



GENERAL ENGINEERING PLC

ANNUAL REPORT 2019

รายงานการประจำปี 2562

Message from the Chairman

In the year 2019, the world economy is fluctuation including the global economic slowdown as a result from the pressure of the trade war between the United States and China, currency fluctuations together with domestic events such as a new government which result to government spending and private investment were delayed. Also, increasing household debt and measures to control the mortgage of housing (Loan to Value or LTV), the strictness of the lending of financial institutions which has a direct impact on the real estate and construction sectors.

The Board of Directors and the executives of General Engineering Public Company Limited still keep positioning its strategy to be conformed with the economic condition of the next year which tends to be steady in order to prepare for an adjustment and to enable us to handle the situations and uncertainties, which will lead our business to grow constantly and sustainably.

Apart to run business operations, to develop our products and to manage the Company in line with the real needs of consumers, the Company commit to manage carefully with efficiency as well as being able to adjust to accommodate various uncertain factors by focusing on environmental management and social responsibility in order to promote our business to grow sustainably with good corporate governance, transparency and auditable.

On behalf of the Board of Directors, we would like to thank you all shareholders, customers, partner, employees and stakeholders including financial institutions to support the Company in the year 2019. The Company dedicated to do business with carefully, circumspect, with good corporate governance and sustainable in order to maximize benefits to all parties involved, as the Company has always performed well.

A handwritten signature in black ink, appearing to be 'B. Uwanno', with a long horizontal stroke extending to the right.

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

Message from the CEO

In the year 2019, the overall operating results of the Company was improved due to the subsidiaries beginning to gradually recognize revenue but the intense competition of the construction materials market together with the overall of the global and domestic economy is still shrinking. Many operators slow down the launch of new projects. Therefore, resulting in the overall operating results not meet the target. However, the Company has accelerated the implementation of important plans; to allocate production resources and provide products and services to meet the needs of all customer, to reduce and control production costs and expenses. In this regards, resulting in the Company being able to maintain its market share and ability to compete with competitors in the industry. In addition, in the year 2019, the Company expand its business line by investing in the bored pile product which to meet the needs of customers and being more choices for customers. Therefore, the Company has built the strength of its products and ready to grow efficiently in order to give good things to customers.

In 2020, the overall economic is expected to slow down from the impact of the household debt level and the outstanding amount of condominium supply that remains at a high level which should cause the overall construction market to slow down continuously. However, due to the intense competition in the industry, the company will continue to focus on building long-term business growth through strategies such as maintaining existing product standards, expanding business lines to meet the increasing needs of customers as well as looking for opportunities and ways to reduce production costs in order to reduce risk from raw material costs and reducing and controlling costs and expenses to make the Company more competitive. This also includes the development of personnel that the company has carried out continuously to create sustainable and stable growth.

In addition, the Company has always been operating with transparency, to anti-corruption and adheres to the principles of good governance in management to drive the Company to be an organization that operates with honesty and straightforwardness. This will benefit the organization, employees, shareholders and other stakeholders in the long run. Finally, the Company would like to inform all shareholders and stakeholders that although the Company will face many obstacles such as a high competition in the materials construction market or economic situation but with the determination and dedication of all executives and employees' cooperation in resolving problems of all parties including strategy adjustment. The problem resolving of the management under various situations will enable the Company to achieve its goals.



Mr. Thitipong Tangpoonphonvivat
(Chief Executive Officer)

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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 Baht 500,000 in the name “General Engineering Company Limited” to operate prestressed concrete piles product 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 property and construction industry, construction materials sector 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 Baht 10 per share.

As at December 31, 2019, the Company has registered capital of Baht 4,588,195,610.65 and paid up capital of Baht 4,588,195,610.65 divided into 5,397,877,189 shares at a par value of Baht 0.85 per share

The Company's core business is the manufacture and sells of construction materials; pre-stressed concrete pile, precast concrete, glass fiber reinforced concrete, special cement products and post-tension slab.

1.1. Operation policy of the Company

General Engineering Public Company Limited (“the Company”) initiated the pre-stressed 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 pre-stressed concrete piles, glass fiber reinforced, precast concrete, post-tension slab and special cement products. We have been awarded ISO 9001:2015 certification and Thai Industrial Standards (TIS).

❖ Vision

Bring inspiration, innovation and construction experience to our customers.

❖ Mission

People

- GEL is a result oriented company that builds value for its stakeholders through its employees. We creating an active atmosphere of professional teamwork to deal with everyone in open and ethical manner.

Performance

- Use digital technology to improve internal performance, to market our product and service and understand customer better.
- We carefully optimize process, product and service to get the highest efficiency and enhance top quality.

Partnership

- We provide products, services, consultancy, management with relevant innovation to attract, engage and delight our customer.
- We are a trusted provider of construction systems and technologies.

❖ **Organization Culture**

Adapt & Learn

- Ready to adjust and develop knowledge and ability to keep up with changes

Commitment

- Be responsible to build confidence in delivering products and services

Think positive

- Think positively, reflecting it into positive words and actions. See challenges as opportunities

Innovation

- Creative and development new things to get better guidelines or results

Value of Teamwork

- Believe in the teamwork, build good relationships both in and across fields to achieve common goals

Expertise

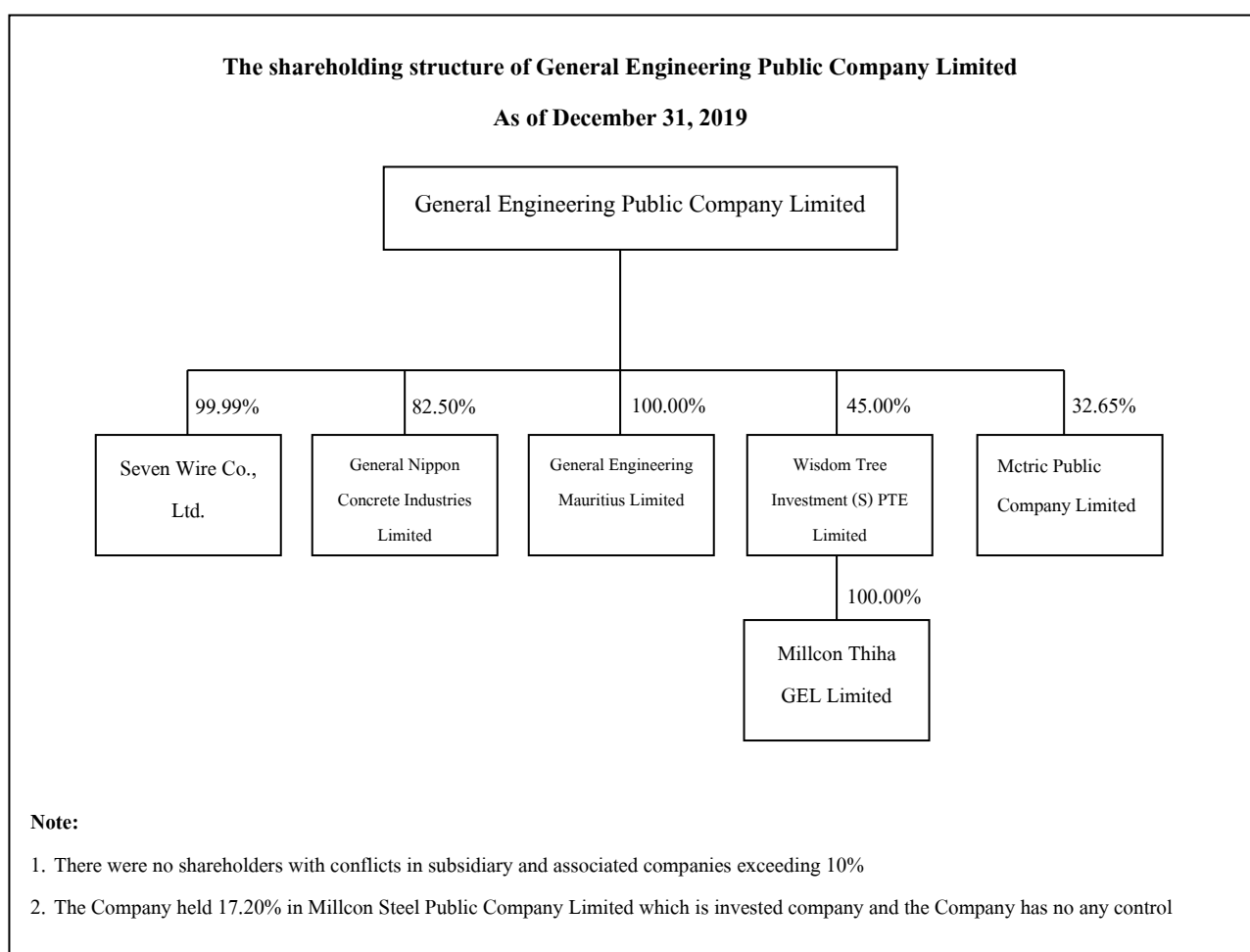
- have knowledge and expertise in the work. Maintain work standards and find an opportunity to create added value for customers

1.2. The key events in year 2019 and development

24 December 2019 The Board of Directors' Meeting No. 8/2019 had the resolution of approval;

1. To invest in the additional investment in building (foundations) which located on Moo 4, Tambon Chiangraknoi, Ampoe Samkok, Pathumthani with total budget Baht 91.25 Million (which includes values of developed land equal to Baht 70 million of area 14 Rais) due to the Company plans to move the production base to Chiang Rak Noi as well as to maintain the right of construction permits that are about to expire.
2. To invest in bored piles with total budget Baht 13.52 Million due to the Company plans to expand the business lime to meet the needs of customers and provide more option for customers

1.3. The shareholding structure of the Group



List of Subsidiaries and other Associates as of December 31, 2019

Company	Nature of Business	Proportion (%)	Paid up capital (Million Baht)	Cost of investment (Million Baht)	Value of investments (Million Baht)
Subsidiaries					
1. General Engineering Mauritius Limited 10 th Floor, Standard Chartered Tower 19, Cybercity Ebene, Mauritius	Investment business	100.00	0.34	0.34	0.34
2. Seven Wire Company Limited 99/9 Moo 1, Tambon Banlang, Ampoe Muang Rayong, Telephone 0-3862-2299, 0-3862-4499	Manufacturing and sell the special qualified PC Wire and PC Strand	99.99	280.00	279.99	279.99

Company	Nature of Business	Proportion (%)	Paid up capital (Million Baht)	Cost of investment (Million Baht)	Value of investments (Million Baht)
3. General Nippon Concrete Industries Limited 99/9 Moo 4, Tambon Chiangraknoi, Ampoe Samkok, Pathumthani	Manufacturing and sell concrete spun pile	82.50	200.00	165.00	165.00
<u>Joint Venture Company</u> Wisdom Tree Investment (S) PTE. Limited 1 Raffles Place #39-01 One Raffles Place Singapore (048616) Telephone (65) 6225-1868 Fax (65) 3125-7212	Investment in overseas	45.00	394.80	177.66	150.42
<u>Associated Company</u> Metric Public Company Limited 121/105, RS Tower, 39th Floor, Ratchadapisek Road, Dindaeng District, Bangkok Telephone 0-2641-2100 Fax 0-2641-2030, 0-2641-2029	Construction and System installation services	32.65	300.00	185.63	158.34

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

2. NATURE OF BUSINESS

2.1. Revenue Structure

The revenue structure from business operation of the company for the year 2019 can be classified as follows:

Type of revenue	2019		2018		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Pre-stressed concrete piles	806.91	38.57	970.84	47.83	876.83	49.01
Concrete product	1,012.61	48.41	886.54	43.68	830.95	46.45
Special cement	88.87	4.25	74.43	3.67	46.45	2.60
Other products	6.58	0.30	9.63	0.47	8.24	0.46
Steel product	119.47	5.71	6.57	0.32	-	-
Total	2,034.44	97.24	1,948.01	95.98	1,762.47	98.51
Interest and discount rates are	0.17	0.01	0.15	0.01	0.74	0.05
Gains on asset sales	-	-	42.00	2.07	-	-
Dividends income	23.36	1.12	2.41	0.12	-	-
Others	32.95	1.58	28.15	1.39	23.62	1.32
Gains from exchange rate	1.15	0.05	0.46	0.02	2.25	0.13
Total revenues	2,092.07	100.00	2,021.18	100.00	1,789.08	100.00

2.2. Our Products and Services

1) Core business

The Company is a manufacturer and distributor of construction material and providing services for such products.

Product Group	Product Name	Properties	Usage
Pre-stressed concrete pile products	<ul style="list-style-type: none"> * Square pile * I-shape pile * Hollow square pile * Pre-stressed 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 products	<ul style="list-style-type: none"> * Precast concrete for structural parts and architectural component parts 	Quality and standard can be regularly controlled on the whole piece for quick owner	Residence both housing and condominium, factory and warehouse, department store, high-rise building, stadium etc.
Post-tensioned slab	<ul style="list-style-type: none"> * Post-Tension slab 	Used for space that requires an exceptionally wide distance of columns and requires no slab supporting beam so that the building has few	Car park building, high rise building

Product Group	Product Name	Properties	Usage
		columns and more space for use and that the construction can be made quickly.	
	* 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, big building
Glass fiber reinforced concrete product (GRC)	* Glass fiber 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 cement products	* Non-Shrink Grout Cement	Being non-shrink cement and supporting a high pressure	Housing, high rise building, factory, power plant and petro chemical plant
	* Skim coat	There is a thin plaster adhesion. Used for wall decorations, concrete work surface to smooth out beautifully. There are no cracks. Savings color of the painting	Concrete wall
	* Tile Adhesive	For general floor and wall tiles	For general floor and wall tiles
	* Construction Chemicals	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
Other products	* Bored pile	Prevent unstable soil wall erosion around borehole Reduce the noise caused by installation	Projects that need to support large-scale structures
	* Segment & Girder	High construction technology and the work piece is large. The design meets the design requirements of the regulatory agencies.	Infrastructure such as the bridge structure, U-turn, expressway, elevation

Note: Being a product with quality certification under the ISO 9001:2015 Standard

Survey of Customer Satisfaction

	Jul – Dec 19	Jan – Jun 19	Jul – Dec 18	Jan – Jun 18	Jul – Dec 17	Jan – Jun 17
% customer satisfaction	83.71	77.72	76.36	79.68	79.58	77.53

Note:

1. In year 2018, the Company changed the Company's survey customer satisfaction regarding to its more efficiency
2. The Company has set the expectation of customer satisfaction not less than 75%

2) The business of its subsidiaries and associated companies

Subsidiaries companies

(1) General Engineering Mauritius Limited is an investment company which invests in Wisdom Tree Investment (S) PTE. Limited, the joint venture company.

(2) Seven Wire Co., Ltd is a manufacturing and sells the special qualified of PC wire/ PC strand and cold drawn wire. It's headquarter is located in Pathumthani. The plant is located in the IPRC Eco Industrial Zone, Rayong province which produces following products;

1. Prestressed Concrete Wire (Prestressed Concrete Wire - PC Wire)
2. Prestressed Concrete Strands (Prestressed Concrete Wire - PC Strands)
3. Cold Drawn Wire (CW)

(3) General Nippon Concrete Industries Co., Ltd. is a manufacturing and sells concrete spun pile.

Joint venture Company

(1) 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.

Associate company

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

2.3. Marketing and competition condition

Marketing and competition condition

In 2020, the situation of the real estate market is still slow from the previous year which contrary to government construction projects especially in the construction of basic public utilities, infrastructure that have been started for many projects. The Company foreseen the opportunity to sell products to customers who received construction work from the government more than before.

Main customers of the Company

- | | |
|---------------------------------|---|
| 1. Medium and large contractors | A group of potential contractor companies that tend to bid from government sectors such as buildings and infrastructure |
| 2. Developer | 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. |

Marketing strategies

1) Product and Service Strategy

The company has expanded and focused more on new product groups that will be marketed this year. Both in terms of construction technology products, construction chemicals, other concrete products which is expected to meet the needs of customers with many construction projects that will occur this year. The Company will provide services from the design stage, choosing the right product with the value of the project investment, quality control from production to on-site installation etc.

2) Distribution Channel and Strategy

The company focuses on the direct selling by the sales team that expert in our product for respond the real customer need. The main customer groups of the company are developers, contractors, designers and project consultants and market segmentation is the real estate sector, large construction project, infrastructure etc.

3) Marketing Promotion Strategy

The company focuses on the customer satisfaction and after sale service for the key accounts through the sales, marketing and engineering team. We position ourselves as consultant in the construction field. In addition, we concentrate on the customer relationship management through experience of the product use to lead a long-term business partner.

Industry conditions and competition

The company is a leader in innovative construction products with over 57 years of experience, focusing on the development of new products continuously. In the year 2019, the number of major competitors is shown in the table below

The number of major competitors

Products	The number of major competitors (list)			
	2019	2018	2017	2016
Manufacture and distribution of pre-stressed concrete pile	13	13	13	10
Manufacture and installation of precast concrete	6	5	5	14
Manufacture and distribution of glass fiber reinforced concrete	4	4	4	4
Manufacture and distribution of post-tensioned	6	6	6	5
Manufacture and distribution of special cement	12	12	12	12

2.4. Providing Products or Services

1) Manufacturing

Currently, the Company has three locations as follows.

- (1) The Company headquarter

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

- (2) Branch (1)

99, 99/1-5 Moo 4, Chiangraknoi, Sam Khok, Pathumthani

- (3) Branch (2)

99/9 Moo 1, Banlang, Muang Rayong, Rayong

Capacity and utilization

Product	2019				2018				2017			
	Full capacity	Actual production	Utilization (%)	Production volume increase (decrease) (%)	Full capacity	Actual production	Utilization (%)	Production volume increase (decrease) (%)	Full capacity	Actual production	Utilization (%)	Production volume increase (decrease) (%)
Pre-stress concrete pile (cu.m.)	227,550	98,097	43.11	(32.67)	227,550	145,694	64.03	18.70	227,550	122,743	53.94	22.32
Precast concrete (m ²)	924,000	579,833	62.75	33.76	924,000	433,456	46.91	3.15	924,000	420,199	45.48	3.90
Post-Tensioned (m ²)	800,000	292,040	36.51	(48.88)	600,000	434,783	72.46	(20.21)	600,000	544,926	90.82	19.54
Glass fiber reinforcement concrete (kg)	2,500,000	1,392,870	55.71	12.67	2,500,000	1,236,228	49.45	(14.90)	2,500,000	1,452,632	80.70	173.96
Special Cement (kg)	33,000,000	30,449,775	92.27	35.76	27,000,000	22,428,275	83.07	>100	27,000,000	8,987,100	33.29	(58.00)

2) Supply of raw materials for production to sell

In the year 2019, the Company has selected many new distributors to increase the price competition of the company's raw materials and equipment, as well as testing more various appliances and the Company is also looking for distributors from abroad as an alternative to the Company's purchase. The Company still considering both quality and price. The Company also has a partnership with distributors in cooperation in product development, inspection and evaluation both product distributors and users of the Company. By examining the satisfaction with the users and having a meeting together to discuss the ways of working and listening to the problems to improve and improve

3) The main raw material suppliers

Cement	Buy from vendor	2	Lists
PC Wire/PC Strand	Buy from vendor	4	Lists
Steel bar	Buy from vendor	4	Lists
Sand/stone	Buy from vendor	3	Lists

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

4) Environmental impact

Regarding to the Company is a manufacturing of construction materials therefore they may be pollution that occur, such as dust, noise and industrial waste. The Company is located in zone where the cement industry can be operated. The Company had developed machine and study techniques for reducing dust and noise as well as production sites located far away from neighboring locations. The Company has a safety department in order to take care of the safety and the environment in the factory. The Company has been certified ISO 9001: 2015 which includes pollution control, working conditions, noise, light and dust as well for scrap materials that are not used and are out of the factory area. Ministry of Industry have measures to set rules and regulations for the Company must be treated to dispose of waste or unused materials outside the factory area as well as having to comply with the Public Health Act BE 2535 and the provisions of the Bangkokadee Sub district Municipality Act on the control of businesses that are harmful to health 2548

The Company sees the importance of health and well-being, safety, and work environment, therefore, the policies were announced as follow;

- 1) All facilities shall comply with the applicable law, rules and regulations in terms of safety, health and well-being and work environment.
- 2) The Company shall see the importance of safety, health and welfare of all employees whether in the workplace or other businesses employees and others related are working in.

- 3) Management system is not only responsible for accident precaution, sickness caused by work, and environmental protection but it includes resources preparation, necessary budget required to promote safety culture, health and well-being, work environment and complying with the agreed policy consistently.
- 4) Safety management, well-being and environment are some of the factors that improve the operations performance. Therefore, the Company is committed on the enforcement of safety, health and environment management system to identify, evaluate and control the occupational health and environmental concerns. The Company will continue to improve health and safety system by monitoring, investigating and reporting the progress and improvement as part of change assessment.
- 5) The considerations on any changes of the production, the Company will consider factors from the health and safety system as part of change assessment.
- 6) The Company is responsible for social responsibility and is committed to operate in an environmental friendly, consume raw materials valuably, and consume energy efficiently to reduce emission, waste management and reuse waste resourcefully.
- 7) The health and safety monitoring system will operate continuously and identify items that do not meet the stated requirements to find alternative improvements.
- 8) The Company will apply the excellency in health and safety to the organization and ensure that all employees are contributed in all activities such as trainings, and examining by providing consultancy and facilitate appropriately.
- 9) All employees, contractors and subcontractors are accountable to comply with the stated rules and regulations in terms of health and safety in the workplace and environmental friendly.

The Company is committed to operate environmental and take into account that the community and social environment live together optimistically for the sustainable growth. The environmental good governance policy was announced on 18 March 2014 to notify all employees, community in the area that that Company will strictly comply with the good governance policy and has passed the environmental good governance assessment on 19 September 2016.

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, 2019	December 31, 2018	December 31, 2017	December 31, 2016
Number of work has not been delivered	1,916	1,851	1,982	1,756

3. **RISK FACTORS**

The Risk Management Committee considered the Company's risk factors in 2019 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 presentation 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.

The company has collaborated with leading universities in Thailand (MOU) to jointly develop research and exchange knowledge that will lead to new innovations in engineering and education including the personnel that will have to accept students for internships and work with the company in the future.

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 by Human Resource Development department, 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 its 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.

5) Risk from the information technology due to network connectivity failure and external disturbances.

Information technology is playing a dominant role in driving the business's operations. All internal activities have relations to the information technology and each day large amount of information is being sent via the information technology to facilitate the internal operations. Information is a valuable asset and if it is at risk for being violated, damaged, and used for inappropriate purposes such as network connectivity failure, unable to access an internal system through the intranet, server being infected from malwares and spread to the remaining network. Data modification or interpretation of pictures on the company's website, seizure of confidential data from internal and external sources intentionally or unintentionally. Such occurrence can impact on the operations of officers, management of the company and others in accessing the webserver or required data, which can cause damages to the business in return.

The company has an approach to taking control and providing solution to such concerns including monitoring the main networking system, installing a networking system for protection and precaution, organizing of necessary plans or

procedures respectively, inspecting the policy and log of the network to prevent the networking invasion, the installation of anti-virus to the host, and regular virus scanning updates.

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, organized training on the products of the Company continuously to meet the standards for employees by quarterly to check the quality of products and services with more stringent criteria. In addition, not only quality, the Company also takes into account the delivery of work to meet customers' requirements which has set out to be a policy this year and adherence to the contract for customers.

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.

The company has recruited to hire skilled foreign workers (MOUs) in law to replace the labor shortage as well as collaborating with leading universities in the country (MOU) to jointly develop research and exchange knowledge that will lead to new innovations in engineering and education including the personnel that will have to accept students for internships and work with the company in the future.

4. **GENERAL INFORMATION AND OTHER IMPORTANT INFORMATION**

4.1 General Information

1) General Information of the Company (As of 31st December 2019)

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, Bangkadee, Muang, Pathumthani 12000
Branch office	: Branch (1): 99, 99/1-5 Moo 4, Chiangraknoi, Sam Khok, Pathumthani 12160 Branch (2): 99/19 Moo 1, Banlang, Muang Rayong, Rayong 21000
Nature of Business	: Manufacturing and distribution of construction materials: Pre-stressed concrete pile products, Precast concrete products, glass fiber reinforced concrete product, special cement product and post-tensioned
Register Number	: 0107536001338
Contact numbers	: Tel 02-501-2020, 02-501-1055 Fax 02-501-2468, 02-501-2134
Website	: www.gel.co.th
Registered Share Capital	: 4,588,195,610.65 Baht
Paid up Share Capital	: 4,588,195,610.65 Baht
Paid up ordinary shares	: 5,397,877,189 shares
Par value	: 0.85 Baht
Accounting period	: 1 January - 31 December
Share Registrar	: Securities Depository Centre (Thailand) Co., Ltd. 62, The Stock Exchange of Thailand Building. Ratchadaphisek Road Khwaeng Khlongtoei, Khet Khlongtoei Bangkok Metropolis 10110 Telephone 02-229-2800 Fax 02-359-1259
Auditor	: Grant Thornton Company Limited 18th Floor, Capital Tower All Seasons Place 87/1 Wireless Road Bangkok 10330, Thailand. Telephone : 02-205-8222 Fax : 02-654-5399, 02-654-3339

2) General information of Subsidiaries and Associates

2.1 Subsidiaries

- (1) Company name : General Engineering Mauritius Limited
- Headquarter : 10th Floor, Standard Chartered Tower 19, Cybercity, Ebene, Mauritius
- Nature of Business : Investment business
- Contact numbers : Tel (023) 0404 6000
- Paid up Share Capital : 337,768 Baht or 10,000 USD
- Shareholding : 100.00%
-
- (2) Company name : Seven Wire Company Limited
- Headquarter : 99/9 Moo 1, Banlang, Muang Rayong, Rayong 21000
- Nature of Business : Manufacturing and sell the special qualified PC Wire and PC Strand
- Contact numbers : Tel 038-622-2999, 038-624-499
- Registered Share Capital : 280,000,000 Baht (2,800,000 Shares at 100 Baht per share)
- Paid up Share Capital : 280,000,000 Baht
- Shareholding : 99.99%
-
- (3) Company name : General Nippon Concrete Industries Limited
- Headquarter : 99/9 Moo 4, Chiangraknoi, Sam Khok, Pathumthani 12160
- Nature of Business : Manufacturing and sell concrete spun pile
- Registered Share Capital : 200,000,000 Baht
- Paid up Share Capital : 200,000,000 Baht
- Shareholding : 82.50%

2.2 Associated company

- (1) 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 : Tel (65) 6225-1868
- Investment value : 12 Million USD
- Shareholding : 45%
- Related status : Joint venture company
-
- (2) Company name : Mctric Public Company Limited
- Headquarter : 121/105, RS Tower, 39th Floor, Ratchadapisek Road, Dindaeng District, Bangkok

Nature of Business	:	Construction and System installation services
Contact numbers	:	Tel 0-2641-2100 Fax 0-2641-2030, 0-2641-2029
Registered Share Capital	:	450,000,000 Baht (450,000,000 shares at 1 Baht per share)
Paid up Share Capital	:	300,000,000 Baht
Shareholding	:	32.65%
Related status	:	Associated company

3) Share Registrar

Thailand Securities Depository Co., Ltd.

93 The Stock Exchange of Thailand Building, Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400

4) Auditor

Mr. Somkit Tiatrakool Certified Public Accountant License No. 2785 or Mr. Teerasak Chuasrisakul Certified Public Accountant License No. 6624 or Ms. Kanyanat Sriratchadchawan Certified Public Accountant License No. 6549 or Mr. Narin Jooramongkol Certified Public Accountant License No. 8593

Grant Thornton Company Limited 18th Floor, Capital Tower All Seasons Place 87/1 Wireless Road Bangkok 10330.

4.2 Other Information

-None-

5. SECURITIES AND SHAREHOLDER INFORMATION

5.1. Number of registered capital and paid-up capital

Registered and paid-up capital as at 31 December 2019, the Company registered capital is Baht 4,588,195,610.65 which paid up capital is Baht 4,588,195,610.65 divide into ordinary shares of 5,397,877,189 shares at par value of Baht 0.85 per share

5.2. Shareholders

1) Shareholder structure

As of 31st December 2019 (referred the closing date (XO Date) as of 21 August 2019)

The distribution of shareholding by nationality

Thai Shareholders						Foreign Shareholders					
Juristic person	No. of juristic person	%	Individuals	No. of shareholder	%	Juristic person	No. of juristic person	%	Individuals	No. of shareholder	%
61,907,400	20	1.15	5,120,038,543	10,764	94.85	215,310,102	4	3.99	621,144	13	0.01

2) List of Top 10 Major shareholders (referred the closing date (XO Date) as of 21 August 2019)

Name of Shareholders	Nationality	Number of shares	
		Shares	%
1. Mr. Thitipong Tangpoonphonvivat	Thai	723,205,500	13.40
2. Mr. Thawisak Sriprachitichai	Thai	269,000,000	4.98
3. Mr. Sittichai Leesawadtrakul	Thai	249,722,100	4.63
4. Ms. Pranee Vonphaitoonpiya	Thai	165,220,000	3.06
5. LGT BANK (SINGAPORE) LTD	Singapore	145,118,900	2.69
6. Mr. Prasith Vitanakorn	Thai	138,400,008	2.56
7. Ms. Thanika Tangpoonphonvivat	Thai	97,100,093	1.80
8. Ms. Pornnatee Sompongchaikul	Thai	84,797,100	1.57
9. Mr. Pailuck Wongwaisayawan	Thai	68,857,400	1.28
10. Mr. Somchai Patphai	Thai	63,988,200	1.19

3) Change in Holding of the Company's Shares of the Director and Executive during the year 2019

Name	Position	Number of Securities held			
		As of December 31, 2019	As of December 31, 2018	Increase (Decrease)	Share holding in the Company (%) As of December 31, 2019
1. Professor Dr. Borwornsak Uwanno	Chairman of the Board of Directors	-	-	-	-
Spouse and underage children		-	-	-	-
2. Mr. Sophon Pholprasit	Vice Chairman of the Board of Directors	-	-	-	-
Spouse and underage children		-	-	-	-
3. Mr. Thitipong Tangpoonphonvivat	Director	885,486,000	665,205,500	220,280,500	16.40
Spouse and underage children		-	-	-	-
4. Dr. Tawat Anantanavanich ¹⁾	Director	-	-	-	-
Spouse and underage children		-	-	-	-
5. Mr. Suchat Boonbanjerd ²⁾	Independent Director	-	-	-	-
Spouse and underage children		-	-	-	-
6. Mr. Wirach Morakotkarn	Independent Director				
Spouse and underage children					
7. Mrs. Pannee Jarusombat	Independent Director	2,000,000	-	-	0.04
Spouse and underage children		-	-	-	-
8. Dr. Vichya Krea-Ngam	Independent Director	-	-	-	-
Spouse and underage children		-	-	-	-
9. Mr. Vipoota Trakulhoon ³⁾	Independent Director	-	-	-	-
Spouse and underage children		-	-	-	-
10. Mr. Wuttichai Sresthabutra	Director	-	-	-	-
Spouse and underage children		-	-	-	-
11. Mr. Amornsak Torot ⁴⁾	Deputy Chief Executive Officer – Production	-	-	-	-
Spouse and underage children		-	-	-	-
12. Mrs. Wisadja Kochsena	VP – Accounting & Finance	-	-	-	-
Spouse and underage children		-	-	-	-
13. Mrs. Linjong Srisongkham ⁵⁾	VP – Sales	-	-	-	-
Spouse and underage children		-	-	-	-
14. Mr. Surachart Uamum ⁶⁾	VP – Production and Service of pre-stressed concrete piles	-	-	-	-
Spouse and underage children		-	-	-	-

Name	Position	Number of Securities held			
		As of December 31, 2019	As of December 31, 2018	Increase (Decrease)	Share holding in the Company (%) As of December 31, 2019
15. Mr. Sarun Wiangkhamma	VP – Production and Service of Precast concrete	-	-	-	-
Spouse and underage children		-	-	-	-
16. Mr. Somnuk Putthiwat ⁷⁾	VP – Service of pre-stressed concrete piles	-	-	-	-
Spouse and underage children		-	-	-	-
17. Ms. Chuensuk Meeposom ⁸⁾	VP – Business development and business control	-	-	-	-
Spouse and underage children		-	-	-	-
18 Mr. Chardchai Hirunnuj ⁹⁾	VP - Digital	-	-	-	-
Spouse and underage children		-	-	-	-

Note:

- 1) Resigned from the directorship since 1 December 2019
- 2) Resigned from the directorship since 16 January 2019
- 3) Appointed to the directorship since 26 February 2019
- 4) Appointed to the Deputy Chief Executive Officer – Production since 24 December 2019
- 5) Resigned from the VP – Sales since 1 July 2019
- 6) Resigned from the VP – Production and Service of pre-stressed concrete piles since 24 December 2019
- 7) Appointed to the VP – Service of pre-stressed concrete piles since 24 December 2019
- 8) Appointed to the VP – Business development and business control since 24 December 2019
- 9) Appointed to the VP – Digital since 24 December 2019

5.3. The issuance of other securities

-None-

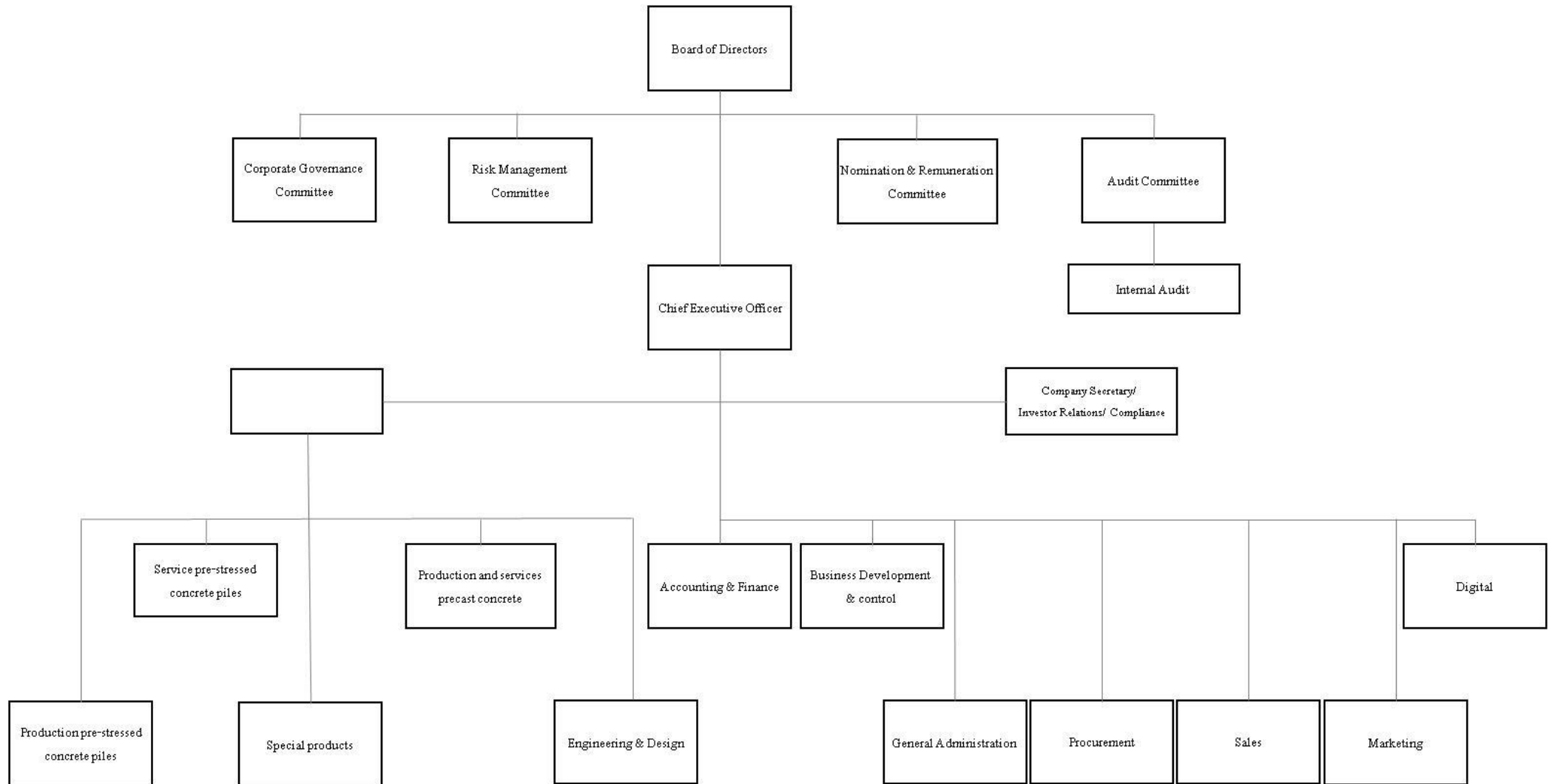
6. DIVIDEND POLICY

The resolution of Annual General Meeting of Shareholders No. 1/2008 held on 24 April 2008, the Meeting unanimously approved the Company changed the dividend policy to “not exceeding 60% of net profit after tax and legal reserve and the Company shall not have accumulated losses and to comply with the Company cash flow and business expansion plan in the future.” The dividend will be paid according to the number of shares at the same amount. The Company has a policy to give shareholder the right to vote one share per one vote. (Currently, the Company has only ordinary shares)

The right to receive a share of profits/ dividends has entitled equally. The Company, also, granting rights to shareholders, including the right to consider the appointment of the Board of Director, to consider and certify the Company operating results, to consider approving amendment of memorandum and articles of association of the Company, to consider approving the reduction or increase capital.

The Company takes into account the right of shareholders by taking care of the shareholder rather than the basic right under the law such as providing important information through the Company’s website, providing management discussion and analysis (MD&A) for explanation of operating results for every quarter and published in the Company’s website.

7. MANAGEMENT STRUCTURE



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, 2019, the Board of Directors comprises 8 members, whose names are as follows:

1) Board of Directors

1.	Professor Dr. Borwornsak Uwanno	Chairman of the Board of Directors/ Independent Director
2.	Mr. Sophon Pholprasit	Vice Chairman of the Board of Directors/ Independent Director
3.	Mr. Thitipong Tangpoonphonvivat	Director
4.	Dr. Tawat Anantanavanich	Director (resigned from the directorship since 1 December 2019)
5.	Mr. Suchat Boonbanjerd Sri	Independent Director (resigned from the directorship since 16 January 2019)
6.	Mrs. Pannee Jarusombat	Independent Director
7.	Dr. Vichya Kreangam	Independent Director
8.	Mr. Wirach Morakotkarn	Independent Director
9.	Mr. Vipoota Trakulhoon	Independent Director (appointed to the directorship since 26 February 2019)
10.	Mr. Wuttichai Sresthabutra	Director and Company Secretary

The independent directors held a meeting with the auditors, which there is no management attends the meeting, at least 1 meeting per year to freely express opinions and suggestions. The Company held a meeting on 24 December 2019.

Authorized directors

Authorized directors included Mr. Thitipong Tangpoonphonvivat and Mr. Wuttichai Sresthabutra, two of these directors jointly signed with the company seal affixed.

2) 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. Wirach Morakotkarn (appointed to the Chairman of Audit Committee since 26 February 2019), Chairman of the Audit Committee, has sufficient employment experience which enables him 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.

As of December 31, 2019, the Audit Committee comprises 3 members whose names are as follows:

- | | | | |
|----|-------------|-----------------|--|
| 1. | Mr. Suchat | Boonbanjerd Sri | Chairman of the Audit Committee
(resigned from the directorship since 16 January 2019) |
| 2. | Mr. Wirach | Morakotkarn | Chairman of the Audit Committee
(appointed to the chairman of the Audit Committee since 26 February 2019) |
| 3. | Mrs. Pantee | Jarusombat | Audit Committee |
| 4. | Dr. Vichya | Kreangam | Audit Committee |

Ms. Jintara Karnjanaprakob is a secretary to the Audit Committee.

3) Risk Management 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, 2019, the Risk Management Committee comprises 4 members whose names are as follows:

- | | | | |
|----|---------------|-------------------|---|
| 1. | Mr. Sophon | Pholprasit | Chairman of Risk Management Committee |
| 2. | Mr. Thitipong | Tangpoonphonvivat | Risk Management Committee
(resigned from the Risk Management Committee since 26 February 2019) |
| 3. | Dr. Tawat | Anantanavanich | Risk Management Committee
(resigned from the Risk Management Committee since 1 December 2019) |
| 4. | Mr. Chainarin | Sairungsri | Risk Management Committee |
| 5. | Mr. Vipoota | Trakulhoon | Risk Management Committee
(appointed to the Risk Management Committee since 26 February 2019) |
| 6. | Mrs. Wisadja | Kochsena | Risk Management Committee |

Mr. Wuttichai Sresthabutra is a secretary to the Risk Management Committee. (care taking)

4) Nomination & Remuneration Committee

Composition of the Nomination & 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 Nomination & Remuneration Committee, as of December 31, 2018, the Nomination & Remuneration Committee comprises 4 members whose names are as follows:

- | | | | |
|----|---------------|-------------------|--|
| 1. | Mr. Wirach | Morakotkarn | Chairman of the Nomination and Remuneration Committee
(resigned from the chairman of the Nomination and
Remuneration Committee since 26 February 2019) |
| 2. | Mr. Vipoota | Trakulhoon | Chairman of the Nomination & Remuneration Committee
(appointed to the chairman of the Nomination and
Remuneration Committee since 26 February 2019) |
| 3. | Mr. Thitipong | Tangpoonphonvivat | Nomination and Remuneration Committee |
| 4. | Mr. Vichya | KreaNgam | Nomination and Remuneration Committee |

Mr. Wuttichai Sresthabutra is a secretary to the Nomination & Remuneration Committee.

5) Corporate Governance Committee

Composition of the 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 Corporate Governance Committee, as of December 31, 2018, the Corporate Governance Committee comprises 4 members whose names are as follows:

- | | | | |
|----|---------------|--------------|--|
| 1. | Mr. Vichya | KreaNgam | Chairman of Corporate Governance Committee |
| 2. | Mr. Wirach | Morakotkarn | Corporate Governance Committee
(resigned from the Corporate Governance Committee
since 26 February 2019) |
| 3. | Mr. Vipoota | Trakulhoon | Corporate Governance Committee
(appointed to the Corporate Governance Committee since
26 February 2019) |
| 3. | Mr. Wuttichai | Sresthabutra | Corporate Governance Committee |
| 4. | Mrs. Wisadja | Kochsena | Corporate Governance Committee |

Mr. Wuttichai Sresthabutra is a secretary to the Corporate Governance Committee.

6) Executive Committee and Management

The Executive Committee has 3 members and Management have 5 members as of December 31, 2018, as follows:

- | | | | |
|-----|---------------|-------------------|--|
| 1. | Mr. Thitipong | Tangpoonphonvivat | Chairman of Executive Committee/ Chief Executive Officer |
| 2. | Dr. Tawat | Anantanavanich | Executive Committee/ Managing Director
(resigned from the Executive Committee and Managing Director since 1 December 2019) |
| 3. | Mr. Wuttichai | Sresthabutra | Executive Committee |
| 4. | Mr. Amornsak | Torot | Deputy Chief Executive Officer – Production
(appointed to the Deputy Chief Executive Officer – Production since 24 December 2019) |
| 5. | Mrs. Wisadja | Kochsena | VP – Accounting and Finance |
| 6. | Mrs. Linjong | Srisongkhram | VP – Sales
(resigned from the VP – Sales since 1 July 2019) |
| 7. | Mr. Surachart | Uamum | VP – Production and Services of pre-stressed concrete piles
(resigned from the VP – Production and Services of pre-stressed concrete piles since 17 March 2019) |
| 8. | Mr. Sarun | Wiangkhamma | VP – Production and Services of precast concrete |
| 9. | Mr. Somnuk | Putthiwat | VP – Service of pre-stressed concrete piles
(appointed to the VP – Service of pre-stressed concrete piles since 24 December 2019) |
| 10. | Ms. Chuensuk | Meeposom | VP - Business development and business control]
(appointed to the VP – Business development and business control since 24 December 2019) |
| 11. | Mr. Chardchai | Hirunnuj | VP – Digital
(appointed to the VP – Digital since 24 December 2019) |

Mr. Wuttichai Sresthabutra is a 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 Tor Chor 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 8 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 Company 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 2019, The Board of Directors held totally 8 meetings; 4 scheduled meetings and 4 additional meetings. The Executive Committee held totally 11 meetings; 12 scheduled meetings and the Executive Meeting 1/2019 was cancelled due to the unavailability of the committee. The Audit Committee held totally 4 meetings; 4 scheduled meetings. Details on the agenda had been delivered to the Board of directors in advance to consider on related matters as appropriate and the Company held the Annual General Meeting of Shareholders for the year 2019 on 29 April 2019.

In 2019, the Board of Directors meeting was scheduled (meeting schedule is subject to change) and exclude additional meeting. Schedules are as follows;

No.	The Executive Committee	The Board of Directors	The Audit Committee
1	Thursday 31 January 2019	Tuesday 26 February 2019	Tuesday 26 February 2019
2	Thursday 28 February 2019	Tuesday 14 May 2019	Tuesday 14 May 2019
3	Friday 29 March 2019	Tuesday 13 August 2019	Tuesday 13 August 2019
4	Tuesday 30 April 2019	Tuesday 12 November 2019	Tuesday 12 November 2019
5	Friday 31 May 2019		
6	Friday 28 June 2019		
7	Wednesday 31 July 2019		
8	Friday 30 August 2019		
9	Monday 30 September 2019		
10	Thursday 31 October 2019		
11	Friday 29 November 2019		
12	Friday 27 December 2019		

The record of attendance of each member of the Board of Directors, the Audit Committee, the Nomination & Remuneration Committee, the Corporate Governance Committee, the Risk Management Committee and the Executive Committee at the meetings in 2019 is summarized as follows:

Board of Directors

Board of Directors	Times of the meeting
1. Prof. Dr. Borwornsak Uwanno	8/8
2. Mr. Sophon Pholprasit	8/8
3. Mr. Thitipong Tangpoonphonvivat	7/8

Board of Directors	Times of the meeting
4. Dr. Tawat Anantanavanich ¹⁾	6/8
5. Mr. Wirach Morakotkarn	7/8
6. Mrs. Pannee Jarusombat	7/8
7. Dr. Vichya Kreangam	8/8
8. Mr. Vipoota Trakulhoon ²⁾	6/8
9. Mr. Wuttichai Sresthabutra	8/8

Note:

- 1) Resigned from the directorship since 1 December 2019
- 2) Appointed to the directorship since 26 February 2019

Audit Committees

Audit Committee	Times of the meeting
1. Mr. Wirach Morakotkarn ¹⁾	3/4
2. Mrs. Pannee Jarusombat	4/4
3. Dr. Vichya Kreangam	4/4

Note:

- 1) Appointed to the Chairman of the Audit Committee since 26 February 2019

Risk Management Committees

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

Note:

- 1) Appoint to the Member of the Risk Management Committee since 26 February 2019
- 2) Resigned from the Member of the Risk Management Committee since 1 December 2019

Nomination & Remuneration Committees

Nominating and Remuneration Committee	Times of the meeting
1. Mr. Vipoota Trakulhoon ¹⁾	1/1
2. Mr. Thitipong Tangpoonphonvivat	1/1
3. Dr. Vichya Kreangam	1/1

Note:

- 1) Appointed to the Chairman of the Nomination and Remuneration Committee since 26 February 2019

Corporate Governance Committees

	Times of the meeting
1. Dr. Vichya Kreangam	7/7
2. Mr. Vipoota Trakulhoon ¹⁾	5/7
3. Mr. Wuttichai Sresthabutra	5/7
4. Mrs. Wisadla Kochsena	5/7

Note:

- 1) Appointed to the Member of the Corporate Governance Committee since 26 February 2019

Executive Committees

Executive Committees	Times of the meeting
1. Mr. Thitipong Tangpoonphonvivat	11/11
2. Dr. Tawat Anantanavanich ¹⁾	10/11
3. Mr. Wuttichai Sresthabutra	8/11

Note:

- 1) Appointed to the Member of the Corporate Governance Committee since 26 February 2019

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 2019 held on April 29, 2019, 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 2019 (THB)				Annual remuneration 2018 (THB)			
	Monthly remuneration	Meeting remuneration (per time)	Bonus/ Pension	Other benefits	Monthly remuneration	Meeting remuneration (per time)	Bonus/ Pension	Other benefits
1. The Board of Directors								
■ Chairman of the Board of Directors	80,000	10,000	-None-	-None-	80,000	10,000	-None-	-None-
■ Deputy Chairman	50,000	10,000	-None-	-None-	50,000	10,000	-None-	-None-
■ Directors	20,000	10,000	-None-	-None-	20,000	10,000	-None-	-None-
2. The Audit Committees								
■ Chairman of Audit Committee	50,000	10,000	-None-	-None-	50,000	10,000	-None-	-None-
■ Audit Committee	20,000	10,000	-None-	-None-	20,000	10,000	-None-	-None-
3. The Nomination and Remuneration Committee								
■ Chairman of the Nomination and Remuneration	No	10,000	-None-	-None-	No	10,000	-None-	-None-
■ Nomination and Remuneration Committee	No	10,000	-None-	-None-	No	10,000	-None-	-None-
4. The Corporate Governance Committee								
■ Chairman of the Corporate Governance Committee	No	10,000	-None-	-None-	No	10,000	-None-	-None-
■ Corporate Governance Committee	No	10,000	-None-	-None-	No	10,000	-None-	-None-
5. The Risk Management Committee								
■ Chairman of the Risk Management Committee	No	10,000	-None-	-None-	No	10,000	-None-	-None-
■ Risk Management Committee	No	10,000	-None-	-None-	-None-	-None-	-None-	-None-

Note:

1. Monthly remuneration is paid to Directors based on the maximum monthly remuneration of one position only director executive director and a regular salary will not receive the above remuneration
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. Directors who are directors of subsidiaries, not receiving director remuneration from subsidiary companies

Monetary Remuneration

a. The monetary remuneration, only the Board of Directors and Audit Committee of THB 3,210,000 are as follows.

Name	Position	The amount of remuneration for 2019 (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 Directors	960,000	80,000	-	-	-	-	-	1,040,000
2. Mr. Sophon Pholprasit	Vice Chairman of the Board of Directors	600,000	80,000	-	-	-	20,000	-	700,000
3. Mr. Thitipong Tangpoonphonvivat	Director/ Chief Executive officer	-	-	-	-	-	-	-	-
4. Dr. Tawat Anantanavanich	Director/ Managing Director	-	-	-	-	-	-	-	-
5. Mr. Wirach Morakotkarn	Independent Director and/ Chairman of the Audit Committee	40,000	70,000	200,000	30,000	-	-	-	340,000
6. Mrs. Pannee Jarusombat	Independent Director/ Audit Committee	-	70,000	240,000	40,000	-	-	-	350,000
7. Dr. Vichya Kreangam	Independent Director/ Audit Committee	-	80,000	240,000	40,000	-	-	-	440,000
8. Mr. Vipoota Trakulhoon	Independent Director	200,000	60,000	-	-	50,000	20,000	10,000	340,000
9. Mr. Wuttichai Sresthabutra	Independent Director	-	-	-	-	-	-	-	-
Total		1,800,000	440,000	680,000	110,000	120,000	40,000	20,000	3,210,000

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 2019		Year 2018		Year 2017	
	Number	Amount (Baht)	Number	Amount (Baht)	Number	Amount (Baht)
Salary	11	17,952,370.64	8	19,204,522.12	9	21,059,960.60
Bonus and remuneration	11	-	8	-	9	-
Total	11	17,952,370.64	8	19,204,522.12	9	21,059,960.60

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

Other Remunerations for the Executive committee and the Executives

Detail	Years 2019		Year 2018		Year 2017	
	Number	Amount (Baht)	Number	Amount (Baht)	Number	Amount (Baht)
Provident Fund	11	485,093.32	8	493,839.12	9	579,054.60
Total	11	485,093.32	8	493,839.12	9	579,054.60

Personnel

Number of employees

As of December 31, 2019, the company has in total 938 employees, who are in the main lines of activities as follows:-

Main Lines of Activities	Number of Employees
Office and support	273
Production	665
Total	938

Remuneration for company personnel or employees

In year 2018 and in year 2019 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 290,054,452.70 in year 2018 and Baht 257,634,972.58 in year 2019 respectively.

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 2018 the Company had contributed to the fund was amounted by Baht 5,024,841.13 and Year 2019 the Company has contributed to the fund was amounted by Baht 5,567,899.62.

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 2018, the Company has budget for employees' training for Baht 1,388,434.17. 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 internal training courses as follows;

- 1) Goal setting to develop the capacity of the operation course

- 2) Team management through coach course
- 3) Sales team development course
- 4) Product knowledge for SC Production
- 5) Product knowledge for PW Production
- 6) Product knowledge for PCP Production
- 7) Product knowledge for CPS Production
- 8) Product knowledge for GRC Production
- 9) Professional Excel Advance Essential, Class 2
- 10) Professional Excel Advance Essential, Class 3
- 11) GEL English Club
- 12) Coaching for high performance, Class 1
- 13) Coaching for high performance, Class 2
- 14) Goal setting to develop the capacity of operation 12-09
- 15) Goal setting to develop the capacity of operation 22-08
- 16) Communication for changing, Class 1
- 17) Goal setting to develop the capacity of operation, Class 3
- 18) ADAPT course
- 19) Safety for management
- 20) Safety for leader

The Company had provided external training courses as follows;

- 1) ISO 9001:2015
- 2) Basic knowledge and maintenance of bearings
- 3) Safety in work relating to fastening, fastening, and carrying, class 1
- 4) Calculation for load carrying capacity
- 5) Gas station operator
- 6) Scaffold installation and inspection technique
- 7) Technical design with the ADAPT program
- 8) Creating professional infographic with power points
- 9) Professional safety
- 10) Successful Cement Culture Program for Sustainable Construction
- 11) Easy Excel Salary Structure Management, Class 17
- 12) Safety Instructor course occupational health and working environment for general employees and general employees and employees entering a new job as Occupational Safety and Health Act 2554 B.E., Class 1
- 13) Basic upper level supervisor Course, Class 1

- 14) Safety instructor course occupational health and working environment for general employees and general employees and employees entering a new job as Occupational Safety and Health Act 2554 B.E., Class 1
- 15) Crane Commander Course Signal provider to solve the crane commander material binder or the controller of the crane
- 16) Basic firefighting and fire Evacuation Course

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, 2018

No.	Firstname-Lastname/Position/ Date of Appointment	Age (Yr.)	Education and Training History	Percentage in Shareholding (%)	Family Relationship with Board of Directors or Executives	Working Experience		
						Duration	Position	Department/Company
1.	Prof. Dr. Borwornsak Uwanno Chairman of the Board of Directors / Independent Director 25 April 2014	65	<u>Education History</u> <ul style="list-style-type: none"> ■ 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) <u>Training Experience</u> <ul style="list-style-type: none"> ■ Director Accreditation Program (DAP) from Thai Institute of Directors (IOD) ■ Diploma in National Defense College The State, Private sector and Political sector course, class 4111 (National Defense College) ■ Certificate of Senior Executives course, class 8 (Capital Market Academy) ■ Certificate of Senior Executives on Justice Administration, Class 15, Office of the Judicial Training Institute 	None	None	2014 – Present	Chairman of the Board of Directors/ Independent Director	General Engineering Public Company Limited
						Present	Chairman of the Board of Directors/ Independent Director	Namyong Terminal Public Company Limited
						2007 – Present	Chairman of the Board of Directors/ Independent Director	Eternal Energy Public Company Limited
						2007 – Present	Independent Director	Glow Energy Public Company Limited
						Present	Member	King Prajadhipok's Institute Council
						Present	Member	Royal Institute of Thailand
						Present	The chairpreson of the 13 th law committee	Office of the Council of State
						Present	Member of Law Reform Commission	Office of the Council of State
						Present	Member	The Thailand Research Fund
						Present	Member	Council of Silpakorn University
						Present	Member	Chiang Mai University Council
						Present	President of the University Council	Songkhla Rajabhat University
						Present	Director	Ministry of Higher Education, Science, Research and Innovation
						2014-2015	First Vice Chairman of the national Reform Council	The National Reform Council Royal
						2014-2015	Chairman of the Constitution Drafting Committee	
						2006-2014	Secretary General	King Prajadhipok's Institute
						2003-2006	Secretary General of the Cabinet	

No.	Firstname-Lastname/Position/ Date of Appointment	Age (Yr.)	Education and Training History	Percentage in Shareholding (%)	Family Relationship with Board of Directors or Executives	Working Experience		
						Duration	Position	Department/Company
2.	Mr. Sophon Pholprasit Vice Chairman of the Board// Independent Director/ Chairman of Risk Management Committee 5 March 2014	67	<u>Education History</u> ■ Advanced Certificate of Public Management and Public Law (Class 6 th) King Prajadhipok's Institute ■ MBA in General Management, Ramkhamhaeng University ■ B.Sc. Civil Sanitary and Environment, Mapua Institute of Technology, Phillipines <u>Training Experience</u> -None -	None	None	Present	Vice Chairman of the Board	General Engineering Public Company Limited
						Present	Director of University Council Members	Mahanakorn University of Technology
						Present	Director	Mill con Steel (Public) Co. Ltd.
						2013	Director General	Department of Industry Promotion, Ministry of Industry, Thailand
						2012	Principal	The Office of Industrial Economics, Ministry of Industry, Thailand
						2010	Inspector	Office of the Permanent Secretary for Industry, Ministry of Industry
						2008	Deputy Director General	Department of industrial works, Ministry of Industry
3.	Mr. Thitipong Tangpoonphonvivat Director /Chief Executive Office / Member of Nomination & Remuneration Committee 4 February 2014	41	<u>Education History</u> ■ M.Sc.in Engineering of Business Management, University of Warwick University, UK ■ B.S. In Business Administrative, Walter A. Hass School of Business, University of California at Berkeley <u>Training Experience</u> -None-	16.40%, holding 885,2486,000 shares	None	Present	Director /Chief Executive Office / Member of Nomination & Remuneration Committee	General Engineering Public Company Limited
						Present	Director	Seven Wire Co. Ltd.
						Present	Director	General Engineering Mauritius Limited
						Present	Director	General Nippon Concrete Industries Co., Ltd.
						2006-Present	Director	Siam Rubber Industry Co.,Ltd.
						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

No.	Firstname-Lastname/Position/ Date of Appointment	Age (Yr.)	Education and Training History	Percentage in Shareholding (%)	Family Relationship with Board of Directors or Executives	Working Experience		
						Duration	Position	Department/Company
4.	Dr.Tawat Anantanavanich Director and Managing Director/ Member of Risk Management Committee 26 March 2013 (resigned from the managing director on 1 December 2019)	41	<u>Education History</u> <ul style="list-style-type: none"> 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 <u>Training Experience</u> <ul style="list-style-type: none"> Director Accreditation Program (DAP) from Thai Institute of Directors (IOD) Class of 105/2013 Director Certification Program (DCP) Class of 193/2014 Risk Management Program for Corporate Leader 3/2016 	None	None	2017-2019	Director and Managing Director/ Member of Risk Management Committee	General Engineering Public Company Limited
						2015-2019	Director	Seven Wire Co., Ltd.
						2015-2019	Director	General Engineering Mauritius Limited
						2013-2019	Director	General Nippon Concrete Industries Co., Ltd.
						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
5.	Mr. Suchat Boonbanjerdri Independent Director and Chairman of Auditing Committee 2 October 2014 (resigned from the directorship of the Company on 16 January 2019)	60	<u>Education History</u> <ul style="list-style-type: none"> 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 <u>Training Experience</u> <ul style="list-style-type: none"> Director Certification Program) from Thai Institute of Directors (IOD) Class of No. 19/2002 	None	None	Present	Director	PYLON Public Company Limited
						2014-2019	Independent Director and Chairman of Auditing Committee	General Engineering Public Company Limited
						Present	Independent President and Auditing Director	Salee Printing Public Company Limited
						Present	Chairman of the Board of Committee	Dark Horse Development Co. Ltd.
						Present	Chairman of the Board of Directors	EDP Foundation
						Present	Director	Steeler Steel Works Co. Ltd.
						Present	Director	Steel Plus Fabrication Co. Ltd.
						Present	Director	Chiang Dao Orchard Co. Ltd.
						Present	Chairman of the Board of Directors	Practicum Engineering Co. Ltd.

No.	Firstname-Lastname/Position/ Date of Appointment	Age (Yr.)	Education and Training History	Percentage in Shareholding (%)	Family Relationship with Board of Directors or Executives	Working Experience		
						Duration	Position	Department/Company
			<ul style="list-style-type: none"> Audit Committee Program No. 13/2006 			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 Commission, Thailand (SEC)
						2011	Chairman of the Board of Directors	T.O.T. Public Company Limited
6.	Mr.Wirach Morakotkam Independent Director/ Chairman of the Audit Committee (appointed to the Chairman of the Audit Committee on 26 February 2019) 16 November 2016	52	<u>Education History</u> <ul style="list-style-type: none"> Master of Business Administration in Management Science, Virginia Polytechnic Institute and State University B.Sc. Statistics, Chulalongkorn University <u>Training Experience</u> <ul style="list-style-type: none"> Capital Market Academy Programs (CMA) from Capital Market Academy Class of No. 26/2018 Board Nomination and Compensation (BNCP) from Thai Institute of Directors (IOD) Class of No. 5/2018 TLCA Executive Development Program (EDP) from Thai Institute of Directors (IOD) Class of No. 16/2016 Advance Audit Committee Program (AACP) from Thai Institute of Directors (IOD) Class of No. 18/2015 Director Certification (DCP) from Thai Institute of Directors (IOD) Class of No. 190/2014 	None	None	Present	Independent Director and Chairman of Auditing Committee	General Engineering Public Company Limited
						Present	Independent Director and Chairman of Auditing Committee	Next Capital Public Company Limited
						Present	Director	Tonraiko Co.,Ltd.
						Present	President of Auditing Committee	Aksorn Education Public Company Limited
						2018-2019	Managing Director	KT ZMICO Securities Company Limited
						2018-2018	Director	KTZ Ruby Hill Securities Company Limited at Myanmar
						2016-2018	Assistant Managing Director	CIMB Thai Bank Public Company Limited
						2009 – 2015	Acting President of the Executive Office	Krungthai Advisory Co. Ltd.

No.	Firstname-Lastname/Position/ Date of Appointment	Age (Yr.)	Education and Training History	Percentage in Shareholding (%)	Family Relationship with Board of Directors or Executives	Working Experience		
						Duration	Position	Department/Company
7.	Mrs.Panee Jarusombat Independent Director and Audit Committee 2 June 2014	63	<u>Education History</u> <ul style="list-style-type: none"> Master in Political Science, Politics and Government, Sukhothai Thammathirat Open University Bachelor in Communication Art, Major in Mass Communication (2nd Class Honor), Bangkok University <u>Training Experience</u> -None-	None	None	Present	Deputy Secretary General	Thai-Chinese Economics & Relationship Association
						Present	Council Committee	King Mongkut's University of Technology North Bangkok
						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
8.	Dr.Vichya Kreangam Independent Director Audit Committee / Remuneration and Nomination Committee / Chairman of Corporate Governance Committee 2 October 2014	37	<u>Education</u> <ul style="list-style-type: none"> Doctor of Juridical Science (J.S.D.), University of California, Berkeley Master of Laws (LL.M), University of California, Berkeley Bachelor of Laws (Honors), Chulalongkorn University <u>Training Experience</u> <u>From Thai Institute of Directors (IOD)</u> <ul style="list-style-type: none"> Role of Chairman Program (RCP) Class No 42/2018 Corporate Governance for Executive (CGE) Class No. 6/2016 Advance Audit Committee Program (AACP) Class NO. 22/2016 Director Accreditation Program (DAP) Class 	None	None	2014-Present	Independent Director Audit Committee / Remuneration and Nomination Committee / Chairman of Corporate Governance Committee	General Engineering Public Company Limited
						2014-Present	Director/ Member of the Audit Committee/ Member of the Nomination, Compensation and Corporate Governance Committee/ Independent Director	Namyong Terminal Public Company Limited
						2019-Present	Independent Director/ Audit Committee / Chairman of the Nomination, Compensation and Corporate Governance Committee	AEC Securities Public Company Limited

No.	Firstname-Lastname/Position/ Date of Appointment	Age (Yr.)	Education and Training History	Percentage in Shareholding (%)	Family Relationship with Board of Directors or Executives	Working Experience		
						Duration	Position	Department/Company
			No. 116/2015 ■ Corporate Governance for Capital Market Intermediaries (CGI) Class No. 8/2015 <u>Others</u> ■ Certificate of The Rule of Law Class 7, College of the Constitutional Court ■ Certificate of Senior Executives on Justice Administration Class 16, Office of the Judicial Training Institute ■ Certificate of Administrative Justice for Senior Executives Class 6, Office of the Administrative Courts ■ Certificate of New Era Leadership in the Democratic Systems Class 1, King Prajadhipok's Institute ■ Diploma of Advocacy and the Lawyer License			2014-Present	Independent Director/ Audit Committee/ Remuneration Committee	Sikarin Public Company Limited
						2010-Present	Business Development Executive	True Corporation Public Company Limited
						2020-Present	Lecturer	The Thai Bar Under the Royal Patronage
						2018-Present	Sub - Committee	Sub-Committee on scrutinization laws relating to energy business operations, Energy Regulatory Commission
						2018 - Present	Sub - Committee	Sub-Committee on Participation, Follow - up, examination, evaluation Law on the National Reform
						2013 - Present	Executive Director	The Badminton Association of Thailand under Royal Patronage of His Majesty the King
						2016-Present	Advisor of the Sub-committee of the National Reform Steering Assembly	National Reform Steering Assembly
						2016-2017	Advisor to the Sub-committee	Sub-committee on Quick Action (Quick-win) Reform under the National Reform Steering Assembly
						2014-2017	Independent Director, Nomination and Compensation Committee, Risk Management Committee	AEC Securities Public Company Limited
						2016-2017	Academic Advisor to the Committee	Committee on Sports, Arts, Cultures, Religion, Morality and Ethics under the National Reform Steering Assembly

No.	Firstname-Lastname/Position/ Date of Appointment	Age (Yr.)	Education and Training History	Percentage in Shareholding (%)	Family Relationship with Board of Directors or Executives	Working Experience		
						Duration	Position	Department/Company
						2010 -2018	Lecturer, Faculty of Law (Main Job)	Assumption University
						2015-2017	Board of Director	Chulalongkorn Law School Alumni Association
						2013-2014	Sub-Committee on ICT and Public Media	The Senate
						2013-2014	Advisor to Sub-committee on Research for Regulation, Order and Laws relating to ICT and Telecommunications	The House of Representatives
						2006-2010	Associate Lawyer	White & Case (Thailand) Limited
9.	Mr.Vipoota Trakulhoon Independent Director/ Chairman of Nomination & Remuneration Committee/ Corporate Governance Committee/ Risk Management Committee (appoint to the directorship of the Company on 26 February 2019)	53	<u>Education History</u> <ul style="list-style-type: none"> Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University Bachelor of Business Administration in faculty of banking and finance, Chulalongkorn University <u>Training Experience</u> <ul style="list-style-type: none"> Director Accreditation Program from Thai Institute of Directors (IOD) Class 117/2015 	None	None	Present	Independent Director/ Member of Good Corporate Governance Committee/ Chairman of Nominating & Remuneration Committee / Member of Risk Management Committee	General Engineering Public Company Limited
						2014-Present	Executive Committee	Millcon Steel Industries Public Company Limited
						Present	Chairman	Triple O Logistic
						Present	Independent Director / Audit Committee	Business Alignment Public Company Limited
						Present	Director	Creative Power Co., Ltd.
						2011-2013	Senior Executive Vice Present – Managing Director Corporate Banking	Krungthai bank Public Company Limited

No.	Firstname-Lastname/Position/ Date of Appointment	Age (Yr.)	Education and Training History	Percentage in Shareholding (%)	Family Relationship with Board of Directors or Executives	Working Experience		
						Duration	Position	Department/Company
10.	Mr.Wuttichai Sresthabutra Director/Executive Director/ Member of Corporate Governance Committee/ Company Secretary 12 May 2014	47	<u>Education History</u> <ul style="list-style-type: none"> ■ M.A. in International Economics and Finance, Chulalongkorn University ■ B.A. in Business Administration, National University, California, U.S.A <u>Training Experience</u> <ul style="list-style-type: none"> ■ Law and Best Practices for Company Secretary Program, following new securities law, the Stock Exchange of Thailand ■ Direct accreditation Program (DAP) Class 131/2016 			2017-Present	Director	General Nippon Concrete Industries Co., Ltd.
						2015-Present	Director	Seven Wire Co. Ltd.
						2015-Present	Director	Wisdom Tree Investment (S) PTE.Limited
						2015-Present	Director	General Engineering Mauritius Limited
						2015-Present	Director	Millcon Thiha Gel Limited
						2015-Present	Director	Metric Public Company Limited Co.,Ltd
						2014-Present	Director/Executive Director/ Member of Good Corporate Governance Committee 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.
11.	Mr. Amornsak Torot Deputy CEO-Production (appoint to the Deputy CEO- Production of the Company on 24	53	<u>Education History</u> <ul style="list-style-type: none"> ■ Master of Business Administration, Kasetsart University ■ Bachelor of Engineering, Chulalongkorn 	None	None	2019-Present	Deputy CEO-Production	General Engineering Public Company Limited
						1989-2019	Senior Vice President	Siam City Cement Public Company Limited

No.	Firstname-Lastname/Position/ Date of Appointment	Age (Yr.)	Education and Training History	Percentage in Shareholding (%)	Family Relationship with Board of Directors or Executives	Working Experience		
						Duration	Position	Department/Company
	December 2019)		University			2004-2005	Consultant Engineer	Holcim Group Services Ltd, Switzerland
						1999-2001	Maintenance Engineer	Holcim Group Services Ltd, Switzerland
12.	Mrs. Wisadja Kochsena Vice President Accounting & Finance effective since on 15 August 2016	48	Education History ▪ Master of Accounting , Ramkhamhang	0.00% Holding 334 shares	None	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
13.	Mrs.Linjong Srisongkhram Vice President Sale (resigned from the director of sale on 1 July 2019)	61	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	None	None	2008 – Present	Director of Sale	General Engineering Public Company Limited
						1991– 1998	Director of Sale	BLM group Co., Ltd.
14.	Mr.Surachart Uamum Vice President Production and Service of Pre-stressed Concrete Pile	54	Education History ▪ Bachelor of Engineering, Songkhla Nakarin University Training Experience ▪ Executive Management Training in KAIZEN Model	None	None	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
15.	Mr.Sarun Wiangkhamma / Vice President Production and	55	Education History ▪ B.B.A. in Construction Management, Sukhothai	None	None	Present	Director of Production and Service of Precast Concrete	General Engineering Public Company Limited

No.	Firstname-Lastname/Position/ Date of Appointment	Age (Yr.)	Education and Training History	Percentage in Shareholding (%)	Family Relationship with Board of Directors or Executives	Working Experience		
						Duration	Position	Department/Company
	Service of Precast Concrete		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 History ■ 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.			2011-2015	Assistant Vice President	Pruksa Real Estate Public Company Limited
						2008 -2011	Assistant Vice President	General Engineering Public Company Limited
16.	Mr. Somnuk Puttiwat Vice President Prestressed Concrete Pile Services (appoint to the vice president Prestressed Concrete Pile Services of the Company on 24 December 2019)	60	Education History ■ Bachelors of Engineering , Civil Engineering Khon Kaen University Training Experience -None-	None	None	2017-Present	Vice President Prestressed Concrete Pile Services	General Engineering Public Company Limited
						2004-2017	Director	Mecca and Associates Company Limited
						2003-2004	Manager	Mankong Home and Land Company Limited
						1990-2000	Consulting Engineer	General Engineering Public Company Limited
						1980-1982	Field Engineer	W. Udom Construction Company Limited
17.	Ms. Chuensuk Meeposom Vice President Business Development and Control (appoint to the vice president	48	Education History ■ Master of Science in Finance Chulalongkorn University ■ Bachelors of Business Administration (Finance	None	None	2019 - Present	Vice President Business Development and Control	General Engineering Public Company Limited
						2017 - 2019	Consultant, Business Development	Angel Real Estate Consultancy Co., Ltd.

No.	Firstname-Lastname/Position/ Date of Appointment	Age (Yr.)	Education and Training History	Percentage in Shareholding (%)	Family Relationship with Board of Directors or Executives	Working Experience		
						Duration	Position	Department/Company
	Business Development and Control of the Company on 24 December 2019)		and Banking) <u>Training Experience</u> -None-			2014 - Present	Director	TCJM Business Consultant Co., Ltd.
						2012 - 2014	Vice Preseident Finance and Accounting	Eternal Asia Distribution (Thailand) Co., Ltd.
18.	Mr. Chardchai Hirunnuj Vice President Digital (appoint to the vice president digital of the Company on 24 December 2019)	45	<u>Education History</u> ■ Master of Computing University of Tasmania ■ Bachelors 's degree of Science Rajamangara Institute of Technology <u>Training Experience</u> -None-	None	None	2019-Present	Vice President Digital	General Engineering Public Company Limited
						2016-2019	Director of IT	Show DC Corp Co.,LTD
						2011-2016	Director of IT	LCB Container Terminal 1LTD.

9. INFORMATION OF THE DIRECTORS OF THE SUBSIDIARIES

Information of in-charge positions of directors, executive directors of the Company, its subsidiaries, its associated and related companies as of 31 December 2019¹⁾

No.	Name	GEL	Subsidiary			Associated Companies		Related Companies
			Seven Wire	GEM	GENCI	MCTRIC	WT	MILL
1.	Mr. Thitipong Tangpoonphonvivat	/, X, //	/	/	/	-	-	-
2.	Dr. Tawat Anantanavanich ²⁾	/, //	/	/	/	/	-	-
3.	Mr. Sophon Pholprasit	/	-	-	-	-	-	/
4.	Mr. Wuttichai Sresthabutra	/, //	/	/	/	/	/	-

Note:

- 1) / = Director X = Chairman of the Board of Directors // = Executive Director

GEL General Engineering Public Company Limited

GEM General Mauritius Limited

Seven Wire Seven Wire Company Limited

MCTRIC Metric Public Company Limited Co. Ltd.

WT Wisdom Tree Investment (S) PTE. Limited

MILL Millcon Steel Public Company Limited

GENCI General Nippon Concrete Industries Limited

- 2) Resigned from the Company, its subsidiaries, its associated and related companies since 1 December 2019

10. COPORATE GOVERNANCE

10.1. Corporate Governance Policy

The Company has a written Corporate Governance Policy and has been approved during the Board of Directors Meeting 7/2015 held on 15 August 2015. A review was made on the policy through to rules and regulations the Company has to comply with according to the Corporate Governance Code for Listed Companies 2017 (CG Code) issued by the Securities and Exchange Commission.

During the Board of Directors Meeting 8/2017 held on 14 November, 2017, the board has acknowledged the Good Corporate Governance Report for Listed Companies 2017 (CG Code) 8 new codes according to the Corporate Governance Code for Listed Companies 2017 (CG Code) issued by the Securities and Exchange Commission. The Board of Directors has great understanding and concerns about the governing body and the compliance of the CG Code for sustainable growth. Moreover, the Company has assessed according to the CG Code in overall by considering from the assessment result where the Good Corporate Governance Committee was assigned to assess and clarify at the first stage.

10.2. The committee

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

1) Board of Directors

As of December 31, 2019, the Board of Directors comprises 9 members, whose names are as follows:

1.	Professor Dr. Borwornsak Uwanno	Chairman of the Board of Directors
2.	Mr. Sophon Pholprasit	Vice Chairman of the Board of Directors
3.	Mr. Thitipong Tangpoonphonvivat	Director
4.	Dr. Tawat Anantanavanich	Director (resigned from the directorship since 1 December 2019)
5.	Mr. Suchat Boonbanjerd Sri	Independent Director (resigned from the directorship since 16 January 2019)
6.	Mr. Wirach Morakotkarn	Independent Director
7.	Mrs. Pannee Jarusombat	Independent Director
8.	Dr. Vichya Kreangam	Independent Director
9.	Mr. Vipoota Trakulhoon	Independent Director (appointed to the directorship since 26 February 2019)
10.	Mr. Wuttichai Sresthabutra	Director

Term and retirement from 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, Nomination 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 preceded 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

The Board of Directors is responsible to specify the Company vision and mission to ensure that the management and employee.

The Company has monitored the implementation of the business's strategy and the Board of directors is scheduled to report the performance of the management and operating result on a quarterly basis. Moreover, the annual report is also scheduled to highlight the financial status in terms of goals and plans to follow the laid out strategy.

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. (Detail of

the additional meetings for the year 2019, specified in the page 29) 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.

Authorized directors

Authorized directors included Mr. Thitipong Tangpoonphonvivat and Mr. Wuttichai Sresthabutra, two of these directors jointly signed with the company seal affixed.

Succession planning management

Board of Directors recognizes the importance of the management of the Company efficiency and effectiveness as well as the operation continuously. This will lead to the growth and advancement of corporate sustainability. So the Company began planning successors for the first time and review and updates 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 ensure that there are managers who are competent in succession of the organization in the future.

2) Audit Committee

As of 31 December 2019, the Audit Committee consisted of 3 directors with the following names;

Member of Audit Committee		Position
1. Mr. Suchat	Boonbanjerd Sri	Chairman of the Audit Committee (resigned from the Chairman of the Audit Committee since 16 January 2019)
2. Mr. Wirach	Morakotkarn	Chairman of the Audit Committee (appointed to the Chairman of the Audit Committee since 26 February 2019)
3. Mrs. Pannee	Jarusombat	Audit Committee
4. Mr. Vichya	Kreangam	Audit Committee

Term and Retirement from 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:

- 1) Death
- 2) Resignation
- 3) Removal by the Board of Directors
- 4) Retirement from the position of director
- 5) 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 efficiency and effectiveness of good corporate governance, risk management process and internal control process.

3) 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

4) 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

5) 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

6) 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

7) 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:

(7.1) An opinion on the accuracy, completeness and creditability of the Company's financial report

(7.2) An opinion on the adequacy of the Company's internal control system

(7.3) 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

(7.4) An opinion on the suitability of the auditor

(7.5) An opinion on the transactions that may lead to conflicts of interests

(7.6) An opinion on the Anti-Corruption Policy as appropriate

(7.7) The number of the Audit Committee meetings, and the attendance of such meetings by each committee member

(7.8) An opinion or overview comment of the Audit Committee from its performance of duties in accordance with the charter

(7.9) 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

8) 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.

9) 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.

(9.1) Report which contains conflict of interest

(9.2) Dishonest, corruption or irregular activities or significant defects in the internal control system

(9.3) 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.

10) To consider, review, and revise the charter of the Audit Committee and propose to the Board of Directors for approval

11) To perform any other act as assigned by the Company's Board of Directors with the consent of the Audit Committee

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. (Detail of the additional meetings for the year 2019, specified in the page 29) 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 Management Committee

As of 31 December 2019, the Risk Management Committee consisted of 4 directors with the following names;

Member of Risk Oversight Committee		Position
1. Mr. Sophon	Pholprasit	Chairman of the Risk Management Committee
2. Mr. Thitipong	Tangpoonphonvivat	Member of the Risk Management Committee (resigned from the Member of the Risk Management Committee since 26 February 2019)
3. Dr. Tawat	Anantanavanich	Member of the Risk Management Committee

Member of Risk Oversight Committee		Position
		(resigned from the Member of the Risk Management Committee since 1 December 2019)
4. Mr. Chainarin	Sairungsri	Member of the Risk Management Committee
5. Mr. Vipoota	Trakulhoon	Member of the Risk Management Committee (appointed to Member of the Risk Management Committee since 26 February 2019)
6. Mrs. Wisadja	Kochsena	Member of the Risk Management Committee

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

Scope of Duties and Responsibilities of the Risk Management 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 Management Committee's Meeting

- 1) In the meeting of the Risk Management 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 Management 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.
- 5) The secretary of the Risk Management 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 Management 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) Nomination & Remuneration Committee

As of 31 December 2019, the Nomination & Remuneration Committee consisted of 4 directors;

Member of Nomination & Remuneration Committee

1. Mr. Wirach	Morakotkarn	Chairman of the Nomination & Remuneration Committee (resigned from the Chairman of the Nomination & Remuneration Committee since 26 February 2019)
2. Mr. Vipoota	Trakulhoon	Chairman of the Nomination & Remuneration Committee (Appointed to the Chairman of the Nomination & Remuneration Committee since 26 February 2019)
3. Mr. Thitipong	Tangpoonphonvivat	Member of the Nomination & Remuneration Committee
4. Dr. Vichya	Krea-Ngam	Member of the Nomination & Remuneration Committee

Term and Retirement from the Nomination and Remuneration Committee

The Nomination 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 Nomination 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 Nomination 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 Nomination 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 Nomination and Remuneration Committee shall hold office only for the remaining term of office of such member he replaces.

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

Scope of Duties and Responsibilities of the Nomination 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 Nomination 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 Nomination 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 Nomination 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 Nomination and Remuneration Committee. Also the Nomination and Remuneration Committee shall review and amend the charter which shall be proposed to the Board of Directors for approval.

The Nomination and Remuneration Committee's Meeting

- 1) The Nomination and Remuneration Committee shall convene a meeting in case of nomination of directors or executives, or consideration of remuneration.
- 2) The Chairman of the Nomination 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 Nomination 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 Nomination and Remuneration Committee, the presence of not less than one half of the total number of the Nomination 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 Nomination and Remuneration Committee shall be made by majority vote.

5) Corporate Governance Committee

As of 31 December 2019, the Corporate Governance Committee consisted of 4 directors;

Member of Corporate Governance Committee

- | | | | |
|----|------------|-------------|--|
| 1. | Mr. Vichya | KreaNgam | Chairman of the Corporate Governance Committee |
| 2. | Mr. Wirach | Morakotkarn | Member of the Corporate Governance Committee |
| | | | (resigned from Member of the Corporate Governance Committee) |

			Committee since 26 February 2019)
3.	Mr. Vipoota	Trakulhoon	Member of the Corporate Governance Committee (appointed to Member of the Corporate Governance Committee since 26 February 2019)
4.	Mr. Wuttichai	Sresthabutra	Member of the Corporate Governance Committee
5.	Mrs. Wisadja	Kochsena	Member of the Corporate Governance Committee

Term and Retirement from the Corporate Governance Committee

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

The Corporate Governance Committee who vacates office shall be replaced 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 replaced into the tenure of the vacancy of directors to act for them.

The 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 Corporate Governance Committee's Meeting

- 1) The 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 Corporate Governance Committee members is required to constitute a quorum.
- 3) Any member of the 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 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 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 2018, the Executive Committee consisted of 3 members;

Member of Executive Committee		Position
1. Mr. Thitipong	Tangpoonphonvivat	Chairman Executive Committee/ Chief Executive Officer
2. Dr. Tawat	Anantanavanich	Executive Committee/ Managing Director (resigned from the Executive Committee and Managing Director since 1 December 2019)
3. Mr. Wuttichai	Sresthabutra	Executive Committee

Term and Retirement from the Executive Committee

The Executive Committee consists of the directors who have experience and suitable qualifications as recommended by the Nomination 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 performs routine tasks. For the benefit of the Company and the purposes of the Company as well as 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 which to be presented to the Board of Directors including to controls of spending of annual budget.

3) The Chief Executive Officer is authorized to perform any act that can be to perform according to normal business.

4) The Chief Executive Officer shall be presented to the Board of Directors to approve the investment of the Company which is not in the 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) To consider the profits and losses of the Company and to propose interim dividend or annual dividend to the Board of Directors.

In addition, the aforementioned delegation of authority to the Chief Executive Officer must be under the rules of law and regulation of the Company. In the case that may have benefit or interests to the Chief Executive Officer or person who may have conflicts (According to the announcement of the SEC), the Chief Executive Officer or attorney has no authority to approve such actions. The Chief Executive Officer must present the matter to the Board of Directors for further consideration.

In addition, any transaction is connected transaction or relating to the acquisition or disposal of assets of the Company, according to definition specifies in the announcement of the Stock Exchange of Thailand, such transaction must be approved by the Shareholders' meeting and/or other operation in accordance with the rules and procedures as specified in the said matter in order to comply with the requirement of the Stock Exchange of Thailand.

10.3. 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

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.

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.

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.

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.

10.4. 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.

- 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

Management

- 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

10.5. Internal 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. 2 0 0 8 . 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.

10.6. Remuneration of Auditors

The Annual General Meeting of Shareholders 2018 on April 24, 2018 had the resolution to approve the appointment of

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|----------------------------------|---|
| 1) Mr. Somkit Tiatrakool | Certified Public Accountant License No. 2785 or |
| 2) Mr. Teerasak Chuasrisakul | Certified Public Accountant License No. 6624 or |
| 3) Ms. kanyanat Sriratchadchawan | Certified Public Accountant License No. 6549 or |
| 4) Mr. Narin Jooramongkol | Certified Public Accountant License No. 8593 |

From Grant Thornton Company Limited, an audit company that is well qualified and widely accepted, approved by The Securities and Exchange Commission as the auditor of the company and its subsidiaries. As at 31 December, 2019, the audit fee was determined at Baht 3,450,000 and authorized the Board of Directors to approve if Grant Thornton Company Limited requires a replacement of the certified public accountant, in case the listed certified public accountant cannot perform his/her duty. The Board of Directors was also authorized to approve the financial statement of the company and its subsidiaries.

General Engineering Public Company Limited and Subsidiaries

(unit: Baht)	2019	2018	2017
Audit fee	3,450,000	2,800,000	2,100,000
Non-audit fee	480,207	281,668	119,893

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

Compliance with the principles of good corporate governance

The Company has recognized the importance of good corporate governance which is very important for the business to grow sustainable as well as creating confidence for shareholders, investors or related parties to ensure management to be transparent, able to check and have good governance and being able to receive public recognition. The

resolution of Board of Director No. 7/2019 held on 15 August 2019 determined a policy on good corporate governance and has reviewed a policy for annual.

In this regards, the Corporate Governance Committee adopted the survey criteria for the Thai Listed Company from the Thai Institute of Directors Association (IOD) which was accepted by the Stock Exchange of Thailand and the SEC to be as a model for creating a good corporate governance of the Company.

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.

During the Board of Directors Meeting 8/2017 held on 14 November, 2017, the board has acknowledged the Good Corporate Governance Report for Listed Companies 2017 (CG Code) 8 new code according to the Corporate Governance Code for Listed Companies 2017 (CG Code) issued by the Securities and Exchange Commission. The Board of Directors has great understanding and concerns about the governing body and the compliance of the CG Code for sustainable growth. Moreover, the Company has assessed according to the CG Code in overall by considering from the assessment result where the Good Corporate Governance Committee was assigned to assess and clarify at the first stage.

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.

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 or management. It has to disseminate the measure to the executives for acknowledgement, while the board directors and the executives of the Company have to report a change of its holding of securities to the SEC on each time. The Company's employees shall not disclose the publicly undisclosed information to other people. A disclosure of information may have an impact on the business and the price of the Company's securities;

it requires approval from the executives first. It is prohibited the board directors and the executives from utilizing the inside information, which can cause damage to the overall shareholders.

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

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

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

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

Chapter 3 Role of Stakeholders

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

1) The shareholders.

The Company shall perform the duty with loyalty, honesty, and equity. It has determined to create growth for the shareholders to receive sustainable returns from the results of its operations. The Company has treated the shareholders equitably according to the good governance principle on the chapter of the rights of the shareholders and their equitable treatment. The Company has provided its website: www.gel.co.th 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

2) Employees

The company realizes the importance of the staff. Because employees are the key success factors for achieving the goals of the company. The company has a clear policy on the development of the company. Training has developed a thorough knowledge of at least six hours each per year for employees who have been trained. To improve the ability of employees constantly. Provide opportunities for advancement. The Company arranged both internal and external trainings according to plan in total of 36 courses.

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 manual for employees.

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.

Offering the fair compensation return

The Company has regularly reviewed employee compensation and benefits to ensure that the compensation of the company at a competitive level in the same industry. It also coordinates the welfare policy of affiliated companies in the same direction. In addition, the Nomination and Remuneration Committee has been established to approve the principle and guidelines related to compensation is in the same direction throughout the organization and in line with the Company's strategy.

In response to be the Company's strategy in the order to expand the business, develop the potential of employees to help drive the company to be the front line of business. Human Resources Department has recruited high potential employees (Talent) according to the succession plan and the compensation return structure and welfare system are internationally accepted for the employees to ensure that the compensation and benefits for employees are consistent with the pay system. It can also compete in the same industry.

- Provide appropriate welfare for employees.

Employees of the Company Also get other benefits. To reduce the cost of living, reduce worries. It also promotes the well-being of its employees to the family, the employees, and the health of the employees. This will be beneficial to the employees' lives and lives, and the welfare and welfare of all employees will be acknowledged. Through employee guides. The benefits can be classified into 5 main categories:

- 1) Benefits such as grants for employees Spouse of employees Or parent Or child's death Hard working
- 2) Welfare benefits such as emergency welfare loan Housing loan
- 3) Fund benefits such as provident fund. Social Security Fund
- 4) health and life insurance benefits, such as annual health check-ups, as needed by age and sex, group health insurance Accident insurance group
- 5) Employee welfare

The Company has a policy of respect for human rights. The law of equality is taken into account. Personal rights and freedoms It does not discriminate against employees because of differences in race, language, sex, age, disability, physical condition, or health. Status of person Economic or social status Religious beliefs, education, training, or political opinions.

The Company sees the importance of health and well-being, safety, and work environment, therefore, the policies were announced as follow;

1. All facilities shall comply with the applicable law, rules and regulations in terms of safety, health and well-being and work environment.

2. The Company shall see the importance of safety, health and welfare of all employees whether in the workplace or other businesses employees and others related are working in.

3. Management system is not only responsible for accident precaution, sickness caused by work, and environmental protection but it includes resources preparation, necessary budget required to promote safety culture, health and well-being, work environment and complying with the agreed policy consistently.

4. Safety management, well-being and environment are some of the factors that improve the operations performance. Therefore, the Company is committed on the enforcement of safety, health and environment management system to identify, evaluate and control the occupational health and environmental concerns. The Company will continue to improve health and safety system by monitoring, investigating and reporting the progress and improvement as part of change assessment.

5. The considerations on any changes of the production, the Company will consider factors from the health and safety system as part of change assessment.

6. The Company is responsible for social responsibility and is committed to operate in an environmental friendly, consume raw materials valuably, and consume energy efficiently to reduce emission, waste management and reuse waste resourcefully.

7. The health and safety monitoring system will operate continuously and identify items that do not meet the stated requirements to find alternative improvements.

8. The Company will apply the excellency in health and safety to the organization and ensure that all employees are contributed in all activities such as trainings, and examining by providing consultancy and facilitate appropriately.

9. All employees, contractors and subcontractors are accountable to comply with the stated rules and regulations in terms of health and safety in the workplace and environmental friendly.

The Company is committed to operate environmental and take into account that the community and social environment live together optimistically for the sustainable growth. The environmental good governance policy was announced on 18 March 2014 to notify all employees, community in the area that that Company will strictly comply with the good governance policy and has passed the environmental good governance assessment on 19 September 2016.

Number and Accident Rate of Employees in 2019

	Bangkadee Plant			Chiangraknoi Plant			Total number		
	Female(s)	Male(s)	Total	Female(s)	Male(s)	Total	Female(s)	Male(s)	Total
1. Number of work injuries (people)	2	5	7	2	6	8	4	11	15
2. Number of accidents (people)	-	2	-	-	2	-	-	4	4

The Company has provided a booth to listen any comments from employees, when they have seen unusual things or things should not, and send that comments directly to the Managing Director. The Company also provided e-mail address independentdirector@gel.co.th for any clue to independent director to avoid going through the Company.

3) Customers

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

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

4) Partners

The Company recognizes the importance of partners as the people who are important in assisting the business operations of the Group. The Company adheres to the principle of equitable practices and competition that is fair to all business partners of the Company. Treat partners to adhere to the terms of the contract and the code of ethics of the company.

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

5) 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.

6) Creditor

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

7) Social / Community and Environment

The Company considers society/ community and environment by complying with various laws and regulations in order to not take advantage to the society. The Company is aware of the responsibility to not cause noise pollution to nearby communities. Organize specific units to closely look after the environment with environmentally friendly.

The Company has considered the value and the importance of social benefits and society around the factory. The Company has given the development to improve the classroom school toilets nearby, support sporting for

student, scholarship join Children's Day activity and join the activities of the nearby temples according to important religious festivals. Employees of the Company jointly donated blood to the Thai Red Cross once a year on a regular basis every year.

The Company aims to operate environmentally friendly businesses, have social responsibility, consideration of living together with society and community happily together. For sustainable development which has announced the policy on environmental governance Industrial establishment on March 18, 2014, with employees including nearby communities informed by the Company strictly complying with the policy on environmental governance. Industrial establishment and pass the criteria for assessing environmental governance in the workplace (6 Bangkadee factories) from the Ministry of Industry on 15 September 2014 and received the renewal assessment on 19 September 2017

The Company received Green Industry Level 1 certification (6 Bangkadi factories) from the Ministry of Industry on 20 June 2014 and received Green Level 2 certification (Bangkadi Factory Amount of 6 factories) from the Ministry of Industry on 19 December 2018

The Company participated in industrial upgrading activities aimed at the development of industrial cities in ecological industrial cities. Under the project to upgrade and create a database of industrial development in the area of ecological industrial cities in 8 provinces in the target area (Rayong, Samut Prakarn, Samut Sakhon, Chachoengsao, Prachin Buri, Chon Buri, Nakhon Pathom and Pathum Thani) and the Company received the certificate in participating in the said project from the Department of Industrial Works on 10 September 2018

The Company was awarded the CSR Beginner Award 2019, Standard of Corporate Social Responsibility, Department of Industrial Work (CSR-DIW) from the Ministry of Industry by Department of Industrial Works on 23 September 2019.

In addition, the Company has been certified by the Department of Industrial Works through the upgrading of industrial plants by the indicator of eco-industrial city in the fiscal year 2019 at Bangkadi factory. By requesting separate indicators of each factory as follows

- Pre-stressed concrete pile factory

Level 2 Indicator 7.1.1	Effluent quality meets standard criteria
Level 3 indicator 10.2.1	Proportion of factories operating activities or measures to reduce energy use or increase energy efficiency
- Precast concrete product factory

Level 2 Indicator 1.2.1	The proportion of green area to the total area of the eco-industrial city, including the protection strip and the eco-buffer
Level 3 Indicator 6.1.1	Proportion of industrial factories that have safe activities or measures, reduce costs or increase the efficiency of the organization's transportation and logistics systems
- Glass fiber reinforced concrete factory

- | | | |
|---|--|--|
| | Level 2 indicator 20.2.1 | Data communication and dissemination public safety, environmental and chemical safety management |
| | Level 3 Indicator 9.1.1 | The rate of recycling of waste from unused materials of the industrial sector |
| ● | Post-tensioned factory | |
| | Level 2 indicator 20.2.1 | Data communication and dissemination public safety, environmental and chemical safety management |
| | Level 3 indicator 2.1.1 | Number of factories that are designed or renovated and/ or indoor systems that is environmentally friendly and/ or save energy |
| ● | Connecting bridge materials and toll way factory | |
| | Level 2 indicator 20.2.1 | Data communication and dissemination public safety, environmental and chemical safety management |
| | Level 3 indicator 12.2.1 | Proportion of industrial factories carrying out activities or measures to increase the efficiency of raw materials |
| ● | Cement mixing plant with other materials | |
| | Level 2 Indicator 7.1.1 | Effluent quality meets standard criteria |
| | Level 3 Indicator 5.1.1 | Proportion of industrial factories that produce products or services that are environmentally friendly (Eco-Product/ Eco-Service) or procurement of goods and services that are environmentally friendly (Green Purchasing) to the total number of entrepreneurs |

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.)

- On 18 August, 2017, the Company was certified as a member of the Collective Action Coalition against Corruption (CAC), which will last for 3 years. The Company is officially certified by the Thai Institute of Directors (IOD) on 21 November, 2017.

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.

- **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 as follows;

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

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Company General Engineering Co., Ltd. (Thailand)

44/2 Moo 2, Tivanon Road, Tambon Bangkadee, Aumpoe Muang,

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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 2018 is summarized as follows:

Board of Directors

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

Note:

- 1) Resigned from the directorship since 1 December 2019
- 2) Appointed to the directorship since 26 February 2019

Audit Committees

Audit Committee	Times of the meeting
1. Mr. Wirach Morakotkarn ¹⁾	3/4
2. Mrs. Pannee Jarusombat	4/4
3. Mr. Vichya Kreangam	4/4

Note:

- 1) Appointed to the Chairman of the Audit Committee since 26 February 2019

The Risk Management Committee

Risk Management Committee	Times of the meeting
1. Mr. Sophon Pholprasit	2/2
2. Mr. Vipoota Trakulhoon ¹⁾	2/2
3. Dr. Tawat Anantanavanich ²⁾	1/2
4. Mr. Chainarin Sairungsri	2/2
5. Mrs. Wisadja Kochsena	1/2

Note:

- 1) Appointed to the Member of the Risk Management Committee since 26 February 2019
- 2) Resigned from the Member of the Risk Management Committee since 1 December 2019

Nomination & Remuneration Committees

Nomination and Remuneration Committee	Times of the meeting
1. Mr. Vipoota Trakulhoon ¹⁾	1/1

Nomination and Remuneration Committee	Times of the meeting
2. Mr. Thitipong Tangpoonphonvivat	1/1
3. Dr. Vichya Kreangam	1/1

Note:

- 1) Appointed to the Chairman of the Nomination and Remuneration Committee since 26 February 2019

Corporate Governance Committees

Corporate Governance Committee	Times of the meeting
1. Dr. Vichya Krea-ngam	7/7
2. Mr. Vipoota Trakulhoon ¹⁾	5/7
3. Mr. Wuttichai Sresthabutra	5/7
4. Mrs. Wisaja Kochsena	5/7

Note:

- 1) Appointed to the Member of the Corporate Governance Committee since 26 February 2019

Executive Committees

Executive Committees	Times of the meeting
1. Mr. Thitipong Tangpoonphonvivat	11/11
2. Dr. Tawat Anantanavanich ¹⁾	8/11
3. Mr. Wuttichai Sresthabutra	8/11

Note:

- 1) Resigned from the Executive Committee since 1 December 2019

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.

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.

The Board of Directors self-assessment, Subcommittees self-assessment and Chief Executive Officer's self-assessment

The Board of Directors has evaluated the performance of the Board of Directors, Subcommittees and Chief Executive Officer with self-assessment and individual has been evaluated by the Board of Directors. For the Board to review the problem work and obstacles during the past year to improve performance.

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 process of evaluation as the following;

1. Performance evaluation of the Board of Directors, Subcommittee Self-assessment and individual (self-assessment), including the Chief Executive Officer (briefing) at least once a year.
2. The Company Secretary summarizes and presented the results of the performance evaluation of the Board of Directors, Subcommittee and Chief Executive Officer to the Board of Directors in order to consider the results of the evaluation and the guidelines for the improvement of operational efficiency.

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 for the Board of Directors 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

The scoring details for the Audit Committee are as follows;

Details	Number of Topics	Score
1. The structure and qualifications of the Board in the following matters are appropriate and perform effectively.	7	28
2. The subcommittee's meeting was held in the following matters, in order to perform their duties in the meeting effectively.	6	24
3. Roles and responsibilities of the subcommittee emphasizes on the importance of considering, reviewing and following up in the following matters effectively.	5	20
Total	18	72

The scoring details for the Corporate Governance Committee are as follows;

Details	Number of Topics	Score
1. The structure and qualifications of the Board in the following matters are appropriate and perform effectively.	7	28
2. The subcommittee's meeting was held in the following matters, in order to perform their duties in the meeting effectively.	6	24
3. Roles and responsibilities of the subcommittee emphasizes on the importance of considering, reviewing and following up in the following matters effectively.	5	20
Total	18	72

The scoring details for the Nomination and Remuneration Committee are as follows;

Details	Number of Topics	Score
1. The structure and qualifications of the Committee in the following matters are appropriate and perform effectively.	7	28
2. The subcommittee's meeting was held in the following matters, in order to perform their duties in the meeting effectively	6	24
3. Roles and responsibilities of the subcommittees emphasizes on the importance of considering, reviewing and following up in the following matters effectively.	5	20
Total	18	72

The scoring details for the Risk Management Committee are as follows;

Details	Number of Topics	Score
1. The structure and qualifications of the Committee in the following matters are appropriate and performs effectively.	7	28
2. The subcommittee's meeting was held under the following matters, in order to perform their duties effectively.	6	24
3. Roles and responsibilities of the subcommittees emphasizes on the importance of considering, reviewing and taking action in the following matters effectively.	5	20
Total	18	76

The scoring details for the Executive Committee are as follows;

Details	Number of Topics	Score
1. The structure and qualifications of the Committee in the following matters are appropriate and performs effectively.	7	28
2. The subcommittee's meeting was held under the following matters, in order to perform their duties effectively.	6	24
3. Roles and responsibilities of the subcommittees emphasizes on the importance of considering, reviewing and taking action in the following matters effectively.	5	20
Total	18	76

The scoring details for the Chief Executive Officer are as follows;

Details	Number of Topics	Score
1. Leadership	6	24
2. Strategy	6	24
3. Pursuing strategy	6	24
4. Planning and financial performance	6	24
5. Relationship with the Board of Directors	6	24
6. Relationship with others	5	20
7. Management and relationship with employees	6	24
8. Succession	3	18

Details	Number of Topics	Score
9. Knowledge on products and services	4	16
10. Personal features	6	24
Total	54	222

After the Board of directors have completed the assessment, therefore, the Board of Directors will be proposed to the Board of Directors for acknowledgment or comparison within the first quarter of next year.

The assessment of the Board of Directors, subcommittee, and Chief Executive Officer for the year 2019 has been concluded and presented to the Board of Directors' Meeting 1/2020 on 2 March 2020. This is to highlight the performance of the Board of Directors, subcommittee and Chief Executive Officer for the year 2019. Details are as follows;

- The Board of Directors has an overall score of 97.74%, which is ranked at “excellent”
- The Audit Committee has an overall score of 98.84%, which ranked as “excellent”
- The Corporate Governance Committee has an overall score of 94.27%, which ranked as “excellent”
- The Risk Management Committee has an overall score of 92.88%, which ranked as “excellent”
- The Nomination & Remuneration Committee has an overall score of 97.69%, which ranked as “excellent”
- The Executive Committee has an overall score of 96.30%, which ranked as “excellent”
- The Chief Executive Officer has an overall score of 98.35%, which ranked as “excellent”

Sustainability (Sustainability Development)

In the year 2019, the Company plans to establish a program to develop potential, knowledge, skill, work skills of the employees. The company has therefore initiated the concept of establishing the organization under the name "GEL Academy", which aims to be a learning organization, transferring, recording and expanding from people with all stakeholders to contribute to the sustainable development of the Company's business operations.

11. COPORATE SOCIAL RESPONSIBILITIES

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 2019, 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.

The company focuses on businesses that are environmentally friendly, social responsibility, taking into account the coexistence with society and the community at the same time for sustainable development which has announced the policy on Environmental Governance Industrial establishments on 18 March 2014 by employees as well as nearby communities, which the company has strictly adhered to the environmental governance policy Industrial establishment And passed the assessment of good governance from the Ministry of Industry on 19 September 2017

In 2018 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 Human Resource Development donated the presents to Wat Bangkudeethong School due to the National Children's Day 2019.



- 2) **Blood Donation Activity** General Engineering Public Company Limited arranged the blood donation campaign on 13 September 2019 which will help to support patients in Thai Red Cross Society.



12. INTERNAL CONTROL AND RISK MANAGEMENT

12.1 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. 1/2020 on 2 March 2020, 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 2019 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 2019, 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. 3/2015 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 Management 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-

12.2 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.

12.3 Chief Internal Audit and Chief Compliance Officer of the Company

At the Audit Committee's meeting No. 1/2019 on 28 February 2018, 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 2019.

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.

13. RELATED TRANSACTIONS

The company has set the rules and conditions of the related 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 related transaction, value of related transaction and disclosure to the Stock Exchange Approved by the Board of Directors and Audit Committee or through the approval of the shareholders (at the case may be) strictly. The Company has revealed details of the related transaction in an annual report by the related 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 2018 – 2019 as follows.

■ Items related to the subsidiary companies

Related person	Relationship	Type	Consolidated (Thousand Bath)		Separate (Thousand Bath)		Nature of transaction	Pricing policy
			2019	2018	2019	2018		
Metric Public Company Limited	Associated, holds 32.65 percent.	Revenue from sales	2,853	3,306	2,853	3,306	Revenue from sale of steel and ready-mix	Market Price
		Trade accounts receivables	1,870	9,642	1,870	9,642	Cement.	
		Other purchase –construction	401	98,062	-	2,490	Trade accounts receivables.	Contract price
		Purchase machine	428	-	-	-	Construction plant	
		Construction payable	28,992	49,599	-	7,663	Purchase machine	
		Other payable	12,380	7,663	4,391	-	Payables for plant construction	
		Other receivables	1,325	1,326	-	-	Guarantee the construction of the plant	
		Retention	2	5	2	5	Electricity and others from construction	
Seven Wire Company Limited	Subsidiaries, holds 99.99 percent.	Rental income	-	-	5,000	5,000	Land rental income	Negotiated price
		Revenue from sale and services	-	-	10,469	14,405	Revenue from sale of steel and concrete pile	Market Price
		Purchase of raw material	-	-	135,336	43,124	Purchase of steel	Market Price
		Interest income	-	-	141	71	Loan	MLR -0.50 percent p.a.
		Interest expense	-	-	10,571	13,250	Loan	MLR -0.50 percent p.a.
		Account payable	-	-	4,161	13,872	Purchase of steel	
		Other receivables	-	-	5,705	4,782	Land rental, management fee	
		Loans and accrued interest expense	-	-	176,307	202,869	Loans and accrued interest	
		Trade Accounts receivable	-	-	20,493	-	Construction	
General Engineering Mauritius Company Limited	Subsidiaries, holds 100 per cent.	Other receivables	-	-	2,033	1,568	Advances to establish a company Advance for management fees.	

Related person	Relationship	Type	Consolidated (Thousand Bath)		Separate (Thousand Bath)		Nature of transaction	Pricing policy
			2019	2018	2019	2018		
General Nippon Concrete Industries Company Limited	Subsidiaries, holds 82.50 per cent.	Revenue from sale and services	-	-	1,015	5,110	Sale of pre-stressed pile products and management fee	Market Price
		Other service	-	-	45,883	-	Sales of spun pile and services	Negotiated price
		Trade Accounts receivable	-	-	-	85	Sales of special cement	
		Other receivables	-	-	3,727	1,563	Management fee	
		Interest income	-	-	3	120	Loan	MLR -0.50 percent p.a.
		Interest expenses	-	-	-	19	Loan	MLR -0.50 percent p.a.
		Trade account payable	-	-	2,893	-	Purchase of spun piles	
		Other account payable	-	-	2,167	-	Retention	
Millcon Steel Public Company Limited	Invested company	Purchase of raw materials	28,967	91,846	10,823	91,846	Purchase of Steel	market price
		Trade accounts payables	14,826	13,740	-	13,740	Purchase steel	market price
Suntech Metals Company Limited	Invested company's subsidiary	Purchase of raw materials	1,821	4,578	1,821	4,578	Purchase of Steel	market price
		Trade accounts payables	-	1,529	-	1,529	Purchase of Steel	
Kobelco Millcon Steel Company Limited (Formerly "Millcon Special Steel Company Limited")	Invested company's associate	Other payable	-	133	-	-	Construction cost	Contract price
		Account payable	-	35,475	-	-	Construction cost	
IGEN Engineering Company Limited.(Formerly "Zentra - Watung Engineering Company Limited.")	Invested company's associate	Construction cost	-	23,611	-	-	construction cost	Contract price
		Other payable	-	1,405	-	-	Warranty repair machine	
		Construction payable	-	4,178	-	-	Construction cost	
		Other service income	-	51	-	-	Utilities fee	
Millcon Steel Pipe Company Limited	Invested company's subsidiary	Purchase of raw materials	3,621	20,388	3,621	20,388	Purchase of steel	market price
		Trade accounts payables	1,330	4,614	1,330	4,614	Purchase of steel	
Millcon Thiha Company Limited	Invested company's subsidiary	Revenue from sale and services and other	199	285	199	285	Sales of special cement products	market price

Related person	Relationship	Type	Consolidated (Thousand Bath)		Separate (Thousand Bath)		Nature of transaction	Pricing policy
			2019	2018	2019	2018		
		Trade accounts receivable	-	70	-	70	Sales of special cement products	
		Retention receivables	-	975	-	975	Retention receivables	
Saharum Construction Materials Company Limited	Invested company's subsidiary	Purchase of raw materials	-	5,266	-	5,266	Purchase of steel	market price
Complete Transport Company Limited	Invested company's associate	Transportation	-	18,106	-	18,106	Transportation	market price
		Trade accounts payables	-	1,210	-	1,210	Transportation	
IBCI – Mctric Joint Venture	Associate's joint venture	Revenue from sale and services and other	-	2	-	2	The sale of Cement products and steel products	market price
		Trade Accounts receivable	-	-	-	-	Trade Accounts receivable	

Note: 1. related transactions are disclosed in the notes of the financial statements in Article 7 Transactions with related persons and companies.

2. Related party transaction data for the past 3 years can be viewed on the company website

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

14. IMPORTANT FINANCIAL INFORMATION

1) Financial Statements

Summary of Audit Report

Year 2019

Opinion

In the Report of Independent Auditor for the financial statements of year 2019, Mr. Teerasak Chuasrisakul, Certified Public Accountant No. 6624, from Grant Thornton Company Limited, the auditor, stated his qualified opinion that “the consolidated financial statements as at 31 December 2019 include investment in associated company accounted for under the equity method of Baht 165.68 million and share of profit from associated company under the equity method for the year then ended of Baht 7.34 million. I was unable to obtain sufficient appropriate audit evidence regarding to carrying amount of investment in associated company and the Company’s portion of profit for the year of associated company since component auditor of associated company unable to assess the potential impact (if any) of work in process for construction work which has been completed more than 80% but some portion unable to bill to customer amounting to Baht 394.65million. The billing depends on the approval of the amendmentof contract and extension of the complete constructionperiodfrom the employerwhich outcome cannot presently be concluded. Consequently, I was unable to determine whether any adjustments were necessary for the investment in associated company and share of profit from associated company under the equity method.”

“The consolidated financial statements as at 31 December 2019 include investment in joint venture accounted for under the equity method of Baht 105.78 million and share of loss from joint venture under the equity method for the year then ended of Baht 32.00 million. I was unable to obtain sufficient appropriate audit evidence regarding to carrying amount of investment in joint venture and the Company’s portion of loss for the year of joint venture since the component auditor of joint venturewas unable to obtain sufficient appropriate audit evidence for significant items in the financial statementsof joint venture. Consequently, I was unable to determine whether any adjustments were necessary for the investment in joint venture and share of loss from joint venture under the equity method.”

Allowance for declining value of inventories

As at 31 December 2019, in the consolidated and separate financial statements, the Group has allowances for declining value of inventories of Baht 47.12 million and Baht 38.28million, respectively.

Revenue recognition

In the consolidated and separate financial statements, the Group hasrecognized revenue from sales and services for the year ended 31 December 2019 amounting to Baht 2,034 million and 1,875 million, respectively, main revenue from concrete pile, glass fiber reinforced concrete (GRC), electric concrete pile, diaphragm wall, barrette pile.

I have focused on revenue recognition since including revenues from sales and revenues from sales with instalment service which each of the agreements are different in terms of scope and the delivery period which could impact the amount and timing of revenue recognition. (As disclosed in Notes 4.4 and 26 to the financial statements.)

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 consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me 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 consolidated and separate 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 consolidated and separate 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.

Summary of Audit Report

Year 2018

Opinion

In the Report of Independent Auditor for the financial statements of year 2018, Mr. Teerasak Chuasrisakul, Certified Public Accountant No. 6624, from Grant Thornton Company Limited, the auditor, stated his qualified opinion that "the consolidated financial statements as at 31 December 2018 include investment in overseas joint venture accounted for under the equity method of Baht 150.42 million, and share of loss from joint venture under the equity method for the year then ended of Baht 14.74 million. These financial statements are based on financial information compiled by the management of such overseas joint venture which have not been audited by their auditor. I was unable to obtain sufficient appropriate audit evidence about the carrying amount of investment in overseas joint venture and the Company's portion of loss for the year of overseas joint venture. Consequently, I was unable to determine whether any adjustments were necessary."

Impairment of investment in associated company

As at 31 December 2018, the consolidated and separate financial statements, investment in associated company presented amounting to Baht 158.34 million and Baht 166.59 million, respectively. Such investment indicated that recoverable amount is lower than carrying amount.

Impairment testing

Impairment testing for year 2018, the management Tested calculation for the purpose of the annual impairment testing, the recoverable amount of MetricPublic Company Limited operation was determined based on fair value less cost of disposal. The recoverable amount is higher than carrying amount of investment in consolidated and separate financial statements. However, it is uncertainty, the Company has not reversed allowance for impairment of investment in associated company.

Revenue recognition

In the consolidated and separate financial statements recognized revenue from sales and services for the year ended 31 December 2018 amounting to Baht 1,948.01million, respectively. The main revenue comes from pre-stressed concrete pile, precast concrete, and services of that products.

I have focused on revenue recognition since each of the agreements are different in terms of scope and the delivery period which could impact the amount and timing of revenue recognition. (Refer to Note 4.4 to the financial statements)

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 consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me 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 consolidated and separate 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 consolidated and separate 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.

Summary of Audit Report

Year 2017

Opinion

In the Report of Independent Auditor for the financial statements of year 2017, Miss Sansanee Poolsawat, Certified Public Accountant No. 6977, 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 2017, 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 associated company and joint venture

As at 31 December 2017, the consolidated and separate financial statements, investments in associated company and joint venture presented amounting to Baht 305.57 million and Baht 344.25 million, respectively. Such investment indicated that recoverable amount is lower than carrying amount.

Based on impairment testing in 2017, an impairment loss on investment of Baht 19.04 million was recognised in the separate statement of profit or loss.

Revenue recognition

In the consolidated and separate financial statements recognised revenue from sales and services for the year ended 31 December 2017 amounting to Baht 1,762.47 million and Baht 1,779.93 million respectively. The revenues primarily from sale of concrete pile, girder, electric concrete pole, precast concrete wall and, and construction and installation services for such products.

I have focused on revenue recognition since each of the agreements are different in terms of scope and the delivery period which could impact the amount and timing of revenue recognition.

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 consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me 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.
- 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.

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31

(Unit: Thousand Baht)

	Consolidated F/S			Separate F/S		
	2019	2018	2017	2019	2018	2017
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	10,223	38,430	29,756	10,154	37,962	17,995
Trade accounts receivable-net	359,771	438,831	425,225	342,507	438,438	437,716
Retention receivables - current portion						
due within one year	30,219	13,991	16,707	30,208	13,991	16,707
Inventories - net	430,912	602,050	477,156	381,387	528,980	477,156
Other current assets	82,862	82,530	40,620	21,790	29,210	22,701
Total Current Assets	913,987	1,175,832	989,464	786,046	1,048,581	972,275
NON - CURRENT ASSETS						
Restricted deposits with banks	-	-	27,930	-	27,930	65,100
Retention receivables	62,367	67,248	30,841	62,367	67,248	30,841
Investments in available - for - sales securities	537,206	1,206,768	1,284,624	537,206	1,206,768	1,284,624
Investments in subsidiaries	-	-	-	445,337	445,337	445,337
Investments in associated company and joint venture	271,465	308,761	305,572	322,005	344,250	344,250
Property, plant and equipment – net	2,924,099	2,929,885	2,558,585	1,639,045	1,682,647	1,705,585
Software program in progress	6,922	9,437	9,241	6,922	9,437	9,241
Investment property	996,627	996,627	996,627	1,289,347	1,289,347	1,289,347
Deferred income tax assets	159,841	22,900	15,439	159,367	21,627	4,859
Income tax withheld at sources	10,384	5,430	6,840	9,721	5,160	6,690
Other non - current assets	2,134	1,202	3,921	2,134	1,202	1,992
Total Non - Current Assets	4,971,045	5,548,258	5,239,620	4,473,451	5,073,023	5,150,696
TOTAL ASSETS	5,885,032	6,724,090	6,229,084	5,259,497	6,121,604	6,122,971

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31

(Unit: Thousand Baht)

	Consolidated F/S			Separate F/S		
	2019	2018	2017	2019	2018	2017
LIABILITIES AND SHAREHOLDERS' EQUITY						
CURRENT LIABILITIES						
Short - term loan from financial institution	593,526	292,736	40,682	380,081	203,496	29,458
Trade accounts payable - general suppliers	456,099	624,661	470,904	319,956	515,745	393,374
Advances received - general customers	63,380	100,367	100,611	60,170	100,367	100,611
Advances received - related company	-	-	21	-	-	21
Current portion of liabilities under finance lease agreement	277	264	239	277	264	239
Current portion of long - term loans from financial institution	190,515	193,500	432,979	83,709	111,600	386,679
Employee benefits obligation	4,140	1,461	4,553	4,140	1,461	3,377
Loan payable and accrued interest expense - subsidiary company	-	-	-	176,307	202,870	262,005
Other current liabilities	8,167	12,438	9,870	7,314	12,065	9,687
Total Current Liabilities	1,316,104	1,225,427	1,059,859	1,031,954	1,147,868	1,185,451
NON - CURRENT LIABILITIES						
Liabilities under finance lease agreement - net	175	452	728	175	452	728
Long - term loans from financial institution - net	705,731	815,819	277,105	107,600	191,309	-
Employee benefits obligation	54,614	36,322	27,626	50,774	34,339	26,437
Other non - current liabilities	59	59	59	59	59	59
Total Non - Current Liabilities	760,579	852,652	305,518	158,608	226,159	27,224
TOTAL LIABILITIES	2,076,683	2,078,079	1,365,377	1,190,562	1,374,027	1,212,675

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31

(Unit : Thousand Baht)

	Consolidated F/S			Separate F/S		
	2019	2018	2017	2019	2018	2017
LIABILITIES AND SHAREHOLDERS' EQUITY						
(Continued)						
SHAREHOLDERS' EQUITY						
Share capital - Common shares						
- 5,397,877,189 shares 0.85 Baht in 2017						
- 6,890,064,215 shares 0.85 Baht in 2015 and 2016	4,588,196	4,588,196	4,588,196	4,588,196	4,588,196	4,588,196
Issued and fully paid-up share capital						
- 5,397,877,189 shares 0.85 Baht in 2017						
- 5,562,877,189 shares 0.85 Baht in 2015 and 2016	4,588,196	4,588,196	4,588,196	4,588,196	4,588,196	4,588,196
Capital surplus - Common shares	71,131	71,131	71,131	71,131	71,131	71,131
Capital surplus - Treasury shares	49,179	49,179	49,179	49,179	49,179	49,179
Retained earnings						
- Appropriated for legal reserve	13,600	13,600	13,600	13,600	13,600	13,600
- Appropriated for treasury shares	-	-	-	-	-	-
- Unappropriated	(322,415)	(46,125)	102,415	(59,656)	83,336	183,772
<u>Less</u> Treasury shares - Common shares						
(165,000,000 shares, Baht 0.55 par value)	-	-	-	-	-	-
Other components of shareholders' equity	(611,418)	(62,099)	4,447	(593,515)	(57,867)	4,418
Equity attributable to the Company's shareholders - net	3,788,273	4,613,883	4,828,968	4,068,935	4,747,576	4,910,296
Non - controlling interests	20,076	32,128	34,739	-	-	-
Total Shareholders' Equity	3,808,349	4,646,011	4,863,707	4,068,935	4,747,576	4,910,296
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	5,885,035	6,724,090	6,229,084	5,259,497	6,121,604	6,122,971

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		
	2019	2018	2017	2019	2018	2017
REVENUES						
Revenues from sales	2,034,440	1,948,014	1,762,468	1,874,934	1,948,024	1,779,933
Other income	32,950	28,148	23,351	46,967	45,569	38,228
Gain on disposal assets	-	-	280	-	-	30,129
Dividend income	23,357	2,409	-	23,357	2,409	-
Gain on disposal of other investment	-	42,000	-	-	42,000	-
Share of profit from investments in associated company and joint venture	(24,658)	8,510	(84,580)	-	-	-
Gain on exchange rate	1,152	462	2,243	188	266	-
Interest income	171	152	743	245	302	701
Total Revenues	2,067,412	2,029,695	1,704,505	1,945,691	2,038,570	1,848,991
EXPENSESE						
Costs of Sales	(2,004,252)	(1,913,979)	(1,612,479)	(1,802,668)	(1,912,095)	(1,626,291)
Selling expenses	(42,330)	(47,282)	(52,764)	(41,828)	(47,087)	(52,764)
Administrative expenses	(201,168)	(145,984)	(117,166)	(176,127)	(115,882)	(98,091)
Loss on disposal of investments in associated company	-	-	-	-	-	(19,043)
Gain on exchange rate	-	-	-	-	-	(152)
Management benefit expenses	(38,397)	(23,812)	(26,190)	(27,295)	(23,812)	(26,191)
Total Expenses	(2,286,147)	(2,131,057)	(1,808,600)	(2,047,918)	(2,098,876)	(1,822,532)
Profit before Finance costs and income tax	(218,735)	(101,362)	(104,095)	(102,227)	(60,306)	26,459
Finance costs	(69,469)	(41,935)	(16,338)	(40,363)	(41,327)	(31,258)
Income tax benefit (expense)	3,246	(8,910)	14,718	2,982	1,197	(1,900)
Profit for the year	(284,958)	(152,207)	(105,715)	(139,608)	(100,436)	(6,699)

	Consolidated F/S			Separate F/S		
	2019	2018	2017	2019	2018	2017
Other comprehensive income for the year						
Unrealized gain (loss) on valuation of available - for - sales securities - net of tax	(535,649)	(62,285)	109,972	(535,649)	(62,285)	109,972
Translation adjustments for foreign currency financial statements	(13,670)	(4,260)	1	-	-	-
Total	(549,320)	(66,545)	109,973	(535,649)	(62,285)	109,972
Actuarial loss - net of tax	(3,384)	1,057	2,617	(3,384)	-	2,617
Actuarial gains from investments in associated company - net of tax	-	-	758	-	-	-
Total comprehensive income for the year	(837,662)	(217,695)	7,633	(678,641)	(162,720)	105,890
Attribution of income for the year :						
Portion of the Company's shareholders	(272,906)	(149,597)	(105,454)	(139,608)	(100,436)	(6,699)
Portion of non-controlling interests in subsidiary	(12,052)	(2,610)	(261)	-	-	-
	(284,958)	(152,207)	(105,715)	(139,608)	(100,436)	(6,699)
Attribution of comprehensive income for the year :						
Portion of the Company's shareholders	(825,610)	(215,085)	7,894	(678,641)	(162,720)	105,890
Portion of non-controlling interests in subsidiary	(12,052)	(2,610)	(261)	-	-	-
	(837,662)	(217,695)	7,633	(678,641)	(162,720)	105,890
Basic earnings per share						
Profit (Baht per share)	(0.05056)	(0.02771)	(0.01954)	(0.02586)	(0.01861)	(0.00124)

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED 31 DECEMBER 2019 2018 and 2017

Unit: Thousand Baht

Consolidated	Equity attributable to the Company's shareholders												
	Other components of shareholders' equity												
	Issued and paid-up share capital	Premium 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	Total
				Legal reserve	Appropri atd for treasury shares	Unappropri ated							
Balance as at 1 January 2017	4,728,445	71,131	-	13,600	91,070	113,424	(91,070)	(105,553)	27	(105,526)	4,821,074	-	4,821,074
Share reduction from treasury shares	(140,249)	-	49,179	-	-	-	91,070	-	-	-	-	-	-
Non - controlling interests increase	-	-	-	-	-	-	-	-	-	-	-	35,000	35,000
Appropriated for treasury shares	-	-	-	-	(91,070)	91,070	-	-	-	-	-	-	-
Transactions with owners	(140,249)	-	49,179	-	(91,070)	91,070	91,070	-	-	-	-	35,000	35,000
Loss for the year	-	-	-	-	-	(105,454)	-	-	-	-	(105,454)	(261)	(105,715)
Other comprehensive income for the year						3,375		109,972	1	109,973	113,348	-	113,348
Total other comprehensive income (loss) for the year						(102,079)	-	109,972	1	109,973	7,894	(261)	7,633
Balance as at 31 December 2017	4,588,196	71,131	49,179	13,600	-	102,415	-	4,419	28	4,447	4,828,968	34,739	4,863,707

(Unit : Thousand Baht)

Consolidated

Consolidated	Equity attributable to the Company's shareholders												
	Other components of shareholders' equity												
	Issued and paid-up share capital	Premium 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	Total
				Legal reserve	Appropri atd for treasury shares	Unappropri ated							
Balance as at 1 January 2018	4,588,196	71,131	49,179	13,600	-	120,415	-	4,419	28	4,447	4,828,968	34,739	4,863,707
Loss for the year	-	-	-	-	-	(149,597)	-	-	-	-	(149,597)	(2,611)	(152,208)
Comprehensive loss for the year	-	-	-	-	-	1,057	-	(62,285)	(4,260)	(66,545)	(65,488)	-	(65,488)
Total other comprehensive income (loss) for the year	-	-	-	-	-	(148,540)	-	(62,285)	(4,260)	(66,545)	(215,085)	(2,611)	(217,695)
Balance as at 31 December 2018	4,588,196	71,131	49,179	13,600	-	(46,125)	-	(57,866)	(4,232)	(62,098)	4,613,883	32,128	4,646,011
Balance as at 1 January 2019	4,588,196	71,131	49,179	13,600	-	(46,125)	-	(57,866)	(4,232)	(62,098)	4,613,883	32,128	4,646,011
Loss for the year	-	-	-	-	-	(272,906)	-	-	-	-	(272,906)	(12,052)	(284,958)
Comprehensive loss for the year	-	-	-	-	-	(3,384)	-	(535,650)	(13,670)	(549,320)	(552,704)	-	(552,704)
Total other comprehensive income (loss) for the year	-	-	-	-	-	(276,290)	-	(535,650)	(13,670)	(549,320)	(825,610)	(12,052)	(837,662)
Balance as at 31 December 2019	4,588,196	71,131	49,179	13,600	-	(322,415)	-	(593,516)	(17,902)	(611,418)	3,788,273	20,076	3,808,349

ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED 31 DECEMBER 2019 2018 AND 2017

Separate F/S

(Unit : Thousand Baht)								
	Capital surplus – Common shares		Retained earning			Treasury shares – Common shares	Other components of shares-equity	Total
Issued and paid- up share capital		Capital surplus – Treasury shares	Legal reserve	Appropriated for treasury shares	Unappropriated		Unrealized gain (loss) on valuation of available-for-sale securities	
4,728,445	71,131	-	13,600	91,070	96,784	(91,070)	(105,554)	4,804,406
(140,249)	-	49,179	-	-	-	91,070	-	-
-	-	-	-	(91,070)	91,070		-	-
(140,249)	-	49,179	-	(91,070)	91,070	91,070	-	-
-	-	-	-		(6,699)	-		(6,699)
-	-	-	-		2,617	-	109,972	112,589
-	-	-	-	-	(4,082)	-	109,972	105,890
4,588,196	71,131	49,179	13,600	-	183,772	-	4,418	4,910,296
4,588,196	71,131	49,179	13,600	-	183,772	-	4,418	4,910,296
-	-	-	-	-	(100,436)	-	-	(100,436)
-	-	-	-	-	-	-	(62,285)	(62,285)
-	-	-	-	-	(100,436)	-	(62,285)	(162,720)
4,588,196	71,131	49,179	13,600	-	83,336	-	(57,867)	4,747,575

Separate F/S

(Unit : Thousand Baht)								
Issued and paid-up share capital	Capital surplus		Retained earning			Treasury shares	Other components of	Total
	– Common shares	Capital surplus	Legal reserve	Appropriated	Unappropriated	– Common shares	shares-equity	
	– Treasury shares	for treasury shares		Unrealized gain				
				(loss) on valuation of				
				available-for-sale				
							securities	
4,588,196	71,131	49,179	13,600	-	83,336	-	(57,867)	4,747,575
-	-	-	-	-	(139,608)	-	-	(139,608)
-	-	-	-	-	(3,384)	-	(535,649)	(539,033)
-	-	-	-	-	(142,992)	-	(535,649)	(678,641)
4,588,196	71,131	49,179	13,600	-	(59,656)	-	(593,516)	4,068,935

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		
	2019	2018	2017	2019	2017	2016
Cash flows from operating activities						
Profit before income tax	(288,205)	(143,297)	(120,434)	(142,590)	(101,633)	(4,799)
Adjusted by						
Depreciation	112,456	77,401	61,066	70,953	69,507	61,003
Unrealized gain on exchange rate	-	(35)	2	-	(35)	2
Share of gain from investments in associated company and joint venture	24,658	(8,510)	84,580	-	-	-
Dividend income	-	-	-	-	-	-
Provision (reversal of allowance) for doubtful accounts	20,523	2,611	7,750	50,523	2,611	7,750
Gain on disposal of other investment	-	(42,000)	-	-	(42,000)	-
Allowance (reversal of allowance) for defective inventories	21,572	24,081	(868)	12,730	24,081	(868)
Gain on disposal of investment in associated company	-	-	-	22,245	-	19,043
Loss on write-off fixed assets	6,864	3,580	14	5,943	3,571	14
Gain on disposal of fixed assets	(2)	-	(280)	(2)	-	(30,129)
Loss on withholding tax written - off	-	512	15	-	512	15
Provisions for employee benefits obligation	17,467	8,783	7,478	15,674	7,869	5,180
Interest income	(171)	(152)	(743)	(245)	(302)	(701)
Interest expense	69,469	41,934	16,338	40,363	41,326	31,258
Cash flows provided from (used in) operations before changes in operating assets and liabilities	(23,357)	(37,500)	54,918	22,237	3,098	87,768
Decrease (Increase) in operating assets						
Trade and other accounts receivable	62,441	(15,808)	81,639	79,311	(2,924)	71,052
Inventories	147,012	(154,551)	(95,452)	133,022	(81,480)	(95,452)
Other current assets	(1,796)	(41,933)	(18,844)	7,420	(6,531)	(1,764)
Retention receivables	(15,250)	(34,100)	(2,174)	(15,239)	(34,100)	(2,174)
Other non - current assets	(932)	2,719	516	(932)	791	516

(Unit : Thousand Baht)

	Consolidated F/S			Separate F/S		
	2019	2018	2017	2019	2017	2016
Increase (Decrease) in operating liabilities						
Trade and other accounts payable	(134,857)	162,306	8,615	(193,939)	122,385	147
Advances received - general customers	(36,987)	(244)	25,336	(40,198)	(244)	25,336
Advances received - related companies	-	(21)	(2,563)	-	(21)	(2,564)
Employee retirement benefits obligation	(1,795)	(2,760)	(3,285)	(1,795)	(2,760)	(3,285)
Other current liabilities	(4,270)	2,567	2,520	(4,751)	2,378	2,342
Other non - current liabilities	-	-	49	-	-	49
Cash provided from (used in) operations	(25,160)	(119,323)	51,275	(14,864)	592	81,971
Refunded income tax	-	6,178	20,195	-	6,178	20,195
Interest payment	(72,738)	(56,842)	(27,032)	(39,781)	(38,097)	(34,574)
Income tax payment	(4,954)	(5,281)	(2,913)	(4,560)	(5,160)	(2,763)
Net cash used in operating activities	(102,852)	(175,268)	41,525	(59,205)	(36,488)	64,829
Cash flows from investing activities						
Decrease (increase) in restricted deposits with banks	-	27,930	37,170	-	27,930	37,170
Decrease in fixed deposits	-	-	50,001	-	-	50,001
Paid for investment in subsidiary company	-	-	-	-	-	(165,000)
Paid for loan to subsidiary	-	-	-	-	(23,650)	-
Receipt from loan to subsidiary	-	-	-	-	23,650	-
Proceeds from disposal of other investment	-	42,000	-	-	42,000	-
Purchases of fixed assets	(73,711)	(366,495)	(445,300)	(30,603)	(44,321)	(264,549)
Purchases of software program	(70)	(440)	(4,720)	(70)	(440)	(4,720)
Dividend received	23,357	2,409	-	23,357	2,409	-
Proceeds from sales of fixed assets	57	-	280	57	-	130,280
Interest received	171	175	791	245	325	750
Net cash used in investing activities	(50,196)	(294,422)	(361,778)	(7,014)	(27,902)	(216,068)
Cash flows from financing activities						
Increase (decrease) in short - term loan from financial institution	300,790	252,090	(78,489)	176,585	174,074	28,326
Repayments of long - term loans from financial institutions	(180,000)	(149,500)	(78,000)	(111,600)	(103,200)	(78,000)
Proceeds from long - term loans from financial institutions	68,390	448,734	503,976	-	19,431	180,569

(Unit : Thousand Baht)

	Consolidated F/S			Separate F/S		
	2019	2018	2017	2019	2017	2016
Repayments of fixed asset payabl	(64,106)	(72,705)	(90,688)	-	-	(16,720)
Proceeds from loans from subsidiary	-	-	-	(26,311)	(61,500)	-
Repayments of liabilities under finance lease agreement	(264)	(251)	(310)	(264)	(251)	(310)
Purchase of treasury shares - common shares	-	-	-	-	-	-
Increase in non - controlling interests	-	-	35,000	-	-	-
Net cash provided from (used in) financing activities	124,810	478,368	291,489	38,410	28,553	113,865
Translation adjustments for foreign currency financial statements	32	(4)	1	-	-	-
Net decrease in cash and cash equivalents	(28,207)	(8,674)	(28,761)	(27,808)	(19,968)	(37,372)
Cash and cash equivalents at beginning of year	38,430	29,756	58,517	37,962	17,994	55,366
Cash and cash equivalents at end of year	10,223	38,430	29,756	10,154	37,962	17,995
Supplemental disclosures for cash flows information						
Non - cash items :						
- Purchase of assets under finance lease agreements	-	-	658	-	-	658
- Unrealized gain (loss) on available - for - sales securities	(669,562)	(77,856)	137,465	(669,562)	(77,856)	137,465
- Purchased fixed assets which have not been paid yet	32,283	64,106	72,705	-	-	-
- Transferred inventories to fixed assets	2,554	5,575	6,721	1,840	5,575	6,721
- Actuarial gains from employee benefit	(4,231)	-	3,272	(4,231)	-	3,272
- Accrued transfer fee from land's sale	-	-	-	-	-	4,251

Summary of Key Financial Ratios

As of 31 December

	Unit	Consolidated Financial Statement			Separate Financial Staement		
		2019	2018	2017	2019	2018	2017
Liquidity ratio	time(s)	0.69	0.96	0.92	0.76	0.91	0.81
Quick liquidity ratio	time(s)	0.30	0.40	0.43	0.37	0.43	0.38
Account receivable turnover	time(s)	5.10	4.51	3.75	4.80	4.45	3.73
Average collection period	day(s)	71.64	80.95	97.33	76.01	82.08	97.86
Inventory turnover	time(s)	3.88	3.55	3.72	3.96	3.80	3.75
Average sale period	day(s)	94.06	102.74	98.12	92.16	96.03	97.33
Trade receivable turnover	time(s)	3.71	3.49	3.38	4.31	4.21	4.06
Average payment period	day(s)	98.41	104.30	107.99	84.61	86.77	89.90
Cash cycle	day(s)	67.29	79.39	87.46	83.57	91.34	105.29
Profitability Ratio							
Gross profit margin	%	1.48	1.75	8.82	3.85	1.84	8.94
Operating profit margin	%	(12.95)	(7.79)	(2.03)	(6.42)	(5.22)	0.80
Net profit margin	%	(13.62)	(7.50)	(5.86)	(7.18)	(4.93)	(0.36)
Return On Equity (ROE)	%	(7.48)	(3.28)	(2.18)	(3.43)	(2.12)	(0.14)
Efficiency Ratio							
Return on assets	%	(4.84)	(2.26)	(0.08)	(2.65)	(1.64)	0.73
Return on fixed assets	%	(7.26)	(3.87)	0.76	(4.76)	(3.37)	2.56
Assets Turnover	time(s)	0.35	0.29	0.30	0.36	0.32	0.31
Leverage Ratio or Financial Ratio							
Debt/Equity Ratio	time(s)	0.55	0.45	0.28	0.29	0.29	0.25
Interest Coverage	time(s)	(3.15)	(2.42)	(6.37)	(2.53)	(1.46)	0.85
Per Share Data							
Book Value	Baht	0.05	0.86	0.89	0.03	0.88	0.91
Profit (Loss) per Share	Baht	(0.05)	(0.03)	(0.02)	(0.03)	(0.02)	(0.00)

15. Management Discussion and Analysis (MD&A)

Overview of Business Operations and Significant Changes

Operating Results

The operating results of the Company and its subsidiaries for the year ended December 31, 2019 is described in the financial statement showing net loss at the amount of Baht 284.96 million, comparing with the same period in 2018, the net loss amount of Baht 152.21 million. In 2019 net loss is increased by Baht 132.75 million which details are as follows;

Unit: Million Baht	2019	2018	Increase (decrease)
Revenues from sales	2,034.44	1,948.01	86.43
Costs of sales	(2,004.25)	(1,913.98)	90.27
Gross profit	30.19	34.03	(3.84)
Other income	57.63	73.17	(15.54)
associated company and joint venture	(24.66)	8.51	(33.17)
Selling and Administrative expenses	(281.90)	(217.08)	64.82
Finance costs	(69.47)	(41.93)	27.54
Income tax benefit (expense)	3.25	(8.91)	(12.16)
Net Profit	(284.96)	(152.21)	132.75

(1) Revenue from sales

In 2019, the Company and its subsidiaries had total revenue from sales at the amount of Baht 2,034.44 million, which increased from the year 2018 by Baht 86.43 million or 4.44%. In 2019, the Company's revenue was decreased by Baht 73.09 million comparing with the year 2018. The Company's subsidiaries revenues were increased by Baht 159.52 million comparing with the year 2018. The Company's subsidiaries recorded revenue in the fourth quarter of 2018 and second quarter of 2019 respectively.

(2) Other revenues

The Company and its subsidiaries had no disposition of the common shares transaction but had dividend income with amount of Baht 23.36 million

(3) Cost of sales

In 2019, the Company and its subsidiaries had total cost of sales at the amount of Baht 2,004.25 million, which increased from the year 2018 by Baht 90.27 million or 4.72% due to the cost of sales varies according to the increase in revenue while the Company's subsidiaries cost of sales was increased due to its production could not utilized full capacity.

(4) Gross profit

The Company and its subsidiaries' total gross profit were Baht 30.19 million, which decreased from the year 2018 by Baht 3.85 million or 11.31%, due to the Company's subsidiaries cost of sales was increased due to its production could not utilized full capacity effecting to decrease in gross profit.

(5) Selling expenses

The Company and its subsidiaries had selling expenses of Baht 42.33 million, or Baht 4.95 million decreased from the year 2018 or 10.48%.

(6) Administrative expenses

The Company and its subsidiaries' administrative expenses was Baht 201.17 million, increased by Baht 55.18 million or 37.81% from the year 2018 due to an increase in administrative expenses of the Company and its subsidiaries and allowance doubtful account increased by Baht 16 million and employee benefits for employees who have worked with the Company 20 years or more to receive compensation not less than 400 days of their salary as at the date of retirement which total amount increased by Baht 7.60 million. The Company's subsidiaries administrative expenses were increased by Baht 24 million but in 2018 recorded in asset for construction.

(7) Financial cost

The Company and its subsidiaries' financial cost from loan and permission note were Baht 69.47 million or increased by Baht 27.53 million or 65.66% from the year 2018. The Company's subsidiaries financial cost recorded in asset for construction in year 2018.

(8) Share of profit (loss) from investment in associated company and joint ventures

In 2019, the Company recognized the profit sharing from Metric Public Company Limited for the amount of Baht 7.34 million and the loss sharing amount of Baht 32.00 million from Wisdom Tree Investment (S) PTE. Limited, which the Company recognized the net loss sharing Baht 24.66 million, comparing with the same period of previous year, which the Company recognized the profit sharing from Metric Public Company at the amount of Baht 23.25 million and loss sharing from Wisdom Tree Investment (S) PTE. Limited. at the amount of Baht 14.74 million.

(9) Income Tax benefit (expense)

The consolidated financial statements have been adjusted to reverse the deferred income tax of the share of loss of the associated company in the amount of Baht 10.11 million in year 2018.

1. Financial Analysis

(Unit: Thousand Baht)

Items	30 December 2019	31 December 2018	Increase (Decrease)	%
Net Assets	5,890,353	6,724,090	(833,737)	(12.40)
Net Liabilities	2,076,683	2,078,079	(1,396)	(0.07)
Shareholders' equity	3,813,670	4,646,011	(832,341)	(17.92)

Assets

As at December 31, 2019, the Company had total assets of Baht 5,890.35 million Baht, decreased by Baht 833.74 million or 12.40% from December 31, 2018 due to

1. A decrease in cash and cash equivalent at amount of Baht 28.21 million and a decrease in accounts receivable and account receivable of related company at amount of Baht 79.06 million.
2. A decrease in inventories at amount of Baht 171.14 million which was due to delay of project and delivery from private sector.
3. A decrease in investment in available- for-sales securities (MILL) at amount of Baht 669.56 million due to market price was decreased from 1.07 THB/share in year 2018 to 0.69 THB/share in year 2019.
4. A decrease in investments in associated company and joint venture at amount of Baht 31.97 million due to sharing from loss on investment.
5. Due to the decrease in available-for-sale securities (MILL) effecting to deferred income tax assets increased by Baht 136.94 million.

Liabilities

As at 31 December 2019, the Company and its subsidiaries' liabilities was Baht 2,076.68 million, decreased by Baht 1.39 million or 0.07% from 31 December 2018.

1. The Company's current liabilities increased by Bath 90.68 million due to;
 - 1.1. The Company and its subsidiaries short term loan was Baht 593.53 million increased from previous year which was Baht 300.79 million.
 - 1.2. The Company and its subsidiaries account payable was Baht 456.10 million decreased by Baht 168.56 million from the same period of previous year due to decreased in supplier and contractor.
 - 1.3. The Company and its subsidiaries advanced receive was Baht 63.38 million decreased by Baht 36.99 million from the same period of previous year.
2. Non-current liabilities decreased by Baht 92.07 million due to
 - 2.1. The Company and its subsidiaries term loan was Baht 705.73 million decreased by Baht 110.09 million from the same period of previous year due to repayment.
 - 2.2. The Company and its subsidiaries recognized the employee benefits obligation - net at amount of Baht 54.61 million increased by Baht 18.29 million from the same period of previous year.

Shareholders' equity

As at 31 December 2019, the shareholders' equity of the Company and its subsidiaries were Bath 3,813.67 million, decreased by Baht 832.34 million or 17.92% from 31 December 2018. The available for sale of securities was decreased due to the market price was lower. This was effecting in decreased in number of shareholders' equity by Baht

547.38 million. The operating result of the Company and its subsidiaries in the year 2019 showing a loss resulting in a decrease in shareholders' equity at the amount of Baht 284.96 million.

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 Baht 1,916 million. 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 Baht 313.00 million. The Company used 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 Baht 35.82 million. The industrial plant in the lease contract is used for manufacturing products in normal business operation.
- The Company and its subsidiaries had bank overdraft amounted to Baht 2,000.66 million which the Company's land and machinery have been mortgaged as collateral for credit facilities with the bank. This is a normal business.
- The Company has commitment from issuing a letter of guarantee (stand by letter of credit) with a bank together with the related company in the amount of USD 5.83 million to guarantee credit facilities of the joint venture. Such credit facility guarantor by ordinary shares of the company held in Wisdom Tree Investment (S) PTE. Limited.

Factors affecting future performance

In 2020, the overall economy is expected to slow down from the impact of the household debt level and the outstanding amount of condominium supply that remains at a high level which should cause the overall construction market to continue to slow down. However, due to the intense competition in the industry, the Company will continue to focus on building long-term business growth through strategies such as maintaining existing product standards, expanding business lines to meet the increasing needs of customers as well as looking for opportunities and ways to reduce production costs in order to reduce risk from raw material costs and reducing and controlling costs and expenses to make the Company more competitive. This also includes the development of personnel that the Company has carried out continuously to create sustainable and stable growth.

Report of the Audit Committee

Dear Shareholders,

The Audit Committee of the Company was appointed by the Board of Directors consists of three independent directors having the term for 3 years. Activities are highlighted as follows;

Name	Position	Number of Attendance	Appointed
1. Mr. Wirach Morakotkarn	Chairman of the Audit Committee and Independent Director	3/4	26 February 2019 (appointed to the Chairman of the Audit Committee on 26 February 2019)
2. Mrs. Pannee Jarusombat	Member of the Audit Committee and Independent Director	4/4	2 June 2014
3. Mr. Vichya Krea-Ngam	Member of the Audit Committee and Independent Director	4/4	2 October 2014
4. Mr. Suchart Boonbanjerd Sri	Chairman of the Audit Committee and Independent Director	-	2 October 2014 (resigned from the Chairman of the Audit Committee on 16 Jan 2019)

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 2019 accounting period, the Audit Committee held totally 4 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 24 December 2019 with the auditor and 3

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 2019 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, including had review and revised anti-corruption policy, as well as accepted all information and complaints about frauds or violation of laws, regulations, and rules according to the whistleblowing process. In 2019, no complaint about such frauds or violation was filed.

The Company had signed up for the Private Sector Collective Action Coalition against Corruption (CAC), a campaign had initiated by Thai Institute of Directors Association and sponsored by the government and the Office of the National Anti-Corruption Commission. The Company had complied with the certification process of the campaign by presenting evidence relating to the business policies, measures and working processes, including internal control systems to the Audit Committee. As a consequence, the Company was certified as a member of the CAC as from 18th August 2017. In 2020, the Company will re-certification a member of the CAC.

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 2019 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. Somkit Tiatrakool, Certified Public Accountant License No. 2785 or Mr. Teerasak Chuasrisakul, Certified Public Accountant License No. 6624 or Ms. Kanyanut Sriratchatwal, Certified Public Accountant License No. 6549 or Mr. Narin Juramolkon, Certified Public Accountant License No. 8593, as the auditor of the Company for the accounting period ended on 31 December 2019. The audit fee was determined at 3,450,000 baht with the approval of the Company's Board of Directors and the shareholders' meeting.

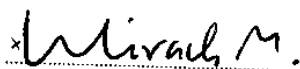
7. Revision of the Audit Committee Charter

In 2019, 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.

8. Conducted the Audit Committee self-assessment on its composition.

The result of the Audit Committee self-assessment are excellent. The Audit Committee concluded that the Committee has adequately completed its duty as assigned.

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.

A handwritten signature in black ink, appearing to read "Wirach M.", with a small 'x' mark at the beginning of the first stroke.

(Mr. Wirach Morakotkarn)

Chairman of the Audit Committee

17. 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. Teerasak Shuasrisakul the Certified Public Accountant from Grant Thornton Company Limited who has been certified by the Securities and Exchange Commission. The Company has provided information and various documents to the auditor to enable him to conduct the audit and express his opinion in accordance with generally accepted auditing standards. The auditor's opinion appears in the Report of the Certified Public Accountant within the Annual Report.

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

The Company's Board of Directors believes that the Company's overall internal control system is at satisfactory level. Financial statements of General Engineering Public Company Limited and its subsidiaries as at 2 March 2020 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)

Director



(Mr. Wuttichai Sresthabuttra)

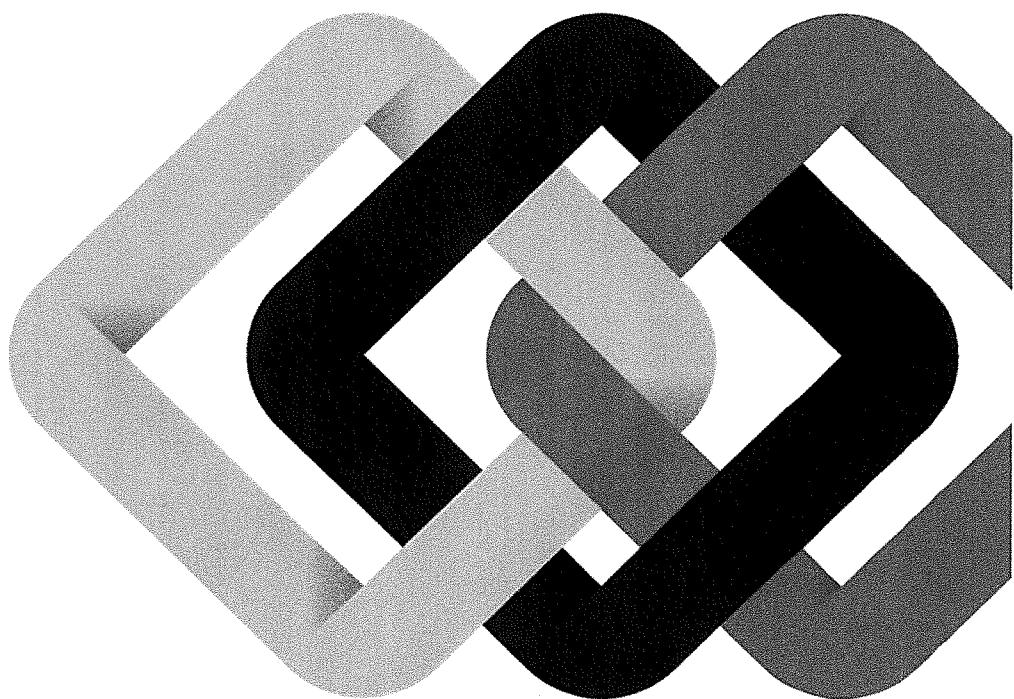
Director



Independent Auditor's Report and Consolidated
Financial Statements of

**General Engineering Public Company Limited
and Subsidiaries**

For the Year Ended 31 December 2019



INDEPENDENT AUDITOR'S REPORT

Grant Thornton Limited
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To the Shareholders of General Engineering Public Company Limited

Qualified Opinion

I have audited the consolidated and separate financial statements of General Engineering Public Company Limited and its subsidiaries (the "Group"), which comprise the consolidated and separate statement of financial position as at 31 December 2019, and the consolidated and separate statements of profit and loss and other comprehensive income, consolidated and separate statement of changes in shareholders' equity and consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effects of the investment in associated company and joint venture described in Basis for Qualified Opinion paragraph, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of General Engineering Public Company Limited and its subsidiaries as at 31 December 2019, and its consolidated and separate financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



Basis for Qualified Opinion

The consolidated financial statements as at 31 December 2019 include investment in associated company accounted for under the equity method of Baht 165.68 million and share of profit from associated company under the equity method for the year then ended of Baht 7.34 million. I was unable to obtain sufficient appropriate audit evidence regarding to carrying amount of investment in associated company and the Company's portion of profit for the year of associated company since component auditor of associated company unable to assess the potential impact (if any) of work in process for construction work which has been completed more than 80% but some portion unable to bill to customer amounting to Baht 394.65 million. The billing depends on the approval of the amendment of contract and extension of the complete construction period from the employer which outcome cannot presently be concluded. Consequently, I was unable to determine whether any adjustments were necessary for the investment in associated company and share of profit from associated company under the equity method.

The consolidated financial statements as at 31 December 2019 include investment in joint venture accounted for under the equity method of Baht 105.78 million and share of loss from joint venture under the equity method for the year then ended of Baht 32.00 million. I was unable to obtain sufficient appropriate audit evidence regarding to carrying amount of investment in joint venture and the Company's portion of loss for the year of joint venture since the component auditor of joint venture was unable to obtain sufficient appropriate audit evidence for significant items in the financial statements of joint venture. Consequently, I was unable to determine whether any adjustments were necessary for the investment in joint venture and share of loss from joint venture under the equity method.

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 Consolidated and Separate 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 consolidated and separate 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 qualified opinion.



Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matter described below to be the key audit matters to be communicated in my report.

Key audit matter	Audit response
<p><u>Revenue recognition</u></p> <p>In the consolidated and separate financial statements, the Group has recognized revenue from sales and services for the year ended 31 December 2019 amounting to Baht 2,034 million and 1,875 million, respectively.</p> <p>I have focused on revenue recognition since including revenues from sales and revenues from sales with instalment service which each of the agreements are different in terms of scope and the delivery period which could impact the amount and timing of revenue recognition.</p> <p>As disclosed in Notes 4.4 and 26 to the financial statements.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> - obtained an understanding of the revenue process and the revenue recognition policy through inquiry with management and reviewing a sample of sales and services agreement. - evaluated the design and testing operating effectiveness of the controls over the revenue recognition - performed analytical review of sales and services during the year - sampling test sales documents during the year to assess whether revenue recognition. It was in compliance with the Company's policy. - Sampling test supporting documents for sales transactions occurring near the end of period. - Considered the sufficient disclosure of information in accordance with Thai Financial Reporting Standards.



Key audit matter	Audit response
<p><u>Allowance for declining value of inventories</u></p> <p>In the consolidated and separate financial statements, the Group has an allowances for declining value of inventories of Baht 47.12 million and Baht 38.28 million, respectively.</p> <p>Estimating the net realizable value of finished goods and work in process is required management judgment especially the estimation of allowance for declining value of inventories which is required detail of each project to assess such allowances.</p> <p>As disclosed in Notes 4.9 and 10 to the financial statements.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> - Observed physical inventory counts to determine the slow-moving and obsolete inventory items - Compared the cost of inventory and net realisable value which is the estimate of selling price less cost necessary to complete and to make the sale and sampling test with related documents after the reporting period to consider whether inventories will be stated at the lower of cost and net realisable value and check with backlog. - Analyzed the quantity of slow-moving inventories to determine the slow-moving and obsolete inventory items - Reviewed the adequacy of provision for devaluation of inventories recorded in the past - Considered the sufficient disclosure of information in accordance with Thai Financial Reporting Standards.

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 consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me 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 consolidated and separate 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 consolidated and separate 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 Consolidated and Separate Financial Statements

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

In preparing the consolidated and separate 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 Consolidated and Separate 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 consolidated and separate 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 consolidated and separate 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 consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate 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 consolidated 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 consolidated and separate 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. Teerasak Chuasrisakul

Certified Public Accountant

Registration No. 6624

Grant Thornton Limited

Bangkok

2 March 2020

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION

(Unit : Baht)

		Consolidated F/S		Separate F/S	
	Notes	31 December 2019	31 December 2018	31 December 2019	31 December 2018
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	8	10,223,420	38,430,081	10,153,768	37,962,172
Trade and other accounts receivable	7, 9	359,770,435	438,831,321	342,507,200	438,438,179
Retention receivables - current portion due within one year	12	30,219,036	13,991,132	30,208,036	13,991,132
Inventories	10	430,912,199	602,050,465	381,387,157	528,979,511
Other current assets	11	82,862,070	82,529,889	21,790,142	29,209,645
Total Current Assets		913,987,160	1,175,832,888	786,046,303	1,048,580,639
NON - CURRENT ASSETS					
Retention receivables	12	62,366,614	67,247,654	62,366,614	67,247,654
Investments in available - for - sales securities and other investment	13	537,206,398	1,206,767,997	537,206,398	1,206,767,997
Investments in subsidiaries	14	-	-	445,337,168	445,337,168
Investments in associated company and joint venture	15	271,464,970	308,760,850	322,004,616	344,250,480
Property, plant and equipment	16	2,924,099,091	2,929,885,393	1,639,044,751	1,682,647,455
Software program	17	6,922,470	9,436,835	6,922,470	9,436,835
Investment property	18	996,626,500	996,626,500	1,289,346,500	1,289,346,500
Deferred tax assets	29	159,840,683	22,899,850	159,367,812	21,627,094
Income tax withheld at sources		10,384,351	5,430,659	9,721,044	5,160,302
Other non - current assets		2,133,799	1,201,607	2,133,799	1,201,607
Total Non - Current Assets		4,971,044,876	5,548,257,345	4,473,451,172	5,073,023,092
TOTAL ASSETS		5,885,032,036	6,724,090,233	5,259,497,475	6,121,603,731

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION

(Unit : Baht)

		Consolidated F/S		Separate F/S	
	Notes	31 December 2019	31 December 2018	31 December 2019	31 December 2018
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short - term loan from financial institutions	19	593,526,007	292,736,378	380,080,421	203,495,770
Trade and other payable	7, 20	456,098,551	624,661,492	319,956,389	515,745,248
Advances received - general customers	21	63,379,929	100,367,295	60,169,765	100,367,295
Current portion due within one year					
- Liabilities under finance lease agreement		277,149	263,809	277,149	263,809
- Long - term loans from financial institutions	23	190,514,862	193,500,000	83,709,433	111,600,000
- Employee benefits obligation	24	4,140,095	1,460,889	4,140,095	1,460,889
Loan and accrued interest expense					
- subsidiary company	7	-	-	176,307,299	202,869,512
Other current liabilities	22	8,167,221	12,437,398	7,313,608	12,064,944
Total Current Liabilities		1,316,103,814	1,225,427,261	1,031,954,159	1,147,867,467
NON - CURRENT LIABILITIES					
Liabilities under finance lease agreement		175,017	452,086	175,017	452,086
Long - term loans from financial institutions	23	705,731,168	815,819,433	107,600,000	191,309,433
Employee benefits obligation	24	54,614,205	36,321,402	50,774,126	34,339,291
Other non - current liabilities		59,123	59,123	59,123	59,123
Total Non - Current Liabilities		760,579,513	852,652,044	158,608,266	226,159,933
TOTAL LIABILITIES		2,076,683,327	2,078,079,305	1,190,562,425	1,374,027,400

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION

(Unit : Baht)

		Consolidated F/S		Separate F/S	
	Notes	31 December 2019	31 December 2018	31 December 2019	31 December 2018
LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)					
SHAREHOLDERS' EQUITY	25				
Share capital - Common shares, Baht 0.85 par value					
- Authorized share capital - 5,397,877,189 shares		4,588,195,611	4,588,195,611	4,588,195,611	4,588,195,611
- Issued and fully paid-up share capital					
- 5,397,877,189 shares		4,588,195,611	4,588,195,611	4,588,195,611	4,588,195,611
Capital surplus - Common shares	25.1	71,131,343	71,131,343	71,131,343	71,131,343
Capital surplus - Treasury shares		49,179,549	49,179,549	49,179,549	49,179,549
Retained earnings (Deficit)					
- Appropriated for legal reserve	25.2	13,600,000	13,600,000	13,600,000	13,600,000
- Unappropriated		(322,414,782)	(46,124,833)	(59,655,580)	83,336,422
Other components of shareholders' equity		(611,418,740)	(62,099,136)	(593,515,873)	(57,866,594)
Equity attributable to the Company's shareholders		3,788,272,981	4,613,882,534	4,068,935,050	4,747,576,331
Non - controlling interests	5	20,075,728	32,128,394	-	-
Total Shareholders' Equity		3,808,348,709	4,646,010,928	4,068,935,050	4,747,576,331
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		5,885,032,036	6,724,090,233	5,259,497,475	6,121,603,731

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	
		2019	2018	2019	2018
Revenues from sales and services	7	2,034,440,491	1,948,014,146	1,874,934,480	1,948,023,746
Costs of sales and services	7	(2,004,251,895)	(1,913,978,715)	(1,802,668,219)	(1,912,095,010)
Gross profit		30,188,596	34,035,431	72,266,261	35,928,736
Interest income		170,655	151,732	245,379	301,869
Dividend income	13	23,356,827	2,408,670	23,356,827	2,408,670
Gain on exchange rate		1,151,569	462,191	188,336	265,827
Gain on disposal of other investment		-	42,000,000	-	42,000,000
Other income	7, 27	32,949,539	28,147,940	46,967,177	45,568,565
Profit before expenses		87,817,186	107,205,964	143,023,980	126,473,667
Selling expenses	28	(42,329,521)	(47,282,475)	(41,827,916)	(47,086,959)
Administrative expenses	28	(201,167,914)	(145,984,163)	(176,126,741)	(115,881,500)
Management benefit expenses		(38,397,808)	(23,812,081)	(27,295,709)	(23,812,081)
Finance costs		(69,468,986)	(41,934,469)	(40,363,488)	(41,325,871)
Total Expenses		(351,364,229)	(259,013,188)	(285,613,854)	(228,106,411)
loss from operations		(263,547,043)	(151,807,224)	(142,589,874)	(101,632,744)
Share of profit (loss) from investments in associated company and joint venture	15	(24,657,781)	8,510,179	-	-
Loss before income tax		(288,204,824)	(143,297,045)	(142,589,874)	(101,632,744)
Income tax benefit	29	3,246,630	(8,910,479)	2,982,293	1,197,205
Loss for the year		(284,958,194)	(152,207,524)	(139,607,581)	(100,435,539)
Other comprehensive income for the year					
Items that will be reclassified subsequently to profit or loss					
Unrealized loss from valuation of available - for - sales securities - net of tax		(535,649,279)	(62,284,801)	(535,649,279)	(62,284,801)
Translation adjustments for foreign currency financial statements		(13,670,325)	(4,260,388)	-	-
Total		(549,319,604)	(66,545,189)	(535,649,279)	(62,284,801)
Items that will not be reclassified subsequently to profit or loss					
Actuarial gains (loss) - net of tax		(3,384,421)	1,057,347	(3,384,421)	-
Total comprehensive income for the year		(552,704,025)	(65,487,842)	(539,033,700)	(62,284,801)
Total comprehensive income for the year		(837,662,219)	(217,695,366)	(678,641,281)	(162,720,340)

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

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

(Unit : Baht)					
		Consolidated F/S		Separate F/S	
	Note	2019	2018	2019	2018
Attribution of loss for the year :					
Portion of the Company's shareholders		(272,905,528)	(149,597,325)	(139,607,581)	(100,435,539)
Portion of non-controlling interests		(12,052,666)	(2,610,199)	-	-
		<u>(284,958,194)</u>	<u>(152,207,524)</u>	<u>(139,607,581)</u>	<u>(100,435,539)</u>
Attribution of comprehensive income (loss) for the year :					
Portion of the Company's shareholders		(825,609,553)	(215,085,167)	(678,641,281)	(162,720,340)
Portion of non-controlling interests		(12,052,666)	(2,610,199)	-	-
		<u>(837,662,219)</u>	<u>(217,695,366)</u>	<u>(678,641,281)</u>	<u>(162,720,340)</u>
Basic earnings (loss) per share					
	32				
Loss (Baht per share)		(0.05056)	(0.02771)	(0.02586)	(0.01861)
Weighted average number of common shares (shares)		5,397,877,189	5,397,877,189	5,397,877,189	5,397,877,189

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED 31 DECEMBER

(Unit : Baht)

	Equity attributable to the Company's shareholders									
	Issued and paid-up share capital	Capital surplus - Common shares	Capital surplus - Treasury shares	Retained earnings		Other components of shareholders' equity				
						Legal reserve	Unappropriated	Unrealized gain (loss) on valuation of available - for - sales securities	Translation	
									adjustments for foreign currency financial statements	Total
Consolidated F/S										
Balance as at 1 January 2018	4,588,195,611	71,131,343	49,179,549	13,600,000	102,415,145	4,418,207	27,846	4,446,053	4,828,967,701	34,738,593
Loss for the year	-	-	-	-	(149,597,325)	-	-	-	(149,597,325)	(2,610,199)
Other comprehensive loss for the year	-	-	-	-	1,057,347	(62,264,801)	(4,260,388)	(66,545,189)	(65,487,842)	-
Total other comprehensive income (loss) for the year	-	-	-	-	(148,539,978)	(62,264,801)	(4,260,388)	(66,545,189)	(215,085,167)	(2,610,199)
Balance as at 31 December 2018	4,588,195,611	71,131,343	49,179,549	13,600,000	(46,124,633)	(57,866,594)	(4,232,542)	(62,099,136)	4,613,882,534	32,128,394
Balance as at 1 January 2019	4,588,195,611	71,131,343	49,179,549	13,600,000	(46,124,633)	(57,866,594)	(4,232,542)	(62,099,136)	4,613,882,534	32,128,394
Loss for the year	-	-	-	-	(272,905,528)	-	-	-	(272,905,528)	(12,052,666)
Other comprehensive loss for the year	-	-	-	-	(3,384,421)	(535,649,279)	(13,670,325)	(549,319,604)	(552,704,025)	-
Total other comprehensive income (loss) for the year	-	-	-	-	(276,289,949)	(535,649,279)	(13,670,325)	(549,319,604)	(825,609,553)	(12,052,666)
Balance as at 31 December 2019	4,588,195,611	71,131,343	49,179,549	13,600,000	(322,414,782)	(593,515,873)	(17,902,867)	(611,418,740)	3,768,272,981	20,075,728

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

	Notes	Issued and paid-up share capital	Capital surplus		Retained earnings		Other components of shareholders' equity		(Unit : Baht)
			- Common shares	- Treasury shares	Legal reserve	Unappropriated	Unrealized gain (loss) on valuation of available-for-sale securities		
<u>Separate F/S</u>									
Balance as at 1 January 2018		4,588,195,611	71,131,343	49,179,549	13,600,000	183,771,961	4,418,207	4,910,296,671	
Loss for the year		-	-	-	-	(100,435,539)	-	(100,435,539)	
Other comprehensive loss for the year		-	-	-	-	-	(62,284,801)	(62,284,801)	
Total other comprehensive income (loss) for the year		-	-	-	-	(100,435,539)	(62,284,801)	(162,720,340)	
Balance as at 31 December 2018		4,588,195,611	71,131,343	49,179,549	13,600,000	83,336,422	(57,866,594)	4,747,576,331	
Balance as at 1 January 2019		4,588,195,611	71,131,343	49,179,549	13,600,000	83,336,422	(57,866,594)	4,747,576,331	
Loss for the year		-	-	-	-	(139,607,581)	-	(139,607,581)	
Other comprehensive loss for the year		-	-	-	-	(3,384,421)	(535,649,279)	(539,033,700)	
Total other comprehensive income (loss) for the year		-	-	-	-	(142,992,002)	(535,649,279)	(678,641,281)	
Balance as at 31 December 2019		4,588,195,611	71,131,343	49,179,549	13,600,000	(59,655,580)	(593,515,873)	4,068,935,050	

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	
	2019	2018	2019	2018
Cash flows from operating activities				
Loss before income tax	(288,204,824)	(143,297,045)	(142,589,874)	(101,632,744)
Adjustments to reconcile loss before income tax to net cash				
provided from (used in) operating activities:				
Depreciation and amortization expenses	112,455,760	77,401,147	70,952,863	69,506,747
Unrealized loss on exchange rate	-	(35,477)	-	(35,477)
Unrealized loss from revaluation of temporary investment	-	379	-	379
Share of loss (gain) from investments in associated company and joint venture	24,657,781	(8,510,178)	-	-
Allowance from impairment of investment in joint venture	-	-	22,245,864	-
Provision for doubtful accounts	20,523,022	2,610,577	20,523,022	2,610,577
Gain on disposal of other investment	-	(42,000,000)	-	(42,000,000)
Allowance for detective inventories	21,572,214	24,081,253	12,730,068	24,081,253
Gain on disposal of assets	(2,056)	-	(2,056)	-
Loss from write-off fixed assets	6,863,811	3,580,161	5,942,541	3,570,711
Loss from withholding tax written - off	-	512,420	-	512,420
Provisions for employee benefits obligation	17,466,969	8,782,616	15,674,165	7,868,629
Interest income	(170,655)	(151,732)	(245,379)	(301,869)
Interest expense	69,468,986	41,934,469	40,363,488	41,325,871
Dividend income	(23,356,827)	(2,408,670)	(23,356,827)	(2,408,670)
Cash flows provided from (used in) operations before changes in				
operating Assets and Liabilities	(38,725,819)	(37,500,080)	22,237,875	3,097,827
Decrease (Increase) in operating assets				
Trade and other accounts receivable	62,440,572	(15,808,075)	79,310,665	(2,924,218)
Inventories	147,011,861	(154,550,556)	133,022,115	(81,479,602)
Other current assets	(1,795,584)	(41,932,678)	7,419,503	(6,531,348)
Retention receivables	(15,249,572)	(34,099,950)	(15,238,572)	(34,099,950)
Other non - current assets	(932,192)	2,719,122	(932,192)	790,550
Increase (Decrease) in operating liabilities				
Trade and other accounts payable	(134,856,338)	162,306,237	(193,938,540)	122,384,927
Advances received - general customers	(36,987,366)	(243,657)	(40,197,530)	(243,658)
Advances received - related companies	-	(20,896)	-	(20,896)
Other current liabilities	(4,270,177)	2,567,480	(4,751,336)	2,377,737
Paid post-employee benefits obligation	(1,795,470)	(2,760,150)	(1,795,470)	(2,760,150)
Other non - current liabilities	-	346	-	346
Cash provided from (used in) operations	(25,160,085)	(119,322,857)	(14,863,482)	591,565
Interest payment	(72,738,713)	(56,842,391)	(39,780,525)	(38,097,067)
Cash refund from withholding tax	-	6,178,043	-	6,178,043
Income tax payment	(4,953,692)	(5,281,029)	(4,560,742)	(5,160,302)
Net cash provided used in operating activities	(102,852,490)	(175,268,234)	(59,204,749)	(36,487,761)

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

(Unit : Baht)

	CONSOLIDATED F/S		SEPARATE F/S	
	2019	2018	2019	2018
Cash flows from investing activities				
Decrease in restricted deposits with banks	-	27,930,000	-	27,930,000
Paid for loan to subsidiary	-	-	-	(23,650,000)
Receipt from loan to subsidiary	-	-	-	23,650,000
Proceeds from disposal of other investment	-	42,000,000	-	42,000,000
Purchases of fixed assets	(73,710,780)	(366,495,133)	(30,603,208)	(44,321,248)
Purchases of software program	(70,000)	(440,000)	(70,000)	(440,000)
Proceeds from disposal fixed assets	57,099	-	57,099	-
Dividend received	23,356,827	2,408,670	23,356,827	2,408,670.00
Interest received	170,655	174,522	245,378	324,659
Net cash provided from (used in) investing activities	(50,196,199)	(294,421,941)	(7,013,904)	27,902,081
Cash flows from financing activities				
Increase in short - term loans from financial institutions	300,789,629	252,090,130	176,584,651	174,073,641
Repayments of long - term loans from financial institutions	(180,000,000)	(149,500,000)	(111,600,000)	(103,200,000)
Proceeds from long - term loans from financial institutions	68,390,000	448,734,116	-	19,430,752
Repayments of fixed asset payable	(64,105,869)	(72,705,238)	-	-
Proceeds from loans from subsidiary	-	-	(26,310,673)	(61,500,000)
Repayments of liabilities under finance lease agreement	(263,729)	(251,184)	(263,729)	(251,184)
Net cash provided from financing activities	124,810,031	478,367,824	38,410,249	28,553,209
Translation adjustments for foreign currency financial statements	31,997	(3,504)	-	-
Net in cease (decrease) in cash and cash equivalents	(28,206,661)	8,674,145	(27,808,404)	19,967,529
Cash and cash equivalents at beginning of year	38,430,081	29,755,936	37,962,172	17,994,643
Cash and cash equivalents at end of year	10,223,420	38,430,081	10,153,768	37,962,172
Supplemental disclosures for cash flows information				
Non - cash items :				
- Unrealized gain (loss) on available - for - sales securities	(669,561,599)	(77,856,001)	(669,561,599)	(77,856,001)
- Actuarial loss from employee benefit	(4,230,526)	-	(4,230,526)	-
- Purchased of assets which have not been paid yet	32,283,467	64,105,869	-	-
- Transferred inventories to fixed assets	2,554,191	5,575,172	1,840,171	5,575,172

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. NATURE OF OPERATIONS

General Engineering Public Company Limited and subsidiaries ("Group") engaged in manufacturing and selling of concrete products such as concrete pile, glass fiber reinforced concrete (GRC), electric concrete pile, diaphragm wall, barrette pile and concrete spun pile, and providing the manufacturing and installation services for such products and manufacturing and selling the special qualified PC wire and PC Strand.

2. 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.

3. BASIS OF FINANCIAL STATEMENT PREPARATION

3.1 Basis of preparation

The accompanying financial statements have been prepared in accordance with the Accounting Act B.E. 2543, 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 languages must be in compliance with the official report in Thai.

3.2 New and revised financial reporting standards, interpretations and guidance

During the year, The Federation of Accounting Professions has revised and issued Thai Financial Reporting Standards (TFRS), interpretations and guidance as follow:

3.2.1 Amendments and interpretations to the Standards that are effective from 1 January 2019

Thai Financial Reporting Standard No.15 "Revenue from Contract with Customers" (TFRS 15)

Thai Financial Reporting Standard No.15 (TFRS 15) presents new requirements for the recognition of revenue, replacing Thai Accounting Standard No. 18 "Revenue" ("TAS 18"), Thai Accounting Standard No. 11 "Construction Contracts" ("TAS 11"), and several revenue-related Interpretations.

The Group has initial applied TFRS 15 Revenue from Contract with Customers and disclosed the detail of related accounting policies in note 26.

The Group has assessed the impact of initial adoption of TFRS found that there is no significant impact to the Group.

3.2.2 Amendments and interpretations to the Standards that are effective from 1 January 2020

Thai Financial Reporting Standard No.16 "Leases" (TFRS 16)

TFRS 16, that describes the new principles for the recognition of leases, replacing Thai Accounting Standard No. 17 "Leases", and several leases-related Interpretations. The new standard defines the requirements for leases will be recorded in the statement of financial position in the form of right-of-use asset and a lease liability except short-term leases agreement which period less than 12 months or low value of asset and provides additional guidance in many areas which are limited in detail under existing Thai Financial Reporting Standards.

Under the Thai Financial Reporting Standard No. 16 "Leases", no significant changes to the accounting for lessors.

The Group will adopt this new standard when they become effective, and the Group's management assesses that it will impact to the financial statements. Therefore, the Group must recognize the right-of-use assets and lease liabilities for the assets currently treated as operating leases including that the Group must record the depreciation from the right-of-use assets and interest expense of lease liabilities instead of expenses from lease agreements. The Group's management is in the process to assess the final impact and adjusting approaches for the initial application for this TFRS.

Thai Financial Reporting Standards related to Financial instruments

Thai Financial Reporting Standard No. 9 "Financial instruments" (TFRS 9) and group of Thai Financial Reporting standards related to financial instruments, present new requirements on the classification and measurement of financial assets and financial liabilities, impairment methodology and hedge accounting, replacing the accounting standards, guidance and interpretations relevant to financial instruments which are currently effective.

The Group's management has assessed the impact on the financial statements when adoption these new standards which are as follows:

1. Classification

Financial assets

The Group shall renew classification of financial assets as measured at amortized cost, fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI) on the basis of the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The standard eliminates the existing classification of trading securities, available-for-sale securities, held-to-maturity debt securities, and general investment as specified by TAS 105.

2. Impairment – Financial assets and contract assets

The Group shall assess impairment of financial assets and contract assets by considering the lifetime expected credit losses on the financial instruments which no longer necessary for an indicator or credit event to have occurred and requires considerable judgement about how changes in economic factors affect expected credit losses, which will be determined on a probability-weighted basis. However, the new impairment model will apply only to financial assets measured at amortized cost and fair value through other comprehensive income (FVOCI).

4. SUMMARY OF ACCOUNTING POLICIES

4.1 Basis of consolidation

The Group financial statements consolidate those of the parent company and all of its subsidiaries as of 31 December 2019. All subsidiaries have a reporting date of 31 December.

All transactions and balances between Group companies are eliminated on consolidation, including unrealized gains and losses on transactions between Group companies. Where unrealized losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable (if any).

The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

4.2 Foreign currency translation

Functional and presentation currency

The consolidated financial statements are presented in currency Thai Baht, which is also the functional currency of the parent company.

Foreign currency transactions and balances

Foreign currency transactions are translated into Thai Baht, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognized in statement of profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Foreign operations

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than Thai Baht are translated into Thai Baht upon consolidation there are translated using the exchange rates at the date when fair value was determined. Currency using in operating of Group entities are not change in during period.

In the Group's financial statements, all assets, liabilities have translated into Baht by closing rate as at report date. Revenue and expense of foreign operations translated into Baht by using average rate in during year. All resulting exchange differences are recognized in other comprehensive income and presentation to different from exchange rate in shareholders' equity. When the company has disposal, foreign operations resulting exchange differences in shareholders' equity are reclassification into gain or loss and recognized to gain or loss from disposal.

4.3 Related parties

Related parties comprise enterprises and individuals that control, or are controlled by the Group, whether directly or indirectly, or which are under common control with the Group. They also include associated companies and individuals which directly or indirectly own a voting interest in the Group that gives them significant influence over the Group, key management personnel, directors and officers with authority in the planning and direction of the Group's operations.

4.4 Revenue

Revenue from the sale of goods and the rendering of services is recognized when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates. Revenue is recognized either at a point in time or over time, when the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Sales of concrete products

Revenue from sales of concrete products is recognized when a customer obtains control of the goods and services, generally on delivery of the goods to the customers and the customer has accepted testing run goods result after installment. For contracts that permit the customers to return the goods, revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Therefore, the amount of revenue recognized is adjusted for estimated returns, which are estimated based on the historical data (if any).

Sales of PC wire and PC strand

Revenue from sales of PC wire and PC strand is recognized when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Therefore, the amount of revenue recognized is adjusted for estimated returns, which are estimated based on the historical data (if any).

Sales of construction concrete products

Revenue from sales of construction concrete products is recognized when a customer obtains control of the goods and services, generally on delivery of the goods to the customers and the customer has accepted testing run goods result after installment. For contracts that permit the customers to return the goods, revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Therefore, the amount of revenue recognized is adjusted for estimated returns, which are estimated based on the historical data (if any).

Rental income

Rental income is recognized over the period of the lease agreement.

Dividend income

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

Interest income

Interest income is recognized over the period on an accrued basis.

4.5 Operating expenses

Operating expenses are recognized in profit or loss upon utilization of the service or as incurred.

4.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

4.7 Cash and cash equivalents

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

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

4.8 Trade accounts receivable

A receivable is recognized when the Group has an unconditional right to receive consideration. If revenue has been recognized before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Trade accounts receivable and contract assets are presented at the net realizable value. The Group record allowances for doubtful accounts from accounts receivable which might be uncollectible. Allowance for doubtful accounts is provided for on the basis of collection experience and payment ability of the debtors at the end of year.

4.9 Inventories

Inventories comprise raw materials, supplies and finished goods. Inventories are stated at the lower of cost or net realizable value.

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

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

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

4.10 Investments

Investments in subsidiaries, associated companies and joint venture

Investments in subsidiaries, associated companies and joint venture in the separate financial statements are accounted for using the cost method less allowance for impairment. Investments in associated companies and joint venture in the consolidated financial statements are accounted for using the equity method.

Joint arrangement

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

In consolidated financial statements, 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 other comprehensive income.

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.

4.11 Property, plant and equipment

Land

Land is carried at cost. As in finite useful life for land can be determined, related carrying amounts are not depreciated.

Buildings and equipment

Buildings and equipment are initially recognized at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Group's management. Buildings and equipment are subsequently measured at cost less accumulated depreciation and impairment losses (if any).

Depreciation

Depreciation is charged 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 and 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.

Residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognized in profit or loss as other income or other expenses.

4.12 Software program

Software program with finite useful lives is presented at cost less accumulated amortization and loss for impairment (if any). Amortization is recognized in the statement of profit and loss. Amortization is calculated by reference to cost on a straight – line basis.

4.13 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.

4.14 Lease assets

Finance leases

Management applies judgment in considering the substance of a lease agreement and whether it transfers substantially all the risks and rewards incidental to ownership of the leased asset. Key factors considered include the length of the lease term in relation to the economic life of the asset, the present value of the minimum lease payments in relation to the asset's fair value, and whether the Group obtains ownership of the asset at the end of the lease term.

For the depreciation methods and useful lives for assets held under finance leases, please see Note 4.11.

Operating leases

All other leases are treated as operating leases. Where the Group is a lessee, payments on operating lease agreements are recognized as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

4.15 Impairment of assets

The Group assesses whether there is an indication that any asset may be impaired. If any such indication exists, the Group makes an estimate of the asset recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment loss is recognized in the statement of profit or loss. An asset recoverable amount is the higher of fair value less costs to sell and value in use.

4.16 Trade and other accounts payable

Trade and other accounts payable are stated at cost.

4.17 Equity

Share capital represents the nominal (par) value of shares that have been issued.

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Other components of equity include unrealized gain (loss) on valuation of available - for - sales securities and translation adjustments for foreign currency and the company will recognized to statement of profit or loss when they has disposal of related investment.

Retained earnings includes all current and prior period retained profits

All transactions with owners of the parent are recorded separately within equity.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting or Board of Directors of the Company prior to the reporting date.

4.18 Short-term employee benefits and post-employment benefits

Short-term employee benefits

Short-term employee benefits, including salaries, bonuses and contributions to the social security are expensed when incurred.

Other long-term benefits

The Group pay other long - term benefits to employees every 10 years of service for Baht 4,000, 15 years for Baht 8,000, 20 years for Baht 12,000, 25 years for Baht 16,000 and 30 years onward for Baht 20,000. The employee benefits expenses are recognized in the statement of profit or loss to allocate the expense throughout the hiring period. Actuarial gains or losses arising from changes in actuarial assumptions are recognized in profit or loss when incurred.

Management estimates the provision for other long - term benefits annually with the assistance of independent actuaries.

Post-employment benefit plans

The Group provide post-employment benefits through defined contribution, and defined benefit plans.

Defined contribution plans

The Group set up a registered provident fund that is contributed to by employees and by the Group for which assets are held in a separate trustee fund and managed by an authorized fund manager. The Group have no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognized as an expense in the period that related employee services are received.

Defined benefit plans

The Group has a legal obligation to pay retirement benefits by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the Group. The liability recognised in the statement of financial position for defined benefit plans is the present value of the defined benefit obligation (DBO) at the reporting date.

Management estimates the DBO annually with the assistance of independent actuaries. This is based on salary growth rate, turnover and mortality. Discount factors are determined close to each year-end by reference to Thai government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability.

Actuarial gains or losses arising from changes in actuarial assumptions are recognized in other comprehensive income when incurred and directly transferred to retained earnings.

4.19 Income tax

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred taxes are calculated using the liability method.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax liabilities are generally recognized in full, although TAS 12 "Income Taxes" specifies limited exemptions.

4.20 Basic earnings per share

Basic earnings per share are determined by dividing the profit (loss) for the year by the weighted average number of common shares outstanding during the year.

4.21 Financial instruments

The Group 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.

4.22 Provisions, contingent assets and contingent liabilities

Provisions for product warranties, legal disputes, onerous contracts or other claims are recognized when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Restructuring provisions are recognized only if a detailed formal plan for the restructuring exists and management has either communicated the plan's main features to those affected or started implementation. Provisions are not recognized for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group is virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognized if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

4.23 Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgement

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry forwards can be utilized.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Account receivables

The Group provides allowances for doubtful accounts to reflect impairment of trade accounts receivable to estimated losses resulting from the inability of customers to make required payments. The allowances are based on consideration of historical collection experiences coupled with a review of outstanding receivables at the end of year. Actual results may be substantially different.

Inventories

Management estimates the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by global market changes that may reduce future selling prices.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets.

Impairment on assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses discount rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Defined benefit obligation

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the amount of employee benefit obligations and the annual defined benefit expenses.

5. INTERESTS IN SUBSIDIARIES

5.1 Composition of the Group

The consolidated financial statements include the following subsidiaries :

Subsidiary companies	Establish in	Percentage of Shareholding		Type of businesses
		2019	2018	
Seven Wire Co., Ltd.	Thai	99.99	99.99	Manufacturing and sell the special qualified PC Wire and PC Strand
General Engineering Mauritius Limited.	Mauritius	99.99	99.99	Investment business
General Nippon Concrete Industries Co., Ltd.	Thai	82.50	82.50	Manufacturing and sell concrete spun pile

Subsidiary

Subsidiary is an entity controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiary are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

5.2 Subsidiary with material non-controlling interests (NCI)

The following table summarizes the information relating to the Company's subsidiary for the year ended 31 December 2019 and 2018.

Name	Proportion of ownership interests and voting rights held by the NCI		(Unit: Thousand Baht)			
			Total comprehensive of allocated to NCI		Accumulated NCI	
	2019	2018	2019	2018	2019	2018
General Nippon Concrete Industries Co., Ltd.	17.50	17.50	(12,053)	(2,611)	20,076	32,128

No dividends were paid to non-controlling interest for the year ended 31 December 2019.

Information the equity of the non-controlling interest of the Company's subsidiary as follow:

	(Unit: Thousand Baht)	
	31 December 2019	31 December 2018
Statement of financial position		
Non-controlling interest percentage	17.50	17.50
Current assets	74,499	43,401
Non-current assets	577,775	561,430
Current liabilities	(180,492)	(81,488)
Non-current liabilities	(357,067)	(339,754)
Net asset	114,715	183,589
Carrying amount of non-controlling interest	20,076	32,128

	(Unit : Thousand Baht)	
	For the years ended 31 December	
	2019	2018
Statement of profit or loss and other comprehensive income		
Loss for the year	(68,874)	(14,915)
Total comprehensive loss	(68,874)	(14,915)
Loss allocated to non-controlling interest	(12,053)	(2,611)
Total comprehensive loss of non-controlling interest	(12,053)	(2,611)
Statement of cash flows		
Net cash used in operating activities	(78,293)	(21,899)
Net cash used in investing activities	(30,144)	(332,961)
Net cash provided from financing activities	108,051	346,161
Net decrease in cash and cash equivalents	(386)	(8,699)

6. INVESTMENTS IN ASSOCIATED COMPANY AND JOINT VENTURE

6.1 Investments in Joint Venture

Joint Venture	Registered Country	Percentage		Type of business
		2019	2018	
Wisdom Tree Investment (S) PTE. Limited	Singapore	45.00	45.00	Investment in overseas

Wisdom Tree Investment (S) PTE. Limited has its investment portion at 100% in Millcon Thiha GEL Limited, an entity incorporated in Myanmar and is engaged in manufacture and distribute formed steel products in Myanmar with a capital fund of USD 12 million. The equity method of Wisdom Tree Investment (S) PTE. Limited in the consolidated financial statements has included the operation of Millcon Thiha GEL Limited.

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

	(Unit : Thousand Baht)	
	31 December 2019	31 December 2018
Statement of financial position		
Current assets	218,045	197,584
Non-current assets	408,293	451,276
Current liabilities	(366,245)	(239,260)
Non-current liabilities	(25,023)	(75,340)
Net Assets	235,070	334,260
Cash and cash equivalents included in current assets	40,931	1,278
Non-current financial liabilities (excluding trade and other payables and provisions for liabilities) included in non-current liabilities	(25,023)	(75,340)

	(Unit : Thousand Baht)	
	For the years ended 31 December	
	2019	2018
Statement of profit or loss and other comprehensive income		
Revenue	307,490	275,626
Loss for the year	(71,104)	(32,756)
Total comprehensive loss	(71,104)	(32,756)
Depreciation and amortization expense	12,327	12,308
Interest expense	13,490	10,016

Reconciliation of the financial information with the Joint Venture's equity which recognized in consolidation financial statements:

	(Unit : Thousand Baht)	
	2019	2018
Net assets of joint venture	235,070	334,260
Proportion of shareholder in Wisdom Tree		
Investment (S) PTE. limited (percentage)	45	45
Carrying amount of investment in overseas joint venture	105,781	150,417

During the years ended 31 December 2019 and 2018, the Company did not receive dividends from joint venture.

6.2 Investments in associated

Associated	Registered Country	Percentage of shareholding		Type of business
		2019	2018	
Metric Public Company Limited	Thai	32.65	32.65	Construction and System installation services

Summarized financial information for Associated company as below:

	(Unit : Thousand Baht)	
	31 December 2019	31 December 2018
Statements of Financial Position		
Current assets	1,598,902	1,301,251
Non-current assets	245,419	271,717
Current liabilities	(1,531,907)	(1,225,985)
Non-current liabilities	(43,164)	(35,683)
Net assets	269,250	311,300
Cash and cash equivalents include in current assets	65,403	25,680
Current financial liabilities (excluding trade and other payables and provisions for liabilities) include current liabilities	(963,333)	(380,493)
Non-current financial liabilities (excluding trade and other payables and provisions for liabilities) include Non-current liabilities	(40,164)	(3,232)
	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2019	2018
Statement of Profit or Loss and Other comprehensive Income		
Revenue	1,809,989	2,017,959
Profit (loss) for the year	(47,041)	108,910
Other comprehensive income	4,992	40,498
Total comprehensive income (loss)	(42,049)	149,408
Depreciation and amortization expense	(10,586)	(13,344)
Interest income	18,423	9,341
Interest expense	(40,612)	(17,698)
Income tax expense	(13,130)	(9,307)

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

	(Unit: Thousand Baht)	
	2019	2018
Net assets of associated	269,250	311,300
Non - controlling interests	58,202	(13,783)
Net	327,452	297,517
Portion of shareholder in Mctric Public Company Limited (percentage)	32.65	32.65
Goodwill	83,322	83,322
Other adjustments	(24,551)	(22,117)
Carrying amount of investment in Mctric Public Company Limited	165,684	158,344

During the years ended 31 December 2019 and 2018, the Company did not receive dividends from associated company.

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	Located / nationality	Type of relationship
<i>Subsidiaries</i>		
Seven Wire Co., Ltd.	Thailand	Subsidiary
General Engineering Mauritius Limited	Mauritius	Subsidiary
General Nippon Concrete Industries Co., Ltd.	Thailand	Subsidiary
<i>Associated company</i>		
Mctric Public Company Limited	Thailand	Associated
<i>Joint venture</i>		
Wisdom Tree Investment (S) PTE. Limited	Singapore	Joint venture
Millcon Thiha GEL Limited	Myanmar	Joint venture's subsidiary
<i>Related parties</i>		
Millcon Steel Public Company Limited	Thailand	Invested company
Suntech Metals Co., Ltd.	Thailand	Invested company's subsidiary
Millcon Burapa Co., Ltd.	Thailand	Invested company's subsidiary

Entity name	Located / nationality	Type of relationship
Millcon Steel Pipe Co., Ltd.	Thailand	Invested company's subsidiary
Millcon Thiha Limited	Myanmar	Invested company's subsidiary
Saharum Construction Materials Co., Ltd.	Thailand	Invested company's subsidiary
IBCI – Mctric Joint Venture	Thailand	Associate's joint venture
Thepmongkol – Thai media Joint venture	Thailand	Associate's joint venture
Nippon Concrete Industries Co., Ltd.	Japan	Shareholder of the subsidiary

Management

Directors and managements	Thai	Key Management
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Significant transactions with related parties for the years ended 31 December 2019 and 2018 are as follows:

		(Unit : Thousand Baht)			
		Consolidated F/S		Separate F/S	
		For the years ended 31 December			
	Pricing policy	2019	2018	2019	2018
Transactions with subsidiaries					
Revenue from sales and services	Market price	-	-	259	6,631
Rental income	Negotiated price	-	-	5,000	5,000
Other service income	Negotiated price	-	-	11,225	12,884
Interest income	MLR-0.5 percent p.a.	-	-	144	191
Interest expense	MLR-0.5 percent p.a.	-	-	10,571	13,269
Purchase of raw materials	Market price	-	-	135,336	43,124
Purchase of finished goods and services	Negotiated price	-	-	45,883	-
Transactions with associated					
Revenue from sales and services	Market price	1,838	3,219	1,838	3,219
Other service income	Negotiated price	1,015	87	1,015	87
Construction cost	Contract price	401	98,062	-	2,490
Machines	Market price	428	-	-	-
Transactions with related parties					
Revenue from sales and services and others	Market price	199	287	199	287
Purchase of raw materials	Market price	34,409	122,078	16,265	122,078
Construction cost	Contract price	-	23,744	-	-
Management's compensations					
Current employment benefits		37,132	22,755	26,107	22,755
Post-employment benefits		1,266	1,057	1,189	1,057
Total		38,398	23,812	27,296	23,812

Significant balances with related parties for the years ended 31 December 2019 and 2018 are as follows:

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Trade accounts receivable				
Subsidiaries	-	-	20,493	85
Associated	1,870	9,642	1,870	9,642
Related companies	-	70	-	70
Total	1,870	9,712	22,363	9,797
Other receivables				
Subsidiaries	-	-	11,465	7,913
Associated	1,325	1,325	-	-
Related companies	-	52	-	-
Total	1,325	1,377	11,465	7,913
Retention receivables				
Associated	2	5	2	5
Related companies	-	975	-	975
Total	2	980	2	980
Trade accounts payable				
Subsidiaries	-	-	7,054	13,872
Related companies	16,156	56,568	1,330	19,883
Total	16,156	56,568	8,384	33,755
Construction payable				
Associated	28,992	49,599	-	-
Other payable				
Subsidiaries	-	-	2,167	-
Associated	12,380	7,663	4,391	7,663
Total	12,380	7,663	6,558	7,663

		(Unit : Thousand Baht)	
		Consolidated F/S	Separate F/S
		2019	2018
Loans and accrued interest expense			
Subsidiary		-	-
		176,307	202,870
Employment benefits			
Key management		8,243	6,155
		5,777	4,588

Movements in loans and accrued interest expense from subsidiary company for the year ended 31 December 2019 are as follows:

(Unit : Thousand Baht)				
Separate F/S				
	1 January			31 December
	2019	Increase	Decrease	2019
Loans and accrued interest expense				
Subsidiary company				
Loan	198,000	-	(26,311)	171,689
Accrued interest expense	4,870	10,571	(10,823)	4,618
Total	202,870	10,571	(37,134)	176,307

Loans from subsidiary company is uncollateralized and repayable on demand. These loan bear interest at the rate of MLR – 0.5% per annum.

8. CASH AND CASH EQUIVALENTS

		(Unit : Thousand Baht)	
		Consolidated F/S	Separate F/S
		2019	2018
Cash on hand		206	648
Cash at banks		10,017	37,782
Total		10,223	38,430
		10,154	37,962

9. TRADE AND OTHER ACCOUNTS RECEIVABLE

The balances of trade and other accounts receivable as at 31 December 2019 and 2018 are as follows:

	Consolidated F/S		(Unit : Thousand Baht) Separate F/S	
	2019	2018	2019	2018
Trade accounts receivable				
– general customers				
Trade accounts receivable	389,368	444,308	341,523	437,887
Postdated cheques	-	139	-	139
Total trade accounts receivable				
– general customers	389,368	444,447	341,523	438,026
Trade accounts receivable				
– related companies	1,870	9,712	22,363	9,797
Total trade accounts receivable	391,238	454,159	363,886	447,823
<u>Less</u> Allowance for doubtful accounts	(33,919)	(17,298)	(33,919)	(17,298)
Trade accounts receivable	357,319	436,861	329,967	430,525
Other receivables	1,125	593	1,075	-
Other receivables – related party	1,326	1,377	11,465	7,913
Total trade and other				
accounts receivable - net	359,770	438,831	342,507	438,438

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

	Consolidated F/S		(Unit : Thousand Baht) Separate F/S	
	2019	2018	2019	2018
<u>Trade accounts receivable – general customers</u>				
Not yet due	228,737	323,504	200,624	317,375
Past due :				
Not over 3 months	97,730	52,202	81,946	51,909
3 - 6 months	14,204	17,569	10,256	17,569
6 - 12 months	11,519	15,234	11,519	15,234
Over 12 months	37,178	35,800	37,178	35,800
Total	389,368	444,308	341,523	437,887
Postdated cheque	-	139	-	139
Total	389,368	444,447	341,523	438,026

			(Unit : Thousand Baht)	
	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
<u>Trade accounts receivable – related companies</u>				
Not yet due	621	5,187	621	5,187
Past due :				
Not over 3 months	1,249	4,247	1,249	4,332
3 - 6 months	-	278	6,999	278
6 - 12 months	-	-	13,494	-
Total	1,870	9,712	22,363	9,797
Total trade accounts receivable	391,238	454,159	363,886	447,823
<u>Less</u> Allowance for doubtful accounts	(33,919)	(17,298)	(33,919)	(17,298)
Trade accounts receivable – net	357,319	436,861	329,967	430,525

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.

During the year, the movements in allowance for doubtful accounts are as follows:

			(Unit : Thousand Baht)	
	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Balance as at 1 January	17,298	15,097	17,298	15,097
<u>Add</u> Allowance for doubtful accounts	18,085	5,112	18,085	5,112
<u>Less</u> Reversal of allowance for doubtful accounts	(1,464)	(2,911)	(1,464)	(2,911)
Balance as at 31 December	33,919	17,298	33,919	17,298

10. INVENTORIES

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Finished goods	340,864	341,675	294,332	302,452
Work in process	65,641	183,712	63,041	180,118
Raw materials and spare parts	72,353	103,471	63,118	73,217
Goods in transit	961	527	961	527
Total	479,819	629,385	421,452	556,314
<u>Less</u> Allowance for defective inventories	(1,783)	(1,914)	(1,783)	(1,914)
Allowance for declining value				
of inventories	(47,124)	(25,420)	(38,282)	(25,420)
Net	430,912	602,050	381,387	528,980

During the year, the movements in allowance for defective inventories and allowance for declining value of inventories are as follows:

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Balance – beginning of the year	27,334	3,254	27,334	3,254
Increase	21,704	25,420	12,862	25,420
Decrease	(131)	(1,340)	(131)	(1,340)
Balance – ending of the year	48,907	27,334	40,065	27,334

11. OTHER CURRENT ASSETS

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Advances	4,078	10,323	3,711	10,063
Prepaid expenses	17,556	13,082	9,544	10,530
Undue input VAT	8,890	8,983	2,899	3,216
VAT receivable	45,903	44,419	-	-
Others	6,435	5,723	5,636	5,401
Total	82,862	82,530	21,790	29,210

12. RETENTIONS RECEIVABLE

As a 31 December 2019 and 2018, the Group has retention receivables in consolidated F/S of Baht 92.59 million and Baht 81.24 million, respectively (Separated F/S : Baht 92.57 million and Baht 81.24 million, respectively). Such retention receivables were the retention money from customers at the rate of 5% - 10% of the amount billed which will be returned when the projects have been accepted as agreement by customers.

13. INVESTMENTS IN AVAILABLE - FOR - SALES SECURITIES

(Unit : Thousand Baht)

	Consolidated and Separate F/S					
	Number of shares		Percentage of shareholding		Investment value	
	2019	2018	2019	2018	2019	2018
	(Thousand shares)	(Thousand shares)				
Security - Millcon Steel Public Company Limited	778,560	778,560	17.97	17.97	1,279,101	1,279,101
<u>Less</u> Unrealized loss on available - for - sales securities					(741,895)	(72,333)
Available - for - sales securities - net					<u>537,206</u>	<u>1,206,768</u>

Movements during the years ended 31 December 2019 and 2018 of available-for-sales securities are as follows :

(Unit : Thousand Baht)

	Consolidated and Separate F/S	
	2019	2018
Book value – beginning balance of the year	1,206,768	1,284,624
Unrealized loss	(669,562)	(77,856)
Book value – ending balance of the year	<u>537,206</u>	<u>1,206,768</u>

As at 31 December 2019, the Company has warrants of Millcon Steel Public Company Limited as below:

Warrants	Numbers (Million shares)	Exercise price (Baht per shares)	Exercise ratio per common share	Expire date	Fair value (Baht per shares)
MILL-W4	13.76	2.003	1:1	11 Jul 2022	0.05
MILL-W5	31.08	1.748	1:1	10 Jul 2020	0.01

During the year 2019

The Company sold warrants (MILL-W3, MILL-W4, and MILL-W5) of Millcon Steel Public Company Limited of 210 million shares, amounting to Baht 5.91 million. The Company sold warrants via the Stock Exchange of Thailand.

The Company received dividend from Millcon Steel Public Company Limited at Baht 0.03 per share amounting to Baht 23.36 million.

During the year 2018

The Company sold warrants (MILL-W3 and MILL-W4) of Millcon Steel Public Company Limited of 56.15 million shares, amounting to Baht 1.66 million. The Company sold warrant via the stock Exchange of Thailand.

Millcon Steel Public Company Limited increased its share capital. As a result, the Company's percentage of shareholding decreased by 0.93 percent from 18.90 percent to 17.97 percent.

The Company received stock dividend from Millcon Steel Public Company Limited at Baht 0.0267 per share by the ratio of 15 existing share to 1 stock dividend totaling of the Company's portion at 48.66 million shares. The stock dividend has not affected in percentage of shareholding. The Company received cash dividend at Baht 0.0033 per share amounting to Baht 2.41 million.

14. INVESTMENTS IN SUBSIDIARIES

	(Unit : Thousand Baht)					
	Paid - up capital		Percentage of shareholding		Cost method	
	2019	2018	2019	2018	2019	2018
General Engineering Mauritius Limited	338	338	99.99	99.99	338	338
Seven Wire Co., Ltd.	280,000	280,000	99.99	99.99	279,999	279,999
General Nippon Concrete Industries Co., Ltd.	200,000	200,000	82.50	82.50	165,000	165,000
Total					445,337	445,337

15. INVESTMENTS IN ASSOCIATED COMPANY AND JOINT VENTURE

	(Unit : Thousand Baht)							
	Paid - up capital		Percentage of shareholding		Cost method		Equity method	
	2019	2018	2019	2018	2019	2018	2019	2018
	(Thousand)	(Thousand)						
Associated company								
Metric Public Company Limited	300,000	300,000	32.65	32.65	185,633	185,633	165,684	158,344
<u>Less</u> Allowance for impairment					(19,044)	(19,044)	-	-
Net					166,589	166,589	165,684	158,344

(Unit : Thousand Baht)

	Paid - up capital		Percentage of shareholding		Cost method		Equity method	
	2019	2018	2019	2018	2019	2018	2019	2018
	(Thousand USD)	(Thousand USD)						
Joint venture								
Wisdom Tree Investment (S)								
PTE. Limited	5,400	5,400	45	45	177,661	177,661	105,781	150,417
<u>Less</u> Allowance for impairment					(22,245)	-	-	-
					155,416	177,661	105,781	150,417
Investments in associated and joint venture - net					322,005	344,250	271,465	308,761

The Company pledge its share of Wisdom Tree Investment (S) PTE Limited to guarantee credit facilities of joint venture as mentioned in Note 35.5.

Movements in investments in associated company and joint venture, which are accounted for by the equity method in the consolidated financial statements for year ended 31 December 2019 and 2018 are as follows:

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Balance as at 1 January	308,761	305,572	344,250	363,294
Share of profit from associated company	7,339	23,250	-	-
Share of loss from overseas joint venture	(31,997)	(14,740)	-	-
<u>Less</u> Translation adjustments for foreign currency	(12,638)	(5,321)	-	-
Allowance for impairment	-	-	(22,245)	(19,044)
Balance as at 31 December	271,465	308,761	322,005	344,250

The investment in associated Company and joint venture has indicators of impairment due to the cost of the investment being significantly higher than the net asset value of the associated company and joint venture.

Impairment testing

For the purpose of the annual impairment testing, the management was calculated the recoverable amount of associated company and joint venture. The recoverable amount of investment in joint venture is lower than carrying amount of investment in separate financial statements. Therefore, the Company recognized loss on impairment of investment in joint venture amounting to Baht 22.65 million in the financial statements for the year ended 31 December 2019.

16. PROPERTY, PLANT AND EQUIPMENT

(Unit :Thousand Baht)

	Consolidated F/S							
	Land and improvement	Building and improvement	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under constructions	Deposit	Total
<u>Cost</u>								
1 January 2018	1,063,554	406,129	830,518	54,903	86,802	421,008	56,219	2,919,133
Acquisitions	1,121	3,226	26,516	7,364	955	205,663	185,185	430,030
Borrowing Costs	-	-	-	-	-	16,018	-	16,018
Transfer in / (out)	-	183,269	260,694	-	-	(417,991)	(19,480)	6,492
Disposals	-	-	(3,490)	-	-	(90)	-	(3,580)
31 December 2018	1,064,675	592,624	1,114,238	62,267	87,757	224,608	221,924	3,368,093
Acquisitions	-	2,287	49,362	5,507	1,161	47,295	406	106,018
Borrowing Costs	-	-	2,994	-	-	1,142	-	4,136
Transfer in / (out)	-	143,627	308,476	527	-	(235,912)	(214,164)	2,554
Disposals	-	-	(6,745)	(61)	-	(94)	(43)	(6,943)
31 December 2019	1,064,675	738,538	1,468,325	68,240	88,918	37,039	8,123	3,473,858
<u>Accumulated depreciation</u>								
1 January 2018	-	34,255	232,986	33,523	59,784	-	-	360,548
Depreciation for the year	222	18,653	42,210	5,870	10,705	-	-	77,660
31 December 2018	222	52,908	275,196	39,393	70,489	-	-	438,208
Depreciation for the year	386	29,487	67,930	7,269	6,479	-	-	111,551
31 December 2019	608	82,395	343,126	46,662	76,968	-	-	549,759
<u>Net book value</u>								
31 December 2018	1,064,453	539,716	839,042	22,874	17,268	224,608	221,924	2,929,885
31 December 2019	1,064,067	656,143	1,125,199	21,578	11,950	37,039	8,123	2,924,099
<u>Depreciation for the year 2018</u>								
Costs of services								70,768
Selling and administrative expenses								6,892
Total								77,660
<u>Depreciation for the year 2019</u>								
Costs of services								101,329
Selling and administrative expenses								10,222
Total								111,551

(Unit :Thounsand Baht)

	Separate F/S							
	Land and improvement	Building and improvement	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under constructions	Deposit	Total
Cost								
1 January 2018	664,089	406,129	830,482	54,130	86,801	19,406	4,551	2,065,588
Acquisitions	-	7,418	24,865	2,304	955	7,863	-	43,405
Transfer in / (out)	-	15,912	9,385	-	-	(14,849)	(3,956)	6,492
Disposals	-	-	(3,490)	-	-	(81)	-	(3,571)
31 December 2018	664,089	429,459	861,242	56,434	87,756	12,339	595	2,111,914
Acquisitions	-	1,524	24,716	1,536	1,161	1,529	142	30,608
Transfer in / (out)	-	1,482	12,377	-	-	(12,017)	-	1,842
Disposals	-	-	(5,824)	(61)	-	(94)	(25)	(6,004)
31 December 2019	664,089	432,465	892,511	57,909	88,917	1,757	712	2,138,360
Accumulated depreciation								
1 January 2018	-	34,255	232,984	32,981	59,784	-	-	360,004
Depreciation for the year	-	14,328	38,886	5,344	10,705	-	-	69,263
31 December 2018	-	48,583	271,870	38,325	70,489	-	-	429,267
Depreciation for the year	-	15,747	42,264	5,558	6,479	-	-	70,048
31 December 2019	-	64,330	314,134	43,883	76,968	-	-	499,315
Net book value								
31 December 2018	664,089	380,876	589,372	18,109	17,267	12,339	595	1,682,647
31 December 2019	664,089	368,135	578,377	14,026	11,949	1,757	712	1,639,045
Depreciation for the year 2018								63,612
Costs of services								5,651
Selling and administrative expenses								69,263
Total								
Depreciation for the year 2019								
Costs of services								64,293
Selling and administrative expenses								5,755
Total								70,048

As at 31 December 2019 and 2018, the consolidated and separate financial statements had cost of fully depreciated assets that are still in use are Baht 274.43 million and Baht 254.06 million, respectively.

As at 31 December 2019, the net carrying amount of assets under the finance lease agreement amounted to Baht 0.63 million.

Machinery and parts of the Company's land and buildings have been mortgaged as collaterals for credit facilities with a bank as disclosed in Note 23.

During the year, management considered to change the useful life of some machinery and equipment from 50 years to 30 years and 15 years effective from 1 January 2019. As a result, the subsidiary has depreciation of machinery and equipment for the year ended 31 December 2019 increased by Baht 4.98 million.

17. SOFTWARE PROGRAM

(Unit : Thousand Baht)

Consolidated and separate F/S

	Program computer	Program computer under installation	Total
Cost			
1 January 2018	-	9,241	9,241
Acquisitions	440	-	440
Transfer in / (out)	9,241	(9,241)	-
31 December 2018	9,681	-	9,681
Acquisitions	70	-	70
Write off	(1,680)	-	(1,680)
31 December 2019	8,071	-	8,071
Accumulated amortization			
1 January 2018	-	-	-
Amortization	244	-	244
31 December 2018	244	-	244
Amortization	904	-	904
31 December 2019	1,148	-	1,148
Net book value			
31 December 2018	9,437	-	9,437
31 December 2019	6,923	-	6,923
Amortization expense during the year 2018			
Administrative expenses			244
Amortization expense during the year 2019			
Administrative expenses			904

18. INVESTMENT PROPERTY

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Land	1,001,379	1,001,379	1,294,099	1,294,099
<u>Less</u> 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
<u>Less</u> Accumulated depreciation	(200)	(200)	(200)	(200)
Net	120	120	120	120
Investment property - net	996,627	996,627	1,289,347	1,289,347

As at 31 December 2019, the net cost of investment property (land) of the Company is Baht 997 million (Separate F/S: Baht 1,289 million). The Company has appraised fair value of investment property (land) and the fair value is higher than book value.

As at 31 December 2019, fair value of the investment properties are Baht 1,331.31 million.

19. SHORT – TERM LOANS FROM FINANCIAL INSTITUTIONS

	(Unit : Thousand Baht)					
	Interest rate per annum		Consolidated F/S		Separate F/S	
	(Percent)					
	2019	2018	2019	2018	2019	2018
Liabilities under trust receipt agreements	3.75-7.00	3.75-7.00	30,766	41,443	75	3,496
Promissory note	5.00-5.25	5.25	536,428	225,500	380,000	200,000
Overdraft	6.875	7.13	26,332	25,793	5	-
Total short - term loans from financial institutions			593,526	292,736	380,080	203,496

The Company has short - term loan from financial institution amounting to Baht 380 million which bear interest rate at MLR -1.00% per annum. These are collateralized by land and building.

The subsidiaries have bank overdraft and short-term loans from financial institution amounting to Baht 26.32 million and Baht 187.12 million, respectively, which bear interest rate at MOR per annum and MLR -1% per annum, respectively. These are collateralized by the parent company and machinery and part of the subsidiary's land and building.

20. TRADE AND OTHER ACCOUNTS PAYABLE

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Trade accounts payable				
– general suppliers	265,340	379,260	187,203	369,985
Trade accounts payable				
– related companies	16,156	56,568	8,384	33,755
Construction payable – general suppliers	3,292	14,507	-	-
Construction payable – related companies	28,992	49,599	-	-
Other payable – general suppliers	20,107	3,106	15,732	-
Other payable – related companies	12,380	7,663	6,558	7,663
Accrued cost	74,369	74,071	74,369	74,071
Accrued expenses	35,463	39,887	27,710	30,271
Total trade and other accounts payable	456,099	624,661	319,956	515,745

21. ADVANCES RECEIVED – GENERAL CUSTOMERS

As at 31 December 2019 and 2018, the group had advances received from general customers in consolidated F/S of Baht 63.38 million and Baht 100.37 million, respectively (Separate F/S: Baht 60.17 million and Baht 100.37 million, respectively). These advances received will be deducted based on contracts when transferred goods to the customer.

22. OTHER CURRENT LIABILITIES

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Vat payable	5,429	7,200	5,258	7,085
Withholding tax payable	2,383	2,704	1,701	2,447
Retention payable	29	210	29	210
Others	326	2,323	326	2,323
Total	8,167	12,437	7,314	12,065

23. LONG – TERM LOANS FROM FINANCIAL INSTITUTIONS

			(Unit : Thousand Baht)	
	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Long – term loans				
Credit Baht 390.00 million	50,109	128,109	50,109	128,109
Credit Baht 140.00 million	99,050	122,450	99,050	122,450
Credit Baht 60.00 million	42,150	52,350	42,150	52,350
Credit Baht 225.50 million	158,300	196,700	-	-
Credit Baht 174.50 million	127,000	157,000	-	-
Credit Baht 150.00 million	150,000	125,760	-	-
Credit Baht 250.00 million	242,740	226,950	-	-
Credit Baht 37.00 million	28,360	-	-	-
Total	897,709	1,009,319	191,309	302,909
<u>Less</u> Deferred financial fees	(1,463)	-	-	-
Current portion	(190,515)	(193,500)	(83,709)	(111,600)
Net	705,731	815,819	107,600	191,309

Movements in long – term loans from financial institutions as at 31 December 2019 and 2018 are follows:

			(Unit : Thousand Baht)	
	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Balance – beginning of the year	1,009,319	710,086	302,909	386,679
<u>Add</u> Additional borrowings	68,390	142,016	-	19,430
Transfer from short – term loan from financial institution	-	306,717	-	-
<u>Less</u> Repayment	(180,000)	(149,500)	(111,600)	(103,200)
Deferred financial fees	(1,463)	-	-	-
Balance – ending of the year	896,246	1,009,319	191,309	302,909

Long-term loans credit facilities of the Company as follow:

Type of credit facilities	Credit facilities (Million Baht)		Interest	Period	Repayment term	Objective
	2019	2018				
Long - term loan	390.00	390.00	Monthly payment at MLR – 0.5 percent p.a.	5 years From 2016 to 2020	- 1 st -18 th payment is grace period - 19 th onward repayment of Baht 6.5 million per month	Plant construction for produce Precast concrete
Long - term loan	140.00	140.00	Monthly payment at MLR – 1 percent p.a.	7 years From 2017 to 2024	- 1 st -12 th payment is grace period - 13 th onward repayment of Baht 1.95 million per month	Plant construction for prestressed concrete pile
Long - term loan	60.00	60.00	Monthly payment at MLR – 1 percent p.a.	7 years From 2017 to 2024	- 1 st -12 th payment is grace period - 13 th onward repayment of Baht 0.85 million per month	Purchase machinery and equipment for prestressed concrete pile
Total	590.00	590.00				

Such loan has conditions to maintain debt to equity ratio not over 2.0 times and DSCR not less than 1.20 times of the separate financial statements and the beneficiary of insurance on construction is transferred to bank.

As at 31 December 2019, the Company was unable to maintain the financial ratio as stipulated in the loan agreement with the financial institution which was not compliance according with loan agreement's condition. However, the Company has obtained consent letter from financial institution within the reporting period.

Long-term loans credit facilities of the subsidiaries as follow:

Type of credit facilities	Credit facilities (Million Baht)		Interest	Period	Repayment term	Objective
	2019	2018				
Long - term loan M/L (1)	174.50	174.50	Monthly payment at MLR – 2 percent p.a.	7 years From 2017 to 2024	- 1 st -12 th payment is grace period - 13 th onward repayment of Baht 2.50 million per month	Plant construction for special qualified PC Wire and PC Stand
Long - term loan M/L (2)	225.50	225.50	Monthly payment at MLR – 2 percent p.a.	7 years From 2017 to 2024	- 1 st -12 th payment is grace period - 13 th onward repayment of Baht 3.20 million per month	Purchase of machinery and equipment related with manufacturing of special qualified PC Wire and PC Stand
Long - term loan M/L (3)	150.00	150.00	Monthly payment at MLR – 1 percent p.a.	6 years From 2018 to 2024	- 1 st -12 th payment is grace period - 1 st -24 th onward repayment of Baht 1.50 million per month - 25 th -48 th onward repayment of Baht 2.00 million per month - 49 th -71 th onward repayment of Baht 2.75 million per month - 72 th onward repayment of remaining	Plant construction for spun pile concrete.

Type of credit facilities	Credit facilities (Million Baht)		Interest	Period	Repayment term	Objective
	2019	2018				
Long - term loan M/L (4)	250.00	250.00	Monthly payment at MLR – 1 percent p.a.	6 years From 2018 to 2024	- 1 st -12 th payment is grace period - 1 st -24 th onward repayment of Baht 3.00 million per month - 25 th -48 th onward repayment of Baht 3.50 million per month - 49 th -71 th onward repayment of Baht 3.90 million per month - 72 th onward repayment of remaining	Purchase of machinery and equipment related with manufacturing of spun pile concrete.
Long - term loan M/L (5)	37.00	-	Monthly payment at MLR – 2 percent p.a.	7 years From 2019 to 2026	- 1 st -6 th payment is grace period - 7 th onward repayment of Baht 0.48 million per month	Purchase of machinery and equipment related with manufacturing of special qualified PC Wire and PC Stand.
Total	837.00	800.00				

Long – term loan of subsidiaries has conditions to maintain debt to equity ratio and debt service coverage ratio and the Company must hold shares in subsidiaries as specified in agreement and the beneficiary of insurance on construction is transferred to bank.

As at 31 December 2019, subsidiaries was unable to maintain the financial ratio as stipulated in the loan agreement with the financial institution which was not compliance according with loan agreement's condition. However, subsidiaries has obtained consent letter from financial institution within the reporting period.

Those credit facilities are collateralized by the mortgages of machinery and land and construction as disclosed in Note 16.

24. EMPLOYEE BENEFITS OBLIGATION

24.1 Employee benefits expense

Expenses recognised for employee benefits are as follow :

	Consolidated F/S		(Unit : Thousand Baht)	
			Separate F/S	
	2019	2018	2019	2018
Salaries and wages	336,942	340,092	291,834	309,184
Social security costs	6,931	7,880	5,919	7,406
Pensions – defined benefit plans	5,372	5,437	4,523	5,025
Total	349,245	353,409	302,276	321,615

24.2 Employee benefits obligation

Defined benefit plans and other long-term employee benefits are as follow:

			(Unit : Thousand Baht)	
	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
The statement of financial position				
Post - employee benefits	55,382	34,926	51,602	32,978
Other long-term employee benefits	3,372	2,856	3,312	2,822
Total	58,754	37,782	54,914	35,800
<u>Less</u> Current portion	(4,140)	(1,461)	(4,140)	(1,461)
Net	54,614	36,321	50,774	34,339

- Movements in employee benefits obligation for the years ended 31 December 2019 and 2018 are as follows :

			(Unit : Thousand Baht)	
	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Employee benefit obligation as at 1 January	37,782	32,178	35,800	29,814
Current service cost	9,919	8,766	8,577	7,869
Net interest expense	1,071	919	1,005	877
Past service costs	7,547	-	7,097	-
Remeasurement – actuarial gain from changes in demographic assumptions which recognized in other comprehensive income	4,230	(1,322)	4,230	-
Benefits paid	(1,795)	(2,760)	(1,795)	(2,760)
Employee benefit obligation as at 31 December	58,754	37,782	54,914	35,800
Wholly unfunded	58,754	37,782	54,914	35,800

- Principal actuarial assumptions at the reporting date for the years ended 31 December 2019 and 2018 are as follows :

			(Unit : Thousand Baht)	
	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Discount rate	1.61 – 3.07	2.37 – 3.07	1.61	2.37
Salary growth rate	3 – 5	3 – 5	3 – 5	3 – 5
Number of employee (persons)	1,077	1,077	967	967
Average life expectancies:				
Below 31 years	16% – 22%	16% – 22%	16%	16%
Between 31 - 40 years	7% – 17%	7% – 17%	10%	10%
Between 41 - 50 years	6% – 7%	6% – 7%	7%	7%
Between 51 - 54 years	0% – 3%	0% – 3%	3%	3%

On 5 April 2019, the National Legislative Assembly published Labor Protection Act No.7 B.E. 2019 in the Government Gazette which entitles employees who have worked for a consecutive period of 20 years or more to receive 400 days based on their salary as at the date of retirement. The revised legislation will be effective from 5 May 2019, and will result in an increase in the employment benefit obligation of Baht 7.60 million in the consolidated financial statements and Baht 7.10 million in the separate financial statements, respectively, with a corresponding amount included in the profit and loss accounting in respect of the past service costs.

- Defined benefit plan expenses

Amounts recognized in profit or loss related to the Group's defined benefit plans are as follows:

			(Unit : Thousand Baht)	
	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Current service cost	9,863	8,766	8,577	7,869
Net interest expense	1,073	919	1,005	877
Past service costs	7,601	-	7,097	-
Total expenses recognized in profit or loss	18,537	9,685	16,679	8,746

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

Amounts recognized in other comprehensive income related to the employee benefits obligation are as follows:

	(Unit : Thousand Baht)	
	Consolidated and separate F/S	
	2019	2018
Actuarial loss from changes in demographic assumptions	4,230	-

All expenses summarized above are included in 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		Separate F/S	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
2019				
Discount rate				
Increase (decrease) in the defined benefit obligation	(5,382)	6,411	(4,938)	5,819
Salary growth rate				
Increase (decrease) in the defined benefit obligation	6,923	(5,920)	6,377	(5,463)
Staff turnover rate				
Increase (decrease) in the defined benefit obligation	(5,755)	3,759	(5,287)	3,605

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
2018				
Discount rate				
Increase (decrease) in the defined benefit obligation	(4,415)	5,198	(4,188)	4,928
Salary growth rate				
Increase (decrease) in the defined benefit obligation	5,218	(4,303)	4,967	(4,085)
Staff turnover rate				
Increase (decrease) in the defined benefit obligation	(4,721)	2,887	(4,482)	2,823

24.3 Defined contribution plan

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530 with the contribution to the fund and will be paid to the employees upon the termination in accordance with the fund rules. For the years ended 31 December 2019 and 2018, the Group has the contribution into the provident fund to amounting to Baht 4.52 million and Baht 5.02 million, respectively.

25. SHARE CAPITAL

25.1 Share premium

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

25.2 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.

26. REVENUES FROM SALES AND SERVICES

The Group have 3 types of revenue as follow:

1. Revenue from sales concrete products

Transaction	Description
Types of goods	Concrete products consist of Pre-stressed concrete pile, Precast concrete, Post-Tension slab, Glass fiber reinforced concrete product, and other cement products.
Geographic	The Company has revenue from sales of goods including with installment to local customers.
Market or type of customers	Normal and large contractors, Project owners, and Architectures and engineers.
Contract period	Short-term and long-term contract which no longer than 2 years.
Number of performance obligation	The Company has one performance obligation which is produce and sell including with installment to customer and the customer has accepted testing after installment.
Revenue recognition	Revenue from sales and services recognized as at point in time.

2. Revenue from sales PC wire and PC strand

Transaction	Description
Types of goods	The special qualified PC Wire and PC Strand which using for construction.
Geographic	The Company has revenue from sales of goods to local customers.
Market or type of customers	Normal and large contractors and Concrete product manufacturer.
Contract period	Short-term contract.
Number of performance obligation	The Company has one performance obligation which is produce and sell to customer and the customer.
Revenue recognition	Revenue from sales goods recognized as at point in time.

3. Revenue from sales material construction concrete products

Transaction	Description
Types of goods	Concrete products consist of Precast concrete pile, and Concrete spun pile.
Geographic	The Company has revenue from sales of goods including with installment to local customers.
Market or type of customers	Normal and large contractors and Architectures and engineers.
Contract period	Short-term contract.
Number of performance obligation	The Company has one performance obligation which is produce and sell including with installment to customer and the customer has accepted testing result after installment.
Revenue recognition	Revenue from sales including with installment services recognized as at point in time.

The Group disclosed the revenue disaggregated by primary geography areas follows:

(Unit : Thousand Baht)

	Consolidate F/S									
	Manufacturing and distribution of concrete products		Manufacturing and distribution of PC wire and PC strand		Manufacturing and distribution of material construction concrete products		Elimination		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Local	1,874,542	1,947,739	270,829	50,759	85,922	-	(197,245)	(50,768)	2,034,048	1,947,730
Overseas	392	285	-	-	-	-	-	-	392	285
Total	<u>1,874,934</u>	<u>1,948,024</u>	<u>270,829</u>	<u>50,759</u>	<u>85,922</u>	<u>-</u>	<u>(197,245)</u>	<u>(50,768)</u>	<u>2,034,440</u>	<u>1,948,015</u>

(Unit : Thousand Baht)

	Separate F/S							
	Manufacturing and distribution of concrete products		Manufacturing and distribution of PC wire and PC strand		Manufacturing and distribution of material construction concrete products		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Local	1,874,542	1,947,739	-	-	-	-	1,874,542	1,947,739
Overseas	392	285	-	-	-	-	392	285
Total	<u>1,874,934</u>	<u>1,948,024</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,874,934</u>	<u>1,948,024</u>

The Group disclosed the revenue disaggregated by pattern of revenue recognition is as follows:

(Unit : Thousand Baht)

	Consolidate F/S									
	Manufacturing and distribution of concrete products		Manufacturing and distribution of PC wire and PC strand		Manufacturing and distribution of material construction concrete products		Elimination		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
At point in time	1,874,934	1,948,024	270,829	50,759	85,922	-	(197,245)	(50,768)	2,034,440	1,948,015
Over time	-	-	-	-	-	-	-	-	-	-
Total	1,874,934	1,948,024	270,829	50,759	85,922	-	(197,245)	(50,768)	2,034,440	1,948,015

(Unit : Thousand Baht)

	Separate F/S							
	Manufacturing and distribution of concrete products		Manufacturing and distribution of PC wire and PC strand		Manufacturing and distribution of material construction concrete products		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
At point in time	1,874,934	1,948,024	-	-	-	-	1,874,934	1,948,024
Over time	-	-	-	-	-	-	-	-
Total	1,874,934	1,948,024	-	-	-	-	1,874,934	1,948,024

27. OTHER REVENUE

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	For the years ended 31 December			
	2019	2018	2019	2018
Revenue from sales of steel and concrete trading	1,919	10,985	2,462	10,985
Revenue from sales of income construction material	14,546	7,738	14,870	11,888
Management fee income	-	1,120	7,760	8,614
Rental income	-	-	5,000	5,000
Revenue from sales - supply used	4,003	2,504	1,660	2,561
Gain on sale of investment	5,907	1,664	5,907	1,664
Other revenues	6,575	4,137	9,308	4,857
Total	32,950	28,148	46,967	45,569

28. EXPENSES BY NATURE

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	For the years ended 31 December			
	2019	2018	2019	2018
Changes in finished goods and work in progress	47,697	(201,614)	54,836	(106,284)
Purchase of finished goods	19,844	142,773	153,051	142,773
Raw materials and supplies used	930,659	893,902	712,744	821,926
Employee benefit expenses	349,245	308,508	302,276	279,932
Service fees	70,331	76,000	68,830	75,203
Installation costs	208,048	309,029	204,344	309,029
Labor costs	178,830	161,143	151,504	161,143
Depreciation and amortization expenses	112,455	77,401	70,953	69,507
Transportation expenses	101,723	110,199	98,506	109,445
Doubtful accounts	20,523	5,522	20,523	5,522
Allowance of declining for inventories	21,572	25,420	12,730	25,420

29. DEFERRED TAX AND INCOME TAX

29.1 Income tax

Income tax recognized in statements of profit or loss

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Income tax recognized in profit or loss				
Current income tax				
Loss before income tax	(288,205)	(143,297)	(142,590)	(101,633)
Tax rate (%)	20	20	20	20
Income tax at corporation tax rate	(57,641)	(28,659)	(28,518)	(20,327)
Adjustment for				
- Tax-exempt income	(4,671)	(482)	(4,671)	(482)
- Addition taxable	(2,269)	(2,546)	(2,255)	(2,542)
- Non-deductible expenses	16,599	4,454	14,438	4,494
Impact from related transactions	(4,289)	963	-	-
Loss from subsidiary companies	(28,480)	(9,072)	-	-
Current year losses for which deferred tax assets was not recognized	80,751	35,342	21,006	18,857
Net	-	-	-	-

	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Current income tax	-	-	-	-
Deferred tax from temporary differences	3,247	(8,910)	2,983	(1,197)
Total income tax	3,247	(8,910)	2,983	(1,197)
Income tax recognized in other comprehensive income	134,758	15,307	134,758	15,571

Income tax recognized in other comprehensive income:

	(Unit : Thousand Baht)					
	Consolidated					
	2019			2018		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Unrealized loss on valuation of available - for - sales securities	(669,562)	133,912	(535,650)	(77,856)	15,571	(62,285)
Actuarial gains	(4,230)	846	(3,384)	1,321	(264)	1,057

	(Unit : Thousand Baht)					
	Separate F/S					
	2019			2018		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Unrealized loss on valuation of available – for - sales securities	(669,562)	133,912	(535,650)	(77,856)	15,571	(62,285)
Actuarial loss	(4,230)	846	(3,384)	-	-	-

29.2 Deferred tax

Deferred tax asset and liabilities are as follow :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Deferred tax assets	159,841	22,900	159,368	21,627
Deferred tax liabilities	-	-	-	-
Net	159,841	22,900	159,368	21,627

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

	(Unit : Thousand Baht)			
	Consolidated F/S			
	Recognized in			
	1 January 2019	Statement of profit or loss	Other comprehensive income	31 December 2019
Deferred tax assets from :				
Employee benefits obligation	7,369	3,247	846	11,462
Investments in available for sales securities	14,467	-	133,912	148,379
	21,836	3,247	134,758	159,841

	(Unit : Thousand Baht)			
	Consolidated F/S			
	Recognized in			
	1 January 2018	Statement of profit or loss	Other comprehensive income	31 December 2018
Deferred tax assets from :				
Employee benefits obligation	6,436	1,197	(264)	7,369
Investment in associated company and joint venture	10,107	(10,107)	-	-
Investments in available for sales securities	-	-	14,467	14,467
	16,543	(8,910)	14,199	21,836
Deferred tax liabilities from :				
Investments in available for sales securities	(1,104)	-	1,104	-
	(1,104)	-	1,104	-

(Unit : Thousand Baht)

	Separate F/S		
	Recognized in		
	1 January 2019	Statement of profit or loss	Other comprehensive income
31 December 2019			
Deferred tax assets from :			
Employee benefits obligation	7,160	2,983	846
Investments in available for sales securities	14,467	-	133,912
	<u>21,627</u>	<u>2,983</u>	<u>134,758</u>
			<u>159,368</u>

(Unit : Thousand Baht)

	Separate F/S		
	Recognized in		
	1 January 2018	Statement of profit or loss	Other comprehensive income
31 December 2018			
Deferred tax assets from :			
Employee benefits obligation	5,963	1,197	-
Investments in available for sales securities	-	-	14,467
	<u>5,963</u>	<u>1,197</u>	<u>14,467</u>
			<u>21,627</u>
Deferred tax liabilities from :			
Investment in available for sales securities	(1,104)	-	1,104
	<u>(1,104)</u>	<u>-</u>	<u>1,104</u>
			<u>-</u>

As at 31 December 2019, in the consolidated and separate financial statements have not recognized deferred tax assets from allowance for doubtful accounts and allowance for defective inventories totaling of Baht 73.98 million (31 December 2018: totaling of Baht 44.63 million) because they are unlikely to reverse in the foreseeable future.

30. PROMOTIONAL PRIVILEGES

Subsidiaries 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 subsidiary generates income from operations. As a promoted business, the subsidiary is required to comply with the terms and conditions as specified in such promotional certificate. The subsidiary has not started production from investment promotion benefits and privileges.

31. SEGMENT REPORTING

The revenues and gross profit by segments of the Company and subsidiaries for the years ended 31 December 2019 and 2018 are as follow:

(Unit: Thousand Baht)

	For the years ended 31 December						
	Manufacturing and						
	Manufacturing and distribution of concrete products		Manufacturing and distribution of PC wire and PC strand		Manufacturing and distribution of material construction concrete products		
	2019	2018	2019	2018	2019	2018	
Revenues from sales and services							
Revenues from external customer	1,874,934	1,948,024	270,829	50,759	85,922	-	1,948,015
Cost of sales and services	(1,802,668)	(1,912,095)	(297,148)	(54,582)	(104,222)	-	(1,913,979)
Gross profit (loss) by segment	72,266	35,929	(26,319)	(3,823)	(18,300)	-	34,036
Other income							28,148
Share of profit (loss) from associated company and joint venture							8,510
Depreciation and amortization expenses							(77,904)
Finance costs							(41,934)
Loss before income tax							(143,297)

Major Customer

For the years ended 31 December 2019 and 2018, the Company has revenue generated from customer more than 10 percent of revenue in the consolidated and separate financial statements of 1 customer and 2 customers totaling Baht 338.78 million and Baht 312.06 million, respectively.

32. BASIC EARNING PER SHARE

Basic earnings per share is calculated by dividing profit (loss) for the year by the weighted average number of common shares outstanding during the year. Movements in common shares are as follows. For the years ended 31 December 2019 and 2018 are as follows:

	CONSOLIDATED F/S		SEPARATE F/S	
	2019	2018	2019	2018
Basic numbers of common shares				
(Thousand share) as at 31 December	5,397,877	5,397,877	5,397,877	5,397,877
Loss of the Company (Thousand Baht)	(272,906)	(149,597)	(139,608)	(100,436)
Basic earnings earnings per share (Baht per share)	(0.05056)	(0.02771)	(0.02586)	(0.01861)

33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The changes in the Group's liabilities arising from financing activities can be classified as follows;

(Unit : Thousand Baht)

	Consolidated F/S			
	Short-term loan	Finance lease	Long-term loans	Total
1 January 2019	292,736	716	1,009,319	1,302,771
Cash-flows:				
Repayment	-	(264)	(180,000)	(180,264)
Proceeds	300,790	-	68,390	369,180
Deferred financial fees	-	-	(1,463)	(1,463)
31 December 2019	593,526	452	896,246	1,490,224

(Unit : Thousand Baht)

	Consolidated F/S			
	Short-term loan	Finance lease	Long-term loans	Total
1 January 2018	40,682	967	710,086	751,735
Cash-flows:				
Repayment	(423,516)	(251)	(149,500)	(573,267)
Proceeds	982,323	-	142,016	1,124,339
Non-cash:				
Reclassification	(306,717)	-	306,717	-
Gain/loss on exchange rate	(36)	-	-	(36)
31 December 2018	292,736	716	1,009,319	1,302,771

(Unit : Thousand Baht)

	Separate F/S			Total
	Short-term loan	Finance lease	Long-term loans	
1 January 2019	406,366	716	302,909	709,991
Cash-flows:				
Repayment	(37,134)	(264)	(111,600)	(148,998)
Proceeds	187,155	-	-	187,155
31 December 2019	556,387	452	191,309	748,148

(Unit : Thousand Baht)

	Separate F/S			Total
	Short-term loan	Finance lease	Long-term loans	
1 January 2018	291,463	967	386,679	679,109
Cash-flows:				
Repayment	(669,677)	(251)	(103,200)	(773,128)
Proceeds	784,616	-	19,430	804,046
Non-cash:				
Gain/loss on exchange rate	(36)	-	-	(36)
31 December 2018	406,366	716	302,909	709,991

34. FINANCIAL INSTRUMENTS

34.1 Financial risk management policies

The Group 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.

34.2 Liquidity risk

The Group monitor its liquidity risk and maintain a level of cash and cash equivalents deemed adequate by management to finance the Group operations and to mitigate the effects of fluctuations in cash flows.

34.3 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 Group as and when they fall due. The Group 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.

34.4 Foreign currency risk

The Group 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 2019, the Group had the following financial assets and financial liabilities denominated in foreign currency that have not been hedged as follow:

Currency	Consolidated		Separate F/S	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
YEN	-	26,868,000	-	268,000
USD	-	1,011,845	-	-

34.5 Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the Group cash flows because loan interest rates are mainly floating. The Group 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 2019 and 2018, 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)

2018

	Consolidated F/S				Separate F/S			
	Principal		Average Interest Rate (%)		Principal		Average Interest Rate (%)	
	Floating Interest Rate	Fixed Interest Rate	Floating	Fixed	Floating Interest Rate	Fixed Interest Rate	Floating	Fixed
Assets								
Cash at banks								
- saving deposits	37,782	-	37,782	-	37,341	-	37,341	-
Restricted deposits at bank	-	-	-	-	-	-	-	-
Liabilities								
Short - term loan								
from financial institutions	292,736	-	292,736	-	203,496	-	203,496	-
Long - term loans								
from financial institutions	1,009,319	-	1,009,319	-	302,909	-	302,909	-
Liabilities under								
finance lease agreement	-	716	716	3.05	-	716	-	3.05
Loan – subsidiary company	-	-	-	-	198,000	-	198,000	-

35. COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2019,

35.1 The Group have commitments under contracts with customers for sales and services for which goods or services have not been delivered or rendered totaling Baht 1,916 million (Company's portion: Baht 1,814 million).

35.2 The Company has contingent liabilities for letters of guarantee issued by a bank to customers for the performance contracts and for the use of electricity. The part of the Company's land and construction have been mortgaged/pledged as collaterals for such letters of guarantee as follows:

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
Contingent liabilities from guarantee	312,998	250,182

35.3 The Group have outstanding lease commitments regarding plant and car rental under non-cancelable agreements as follows:

	(Unit : Thousand Baht)	
	Consolidated F/S	and Separate F/S
Due within 1 year	21,929	15,550
Due after 1 year but within 5 years	13,893	1,363
Total	35,822	16,913

35.4 As at 31 December 2019 and 2018, the Group have opened credit facilities as follow:

		(Unit : Thousand Baht)					
		Consolidated F/S					
		2019			2018		
Currency		Total	Utilized	Remained	Total	Utilized	Remained
Letters of guarantee	Baht	741,325	(312,998)	428,327	585,643	(269,835)	315,808
Bank overdraft and others	Baht	2,038,000	(2,000,663)	37,337	1,885,000	(1,624,863)	260,137

(Unit : Thousand Baht)

		Separate F/S					
		2019			2018		
	Currency	Total	Utilized	Remained	Total	Utilized	Remained
Letters of guarantee	Baht	408,000	(250,182)	157,818	305,000	(255,392)	49,608
Bank overdraft and others	Baht	1,011,000	(995,466)	15,534	895,000	(783,033)	111,967

35.5 The Company has commitment for letter of credit issued by a bank which cooperated with a related party amounting to USD 5.83 million for guarantee credit facility of joint venture. These credit facilities are collateralized by the common shares in joint venture.

35.6 The Group have commitment for purchase of assets as follow:

	Currency	Consolidated F/S	Separate F/S
Plant construction	Baht	19.06	-
Purchase of equipment and machinery	Baht	3.11	2.88

36. APPROVAL OF FINANCIAL STATEMENTS

Consolidated and separate financial statements for the year ended 31 December 2019 have been approved by the Company's Board of Directors on 2 March 2020.



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