000 shares. During the period, the Company repurchased its own shares (treasury stocks) up to the end of the period (7 July 2016) totaling 165,000,000 shares for Baht 91.07 million (2.97% of paid in share capital).

27. 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, totaling Baht 55.63 million or at Baht 0.01 per share which was paid on 22 May 2015.

28. 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 2016 and 2015, amounted to Baht 4.10 million and Baht 3.16 million, respectively.

29. 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.

At the General Shareholders' Meeting for year 2016 on 21 April 2016, the shareholders passed a resolution to transfer a promotion certificate to the subsidiary as the project has been transferred to the subsidiary.

30. EXPENSES BY NATURE:

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	For the years ended 31 December			
	2016	2015	2016	2015
Changes in finished goods and work in progress	49,056	23,376	49,056	54,225
Raw materials and supplies used	664,203	1,270,132	664,203	516,856
Employee benefit expenses	227,913	203,322	226,644	173,877
Service fees	43,662	36,070	43,619	34,148
Installation costs	170,058	129,685	170,058	129,685
Labour costs	129,784	101,801	129,784	101,801
Depreciation	49,238	45,438	49,237	29,237
Transportation expenses	85,575	62,224	85,575	60,429
Doubtful accounts	6,540	11,922	6,540	-
Management benefit expenses	25,053	21,129	25,053	20,748
Selling expenses	8,987	11,443	8,987	7,925
Loss from impairment of investments in subsidiaries	-	1	-	36,346
Loss on decremental value of inventories	-	176,386	-	-

31. FINANCIAL INSTRUMENTS

31.1 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.

31.2 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.

31.3 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.

31.4 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 2016, 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 and Separate F/S	
	Financial assets	Financial liabilities
YEN	-	3,769,000
USD	145,959	-

31.5 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 2016 and 2015, 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)

	2016									
	Consolidated F/S					Separate F/S				
	Principal		Average Interest Rate (%)			Principal		Average Interest Rate (%)		
	Floating Interest Rate	Fixed Interest Rate	Total	Floating	Fixed	Floating Interest Rate	Fixed Interest Rate	Total	Floating	Fixed
Assets										
Cash at banks										
- saving deposits	58,049	-	58,049	0.37 – 1.05	-	54,904	-	54,904	0.25 – 1.05	-
- fixed deposits	-	50,001	50,001	-	1.00	-	50,001	50,001	-	1.00
Restricted deposits at bank	65,100	-	65,100	0.37 – 0.90	-	65,100	-	65,100	0.37 – 0.90	-
Liabilities										
Short - term loan from financial institution	119,213	-	119,213	3.50 – 4.50	-	1,173	-	1,173	3.50 – 4.50	-
Long - term loans from financial institution	284,109	-	284,109	MLR – 0.50	-	284,109	-	284,109	MLR – 0.50	-
Liabilities under finance lease agreement	-	619	619	-	3.05	-	619	619	-	3.05
Loan payable – subsidiary company	-	-	-	-	-	259,500	-	259,500	MLR – 0.50	-

(Unit : Thousand Baht)

2015											
Consolidated F/S						Separate F/S					
Principal			Average Interest Rate (%)			Principal			Average Interest Rate (%)		
Floating Interest Rate	Fixed Interest Rate	Total	Floating	Fixed		Floating Interest Rate	Fixed Interest Rate	Total	Floating	Fixed	
Assets											
Cash at banks											
- saving deposits	85,280	-	85,280	0.37 – 1.62	-	82,780	-	82,780	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 – 0.90	-	62,500	-	62,500	0.37 – 0.90	-	-
Liabilities											
Short - term loan from financial institution	816	-	816	3.75 – 6.03	-	816	-	816	3.75 – 6.03	-	-
Long - term loans from financial institution	160,230	-	160,230	MLR – 0.50	-	160,230	-	160,230	MLR – 0.50	-	-

31.6 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 2016 and 2015.

(Unit : Thousand Baht)

	Consolidated F/S and Separate F/S	
	Level 1	
	2016	2015
Financial assets		
Investment in available-for-sales securities	1,147,159	889,261

32. SEGMENT REPORTING

Below are segmental revenues and gross profit of the Company and its subsidiaries for the years ended 31 December 2016 and 2015.

(Unit : Thousand Baht)

	For the years ended 31 December							
	Manufacturing and sales of concrete products		Metals products		Others		Elimination	
	2016	2015	2016	2015	2016	2015	2016	2015
Revenues from sales and services								
Revenue from external customers	1,585,606	1,292,148	-	750,801	-	247	-	(60,488)
Cost of sales	(1,314,831)	(1,047,237)	-	(836,597)	-	(2,043)	-	60,241
Gross profit	270,775	244,911	-	(85,796)	-	(1,796)	-	(247)
Other income							92,095	46,225
Interest income							2,692	10,468
Interest expense							(17,577)	(4,939)
Depreciation							(49,238)	(45,437)
Profit before income tax							82,582	122,657
Property, plant and equipment - net	1,765,380	1,796,950	-	-	-	-	291,714	-
Other assets							3,763,404	3,323,129
Total assets							5,820,498	5,120,079

Major Customer

As at 31 December 2016 and 2015, the Company have revenue generated from any customer more than 10 percent of revenue in consolidated financial statements. as 2 customers and 1 customer totaling Baht 439.32 million and Baht 131.64 million, respectively.

33. COMMITMENTS AND CONTINGENT LIABILITIES

33.1 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 1,634.72 million.

33.2 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 141.29 million. The Company's fixed deposits of Baht 65.10 million and part of the Company's land and construction have been mortgaged/pledged as collaterals for such letters of guarantee.

33.3 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	16,529
Due after 1 year but within 5 years	44,109
Total	60,638

33.4 As at 31 December 2016 and 2015, the Company and subsidiaries have opened credit facilities as follow :

(Unit : Thousand Baht)

	Consolidated F/S						
	Currency	2016			2015		
		Total	Utilized	Remained	Total	Utilized	Remained
Letters of guarantee	Baht	370,382	(141,288)	229,094	355,000	(136,798)	218,202
Bank overdraft and others	Baht	1,184,000	(508,039)	675,961	1,643,500	(161,056)	1,482,444

(Unit : Thousand Baht)

	Separate F/S						
	Currency	2016			2015		
		Total	Utilized	Remained	Total	Utilized	Remained
Letters of guarantee	Baht	370,382	(141,288)	229,094	355,000	(136,798)	218,202
Bank overdraft and others	Baht	958,500	(390,000)	568,500	1,643,500	(161,056)	1,482,444

The above obligations are collateralized by the mortgages of part of the Company's land and construction thereon as mentioned in Note 14.

At the Board of Directors meeting No.1/2016 held on 4 February 2016, the subsidiary obtained the credit facilities from the financial institutions totaling Baht 540 million which has mortgaged by machinery and land and buildings which collateralized by the Company. The subsidiary must maintain debt to equity ratio not over 1.5 times of separate financial statements as at 31 December

of each year and the Company must hold shares in subsidiary not less than 99.99 percent and the assignment of the beneficiary of insurance on construction. Details of credit facilities are as follow:

Type of credit facilities	Credit line (Million Baht)	Interest rate	Period	Repayment term	Objective
Long - term loan M/L (1)	174.50	MLR – 2 percent p.a	7 years	<ul style="list-style-type: none"> - For period 1-12 payment only interest every month. - From period 13 onward installment principal Baht 2.50 million per month exclude interest. 	Investing in new plant construction
Long - term loan M/L (2)	225.50	MLR – 2 percent p.a.	7 years	<ul style="list-style-type: none"> - For period 1-12 payment only interest every month. - From period 13 onward installment principal Baht 3.20 million per month exclude interest. 	Investing in purchase of machinery and equipment
Bank overdraft	20	MOR percent p.a.			
Letter of guarantee	120	MLR -1 percent p.a.			
Total	540				

At the Board of Directors meeting No.8/2016 held on 11 November 2016, the Company obtained the credit facilities from the financial institutions totaling Baht 200 million which has mortgaged machinery and land and building. The Company must maintain debt to equity ratio not over 2.0 times and DSCR not less than 1.20 times of separate financial statements and the assignment of the beneficiary of insurance on construction. Details of credit facilities are as follow:

Type of credit facilities	Credit line (Million Baht)	Interest rate	Period	Repayment term	Objective
Long term loan	140	MLR – 1 percent p.a	7 years	<ul style="list-style-type: none"> - For period 1-12 payment only interest every month. - From period 13 onward installment principal Baht 1.95 million per month exclude interest. 	Investing in new plant construction for prestressed concrete pile.
Long - term loan	60	MLR – 1 percent p.a.	7 years	<ul style="list-style-type: none"> - For period 1-12 payment only interest every month. - From period 13 onward installment principal Baht 0.85 million per month exclude interest. 	Investing in purchase of machinery and equipment for prestressed concrete pile.
Total	200				

33.5 The Company has commitment for letter of credit issued by a bank which cooperated with a related party amounting to USD 5.32 million for guarantee credit facility of joint venture. These credit facilities are collateralized by the share of the Company.

33.6 The Company has commitment for purchase of equipment and machinery amounting to Baht 23.10 million.

33.7 The subsidiary has commitment for purchase of machinery amounting to Euro 43,904 and Baht 20.11 million

33.8 The Company has commitment for construction agreements from an associated amounting to Baht 91.39 million.

34. RECLASSIFICATION

The statement of financial position as at 31 December 2015 was reclassified, as mentioned in Note 14, for comparison with the statement of financial position as at 31 December 2016 with the effects as follows:

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	Before reclassification	After reclassification	Before reclassification	After Reclassification
STATEMENTS OF FINANCIAL POSITION				
Trade accounts receivable – general customers - net	380,348	334,784	380,348	334,784
Retention receivable	-	45,564	-	45,564
Property, plant and equipment - net	2,784,880	1,796,500	2,784,880	1,504,230
Investment property	8,697	996,627	8,697	1,289,347

35. EVENT AFTER REPORTING PERIOD

35.1 At the Board of Directors meeting No.1/2017 held on 17 January 2017, the board passed a distribute the treasury shares of the Company repurchased its own shares (treasury stocks) during 1-15 February 2017. The Company has to distribute the treasury shares with the price not less than 0.60 baht per share. When expire the due date of distribute the treasury shares. In case the Company has not distribute or cannot distribute, the Company will decrease all registered capital by used for the reduction of the discount on share capital and deficits. On 27 February 2017, the Company registered to decrease all registered capital with Department of Business Development due to the Company has not distribute such treasury shares.

35.2 On 23 January 2017 and 27 January 2017, the Company has mortgaged machinery and land and construction thereon, to collateralized with a bank as mentioned in Notes 33.4.

36. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's Board of Directors on 27 February 2017.





General Engineering Public Company Limited

Head Office

44/2 Moo 2 Tivanont Rd. Bangkadee,

Muang, Pratumthani 12000 Thailand

Tel : 66(0) 2501-2020, 66(0) 2501-1055,
66(0) 2501-2128-30, 66(0) 2501-2462-64

Fax : 66(0) 2501-2134, 66(0) 2501-2468

E-mail: gel@gel.co.th

www.gel.co.th

