

G E L

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

50th
Anniversary

รายงานประจำปี 2555
ANNUAL REPORT 2012



Property & Construction / Construction Materials

www.gel.co.th / E-mail : gel@gel.co.th



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Message from Chairman of the Board

In 2012 the property market has faced a variety of factors that affect the growth of the market, such as heavy flooding in 2011 continues affect the trading activity in residential areas that had been severely flooded. Because people who want to purchase the habitat in the location, have to delay the decision to purchase for waiting to assess the flood situation. In addition, the economic environment is not conducive to the housing. Although the government has taken steps to assist the housing. But because Thailand's economy had started to recover from the flood. And be exposed to the European debt crisis that is still lingering impact on the Thailand's economy.

In 2013, Construction Materials Market is likely to be under pressure from the government's policy to increase the minimum wage to 300 baht in every province across the country which would result increases the overall costs. Meanwhile, the labor shortage in the construction industry is intensified. The property developer in contractor group look for the finished construction material to increase efficiency of the construction for reduce the manual labor and decrease the construction cost.

The growth of the construction business in Myanmar. As a result to increase the demand for construction materials. This is an opportunity for the Thailand construction materials business. Since some types of the construction materials and equipment of Thailand more effective as Crane, Metal structure and the other equipment that is used for construction, etc. And therefore that Construction material in Myanmar are not enough as cement and steel. Which is the most commonly used the product of Thailand because ensure quality of products.

In the name of company's directors, we would say thank you to our customers and all shareholders who always support the company well and we also thank to directors, management team, and all staffs as a crucial part to share and scarify their great work to the company.



Mr. Watcharakiti Watcharothai

Chairman of the Board

General Information

Company	:	General Engineering Public Company Limited
Initial	:	GEN
Nature of Business	:	Building Materials, Prestressed concrete pile products, Concrete slab and wall products, Fiber glass reinforced concrete product (GRC), Being non-shrink cement and In-situ precast concrete slab without beams.
Head Office	:	44/2, Moo 2, Tivanon Road, Tambon Bangkadee, Ampoe Muang, Pathumthani Province 12000
Register Number	:	0107536001338
Website	:	www.gel.co.th
Telephone	:	Telephone : 66 (0) 2501-2020, 501-1055 Fax : 66 (0) 2501-2468, 501-2136
Registered Share Capital	:	24,705,038,590 Baht
Paid – up Capital	:	15,313,845,540 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 : 66 (0) 2640-0777, (0) 2661-9191 Fax : 66(0) 2264-0789-90, (0) 2661-9192
The Company's Auditor	:	Grant Thornton Company Limited 18th Floor, Capital Tower All Seasons Place 87/1 Wireless Road Bangkok 10330, Thailand. Telephone : +66 2 205 8222 Fax : +66 2 654 3339

General information of the subsidiary

1) Company	:	G.E.L. General Engineering Service Co., Ltd.
Nature of Business	:	Installation and driving Pile service
Head Office	:	44/2 Moo 2, Tivanoon Road, Tambon Bangkadee, Ampoe Muang Pathumthani Province 12000 Telephon : 66 (0) 2501-2020, 501-1055 Fax : 66 (0) 2501-2134, 501-2468
Registered capital.	:	14,000,000 Baht (Number of 140,000 shares, 100 Baht per share)
Paid-up capital	:	14,000,000 Baht
Ratio Shareholders	:	99.99%
Related status	:	Subsidiary
2) Company	:	Chut Chieb Co., Ltd.
Nature of Business	:	Real Estate For rental
Head Office	:	44/2 Moo 2, Tivanoon Road, Tambon Bangkadee, Ampoe Muang Pathumthani Province 12000 Telephon : 66 (0) 2501-2020, 501-1055 Fax : 66 (0) 2501-2134, 501-2468
Registered capital.	:	220,000,000 Baht (Number of 2,200,000 shares, 100 Baht per share)
Paid-up capital	:	220,000,000 Baht
Ratio Shareholders	:	95.45%
Related status	:	Subsidiary
<u>Note</u>	:	On July 5, 2012, the Board of Directors of the Company has approved to sell the ordinary shares of Chut Chieb Co., Ltd. of 2,100,001 shares or 95.45% to Mr.Wicha Baopimpa at the price of THB195 millions. (Received in 2012 of THB120 million and the remaining was paid on February 5, 2013 of THB75 million.)

Operation Performance

		UNIT: MILLION BAHT		
		2012	2011	2010
<u>OPERATING RESULTS</u>				
SALES		882.79	925.35	946.37
TOTAL REVENUES		1,060.54	944.07	957.69
COST OF SALES		737.28	797.12	847.87
GROSS PROFIT		145.51	128.23	98.50
NET PROFIT AND LOSS		159.32	(272.14)	(89.78)
<u>FINANCIAL POSITION</u>				
TOTAL ASSETS		1,194.26	1,122.67	1,141.22
TOTAL LIABILITIES		212.94	370.29	413.71
ISSUED AND PAID-UP CAPITAL		15,313.85	15,313.85	3,756.48
TOTAL SHAREHOLDERS' EQUITY		981.32	752.38	727.52
CASH AND CASH EQUIVALENTS		94.52	20.76	162.77
<u>DATA PER SHARE</u>				
EARNING PER SHARE		0.10	(0.24)	(0.48)
BOOK VALUE PER SHARE		0.64	0.49	0.19
PAR VALUE PER SHARE		10.00	10.00	1.00
<u>FINANCIAL RATIOS</u>				
CURRENT RATIO	TIMES	3.87	2.19	2.41
DEBT TO EQUITY RATIO	TIMES	0.22	0.49	0.57
RATIO OF GROSS PROFIT	%	16.48	13.86	10.41
RATIO OF NET PROFIT	%	15.02	(28.96)	(9.26)
RATE OF RETURN ON ASSETS	%	13.81	(21.94)	(7.21)
RATE OF RETURN ON EQUITY	%	18.47	(37.22)	(13.23)

Board of Directors

As at December 31, 2012, Board of Directors consists of: -

Board of directors

1. Mr.Sakchai	Chakratok	Chairman of the Board of Director (Resigned 27 December 2012)
2. Mr.Nunmanus	Podang	Director
3. Mr.Surat	Chiracharasporn	Director
4. Mr.Grisada	Jarreonkonkit	Director
5. Mr.Chaiwat	Atsawintarangkun	Independent Director
6. Rear Admiral Naraudom	Panjareon	Independent Director
7. Mr.Jakkarin	Chanansirikul	Independent Director

Executive Committee

1. Mr.Nunmanus	Podang	Chairman of the Executive Committee
2. Mr.Surat	Chiracharasporn	Executive Committee
3. Mr.Grisada	Jarreonkonkit	Executive Committee

Audit Committee

1. Mr.Chaiwat	Atsawintarangkun	Chairman of Audit Committee
2. Rear Admiral Naraudom	Panjareon	Audit Committee
3. Mr.Jakkarin	Chanansirikul	Audit Committee

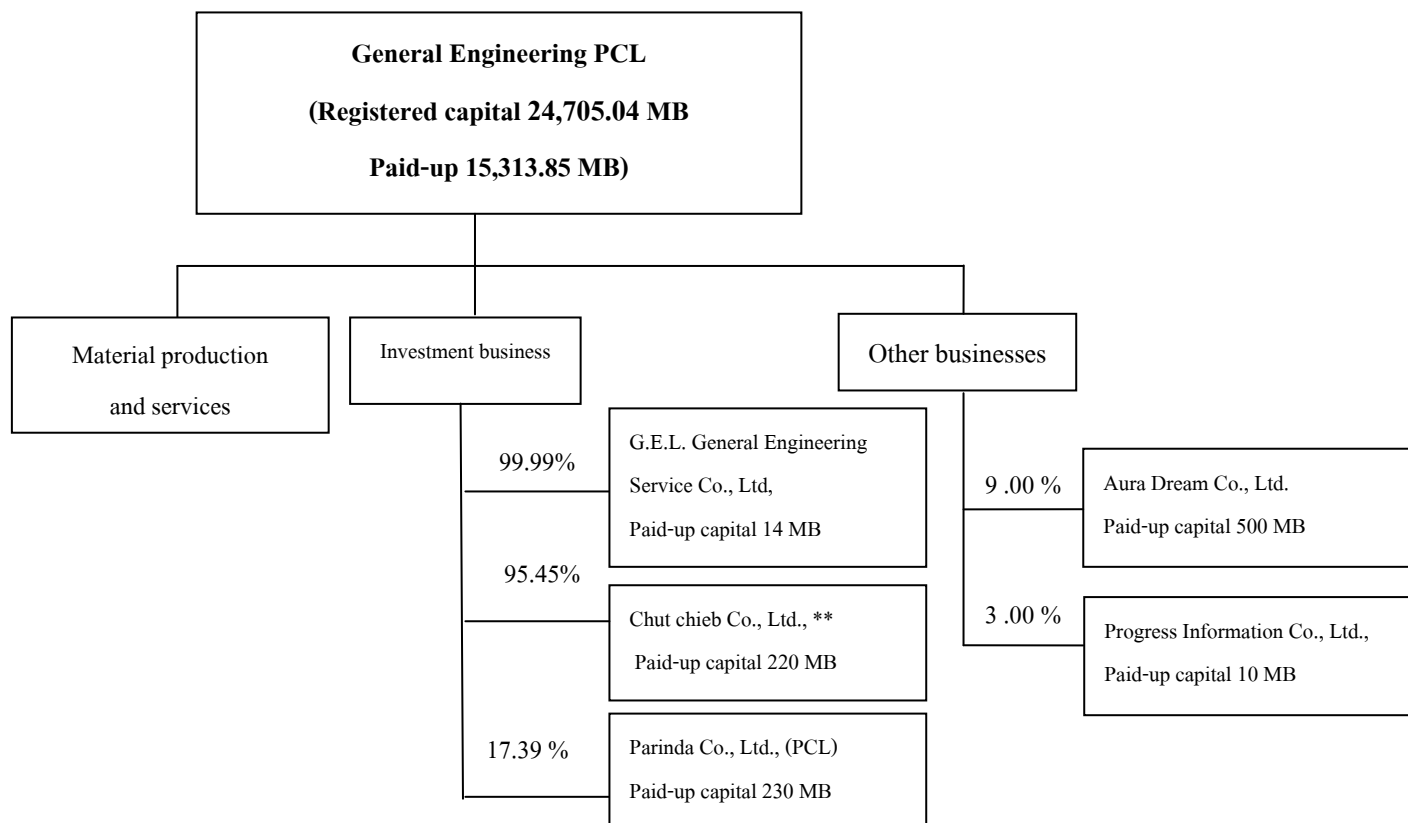
Nominating & Compensation Committee

1. Mr.Chaiwat	Atsawintarangkun	Chairman of Nominating & Compensation Committee
2. Mr.Nunmanus	Podang	Nominating & Compensation Committee
3. Rear Admiral Naraudom	Panjareon	Nominating & Compensation Committee

BOARD OF DIRECTORS**1. BOARD OF DIRECTORS GENERAL ENGINEERING PUBLIC COMPANY LIMITED**

Name	Position	Age (Years)	Education	Share holding (%)	Working Experience for the Past 5 years		
					Experience	Position	Company
1. Mr.Sakchai Chakratok	Chairman of the Board of Director	41	Bachelor of Economics, Ramkhamhaeng University	-	2012 2012- present	Chairman of the Board of Director Chairman of the Executive Committee	General Engineering Public Company Limited Inner Group
2. Mr.Nunmanus Podang	Director/Chairman of the Executive Committee	52	Bachelor of Laws, Ramkhamhaeng University	-	present present present 2009- present 1988- present	Director/ Chairman of the Executive Committee Honorary consultant Honorary consultant Honorary consultant Managing Director Owner	General Engineering Public Company Limited Board of Sub-Committee on the budget monitoring of the government Senate Board of Sub-Committee on the industry's labor shortage consideration Senate Board of Sub-Committee on the Energy of Natural Gas Senate Prime Land Development Co. Ltd. Podang Law Office
3. Mr.Surat Chiracharasporn	Director/ Executive Committee	44	- Master of Science Finance Major, Temple University, Philadelphia, Pennsylvania, USA - Bachelor of Business Administration Finance&Banking and General Management, Assumption University	-	2012- present 2012- present 2010-2011 2008-2009 2005-2008	Director/Executive Committee - Senior Vice President Asset Management Vice President Investment Banking Head Securities Dealing	General Engineering Public Company Limited Capital Alliance Company Limited ACAP Advisory Public Co.,Ltd. ACAP Corporate Services Co.,Ltd. Kasikorn Asset Management Co.,Ltd.
4. Mr.Grisada Jarreonkonkit	Director/ Executive Committee	47	- Master of Economics, Chulalongkorn University - Bachelor of Economics, Dhurakij Pundit University	-	2009-2012 2006-2009	Financial Advisory Financial Advisory Senior Vice President	Krisdamahanakorn PCL. TWZ Corporation PCL. Krisdamahanakorn PCL.

Name	Position	Age (Years)	Education	Share holding (%)	Working Experience for the Past 5 years		
					Experience	Position	Company
5. Mr.Chaiwat Atsawintarakun	Independent Director/ Chairman of the Audit Committee	61	- Master of Education Curriculum and Teaching Methodology Beijing Languages and Cultural University - Bachelor of Arts in Chinese languages (Trade & Economics) Beijing Languages and Cultural University - Master of Science in Business Administration, Thammasat University - L.L.B Literature of Law, Ramkhamhaeng University - Bachelor of Science in Business Administration, Ramkhamhaeng University	-	2012 – Present Present Present Present Present Present 1997- present	Independent Director/ Chairman of the Audit Committee Independent Director/ Chairman of the Audit Committee Chairman of the Audit Committee Independent Director/ Chairman of the Audit Committee Independent Director/ Chairman of the Audit Committee Independent Director Executive Partner	General Engineering Public Company Limited SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED KRUNGTHAI CAR RENT AND LEASE PUBLIC COMPANY LIMITED NATURAL PARK PUBLIC COMPANY LIMITED EASTERN PRINTING PUBLIC COMPANY LIMITED MERCHANT PARTNERS SECURITIES PUBLIC COMPANY LIMITED Prospect Consulting Co.,Ltd (Thailand)
7. Rear Admiral Naraudom Panjareon	Independent Director / Audit Committee	54	- Master of Public Administration (Public Policy) Burapha University - Royal Thai Naval Staff College - Naval War College	-	2012 2012 – Present 2011-2012 2011 2008-2011 2006-2008	Independent Director / Audit Committee Head of the cadre Commander, Head of the cadre Deputy Commander Deputy Director	General Engineering Public Company Limited the Assistant naval commander Phang Nga Naval Base, Third naval area command Royal Thai Fleet Commander anti-aircraft and coast headquarters unit Naval forces
8. Mr.Jakkarin Chanansirikul	Independent Director / Audit Committee	48	- Bachelor of Civil industry, Chandrasakem Rajabhat University	-	2009 – Present 2007-2008 2006-2007	Managing Director Project Vice President Project Vice President	At Two Four Company Limited Thousand Hull venture Company Limited Maxculto Company Limited
9. Mrs. Rasika Prasertsang	The Acting Vice President of the Accounting & Finance	38	- Bachelor Degree of Accounting, Ramkhamhaeng University	-	2011 – Present 2002 - 2011	The Accounting Assistant Manager Accountant	General Engineering Public Company Limited Asia Exotic Corporation Co Ltd

Business Structure of General Engineering Group**Shareholding structure of the General Engineering PCL****As of 31 December 2012**

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

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

Nature of Business

Business Operation of Each Product Line

1. Description of Products and Services

- Projects for construction material manufacturing and service businesses are implemented by General Engineering Public Company Limited.

Product Group	Product Name	Properties	Usage
Prestressed concrete pile products	<ul style="list-style-type: none"> ■ Rectangular pile ■ Hollow rectangular pile ■ I-shape pile 	Being efficient piles saving time and costs of construction	Government units, state enterprises, department stores, factory, universities, airports, housing Developments and bridge works etc.
Concrete slab and wall products	<ul style="list-style-type: none"> ■ Fiber glass reinforced concrete product (GRC) ■ Prefabricated Concrete Wall ■ Semi-finished slab 	<p>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.</p> <p>Quality and standard can be regularly controlled on the whole piece for quick construction as designed by the project owner.</p> <p>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.</p>	<p>For a customer who wants to use a product of a unique and specific Description.</p> <p>Factory, department store, high-rise building, stadium etc.</p> <p>Factory work, bridge work</p>

Product Group	Product Name	Properties	Usage
	<ul style="list-style-type: none"> ■ In-situ precast Concrete slab without beams 	Used for space that requires an exceptionally wide distance of columns and requires no slab supporting beam so that the building has few columns and more space for use and that the construction can be made quickly.	Car park building, High rise building floor
Special products	<ul style="list-style-type: none"> ■ DENKA special cement 	Being non-shrink cement and supporting a high pressure,used for machinery Installation works. It is the one and only product of tens of products, which has passed quality tests and granted approval for use in the installation of generators of the Electricity Generating Authority of Thailand.	EGAT power plants, IPP and SPP power Plants petro chemical Plants, oil refineries, Steel works, paper Factories sugar mills, etc.
	<ul style="list-style-type: none"> ■ Soundproof wall 	Being a product used for the prevention of noise pollution resulting from traffic or machinery	Special expressways, highways, underground tunnels, power plants and factories
	<ul style="list-style-type: none"> ■ Super Skim coat 	There is a thin plaster adhesion. Used for wall decorations, Precast work surface to smooth out beautifully. There are no cracks. Savings color of the painting.	In general, high-rise buildings. The finished wall. In general decoration.

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

2. Lists of subsidiary & associated companies as of 31 December 2012

Name/Address	Type of Business	%	Paid-up Capital (Million Baht)	At Cost (Million Baht)	At Equity (Million Baht)
<u>Subsidiaries Companies</u>					
G.E.L. General Engineering Service Co.,Ltd. 44/2 Moo2, Tivanon Road, Tambon Bangkadee, Ampoe Mung Pathumthani Province 12000 Telephone : 66 (0)2501-2020 Fax : 66 (0)2501-2134	Installation and driving Pile service	99.99	14.00	13.99	13.99
Chut Chieb Co.,Ltd. ** 44/2 Moo2, Tivanon Road, Tambon Bangkadee, Ampoe Mung Pathumthani Province 12000 Telephone : 66 (0)2501-2020 Fax : 66 (0)2501-2134	Real Estate For rental	95.45	220.00	210.00	172.59
Prinda Pcl. 151 Moo7, Soi Kirinakorn Sukumvit Road, Tambon Huykapi, Ampoe Muang Cholburi Province 2000 Telephone : (038) 276-800 Fax : (038) 276-800	Sand and Aggregate for construction	17.39	23.00	87.13	-

Note: There is no opposition party has a stake in its subsidiary and associated companies more than 10%

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

INCOME STRUCTURE

The income structure from business operation of the company with subsidiary companies from the year 2010 - 2012 could be divided by business groups as follows:

Type of Business	Operated by	% of Equity Held by the company	Year 2012		Year 2011		Year 2010	
			Million Baht	%	Million Baht	%	Million Baht	%
Construction material	General Engineering Pcl.							
- Prestressed Concrete Pile			571.82	53.92	473.57	50.16	372.43	38.89
- Special Concrete			236.84	22.33	185.23	19.62	208.77	21.80
- Special Products			28.99	2.73	15.80	1.67	17.97	1.88
- Special Projects			43.70	4.12	167.30	17.72	245.22	25.61
Total			881.35	83.10	841.90	89.18	844.39	88.17
Income from service	GEL General Engineering Service Co.,Ltd	99.99	1.44	0.13	4.96	0.53	43.58	4.55
Income from selling and service			882.79	83.24	846.86	89.70	887.97	92.72
Income from shop rental and service charges	Chut Chieb Co.,Ltd.	95.45	-	-	78.49	8.32	58.40	6.10
Investment Business	General Engineering Pcl.							
Turn particulars of allowance for doubtful debts			6.35	0.60	2.41	0.26		
Profit, loss from selling			-	-	2.33	0.25	0.07	0.01
Income from selling scrap			1.46	0.14	0.91	0.10		-
Receivable interest and discounts			2.28	0.21	2.75	0.29	7.03	0.73
Profit from exchange rate			-	-				
Profit from the adjustment in value of temporary investment			112.35	10.59	-	-	-	-
The adjustment in impairment of assets			9.58	0.90				
Profit from the sale of investments in subsidiaries.			22.41	2.11				
Others Income			23.14	2.18	8.99	0.95	3.11	0.32
Total			177.57	16.74	17.39	1.84	10.21	1.07
Investment Business	GEL General Engineering Service Co.,Ltd	99.99						
The adjustment in impairment of assets			0.18	0.02				
Receivable interest and other			-	-	0.30	0.03	0.15	0.02
Total			0.18	0.02	0.30	0.03	0.15	0.02
Investment business	Chut Chieb Co.,Ltd.	95.45						
Receivable interest and other			-	-	1.03	0.11	0.96	0.10
Total			-	-	1.03	0.11	0.96	0.10
Total income from investment business			177.75	16.76	18.72	1.98	11.32	1.18
Total Income			1,060.54	100.00	944.07	100.00	957.69	100.00

Marketing and competition condition

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

In 2012 the construction materials industry is highly competitive. The factors that influence to the buying decision of the customers are the price. Because each project customer want to manage costs of construction to maintain the target profit margin. The comparing prices and bargaining is very needed, which is the offering cannot adjust the price of materials that have increased.

1) Industries of construction material production are comprised of the following customers;

1. Large contractors	-The companies with their potentials to bid in large project, such as high sky building and utilities works.
2. Project owners	-Require to purchase material for construction by themselves, since the confidence in the quality of products and services without the construction contractors.
3. Architectures and engineers	-The designers and drawing calculators with their knowledge and understanding for application to those products very well, with their capability to suggest to the project owners to use those products.
4. General	-Customers with their intention to use with their buildings or to decorate for their beauty.

2) Marketing strategies

(1) Strategy of products and service

The company has its policy to focus on the quality of products and services by producing the quality products to meet with international standard with safety, with responsibility to social and various products to respond to the customers' need. While the teamwork with expertise always improve those services regularly, to take care, to protect delay delivery or damage with experience of operation on construction material for long time of 49 years to ensure to the customers in the quality of products and services of the company.

(2) Strategy of price

The company has its policy to produce the products and services with quality for long life usage. There are experts to offer consultation to the customers and to take care closely including the potentials of the company to work for the customers to fulfill on time without any damage to cause more costs to the customers, and to satisfy the price and the services of the company.

(3) Strategy on market promotion

The company has various products for customers to buy those construction material from the sole manufacturer such as for building construction, the company shall provide the reinforced concrete piles with putting service, no-beam reinforced concrete floor, ready-made wall, fiberglass concrete products to decorate the building as designed by the architect etc. While the company shall have good relationship to the architects and engineers who trust on the quality of the products including the company has emphasized to all customers' importance. Publicizing the organization by putting the post at the project area operated by the company, allowing students and interested people to visit the factories in order to aware to the qualifications of our products are the important factors.

(4) Strategy of development

The company has realized very that maintaining of business leader shall be focused to the product development, production process in order to obtain qualified products different from other competitors, while increasing various products to respond to the customers' demand and to comply to the current design to the building are being emphasized.

Risk factors

Risks of business of the company and its subsidiary companies

1) Risks of income

Income of the company is from selling construction material. Currently, there are many manufacturers, so the competition on price is quite serious while some consumers need cheaper products and sometimes they overlook the quality of products with long lasting usage with more safety. However, the company has operated the business for 49 years, so the products of the company are accepted of good quality, also some groups of consumers need good quality and good service with capable to operate on time, cause no damage to the buyer from delay of work.

2) Risk of price of raw material adjustment

In the year 2012, price of some raw materials such as wire and steel, cement has been adjusted both up and down during the year, and the price adjusted higher at the end of the year, causing the company has to catch up the price of raw material continuously. In addition, the company has solved the problem by planning to purchase products with the raw material producer when the company has accepted large projects, while the price has been pre-agreed before the company offered the price to those customers. The products had been purchased and kept as stock in order to solve a problem in one step.

3) Risk of raw material procurement

The company uses domestic raw material for production at 99% of all raw materials used. When the price of raw materials adjusted higher, then the problem of deficit came after in some duration. Some materials were in form of monopoly, cause of less negotiation.

In this case, the company has solved by following up the information and news of prices and raw material sources closely. There was planning to purchase those raw materials reasonably and sufficiently for production. While pre-purchase has been made if the signal of deficit occurred. In addition, the company is reliable from those raw material producers, so purchasing each time was in high volume, so those producers could provide raw material sufficiently and on time for the demand.

4) Risk of competition

In business of construction material producers, there is high competition among domestic manufacturers; mostly are price competitions, since each business has to maintain their business liquidation with continuous production.

The company tries to adjust its strategies by cost management, regular production process development so that the cost can be competed. Techniques and quality have been brought to use for production in order to obtain different products from other competitors, then the products are in high value. There are various products

to respond to the customers' needs, with acceptable quality. While the important supportive aspects are the company has its own potentials to work within on time with no cause damage to the customers or cause no additional costs.

5) Risk of offering credits to customers

The customers of the company mostly are large contractors. There are not many large contractors in Thailand, if such payment from those customers are in trouble, it will effect to the company.

The company has determined the policy of credit more strictly by distribution selling to many customers, selling directly to the work owners including request for guarantee of purchasing and service providing such as advance payment or bank letter from the bank etc.

6) Risk of nation economic conditions

The construction business is a kind of business growing with total nation economic condition. The nation development projects such as public utility projects, housing buildings and office buildings ect. The political situation changed much more with uncertainty causing large projects of the government and private sectors were postponed including the government's policy to increase the minimum wage to 300 baht in every province across the country which would result increases the overall costs.

From such situations, the direct effects to the business of the company occurred, but the company has various products with capability to make income for the company including the company has pre-orders from many projects; therefore, the operation results appeared in the year 2012 was that the company still had income from selling increase from the fourth quarter that has heavy flood.

7) Risk of exercise of right in warrant to purchase ordinary stocks of the company

The company issued warrant to purchase ordinary stocks of the company and the company expected that the ordinary stock of the company in the Stock Exchange would be in high price to make the warrant holders to exercise their right within due time in order to be a channel to capital increase. From such fluctuation of foreign economic conditions affected to the share price in the Stock Exchange greatly, the price of shares decreased greatly, would be effected top the warrant holders who still no exercise their right to purchase ordinary stocks.

The company realizes that the operation result of the company would effect to the confidence of the company and also being the push to the ordinary stocks in the Stock Exchange are traded at high price. Therefore, the company has to take care on operation result regularly with transparency of operation for all investors' confidence.

Shareholding Structure

1) Securities of the company

1.1) Registered capital and capital issued and paid-up as of 27 February 2013

Registered capital	:	24,705,038,590 baht; consisted of
		Ordinary stocks 2,470,503,859 shares
		Par value for each 10 baht
Capital issued and	:	15,313,845,540 baht; consisted of
Paid-up		Ordinary stocks 1,531,384,554 shares
		Par value for each 10 baht

1.2) Warrants

On May 16, 2011, the Company issued and offered warrants (GEN-W3) totaling 939,119,305 units to the existing shareholders whose name appears on the share register on February 16, 2011 at no cost at the ratio of 2 existing shares for one unit of warrant. The warrants are allowed to be traded in the Stock Exchange of Thailand totaling 577,868,385 units and the outstanding 361,250,920 units had been cancelled and are identifiable and transferable. The term of the said warrants is 3 years commencing from May 16, 2011. The warrants can be exercised on the last business day of December of each year until the date of maturity. The first exercise date is on December 30, 2011 and the last exercise is on May 14, 2014. One warrant will be entitled to purchase one new common share at the exercise price of Baht 1 per share.

As at December 31, 2012, the remaining of unexercised warrants (GEN-W3) were 577,868,385 units.

2) Shareholders

2.1) Structure of shareholders on 27 February 2013

Distribution of shareholding as per nationalities.

Thai shareholders				Foreign shareholders			
Juristic person	%	Ordinary person	%	Juristic person	%	Ordinary person	%
15,052,257	0.99	1,516,262,334	99.01	-	-	69,963	0.00

2.2) Large shareholders at 10 first ranks (as of the closing registration book; on 27 February 2013)

Names of shareholders	Nationality	Shares holding	
		Share	%
Mr. Wisuth Iewsiwikul	Thai	75,383,100	4.92
Mr. Amorn Promdeerach	Thai	75,000,000	4.90
Mr. Roj Limsawad	Thai	69,200,043	4.52
Mr. Yanyong Intarasongkroh	Thai	69,148,100	4.52
Mr. Siwasit Sainampung	Thai	68,714,100	4.49
Mr. Pisit Pipatwilaikul	Thai	56,020,000	3.66
Mr. Somkid Chompoon	Thai	52,743,400	3.44
Mrs. Nueangruthai Katemanee	Thai	48,000,000	3.13
Miss Pattarawadee Un-aeb	Thai	41,135,200	2.69
Mr. Taweeb Ruangrai	Thai	38,500,250	2.51
TOTAL		593,844,193	38.78

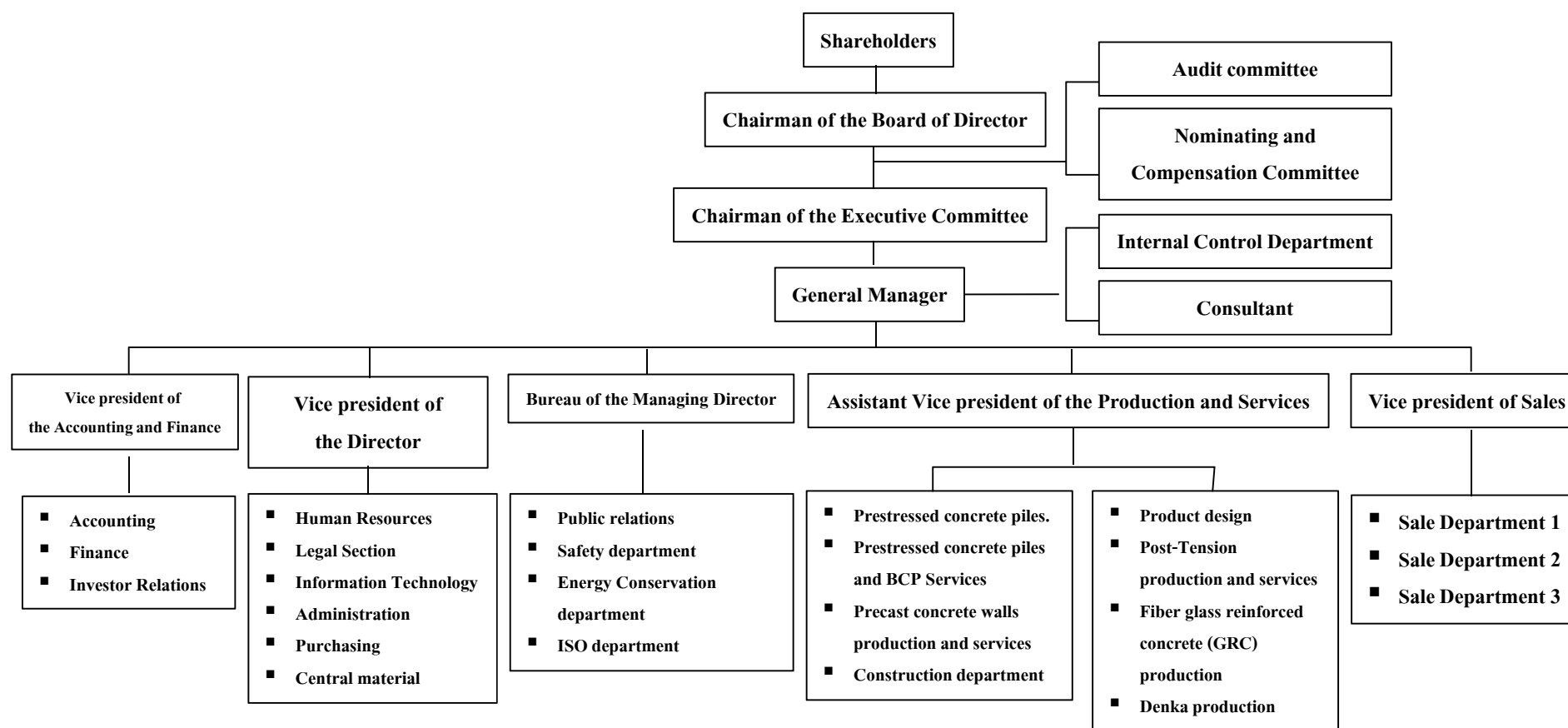
3) The policy to pay the dividend

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

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

ORGANIZATIONAL CHART**ORGANIZATIONAL CHART****GENERAL ENGINEERING PUBLIC COMPANY LIMITED**

As at 31 December 2012



Management Structure

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

(1) Board of directors

As of the date 31 December 2012, the board of directors of the company was consisted of the following 7 directors;

<u>Name</u>			<u>Position</u>
1. Mr.Sakchai	Chakratok	❖	Chairman of the Board of Director
2. Mr.Nunmanus	Podang	*	Chairman of the Executive Committee
3. Mr.Surat	Chiracharasporn	✓	Executive Committee
4. Mr.Grisada	Jarreonkonkit	✓	Director
5. Mr.Chaiwat	Atsawintarakun	❖	Director
6. Rear Admiral Naraudom	Panjareon	❖	Director
7. Mr.Jakkarin	Chanansirikul	♥	Director

* Appointed as Director from March 12,2012

♥ Appointed as Director from June 14, 2012

✓ Appointed as Director from October 17, 2012

❖ Appointed as Director from October 24, 2012

Anyhow, by Mr. Wittaya Janta-ummao, Assistant Manager of Investor Relations Department acting as a secretary, taking charge of the activities of the directors, to record the minutes and to collect documents of meeting completely and correctly.

Scope with authority of board of directors

1. Corporate governance and to manage for the business operation to comply to the law under the objectives and regulations of the company including the shareholders' meeting resolutions and to maintain the benefits of the company to comply to the principle of good governance including to perform according to the rules and regulations of the Stock Exchange of Thailand, and Office of Securities And Stock Exchange of Thailand.

2. To determine the policy and the direction of operation of the company, to govern, to control and to take care to the management department to operate for compliance to the policies determined with efficiencies, to increase value of economy for the business and for the shareholders.

3. To organize the annual general shareholders' meeting not exceeding 4 months from the closing account date of the company and to organize the extraordinary shareholders' meeting when it is necessary.

4. To organize the board of directors' meeting every quarter and the directors shall attend the meeting no less than 50% of all directors, while umpire of the meeting shall be of majority votes as a resolution, if the votes are in equal, the chairperson of the meeting shall put another vote as an umpire.

5. Has power to assign to any director or many directors or other person to act for the board of directors as reasonably and within the reasonable duration, and the board of directors may cancel, dissolve or change or revise such authority as reasonably.

6. Consider and determine the name of authorized directors who sign the name binding to the company including setting the sub-committee as necessary and reasonably to operate nay business of the company.

7. To consider and to approve to the budget of investment and in the business operation of the company annually including to take care to resources of the company.

8. To organize financial information report and general important information to all shareholders completely and sufficiently including to confirm to the inspection and certification to the information reported.

9. To determine the principles related to the general trade agreement to conduct among the companies and subsidiary companies, the executives, or related persons.

“Trade Agreement as in description of the persons of ordinary prudence shall make with contract parties generally in the same situations with trading bargain power without influence as oneself being a director, executives and related persons”

10. Consider to approve to the company to pay the dividend during the times to the shareholders from time to time as reasonably under the provisions of the law.

11. To prohibit to the directors to conduct as being a partners or being a director to other juristic person with the same descriptions and to compete with the business of the company; except the notification has been notified to the shareholder for acknowledging prior appointment.

The regulations of the company related to the directors are as follows:

The company shall consist of the board of directors no less than 5 persons, and the directors with no less than a half of total directors with domicile in the kingdom of Thailand, and the directors shall be qualified as determined by the law. While the shareholders' meeting shall select the committee as to the rules and regulation with the method as follows:

1. One shareholder shall his vote of one share per one vote

2. Shareholder, while each shareholder shall sue his vote available as per (1) to select one person or many persons to be directors, but the vote shall not be divided to any person more or less.
3. Any person with maximum votes and secondarily respectively shall be selected as a director equally to the amount of directors to be available or to be selected for such time. In case of a person be selected in the secondary rank has the votes equally, and exceeding to the amount of directors to be available, or to be selected for such time, then the chairperson shall be an umpire.

Authorized directors to sign the name binding to the company

Authorized directors are consisted of Mr. Amnat Tangurimarn, Mr. Apinunthakan Pongsathabordee and Miss Sarunya Sawangwongchinsri two of third directors sign their names jointly with affixes the important seal of the company.

(2) Audit Committee

The Audit Committee consisted of 3 directors with the following names;

<u>Name</u>	<u>Position</u>
1. Mr.Chaiwat Atsawintarakun	Chairman of Audit Committee
2. Rear Admiral Naraudom Panjareon	Audit Committee
3. Mr.Jakkarin Chanansirikul	Audit Committee
And Miss Patcharapapai Kanjanasuthijareon	Secretary of Audit Committee

There is 3 years in office period, anyhow, the Audit Committee who is retired as per the term may be appointed for another term as reasonably considered by the board of directors of the company or the shareholder's meeting.

There is at least 1 audit committee who has knowledge and experience on accounting according to Act of Securities (Volume 4) B.E. 2008.

Scope of duties and responsibilities of the Audit Committee

The Audit Committee has duties assigned by the Board of Directors of the company as follows:

1. Review for the company to have correct and sufficient financial report.
2. Review for the company to have reasonable internal control system with efficiency and consider to the independency of internal audit unit including giving approval for consideration and appointment, transfer, lay off of internal audit unit or any working unit in charge of internal audit.
3. Review for the company to follow the law on securities and stock exchange, regulations of stock of exchange, Act of Public Company, Act of Accounting or related law to the business of the company.

4. Review for the company to have suitable risk management with efficiency.
5. Consideration to select, to propose and to appoint the independent persons to do auditing for the company and to propose the compensation to such person including to attend to the meeting with the auditor without management department to attend the meeting at least once a year.
6. Consideration to the related particulars or the particulars may be in conflict to the benefits to comply to the law and regulations of the stock exchange to ensure that such particulars are reasonable with maximum benefits to the company.
7. To make report of audit committee openly in the annual report of the company, such report shall be signed by the chairperson of audit committee and must be consisted of at least the following information;
 - 7.1 Opinion on accuracy, completeness reasonably of such financial report of the company
 - 7.2 Opinion on sufficiency of internal control system of the company
 - 7.3 Opinion on performance by the law of securities and stock exchange, regulations of stock exchange or related law to the business of the company.
 - 7.4 Opinion on the auditor's suitability
 - 7.5 Opinion on particulars may be conflict to the benefits
 - 7.6 The times of audit committee's meeting and attending to the meeting of each audit committee
 - 7.7 Opinion or notes totally that the audit committee received from follow up the charter
 - 7.8 Other particulars seen that the shareholders, general investors should know under the scope and duties of responsibilities assigned by the board of directors.
8. To do other duties assigned by the board of directors with from the audit committee's approval

Performance by the first paragraph, the audit committee shall have responsibility to the board of directors of the company directly and the boards of directors still have their responsibilities to the operation of the company to the outsiders.

In case of changing the audit committee's duty, the company shall notify such resolution of changing duty with making list name with scope of operation of the audit committee's changing as to the form determined by the stock exchange and to deliver to the stock exchange within 3 working days from the date of such changing by the method with regulations of the stock exchange on the report via electronic system.

9. Performance of audit committee, if found or suspect in some particulars or any action may be affect significantly to the financial status and operation results of the company, then the audit committee shall report to

board of directors of the company in order to improve, to revise within the time determined by the audit committee see as appropriate consider approve.

Definition of independent directors of the company

1. Shareholding no exceeding 1 % of shares with right of total votes of the company, large company, subsidiary companies, associated companies or juristic person may be in conflict, anyhow, including shareholding of related person of such independent directors.

2. Not being or has never been directors taking part of administration, employee, staff, advisor with permanent salary or authorized person to control the company, large company, subsidiary companies, associated companies or juristic person may be in conflict, except to be retired from such descriptions no less than two years prior appointment.

3. Not being a person with blood relationship or by legal registration in description of being father, mother, spouse, siblings and children, including the spouse of children of the executives, large shareholders, authorized persons to control or persons to be proposed as executive or authorized person to control to company or subsidiary company.

4. Not having or has been in business relationship such as normal business transaction in order to conduct of renting or leasing properties, particulars of assets or services or offering or accepting financial assistance including other similar behaviors with the company, large company, subsidiary companies, associated companies or juristic person may be in conflict to be obstructed to the self-consideration independently including not being large shareholder, director which is non-independent director or executive of the person with business relationship to the company, large company, subsidiary companies, associated companies or juristic person may be in conflict, except to be excepted from such description no less than 2 years prior appointment.

5. Has never been or has been the auditor of the company, large company, subsidiary companies, associated companies or juristic person may be in conflict, and not being large shareholder, director which is non-independent director, executive or managing partner of auditing office with the auditor of the company, large company, subsidiary companies, associated companies or juristic person may be in conflict available, except to be exempted from such description no less than 2 years prior appointment.

6. Not being or has been any professional provider including legal advisor or financial advisor with service charge more than 2 MB a year from the company, large company, subsidiary companies, associated companies or juristic person may be in conflict, anyhow, in case the professional provider is a juristic person, it shall include the large shareholder, director which is not independent director, executive or managing partner of such professional provider as well, except to be exempted from such description no less than 2 years prior appointment.

7. Not being a director appointed to be a representative of the board of directors, large shareholders or shareholders who is related to the large shareholder of the company.

8. Not being a director assigned from the board of directors to decide in business operation of the company, large company, subsidiary companies, associated companies or juristic person may be in conflict.

9. If the independent directors hold the position of independent director in large company, subsidiary company and subsidiary company in the same ranks, the company shall disclose such information of position holding with remuneration received by such independent director in or 56-1 and or 56-2 too.

10. Has no other aspect cause inability to give opinion independently on the operation of the company.

(3) Nominating & Compensation Committee

The Nominating & Compensation Committee consisted of 3 directors;

1. Mr.Chaiwat	Atsawintarangkun	Chairman of Nominating & Compensation Committee
2. Mr.Nunmanus	Podang	Nominating & Compensation Committee
3. Rear Admiral Naraudom	Panjareon	Nominating & Compensation Committee

Scopes of authority with responsibilities of Nominating & Compensation Committee are as follows:

1. Consideration to nominate the directors assigned by the board of director of the company by nominating from the persons with ability, knowledge, time dedication, qualified person and to propose to the board of directors of the company.

2. Consideration to nominate to the high rank executive assigned by the board of directors of the company by nominating from the person with ability, to make benefits for the company, and to propose to the board of directors of the company.

3. To propose the policy and the rules of determination to the remuneration with other benefits as to the positions of high rank executives of the company; those are Chief of Executive, Managing Director and Deputy Managing Director and Assistant Managing Director.

4. Consideration to propose on salary adjustment, benefits to the positions, welfare and conditions with regulations on employment to the high rank executives, those are Chief of Executive, Managing Director and Deputy Managing Director and Assistant Managing Director.

5. To propose the policy and rules with regulations to determine the remuneration and other benefits to the directors and directors in sub-committees

6. Determine the names of directors and employee who shall receive the warrant exceeding 5 % of all warrants for each period.

7. Determine amount of warrants to allocate to the directors and employees who shall receive by allocation exceeding 5 % of total warrants each period.

8. Providing opinion, reasons, necessities and benefits that the company shall receive allocation to such warrants.

(4) Executive Committee

At present the executive officers comprise:

<u>Name</u>		<u>Position</u>
1. Mr.Nunmanus	Podang	Chairman of the Executive Committee (CEO)
2. Mr.Surat	Chiracharasorn	Executive Committee
3. Mr.Grisada	Jarreonkonkit	Executive Committee

Scope of power, duty and responsibility of the executive committee are as follows:

1. Control and supervise the routine business of the Company to comply with the policy and budget approved by the board of directors to go effectively, including defining the business plans, direction, and strategies under the framework of the law and the scope of power set by the board of directors.

2. Perform other businesses as assigned by the board of directors, including approving the operations of the Company, according to the scope given by the board of directors, which is reviewed regularly.

3. Consider presenting the matters above the scope of their power for the board to consider.

Secretary of the Company

In the board meeting No. 5/2012 held on June 14, 2012, the Company appointed Mr. Wittaya Janta-ummao to acting secretary, having the duty pursuant to the Securities and Exchange Act (No. 4) 2008. The Company's secretary shall prepare and keep the registration of the directors, the meeting appointments, and the minutes of the meetings; prepares and keeps the annual reports, sends a copy and keeps a report on the conflict of interest, and arranges the Company's documentation.

REMUNERATION FOR DIRECTORS AND EXECUTIVES

At the Annual Meeting of Shareholders year 2012 held on May 3, 2012, a resolution was passed that the remuneration for directors be fixed as proposed by the Nominating and Compensation Committee and the Board of Directors.

■ Remuneration for the Board of Directors consists of monthly meeting allowances. The Chairman of the Board of Directors receives a monthly meeting allowance Baht 20,000 per month. Each director receives a monthly meeting allowance of Baht 10,000 per month.

■ Remuneration for Audit Committee consists of monthly compensation. The Chairman of the Audit committee receives a monthly retainer fee of Baht 15,000 per month. Each Audit Committee member receives a monthly retainer fee of Baht 10,000 per month.

■ Remuneration for Nominating and compensation Committee consists of meeting allowances. All nominating and Compensation member receives a meeting allowance of Baht 3,000 per meeting.

1) Monetary Remuneration

A. The monetary remuneration, only the Board of Directors and Audit Committee of THB 1.42 million are as follows.

Name	The amount of remuneration for 2012			Note
	Board of Directors. Remuneration (Baht / year)	Audit Committee Remuneration (Baht / year)	Total	
1. M.L.Tossuwan Thongtaem	200,000	-	200,000	Resign 24/10/2012
2. Mr.Amnat Tangurimarn	20,000	-	20,000	Resign 12/03/2012
3. Mr. Apinunthakan Pongsathabordee	50,000	-	50,000	Resign 15/05/2012
4. Miss Sarunya Sawangwongchinsri	100,000	-	100,000	Resign 17/10/2012
5. Mr. Chamnan Chotcomwongse	100,000	150,000	250,000	Resign 22/10/2012
6. Mr.Takorn Laohapongchana	30,000	30,000	60,000	Resign 12/03/2012
7. Mr.Kitja Charoenkiatkong	60,000	60,000	120,000	Resign 14/06/2012
8. Mr.Nunmanus Podang	100,000	-	100,000	Appoint 12/03/2012
9. Lt.Gen Uchukorn Sakornnavin	80,000	80,000	160,000	Appoint 12/03/2012 Resign 24/10/2012
10. Mr. Amornsak Paipul	55,000	-	55,000	Appoint 15/05/2012 Resign 17/10/2012
11. Mr.Jakkarin Chanansirikul	65,000	65,000	130,000	Appoint 14/06/2012

Name	The amount of remuneration for 2012			Note
	Board of Directors. Remuneration (Baht / year)	Audit Committee Remuneration (Baht / year)	Total	
12. Mr.Surat Chiracharasporn	20,000	-	20,000	Appoint 17/10/2012
13. Mr.Grisada Jarreonkonkit	20,000	-	20,000	Appoint 17/10/2012
14. Mr.Sakchai Chakratok	40,000	-	40,000	Appoint 24/10/2012
15. Mr.Chaiwat Atsawintarangkun	20,000	30,000	50,000	Appoint 24/10/2012
16. Rear Admiral Naraudom Pancharoen	20,000	20,000	40,000	Appoint 24/10/2012
Total	980,000	435,000	1,415,000	

B. Remuneration of executive committee and executives

Remuneration	Year 2012		
	Number	Amount (Baht)	The Remuneration Monthly
Remuneration of the Executive Committee	7	1,415,000.00	Salary
Remuneration of the Executive	8	7,069,569.95	Salary
Total	15	8,484,569.95	

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

Other Remunerations

- Contributions to Provident Fund.

The Company makes contributions to the Provident Fund for the employees. It pays monthly contributions to the Fund equally at 3 percent of the salaries. In 2012, the contribution paid to the Fund was as follows:

4 Executives, was amounted by Baht 120,031.95

Personnel**1. Number of employees**

As of December 31, 2012, the company has in total 357 employees, who are in the main lines of activities as follows:-

Main Lines of Activities	Number of Employees
Management office	2
Organizational Administration and Service	34
Human Resource	5
Finance and Accounting	14
Sales service and design	110
Factory	192
Total	357

The labor dispute in the past 3 years

--None--

2. Policy on Personnel Development

The Company has the policy on recruitment, development and preservation of its personnel, as it has realized that the personnel is an important thing enabling the company to achieve the goal and success. So the Company has developed the personnel continuously by providing training/seminars internally and externally by qualified trainers, especially in the building conscience and training on teamwork, good service, love of organization, and development of the job system.

The Company has given priority to creation of morale and spirit and pride in working to the employees by setting the remuneration and progress in the organization based on knowledge, capability and equity, including providing suitable fringe benefit, as well as developing the livelihood of the personnel better.

The Human Resources Department has organized an annual training plan considering from the information and necessity from the various units. In 2012 the company spent on training and development of the personnel totaling 175,501 baht.

Corporate Governance Policy (Code of Best Practice)

The Company has realized of the importance of good governance to benefit its business to build confidence for the shareholders, investors and all the involved parties so the management can be transparent, accountable and equitable. It has considered the right and equity of the shareholders, responsibility of the stakeholders as the important factors in increasing long-term value and promotes its sustainable growth.

The good governance policy is consistent with the good governance principle of the SET and the regulations of the SEC, which the Company has practiced continuously as follows:

- 1) Right of the shareholders.
- 2) Equitable treatment of the shareholders.
- 3) Role of the stakeholders.
- 4) Revelation of information and transparency.
- 5) Responsibility of the board of directors.

Chapter 1 Right of the shareholders

The Company gives priority to the right of the shareholders with the realization that the shareholders have the right of ownership by controlling the company through the appointment of the board of directors to act on their behalf, and the right to make the decision relating the important changes of the Company.

The basic rights of the shareholders are participating to appoint and remove the directors; appointment of the auditor and the matters that affect the Company, e.g. a revision of the rules and the articles of association, a reduction or increase of capital, allocation of dividends, and approval of the related items. The shareholders are also given the right to transact or transfer their shares, profit-sharing, or dividends, including receiving information from the Company continuously. The Company shall not do anything to violate or derogate the right of the shareholders with the good guidelines toward them as follows:

1. The Company has appointed Thailand Securities Depository Co., Ltd. as its registrar to send a meeting invitation to the shareholders and the supplemental documents to all the shareholders before a meeting date a minimum of 7 days in advance. The meeting invitation shall contain complete information and opinions of the board of directors on each item clearly.
2. The Company shall bring the meeting invitation with the supplemental documents to announce to the shareholders via the channel of the SET and in its Web site 20 days in advance before the meeting date to open the opportunity for the shareholders to study the information before the meeting date.

3. The Company has arranged the meeting venue of the shareholders at a convenient location, provided convenience for the shareholders to exercise their right to attend the meetings, and vote fully without limiting the opportunity to attend the meeting. It is to promote the right of the shareholders and opens an opportunity for the shareholders to inquire and talk informally with the board of directors.

4. The chairman of the board, chairman of the committees, the president, and everyone attend the shareholders' meetings, as well as the auditor to attend the annual general meeting (AGM) with the directors to answer the involved issues.

5. The Company has notified the method of voting and counting using the ballots to the shareholders in advance before the meeting, which is not complicated. There are minutes of the meeting clearly recording the accepted and rejected votes, and the absence on each voting item.

Chapter 2 Equitable Treatment of the Shareholders

For building confidence to the shareholders, the board of directors and the management shall supervise the spending of the shareholders' money suitably as the important factor toward confidence in the investment with the Company. Therefore, the board of directors has supervised the shareholders to be treated and protected of their basic rights equitably.

1. The board of directors manages the process of the shareholders' meetings in terms of supporting by sending a proxy form to all shareholders, in case the shareholder is not convenient to attend the meeting in person it can appoint someone to attend by proxy. The format of the proxy form makes the shareholder can vote by proxy by agreeing, disagreeing, or abstaining. Also the Company shall arrange for its Chairman and the three Audit committees as the alternative for the proxy, supplemented by the qualified four directors.

2. Giving the right to the minor shareholders to present in the agenda of the shareholders' meeting, or present the name of the people to be elected as a board director before the meeting date of shareholders' meeting. There was no headings stated in the website officially, but the shareholders can send information asking to increase the agenda, or present a name of the directors with his qualification to the Company's website. However, in the past there did not have any information sent in.

3. Giving the right to the shareholders to vote, with one share one vote.

4. Establishing a measure to prevent from using the inside information to find interest to himself or other people dishonestly by the board directors. It has to disseminate the measure to the executives for acknowledgement, while the board directors and the executives of the Company have to report a change of its holding of securities to the SEC on each time. The Company's employees shall not disclose the publicly undisclosed information to other people. A disclosure of information may have impact on the business and the

price of the Company's securities; it is required approval from the executives first. It is prohibited the board directors and the executives from utilizing the inside information, which can cause damage to the overall shareholders.

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

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

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

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

Chapter 3 Role of Stakeholders

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

1. The shareholders.

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

2. The employees

The Company has realized and given priority to its employees, as it deemed that they are a factor of success and achievement of its goal. It has established the policy that is clear on developing its personnel. It has developed training to provide thorough knowledge to develop the ability of the employees at all levels continuously to give an opportunity for the job advancement.

The Company has set up the Organizational Safety Health and Environment Committee by providing training to the committees to supervise and notify the information concerning the working safety and the environment, including preventing from accidents while working, so the employees can implement correctly. It has provided safety equipment that is suitable with the job characteristics together with good fringe benefits and the employment conditions that are suitable with the market situation for the employees to have good ethics.

The Company has arranged for the knowledgeable monks to give fair lectures, and ideas on how to make a living. It has helped by giving out scholarships to the employees' children who made good grades, including organizing various activities, e.g. learning art during the school vacation for their children, and providing visual observation for the employees with a small income.

The Company has also provided a complaint box to receive opinions from its employees. If an employee sees an abnormal or unsuitable thing, it can send a message to tell the president. For giving a tip to the independent directors, the Company has provided their names, phone numbers, and e-mail address to contact them without going through the Company's channel to investigate the facts directly.

3. Customers

The Company has realized the importance on building satisfaction and confidence for the customers to receive the quality goods and service at the fair prices. It has listened to the opinions and suggestions from the customers for review, and improvement. Moreover, the Company has regularly surveyed the satisfaction of the customers. It has developed the good quality and administrative system, received standard quality system certification of the ISO 9001-2008 QC standard from the Thai Industrial Standard Institute (TISI) as well as providing service to all the customers equitably, regardless of being a large, medium or small customer.

4. Trading Partners.

It has established a policy and guidelines toward its trade partners equitably based on the decision-making by comparing conditions, prices, quality and various services transparently and accountably. It is aimed to develop and maintain the sustainable relations.

5. Competitors

The Company has treated its trade competitors under the good competition guidelines, emphasizing the ethical business operations, transparency, and fair competition. It has competed using the goods quality and reliable service as the competing points, and with honest competition with our competitors. The Company shall maintain good relations as the mutual operators in the same industry, as it has no dispute concerning its trade competitors.

6. Creditors

The Company has complied with the contractual obligations toward its trade creditors and the financial institution creditors by showing responsibility toward its debts. It has treated its creditors fairly throughout the business operations, and maintained good relations with each other.

7. Society/Community and the Environment

The Company has consideration on the society/community and the environment by complying with the laws and regulations on various matters, so as not to take advantage of the overall society. It has realized about its responsibility not to cause noise pollution and dust to the nearby communities. It has set up a particular unit to take care of the environment closely and is friendly to the environment.

It has considered the value and priority to benefit the society and the social environs of the factory. It has developed and improved the classrooms and toilets of the school nearby, supported them with sport equipment, scholarships, and joined the Children's Day activities, as well as joining the activities of the nearby temple in accordance with the religious holidays. The important thing was our employees donated blood to the Red Cross Society twice a year regularly.

Code of Conduct

The Company has been in the business for 49 years with its reputation is acceptable in the business circle, so it gives priority to the business ethics that shows loyalty, honesty, and reliability toward the vested interests. Inside the Company it has organized activities, which the executives can communicate on the business ethics and code of conduct that the employees should have made toward it, its trade partners, competitors, and colleagues for acknowledgement regularly.

Conflict of Interest

The Company has set up a policy so that its directors, the management and employees cannot take the opportunity from the employment to seek personal interest. It was approved by the board of directors in principle relating the trade agreements with the general trade conditions in dealing with the Company or its subsidiaries and the directors, the management or the involved persons. In case of qualifying as a related item under the notification of the SET, it has to comply with the guidelines strictly and disclose the information on it.

The Company has set up a prohibition to prevent from using an opportunity or information from being a director, the management or employee to seek a personal gain, or does business that competes with the Company or the related business. This includes preventing from using the inside information for personal benefit to transact the shares of the Company or give information to other people.

Chapter 4 Revelation of Information and Transparency

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

Moreover, it has set up a unit to be responsible for supervising the job on the investor relations and secretarial job as its representative in communicating useful information to the shareholders, investors, securities analysts, and the involved persons. They can contact to inquire about the Company conveniently by the phone number 02-501-2020 and by fax at 02-501-2468, 02-963-9814

Chapter 5 Responsibility of the Board of Directors

The Company has realized about the importance of the role and duty of the board of directors toward it and its shareholders. The board of directors comprises the persons with knowledge, ability, skill and working experience from diverse fields, so it can perform the duty with effectiveness. The board must have leadership, vision, knowledge, ability, and various experiences, having loyalty, honesty and independence in decision-making for optimization of the Company and the overall shareholders. The board also has participated in setting the vision, goal, policy, operation direction, strategy, business plans, and the fiscal budget, including supervision for the management to perform according to the work plans and the set budget regularly. It shall follow up on the operations considering the legal principles, regulations and resolutions of the shareholders' meetings loyally, honestly, and ethically. It also shall supervise the administration of the management to comply with the targets and the guidelines for optimum benefits to the shareholders and sustainable growth of the organization.

Structure of the Board of Directors

According to the articles of association, the board of directors comprises at least five directors. As of December 31, 2012 the Company has a total of 7 directors comprising two executives, two outsiders, and three independent directors, or 42.86 of the total directors were sufficient to create the checks and balances within the board.

Independence of the Management and the Board of Directors

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

Evaluation of the Performance of the Board of Directors

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

Nominating and Compensation Committee

There are three committees comprising an independent, non-managerial, and managerial committees to work jointly, which they all had knowledge and experience with the role and duty according to clause 9 on “Management.”

Meeting Attendance of Each Director

In 2012, the presence of each member of the Board of Directors can be summoned as follows:-

	Term of Office	Board of Directors	Audit Committee	Remark
Times of the meeting		10 times	4 times	
1. M.L.Tossuwan Thongtaem	20 May 2011 – April 2014	8/10	-	Resign 24/10/2012
2. Mr.Amnat Tangurimarn	20 May 2011 – April 2014	1/10	-	Resign 12/03/2012
3. Mr. Apinunthakan Pongsathabordee	20 May 2011 – April 2014	2/10	-	Resign 15/05/2012
4. Miss Sarunya Sawangwongchinsri	3 May2012 – April 2015	6/10	-	Resign 17/10/2012
5. Mr. Chamnan Chotcomwongse	3 May2012 – April 2015	8/10	3/4	Resign 22/10/2012
6. Mr.Takorn Laohapongchana	3 May2012 – April 2015	0/10	-	Resign 12/03/2012
7. Mr.Kitja Charoenkiatkong	3 May2012 – April 2015	3/10	2/4	Resign 14/06/2012
8. Mr.Nunmanus Podang	12 March 2012 – April 2014	6/10	-	Appoint 12/03/2012
9. Lt.Gen Uchukorn Sakornnavin	12 March 2012 – April 2015	4/10	1/4	Appoint 12/03/2012
				Resign 24/10/2012
10. Mr. Amornsak Paipul	15 May 2012 – April 2014	3/10	-	Appoint 15/05/2012
				Resign 17/10/2012
11. Mr.Jakkarin Chanansirikul	14 June 2012 – April 2015	3/10	1/4	Appoint 14/06/2012
12. Mr.Surat Chiracharasorn	17 October 2012 – April 2014	2/10	-	Appoint 17/10/2012
13. Mr.Grisada Jarreonkonkit	17 October 2012– April 2015	2/10	-	Appoint 17/10/2012
14. Mr.Sakchai Chakratok	24 October 2012 – April 2014	1/10	-	Appoint 24/10/2012
15. Mr.Chaiwat Atsawintarangkun	24 October 2012 – April 2015	1/10	1/4	Appoint 24/10/2012
16. Rear Admiral Naraudom Pancharoen	24 October 2012 – April 2015	0/10	-	Appoint 24/10/2012

Supervision on the Use of Inside Information

The Company has a policy on the revelation of the information, financial report, and operations by revealing the financial information and those relating to the business and results of its operations to be correct, complete, sufficient, reliable, in time, and regular to the shareholders, investors, securities analysts and the general public. The Company has complied with the laws, regulations, and rules involving the revelation of information strictly. The directors and the executives, upon there is a transaction of securities, have to prepare a report on securities holding, according to the Securities and Exchange Act (No. 4) 2008, and report the change of the securities holding in the prescribed form within the specified time.

In the supervision of the inside information, it is the responsibility of the directors, the management and the employees may not reveal the inside information in essence, which may affect the business and price of the securities of the Company, and not yet revealed to the public. They shall not use the opportunity or information derived from being a director, management or employee to seek personal interest, or give information to other people for transacting the securities of the Company, and on the business competing with the Company or its related businesses. The Company has established a preventive measure by limiting the information realization to only the involved directors and the senior management only, including prohibiting them from transacting its securities one month before announcing the financial statement.

Any violation to cause the Company to be damaged or lost of the business opportunity, it is regarded as against its policy and business ethics, punishable by a severe disciplinary action, as well as being charged pursuant to the Securities and Exchange Act (No. 4) 2008.

Transaction with Related Companies

Interrelated transactions of the company and its subsidiary companies with related companies during the year 2011-2012.

■ Items related to the subsidiary companies

Interrelated persons	Description of relationship	Classification	Total Financial Statement		Specific Financial Statement		Description of items	Contract period
			2012	2011	2012	2011		
Chut Chieb Co., Ltd.	A subsidiary company with shareholding as of 95.45%	Services and other income	-	-	18	360	Being employment on accounting and others of Chut Chieb Co., Ltd.	Each month 3,000 baht and renew every year.
		Interest receivable.	-	-	-	755		
		Other debtors	-	-	-	350	The items of financial assistance for current capital in the business of Chut Chieb Co., Ltd., with interest rate as of amount 4-12 % per year with the credit not over 40 million baht.	Issued Promissory Notes with repayment on demand.
		Short-term loans	-	-	-	16,000		
G E L General Engineering Service Co., Ltd.	A subsidiary company with shareholding as of 99.99%.	Accrued interest receivable	-	-	-	26		
		Services and other income	-	-	375	300	Being employment on accounting and others of Chut Chieb Co., Ltd.	Each month 25,000 baht and renew every year. In August change to each month 10,000 baht
		Administration income	-	-	-	-		
		Interest receivable.	-	-	26	384		
		Other debtors	-	-	11	3,269	The items of financial assistance for current capital in the business of G E L General Engineering Service Co., Ltd., with interest rate as of amount 8-12 % per year. Other debtors are charged for the construction of subsidiaries.	Issued Promissory Notes with repayment on demand.
		Short-term loans	-	-	-	1,000		
		Accrued interest receivable	-	-	-	10		
Aura Dream Co., Ltd.	Investment company	Rental	-	-	371	391	Being 2 car rental items and land on the content of 2-3-88 rais.	Each month 10,000 and 30,888 baht respectively, contract renew every year.
		Other creditors	-	-	31	5,031	Provide bank guarantees to the subsidiaries by the Company's credit facility of 5 million baht	Charged amount of 5 million baht
		Services and other income	7,898	-	7,898		Sales	
		Trade accounts receivable	8,451		8,451		Sales	

Measures or procedure to Approve Related Transactions

To protect investors in case of the company's carrying out of related transactions with the person possibly causing conflict of interest in the future, the company will have the transaction types, prices and conditions of each party arranged clearly for the account auditor to check and disclose them in the Notes to Financial Statements. In regard to the normal related transaction, i.e., arising earlier and related to the company's main business, and /or the transactions that might cause conflict of interest, the Audit Committee shall check the justification and reasonability of the transactions and report its opinions to the meeting of the Board of Directors.

In case of the company's committing any unordinary business transaction or the transaction not in relation to the company's main business and possibly causing the conflict of interest, the company will ask the Audit Committee to make preliminary check prior to issuing the approval. The company shall arrange for the meeting of the Board of Directors attended by the Audit Committee to take the related transaction into consideration for fair practice and at proper pricing policy, in which the Directors with interest in that related transaction shall not have the voting right onto such transaction. Should the Audit Committee do not have skills in considering any related transaction, the company will ask an independent expert or its account auditor to give opinions on the issue and submit the resultant report to the Board of Directors or shareholders as deemed appropriate.

Policies and Trends of the Related Transactions in the Future

The company is adopting the earlier mentioned policy of the related transactions and shall abide by it in the future. As for a related transaction for normal business practices, the company will stipulate the price and conditions clearly and comparable to those of other firms and the company shall ask for the Audit Committee to take the matter into consideration and give opinions in regard to the properness of prices and reasonable actions of the transaction.

The related transactions to arise in the future shall conform to the laws on Securities and Securities Exchange of Thailand and the regulations, announcements, orders, or requirements of the Securities Exchange of Thailand including the regulation on the disclosure of the related transaction and the company or subsidiary's acquisition or disposal of important assets and in accordance with the accounting standard stipulated by the Accountant Association

Explanation and Analysis of Financial Position and Results of Operations

Results of Operations

In 2012, the Company's net profit was 159.32 Million Baht, representing profit of 0.10 Baht per share in comparison with 2011, which the Company's loss had been in the amount of 272.14 Million Baht, representing loss of 0.24 Baht per share, the details of which are as follows:

1. Revenues from Sales and Services

In 2012, the Company's revenues from sales and services were 882.79 Million Baht, representing 83.24% of total revenue (1,060.54 Million Baht), or 42.56 Million Baht decreasing from 2011, which had had revenues from sales and services in the amount of 925.35 Million Baht, representing 98.02% of total revenue (944.07 Million Baht) in the same year, which, in 2012, there is real estate rental income and leasehold right assignment income of its Subsidiary Company, as follows:

Revenue Structures Classified by to the Product Groups

Business Segment	2012		2011		Difference	
	Million Baht	%	Million Baht	%	Million Baht	%
Prestressed concrete pile products	571.82	53.92	473.57	50.16	98.25	20.75
Special concrete products	236.84	22.33	185.23	19.62	51.61	27.86
Special products	28.99	2.73	15.80	1.67	13.19	83.46
Construction work / special project	45.14	4.26	172.26	18.25	-127.12	-73.80
Real estate rental and leasehold right assignment incomes	-	-	78.49	8.32	-78.49	-100
Total	882.79	83.24	925.35	98.02	-42.56	-4.60

2. Other Revenues

In 2012, the Company had other revenues in the amount of 177.76 Million Baht, representing 16.76% of total revenue, or 159.04 Million Baht increasing from 2011 which had had other revenues in the amount of 18.72 Million Baht, representing 1.98% of total revenue, as follows:

Other Revenues (Unit : Thousand Baht)	Consolidated Financial Statements	
	2012	2011
1. Revenue from selling scraps	1,461	906
2. Interest income	2,289	2,753
3. Profit from selling fixed assets	-	2,607
4. Gain from revaluation of current investments	112,350	
5. Gain from selling investment in Chatchiab Co., Ltd. (Subsidiary Company)	22,409	
6. Reversal of assets' impairment	9,765	
7. Other revenues	29,483	12,449
Total	177,757	18,715

3. Cost of Sale

In 2012, the Company had costs of sales and services in the amount of 737.28 Million Baht, representing 83.52% of revenues from sales and services, which were lower than those in 2011, which had had costs of sales and services in the amount of 797.12 Million Baht, representing 86.14% of revenues from sales and services, which, in 2012, there is no any costs of real estate rental and leasehold right assignment from Chatchiab Co., Ltd. (Subsidiary Company), as follows:

Percentage of Costs of Sales and Services

Unit : Million Baht	2012			2011		
	Revenue	Cost	%	Revenue	Cost	%
1. Sale of goods	837.65	687.86	82.12	694.53	606.43	87.32
2. Construction and installation works	45.14	49.42	109.48	152.33	156.72	102.88
3. Real estate rental and leasehold right assignment incomes	-	-	-	78.49	33.97	43.28
Total	882.79	737.28	83.52	925.35	797.12	86.14

4. Selling and Administrative Expenses

In 2012, the Company has selling and administrative expenses in the amount of 163.47 Million Baht, representing 15.41% of total revenue, or 231.84 Million Baht decreasing from 2011, which had been in the amount of 395.31 Million Baht, representing 41.87% of total revenue, as follows:

Selling and administrative expenses (Unit : Thousand Baht)	Consolidated Financial Statements		Increase (Decrease)
	2012	2011	
1. Selling expense	9,211	7,790	1,421
2. Administrative expense	145,772	207,546	-61,774
3. Management's remuneration	8,484	11,074	-2,590
4. Loss from temporary investment and sale of investment	-	168,903	-168,903
Total	163,467	395,313	-231,846

5. Interest expense

In 2012, the Company had interest expense in the amount of 0.47 Million Baht, or 19.89 Million Baht decreasing from 2011, which had been in the amount of 20.36 Million Baht. Because of delay in payment the interest expense apart from repayment of financial institution loan of the Subsidiary Company as stipulated in the contract of Chatchiab Co., Ltd. (Subsidiary Company) and, in this year, the Company's selling investment in the aforesaid Subsidiary Company, the interest expense of the Subsidiary Company was not required to be recognized.

6. Corporate Income tax

In 2012, the Company had net profit in the amount of 159.32 Million Baht; therefore, the Company had not to pay corporate income tax. Because the Company can use the deficit brought forward from 2011 in 2012, which, in 2011, the loss had been in the amount of 272.14 Million Baht and the corporate income tax the Consolidated Financial Statements in entire amount of 4.67 Million Baht which had been caused by the tax burden of the Subsidiary Company. The Company had no corporate income tax due to the loss in 2011.

Financial Position

Assets

In the 2012 Statement of Financial Position, the Company had total asset in the amount of 1,194.26 Million Baht, or 71.59 Million Baht increasing from 2011 or 6.38% increasing from 2011, totaling 1,122.67 Million Baht, as follows:

1. Current Assets

As at 31 December 2012, the Company had current assets in the amount of 745.51 Million Baht, or 14.24 Million Baht decreasing from 2011 or 1.87% of the current assets in comparison with 2011, which had had current assets in the amount of 759.75 Million Baht. The current assets as at 31 December 2012 were as follows:

1.1 Cash and Cash Equivalents

In 2012, the Company had cash and cash equivalents in the amount of 94.52 Million Baht, or 73.76 Million Baht increasing from 2011, which had been in the amount of 20.76 Million Baht, on account of being used in operating activities in the amount of 29.79 Million Baht, being acquired from investing activities in the amount of 105.86 Million Baht, and being used in financing in the amount of 2.31 Million Baht.

1.2 Temporary Investment

In 2012, the Company had net temporary investment in the amount of 214 Million Baht, or 112.35 Million Baht increasing from 2011, which had been in the amount of 101.65 Million Baht, which, in 2012, net temporary investment increased as a result of adjustment of temporary investment value via Mark to Market Method

Unit : Million Baht	Consolidated Financial Statements	
	2012	2011
Temporary Investment –AQUA-W2		
Beginning book value	101.65	21.75
Purchase		550.21
Sale		-302.45
Unrealized gain or loss	112.35	-167.86
Net book value	214.00	101.65

1.3 Trade Accounts Receivable

In 2012, the Company had the trade accounts receivable in the amount of 156.61 Million Baht, or 25.90 Million Baht increasing from 2011, which had been in the amount of 130.71 Million Baht because the Company's revenue from sales increased, resulting in increase in the trade accounts receivable, respectively.

The qualities of the accounts receivable of the Company were as follows:

Aging	2012		2011	
	Million Baht	%	Million Baht	%
Undue accounts receivable	123.56	70.91	90.73	51.86
1 - 3 months' overdue amount	19.74	11.33	27.60	15.78
4 - 6 months' overdue amount	6.58	3.78	9.45	5.40
7 - 12 months' overdue amount	3.21	1.84	3.84	2.19
12-month or above overdue amount	21.11	12.11	43.34	24.77
Total trade accounts receivable	174.20	99.97	174.96	100.00
Postdated cheque receivable	0.05	0.03	-	-
Total	174.25	100.00	174.96	100.00
<u>Less</u> Allowance for doubtful accounts	-17.64	-10.12	-44.25	-25.29
Total net trade accounts receivable	156.61	89.88	130.71	74.71

1.4 Construction work value which had not yet been collected from customers

In 2012, the Company had revenue realized from the construction work based upon the ratio of the completion of construction work in excess of the installment so collected in the amount of 43.66 Million Baht, or 3.37 Million Baht increasing from the end of 2011 in the amount of 40.29 Million Baht.

1.5 Inventories

In 2012, the Company had inventories in the amount of 137.50 Million Baht, or 46.22 Million Baht increasing from 2011, which has been in the amount of 91.28 Million Baht, because, in 2011, the flood had occurred at the Company's goods manufacturing factories, causing the Company to pause manufacturing the goods, resulting in decrease in inventories.

1.6 Other Current Assets

In 2012, the Company and other current assets in the amount of 15.76 Million Baht, representing 1.32% of total asset, or 2.67 Million Baht decreasing from 2011, which had been in the amount of 18.43 Million Baht, due to the causes, as follows:

Other Current Assets	Consolidated Financial Statements		Increase (Decrease)
	Unit : Million Baht		
	2012	2011	
VAT receivable	0.06	10.55	-10.49
Advance payment	10.27	1.93	8.34
Prepaid expense	4.06	4.20	-0.14
Others	1.37	1.75	-0.38
Total	15.76	18.43	-2.67

1.7 Investment Selling Receivable

Upon 5 July 2012, the Company executed a contract to sell investment in Chatchiab Co., Ltd. (Subsidiary Company) to Mr. Wicha Baopimpa (unrelated person) in the quantity of 2.1 million shares at the rate of 92.8571 Baht, in total amount of 195 Million Baht. The share value in the amount of 115 Million Baht was received on the date of contract, 5 Million Baht was received on 25 December 2012, and the remainder of 75 Million was received on 5 February 2013, respectively.

1.8 Non-Current Assets Held for Sale and Liabilities Directly Related to the Non-Current Assets Held for Sale

Upon 1 December 2011, the Subsidiary Company concluded a contract to assign the leasehold rights of land with structures as constructed on the long-term rental land in total amount of 390 Million Baht to Sputnik Co., Ltd. and Beer The Beach Co., Ltd., whereby the non-current assets held for sale was in the amount of 356.63 Million Baht and the liabilities directly related to the non-current assets held for sale was in the amount of 161.59 Million Baht.

In 2012, the Company sold investment in the Subsidiary Company mentioned above in total amount; in consequence, the Company was no longer required to realize the assets or the liabilities or any debt burden of the Subsidiary Company, the details of which were as follows:

Unit : Million Baht	Consolidated Financial Statements	
	2012	2011
Non-current assets held for sale		
Building and building and leasehold right improvements	-	333.28
Accounts receivable and factoring - net	-	84.29
<u>Less</u> Allowance for impairment	-	-60.94
Total	-	356.63
Liabilities Directly Related to the Non-Current Assets Held for Sale		
Loans from financial institutions	-	150.56
Bank overdraft	-	9.98
Accrued interest	-	1.05
Total	-	161.59

2. Non-Current Assets

2.1. Advances paid for share subscriptions

Advances were paid for share subscriptions in the amount of 20 Million Baht as the security for due diligence to purchase shares of a company at the rate of 24% of the authorized capital in the amount of 105 Million Baht. Such company carries on businesses in respect of solar power plant.

2.2 Available-for-Sale Investment

In May 2011, the Company had invested in equity instruments of Aqua Corporation Public Co., Ltd. (former name is P Plus P Public Co., Ltd.) in the quantity of 315,500,080 shares at the average rate of 0.72 Baht, in the amount of 228.32 Million Baht. In 2012, the Company had net available-for-sale investment in the amount of 189.30 Million Baht, and in 2011, in the amount of 132.51 Million Baht, respectively, the details of which were as follows:

Unit : Million Baht	Consolidated Financial Statements	
	2012	2011
Available-for-sale investment		
Equity instruments - Aqua Corporation Public Co., Ltd.	228.32	228.32
Less Unrealized loss	-39.02	-95.81
Net	189.30	132.51

2.3 Other Long-Term Investments

In January 2011, the Company had invested in the ordinary shares of Aura Dream Co., Ltd. in quantity of 4,500,000 shares at the rate of 10 Baht per share, totaling 45 Million Baht, whereby the aforesaid company carried on its hotel business in Nakhon Pathom Province.

The aforesaid company had to propose the report on the Environmental Impact Assessment (EIA) to Office of Natural Resources and Environmental Policy and Planning for approval prior to take action. Currently, such company has already been approved on environment and the work-in-progress shall have been completed at the beginning of 2015.

2.4 Property, Plant and Equipment - net

In 2012, the Company had net property, plant and equipment in the amount of 88.71 Million Baht, representing 7.43% of total asset, or 14.50 Million Baht increasing from 2011, which had been in the amount of 74.21 Million Baht, representing 6.61% of total asset. Since, in 2012, the Company had to employ independent appraiser to appraise the lands and buildings in accordance with the accounting policies so set forth and had to take such action on a consistent basis, resulting in, in this year, premiums on incremental asset value of lands and buildings were in the amount of 21.05 Million Baht.

Liabilities

In 2012, the Company had total liability the amount of 212.94 Million Baht, in comparison with 2011, 157.35 Million Baht decreasing from 2011, which had had total liability in the amount of 370.29 Million Baht due to the fact that, in 2012, there was no any liability as directly related to the asset held for sale of the Subsidiary Company in the amount of 161.60 Million Baht. The Company had already sold all of the investments in the said Subsidiary Company; thus, the Company was no longer required to realize any liability or debt burden of the Subsidiary Company.

Shareholder's Equity

In 2012, the Company had the shareholders' equity in total amount of 981.32 Million Baht or 228.94 Million Baht increasing from 2011, representing 30.43% from 2011, which had had the shareholders' equity in total amount of 752.38 Million Baht. Because the Company had 2012 operating profit in the amount of 159.32 Million Baht and other elements of the shareholders' equity in the amount of 16.50 Million Baht increasing in the amount of 77.09 Million Baht from 2011, which had had negative balance of 60.59 Million Baht, resulting from, in 2012, increase in unrealized investment value of the available-for-sale securities in the amount of 56.79 Million Baht and capital surplus from revaluation of assets in the amount of 20.29 Million Baht.

Liquidity

In 2012, the Company had negative balance of cash flows from operating activities in the amount of 29.79 Million Baht and had net cash flow from investing activities in the amount of 105.86 Million Baht, because the Company received payment from sale of investment in Chatchiab Co., Ltd. (Subsidiary Company) in the amount of 120 Million Baht and had paid advances for share subscriptions in the amount of 20 Million Baht and had negative balance of net cash used in financing activities in the amount of 2.31 Million Baht. As a result, as at 31 December 2012, the Company had net cash balance in the amount of 94.52 Million Baht, in comparison with 2011, which had had cash flows from operating activities in the amount of 5.40 Million Baht, net negative cash flows from investing activities in the amount of 507.82 Million Baht, and net cash flows from financing activities in the amount of 360.41 Million Baht.

Key liquidity Ratios

As at the end of 2012, the liquidity ratio was 3.87, increasing from 2011 which had been 2.19. Meanwhile, the quick liquidity ratio of the Company was equal to 2.46, increasing from 2011 which had been 0.73.

Auditors' Remuneration

In pursuance of the resolution passed by the 2012 Annual Ordinary Shareholder Meeting held upon 3 May 2012 to appoint Mr. Somkid Tiatrakul, the Certified Public Accountant No. 2785, or Mrs. Sumalee Chokdee-anan, the Certified Public Accountant No. 3322, or Mr. Kosol Yaemleemul, the Certified Public Accountant No. 4575, of Grant Thornton Limited as the auditors of the Company and its Subsidiary Company in 2012, in total amount of 1,785,000 Baht.

Report of the Audit Committee

Dear Shareholders:

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

		<u>Resigned</u>	<u>Appointed</u>
1.	Mr. Chamnan Chotcomwongse	Chairman of Audit Committee	6 October 2010
	Mr. Chaiwat Atsawintarakun	Chairman of Audit Committee	24 October 2012
2.	Mr. Takorn Laohapongchana	Audit Committee	6 October 2010
	Lt. Gen. Uchukorn Sakornnavin	Audit Committee	12 March 2012
	Rear Admiral Naraudom Pancharoen	Audit Committee	24 October 2012
3.	Mr. Kitja Charoenkiatkong	Audit Committee	11 October 2010
	Mr. Jakkarin Chanansirikul	Audit Committee	14 June 2012

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

The performance of duties in 2012, the Audit Committee held a meeting regularly by the Audit Committee are in attendance at all times, including 4 times with consideration and review various issues that Important by Charter of the Audit Committee as follows.

1. Review the financial statements of the company. The adequacy and accuracy of the supported accounts standard. Including consider the disclosure of the essential information.
2. Ensure that the Company has the appropriate internal control system by consider the work plan of the audit Department, the audit reports of the audit Including suggestions for the system of the adequately internal control system.
3. Review the performance of the external auditor in their duties during the past year, including make recommendations on the appointment of auditors. And determine the remuneration of the auditors for the year to the Board of Directors.

4. Review the Company's performance to sufficient complies with the requirements of the law relating to the business of the company.
5. Review the transaction that may have the conflict of interest to ensure such transaction according to the requirements of the law and the principles of good corporate governance. Correctly and timely disclosure of information.
6. Invite the auditor to attend the meeting to discuss about the problems in the operation. Including the issues that the auditor notifies to the Board of Directors for consideration.
7. Meeting with the external auditor to assess the internal control system. And suggestions for the adequately system.
8. Review and suggestion about the Policy and principles of the good corporate governance to comply with the requirements of the regulatory agencies. And promote and review the compliance to such principle sufficiently.

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



(Mr.Chaiwat Atsawintarakun)

Chairman of Audit Committee

Report of the Board of Directors' Responsibility in Financial Statement

The Company's Board of Directors is responsible for financial statements of General Engineering Public Company Limited and its subsidiaries, including the financial information that appears within their annual reports. The financial statements have been prepared according to generally accepted accounting standards. An appropriate accounting policy has been selected, applied and consistently adhered to under cautious consideration. In addition, an effective internal control system has been set up. Material information has been adequately disclosed in the Notes to the Financial Statements. These are implemented for benefits of shareholders and investors, with an aim to create confidence in the Company's financial statements, to take care and keep good maintenance of the Company's assets, and to prevent dishonest acts or any irregular operations of material substance.

The financial statements of the Company and its subsidiaries have been audited by Mr. Boonlert Kaewphanpurk the Certified Public Accountant from BPR Audit and advisory Co.,ltd. 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.

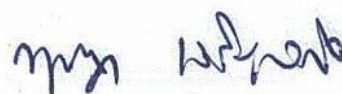
The Company's Board of Directors has appointed the Audit Committee to be responsible for reviewing the Company's accounting policies, quality of financial reports, internal control system, internal audit system and risk management system. The opinion of the Audit Committee on this matter appears in the 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, except control system on investment in securities in the market demand that define and enforce on the fourth quarter of 2011. Financial statements of General Engineering Public Company Limited and its subsidiaries as at 31 December 2012 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.Nunmanus Podang)

Chairman of the Executive Committee



(Mr.Grisada Jarreonkonkit)

The Executive Committee

REPORT OF CERTIFIED PUBLIC ACCOUNTANT

To the Shareholders of General Engineering Public Company Limited

I have audited the accompanying consolidated financial statements of General Engineering Public Company Limited and its subsidiaries comprising the consolidated statement of financial position as at 31 December 2012, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, including notes disclosure summarizing significant accounting policies and other explanatory information. I have also audited the separate financial statements of General Engineering Public Company Limited comprising the separate statement of financial position as at 31 December 2012, and the related separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, including notes disclosure summarizing significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position as at 31 December 2012 and the consolidated results of operations and cash flows for the year then ended of General Engineering Public Company Limited and its subsidiaries, and the separate financial position as at 31 December 2012 and the results of operations and cash flows for the year then ended of General Engineering Public Company Limited, in accordance with Thai Financial Reporting Standards.

Emphasis of Matter

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

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

Comparative financial statements

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

**Mr. Somckid Tiatragul**

Certified Public Accountant

Registration No. 2785

Grant Thornton Company Limited

Bangkok, Thailand

18 February 2013

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2012 AND 2011

(Unit : Baht)

		CONSOLIDATED F/S		SEPARATE F/S	
	Notes	2012	2011	2012	2011
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5	94,520,836	20,759,126	91,204,575	19,908,565
Temporary investments	7	214,001,396	101,651,148	214,001,396	101,651,148
Trade accounts receivable - net	8	156,610,187	130,705,511	155,982,762	127,380,291
Trade accounts receivable - related company	6	8,451,352	-	8,451,352	-
Unbilled construction work in progress	9	43,661,138	40,290,561	43,661,138	40,290,561
Other receivables and accrued interest					
- subsidiaries	6	-	-	10,700	3,654,893
Short - term loans to subsidiaries	6	-	-	-	17,000,000
Inventories - net	10	137,504,740	91,276,676	137,504,740	91,255,006
Account receivable - sale of investment	12	75,000,000	-	75,000,000	-
Other current assets	11	15,762,128	18,435,662	15,693,368	8,314,419
Assets held for sales - subsidiary	12	-	356,632,280	-	-
Total Current Assets		745,511,777	759,750,964	741,510,031	409,454,883
NON - CURRENT ASSETS					
Restricted deposits with banks	28	50,599,195	56,581,406	49,599,194	55,181,406
Advance payment for purchase investment	13	20,000,000	-	20,000,000	-
Investments in subsidiaries and associated					
companies - net	14	-	-	13,999,000	186,590,326
Investments in available - for - sales securities	7	189,300,048	132,510,034	189,300,048	132,510,034
Other long-term investment	15	45,000,000	45,000,000	45,000,000	45,000,000
Property, plant and equipment - net	16	88,711,719	74,205,949	80,395,719	67,077,864
Assets not used in operations	17	47,115,516	36,969,687	46,156,502	36,190,673
Income tax withheld at sources	17	4,495,037	8,657,127	3,056,454	6,226,567
Other non - current assets	17	3,528,250	8,999,652	1,060,489	6,709,603
Total Non - Current Assets		448,749,765	362,923,855	448,567,406	535,486,473
TOTAL ASSETS		1,194,261,542	1,122,674,819	1,190,077,437	944,941,356

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2012 AND 2011

(Unit : Baht)

		CONSOLIDATED F/S		SEPARATE F/S	
	Notes	2012	2011	2012	2011
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Trade accounts payable		102,153,690	87,481,397	101,434,876	87,087,666
Other payable - subsidiary	6	-	-	30,888	5,030,888
Current portion of liabilities under					
finance lease agreement	18	2,139,292	2,321,836	2,139,292	2,321,836
Income tax payable		-	3,453,224	-	-
Other current liabilities	19	88,273,906	91,313,704	88,161,159	84,960,054
Liabilities directly associated with					
assets held for sales - subsidiary	12	-	161,596,539	-	-
Total Current Liabilities		192,566,888	346,166,700	191,766,215	179,400,444
NON - CURRENT LIABILITIES					
Liabilities under finance lease agreement - net	18	2,527,961	4,652,674	2,527,961	4,652,674
Employee benefits obligation	20	15,052,035	14,811,710	15,052,035	14,811,710
Other non - current liabilities		2,792,805	4,660,449	2,792,805	4,660,449
Total Non - Current Liabilities		20,372,801	24,124,833	20,372,801	24,124,833
TOTAL LIABILITIES		212,939,689	370,291,533	212,139,016	203,525,277

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2012 AND 2011

(Unit : Baht)

	CONSOLIDATED F/S		SEPARATE F/S	
Notes	2012	2011	2012	2011
LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)				
21	24,705,038,590	32,861,093,310	24,705,038,590	32,861,093,310
	15,313,845,540	15,313,845,540	15,313,845,540	15,313,845,540
22	31,729,260	31,729,260	31,729,260	31,729,260
	(14,012,330,038)	(14,012,330,038)	(14,012,330,038)	(14,012,330,038)
	(368,419,570)	(528,500,819)	(365,921,886)	(526,547,610)
	16,495,255	(60,589,363)	10,615,545	(65,281,073)
Shareholders - net	981,320,447	744,154,580	977,938,421	741,416,079
	1,406	8,228,706	-	-
	981,321,853	752,383,286	977,938,421	741,416,079
	1,194,261,542	1,122,674,819	1,190,077,437	944,941,356

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED 31 DECEMBER 2012 AND 2011

		(Unit : Baht)			
		CONSOLIDATED F/S		SEPARATE F/S	
	Notes	2012	2011	2012	2011
REVENUES	6				
Revenues from sales		837,647,673	694,533,841	837,647,673	694,533,842
Construction and installation services income		45,138,110	152,330,862	43,698,304	147,369,865
Real estate rental and leasehold right assignment income		-	78,488,122	-	-
Total Revenues		<u>882,785,783</u>	<u>925,352,825</u>	<u>881,345,977</u>	<u>841,903,707</u>
Costs of Sales and Services	6				
Costs of sales		(687,855,295)	(606,426,775)	(686,849,394)	(606,426,775)
Costs of construction and installation services		(49,424,830)	(156,715,938)	(48,515,926)	(152,132,162)
Costs of real estate rental and leasehold right assignment		-	(33,977,442)	-	-
Total Costs of Sales and Services		<u>(737,280,125)</u>	<u>(797,120,155)</u>	<u>(735,365,320)</u>	<u>(758,558,937)</u>
Gross income		145,505,658	128,232,670	145,980,657	83,344,770
Gain on revaluation of temporary investment	7	112,350,248	-	112,350,248	-
Gain on disposal of investment in subsidiary	12	22,408,677	-	22,408,677	-
Reversal of impairment of assets	17	9,764,829	-	9,584,829	-
Other income		33,232,747	18,714,792	33,605,621	19,181,080
Income before expenses		<u>323,262,159</u>	<u>146,947,462</u>	<u>323,930,032</u>	<u>102,525,850</u>
Selling expenses		(9,210,856)	(7,789,697)	(9,210,856)	(7,789,698)
Administrative expenses		(145,771,610)	(207,546,013)	(145,894,954)	(155,620,613)
Loss on revaluation of temporary investments and others	7	-	(168,903,604)	-	(168,903,604)
Management benefit expenses	6	(8,484,570)	(11,074,140)	(8,484,570)	(11,074,140)
Total Expenses		<u>(163,467,036)</u>	<u>(395,313,454)</u>	<u>(163,590,380)</u>	<u>(343,388,055)</u>
Income (loss) before financial costs and income tax		159,795,123	(248,365,992)	160,339,652	(240,862,205)
Financial costs		(473,653)	(20,355,198)	(473,653)	(910,940)
Income (loss) before income tax		<u>159,321,470</u>	<u>(268,721,190)</u>	<u>159,865,999</u>	<u>(241,773,145)</u>
Income tax		-	(4,668,719)	-	-
Income (loss) for the year		<u>159,321,470</u>	<u>(273,389,909)</u>	<u>159,865,999</u>	<u>(241,773,145)</u>
Other comprehensive income (loss)					
Unrealized gain (loss) on available - for - sales investments		56,790,014	(95,814,250)	56,790,014	(95,814,250)
Total comprehensive income (loss) for the year		<u>216,111,484</u>	<u>(369,204,159)</u>	<u>216,656,013</u>	<u>(337,587,395)</u>

(Unit : Baht)					
		CONSOLIDATED F/S		SEPARATE F/S	
	Notes	2012	2011	2012	2011
Income (loss) for the year attributable to :					
Portion of the Company's shareholders		159,321,524	(272,136,104)	159,865,999	(241,773,145)
Portion of non-controlling interests		(54)	(1,253,805)	-	-
		<u>159,321,470</u>	<u>(273,389,909)</u>	<u>159,865,999</u>	<u>(241,773,145)</u>
Total comprehensive income (loss) for the year attributable to :					
Portion of the Company's shareholders		216,111,538	(367,950,354)	216,656,013	(337,587,395)
Portion of non-controlling interests		(54)	(1,253,805)	-	-
		<u>216,111,484</u>	<u>(369,204,159)</u>	<u>216,656,013</u>	<u>(337,587,395)</u>
Basic earnings per share					
Income (loss) (Baht : share)		<u>0.10</u>	<u>(0.24)</u>	<u>0.10</u>	<u>(0.21)</u>
Weighted average number of common shares (Thousand share)		1,531,384,554	1,141,917,000	1,531,384,554	1,141,917,000

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED 31 DECEMBER 2012 AND 2011

(Unit : Baht)

Equity attributable to the Company's shareholders											
Notes	Issued and paid-up share capital	Premium on share capital	Discount on share capital	Deficit	Other components of shareholders' equity						
					Other comprehensive income (loss)			Non - controlling interests	Total		
					Unrealized gain (loss) on valuation of available - for - sales investments	Surplus on assets revaluation	Total				
<u>CONSOLIDATED F/S</u>											
Balance as at 1 January 2011		3,756,477,215	31,729,260	(2,859,469,609)	(257,490,792)	-	36,350,964	36,350,964	707,597,038	9,482,511	717,079,549
Increase in share capital	21	11,557,368,325	-	(11,152,860,429)	-	-	-	-	404,507,896	-	404,507,896
Surplus on assets revaluation		-	-	-	1,126,077	-	(1,126,077)	(1,126,077)	-	-	-
Comprehensive income (loss) for the year		-	-	-	(272,136,104)	(95,814,250)	-	(95,814,250)	(367,950,354)	(1,253,805)	(369,204,159)
Balance as at 31 December 2011		15,313,845,540	31,729,260	(14,012,330,038)	(528,500,819)	(95,814,250)	35,224,887	(60,589,363)	744,154,580	8,228,706	752,383,286
Balance as at 1 January 2012		15,313,845,540	31,729,260	(14,012,330,038)	(528,500,819)	(95,814,250)	35,224,887	(60,589,363)	744,154,580	8,228,706	752,383,286
Surplus on assets revaluation	16	-	-	-	759,725	-	20,294,604	20,294,604	21,054,329	-	21,054,329
Comprehensive income (loss) for the year		-	-	-	159,321,524	56,790,014	-	56,790,014	216,111,538	(54)	216,111,484
Decrease in non - controlling interests		-	-	-	-	-	-	-	-	(8,227,246)	(8,227,246)
Balance as at 31 December 2012		15,313,845,540	31,729,260	(14,012,330,038)	(368,419,570)	(39,024,236)	55,519,491	16,495,255	981,320,447	1,406	981,321,853

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED 31 DECEMBER 2012 AND 2011

(Unit : Baht)

	Notes	Issued and paid-up share capital	Premium on share capital	Discount on share capital	Deficit	Other components of shareholders' equity			Total
						Gain (loss) on valuation of available-for-sale investments	Surplus on assets revaluation	Total	
<u>SEPARATE F/S</u>									
Balance as at 1 January 2011		3,756,477,215	31,729,260	(2,859,469,609)	(285,900,542)	-	31,659,254	31,659,254	674,495,578
Increase in share capital	21	11,557,368,325	-	(11,152,860,429)	-	-	-	-	404,507,896
Surplus on assets revaluation		-	-	-	1,126,077	-	(1,126,077)	(1,126,077)	-
Comprehensive income (loss) for the year		-	-	-	(241,773,145)	(95,814,250)	-	(95,814,250)	(337,587,395)
Balance as at 31 December 2011		15,313,845,540	31,729,260	(14,012,330,038)	(526,547,610)	(95,814,250)	30,533,177	(65,281,073)	741,416,079
Balance as at 1 January 2012		15,313,845,540	31,729,260	(14,012,330,038)	(526,547,610)	(95,814,250)	30,533,177	(65,281,073)	741,416,079
Surplus on assets revaluation	16	-	-	-	759,725	-	19,106,604	19,106,604	19,866,329
Comprehensive income (loss) for the year		-	-	-	159,865,999	56,790,014	-	56,790,014	216,656,013
Balance as at 31 December 2012		15,313,845,540	31,729,260	(14,012,330,038)	(365,921,886)	(39,024,236)	49,639,781	10,615,545	977,938,421

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED 31 DECEMBER 2012 AND 2011

	(Unit : Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2012	2011	2012	2011
Cash flows from operating activities				
Income (loss) before income tax	159,321,470	(268,721,190)	159,865,999	(241,773,145)
Adjustments to reconcile income (loss) before income tax to net cash provided from (used in) operating activities:				
Depreciation and amortization	10,459,420	39,594,164	10,459,420	12,453,519
Withholding tax writtten off	-	826,980	-	-
Impairment loss on non - current assets held for sale	-	60,940,538	-	-
Income from amortisation of deferred leasehold right and rental income	-	(934,579)	-	-
Other income	(14,197,311)	-	(14,197,311)	-
Penalty fee	30,000,000	-	30,000,000	-
Loss (gain) on disposals of investments	(22,408,677)	1,038,786	(22,408,677)	1,038,786
Loss (gain) on revaluation of temporary investments	(112,350,248)	167,864,818	(112,350,248)	167,864,818
Allowance (Reversal of allowance) for doubtful accounts	(14,610,852)	18,959,832	(14,610,852)	2,678,480
Allowance (Reversal of allowance) for obsolete and damaged inventories	(13,869,879)	13,827,191	(13,869,879)	13,827,191
Loss on impairment of investment in subsidiary	-	-	-	26,302,710
Gain on disposals of fixed assets	(438,456)	(2,606,934)	(438,456)	(2,328,432)
Reversal of impairment of assets	(9,764,829)	-	(9,584,829)	-
Provisions for employee benefits obligation	2,262,876	1,948,844	2,262,876	1,948,844
Interest income	(2,035,362)	(2,752,849)	(2,287,307)	(2,837,638)
Interest expense	473,653	20,355,198	473,653	910,940
Cash Flows provided from (use in) operations before changes in operating Assets and Liabilities	12,841,805	50,340,799	13,314,389	(19,913,927)
Decrease (Increase) in operating assets				
Trade accounts receivable - net	706,177	(58,683,894)	(1,991,619)	15,685,610
Trade accounts receivable - related company	-	-	(8,451,352)	-
Unbilled construction work in progress	(3,370,577)	(14,824,466)	(3,370,577)	(22,679,724)
Other receivables and accrued interest - subsidiary	-	-	3,607,700	(3,145,529)
Inventories	(32,358,184)	19,664,503	(32,379,854)	19,532,087
Assets not used in operations	(381,000)	-	(381,000)	-
Other current assets	(7,202,640)	15,283,925	(19,379,840)	12,347,308
Other non - current assets	5,471,402	(1,561,243)	5,649,117	(1,135,496)
Increase (Decrease) in operating liabilities				

(Unit : Baht)

	CONSOLIDATED F/S		SEPARATE F/S	
	2012	2011	2012	2011
Trade accounts payable	14,672,293	3,598,881	14,347,211	3,642,935
Other payable - subsidiary	-	-	(5,000,000)	(10,700)
Other current liabilities	(18,842,487)	22,562,957	(12,601,585)	(9,610,427)
Employee benefits obligation	(2,321,301)	(1,321,830)	(2,321,301)	(1,321,830)
Other non - current liabilities	(1,867,644)	(6,445,580)	(1,868,644)	(6,445,580)
Cash provided from (used in) operations activities	(32,652,156)	28,614,052	(50,827,355)	(13,055,273)
Refunded income tax	4,295,050	-	4,295,050	-
Interest payment	(174,904)	(19,831,007)	(174,904)	(386,528)
Income tax payment	(1,262,578)	(3,385,310)	(1,124,937)	(1,927,468)
Net cash provided from (used in) operating activities	(29,794,588)	5,397,735	(47,832,146)	(15,369,269)

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEARS ENDED 31 DECEMBER 2012 AND 2011

(Unit : Baht)

	CONSOLIDATED F/S		SEPARATE F/S	
	2012	2011	2012	2011
Cash Flows from investing activities				
Increase in temporary investments	-	(248,804,781)	-	(248,804,781)
Collection from short - term loans to subsidiaries	-	-	17,000,000	10,400,000
Collection from disposal of subsidiary	120,000,000	-	120,000,000	-
Effect on cash flows from sales and deconsolidation of subsidiary	1,280,087	-	-	-
Increase in investment in available-for-sale equity securities	-	(228,324,284)	-	(228,324,284)
Decrease in restricted deposits with banks	5,982,212	818,594	5,582,212	818,594
Decrease in long - term loan to other person	-	20,000,000	-	-
Increase in advance payment for purchase investment	(20,000,000)	-	(20,000,000)	-
Purchases of fixed assets	(8,904,723)	(12,896,255)	(8,904,723)	(12,896,255)
Proceeds from sales of fixed assets	5,434,125	3,454,206	5,434,125	3,175,701
Increase in other long - term investments	-	(45,000,000)	-	(45,000,000)
Interest received	2,071,855	2,927,633	2,323,800	3,575,965
Net cash provided from (used in) investing activities	105,863,556	(507,824,887)	121,435,414	(517,055,060)
Cash flows from financing activities				
Decrease in bank overdrafts and short - term loan from financial institutions	-	(10,184,416)	-	(10,976,725)
Repayments of long - term loan from financial institutions	-	(31,667,363)	-	-
Proceeds from issuance of common shares	-	404,507,896	-	404,507,896
Repayments of liabilities under finance lease agreement	(2,307,258)	(2,242,249)	(2,307,258)	(2,242,248)
Net cash provided from (used in) financing activities	(2,307,258)	360,413,868	(2,307,258)	391,288,923
Net increase (decrease) in cash and cash equivalents	73,761,710	(142,013,284)	71,296,010	(141,135,406)
Cash and cash equivalents at beginning of year	20,759,126	162,772,410	19,908,565	161,043,971
Cash and cash equivalents at end of year	94,520,836	20,759,126	91,204,575	19,908,565
Supplemental disclosures for cash flows information				
Non - cash items :				
- Acquiring assets under finance lease agreement	-	7,642,053	-	7,642,053
- Unrealized loss (gain) on available - for - sales investment	(56,790,014)	95,814,250	(56,790,014)	95,814,250
- Surplus on assets revaluation	21,054,329	-	19,866,329	-

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2012 AND 2011

1. GENERAL INFORMATION

General Engineering Public Company Limited (the “Company”) is incorporated in Thailand and has its registered office at 44/2 Moo 2 Tivanont Road, Bangkadee, Patumtanee 12000, Thailand.

The Company was listed on the Stock Exchange of Thailand in 1991.

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

2. BASIS OF FINANCIAL STATEMENT PREPARATION AND CONSOLIDATION

2.1 Basis of financial statement preparation

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

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

During the year 2010, the Federation of Accounting Professions has announced the accounting standards, financial reporting standards and interpretation of accounting standards that will affect the Company’s operations but are not effective for the year 2012 as follows;

Accounting Standards		Effect to	
No.	Topic	Effective date	the financial statements
12	Income Taxes	1 Jan 2013	Being assessed
21	The Effects of Changes in Foreign Exchange Rates	1 Jan 2013	Being assessed
(Revised 2009)			

Moreover, during the year 2012, the Federation of Accounting Professions issued the financial reporting standard TFRS 8: Operating Segments, which is effective for fiscal years beginning on or after 1 January 2013. The Company's management believes that this financial reporting standard will not have any significant impact on the financial statements when it is initially applied

2.2 Basis of consolidation

The consolidated financial statements include the financial statements of General Engineering Public Company Limited and its subsidiaries which the Company can exercise control or holdings shares with voting right more than 50.00% as follow:

Name	Percentage of shareholding		Type of business
	2012	2011	
Chut Chieb Co., Ltd.	-	95.45	Real estate rental service
G.E.L. General Engineering Service Co., Ltd.	99.99	99.99	Rental and installation services

Significant inter - company transactions with subsidiaries included in the consolidated financial statements have been eliminated.

The consolidated financial statements have been prepared using the same accounting policies for similar transactions or accounts of similar nature in the preparation of financial statements.

The percentage of subsidiaries' total assets included in the consolidated financial statements as at 31 December 2012 and 2011, and total revenues for the years ended 31 December 2012 and 2011 are as follows:

Name of Entity	Percentage of subsidiaries’ total assets to consolidated total assets		Percentage of subsidiaries’ total revenues to consolidated total revenues	
	For the years ended 31 December			
	2012	2011	2012	2011
<u>Subsidiary companies</u>				
Chut Chieb Co., Ltd.	-	32.81	-	8.42
G.E.L. General Engineering Service Co., Ltd.	1.53	1.91	0.19	0.60

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenue recognition

Revenues excludes value added taxes and is arrived at after deduction of trade discounts.

Sale of goods and services rendered

Revenues from sale of goods is recognised in the statement of comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised when services are provided.

Service income from construction and installation contracts

When the outcome of a construction and installation contract can be estimated reliably, contract revenues and costs are recognised in the statement of comprehensive income by reference to the stage of completion of the contract activity at the balance sheet date. The stage of completion is assessed by reference to surveys of work performed. When it is probable that total contract costs will exceed total contract revenues, the expected loss is recognised immediately as an expense in the statement of comprehensive income.

Rental and related service income

Rental and related service income from lease right is recognised in the statement of comprehensive income on a straight-line basis over the lease period. Lease incentives granted are recognised as an integral part of the total rental income.

However, the Company and its subsidiaries will stop recognizing theirs rental and related services income from lease right when the customers have not paid the rent for more than consecutive 6 months.

Interest and dividend income

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

3.2 Expense recognition

Operating leases

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

Finance costs

Interest expense and similar costs are charged to the statement of comprehensive income for the year as incurred except, to the extent that they are capitalized as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial of time to be prepared for its intended use or sale. The interest component of finance lease payments is recognized in the statement of comprehensive income using the effective interest rate method.

3.3 Cash and cash equivalents

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

3.4 Trade accounts receivable

Trade accounts receivable are stated at the net realizable value. Allowance for doubtful accounts is provided for on the basis of collection experiences of collection from debtors at the end of year, taking into account overdue balance of each receivable.

3.5 Inventories

Inventories comprise raw materials, supplies and finished goods. Inventories are stated at the lower of cost or net realisable 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-progress, cost includes an appropriate share of overheads based on normal operating capacity.

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

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

3.6 Investments*Investments in subsidiaries and associated companies*

Investments in subsidiaries and associated companies in the separate financial statements of the Company are accounted for using the cost method less allowance for impairment (if any). Investments in associated companies in the consolidated financial statements are accounted for using the equity method.

Investments in other equity securities

Marketable equity securities held for trading are classified as current assets and are presented at fair value, with any resultant gain or loss recognized in the statement of comprehensive income.

Marketable equity securities other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale securities and are presented at fair value, with any resultant gain or loss being recognized directly in equity.

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

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognized in the statement of comprehensive income.

Other investments in lease rights and buildings for lease

Other investments in lease rights and buildings for lease are land lease rights and buildings thereon, which a subsidiary held for lease, presented at fair value less accumulated amortization and allowance for impairment. Construction in progress is presented at cost.

Depreciation and amortization are charged to the statement of comprehensive income by a straight-line basis over the remaining land lease right of 15 years, expiring on 30 June 2019.

3.7 Property, Plant and Equipment

Owned assets

Property, plant and equipment are presented at cost less accumulated depreciation and allowance for impairment, except land and buildings which are presented at their revalued amounts. The revalued amount is the fair value determined on the basis of the existing assets at the date of revaluation.

Leased assets

Leases which the Company and its subsidiaries substantially assume all the risks and rewards of ownership are classified as finance leases. Equipment acquired by way of finance leases is capitalized at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and allowance for impairment. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the statement of comprehensive income.

Revalued assets

Revaluations are performed by independent appraiser with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the financial reporting date.

Any increase in value, on revaluation, is credited to equity under the heading “revaluation surplus” unless it offsets a previous decrease in value recognized in the statement of comprehensive income in respect of the same asset. A decrease in value is recognized in the statement of comprehensive income to the extent it exceeds an increase previously recognized in equity in respect of the same asset. Upon disposal of a revalued asset, any remaining related revaluation surplus is transferred from equity to retained earnings and is not taken into account in calculating the gain or loss on disposal.

Depreciations

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

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

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

3.8 Assets not used in operations

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

3.9 Non - current assets held for sale

Non - current assets classified as assets held for sale when its carrying amount is to be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are presented at the lower of carrying amount and fair value less cost to sell.

3.10 Intangible assets

Amortization is charged to the statement of comprehensive income on a straight-line basis from the date that intangible assets are available for use over the estimated economic useful life of the asset of 3 years.

3.11 Impairment of Assets

The carrying amounts of the Company and its subsidiaries assets are reviewed at the date of statement of financial position to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in the statement of comprehensive income unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

3.12 Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortized cost with any difference between cost and redemption value being recognised in the statement of comprehensive income over the year of the borrowings by using effective interest basis.

3.13 Foreign currency transactions

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

3.14 Income tax

The Company recognizes tax obligations on a tax based on the condition described in the Revenue Code.

3.15 Related parties

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

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

3.16 Employee benefits

Short-term employment benefits

Salaries, wages, bonuses, contribution to the social security and provident fund, are recognised as expenses when incurred.

*Post-employment benefits**Defined contribution plan*

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

Defined benefit plan

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

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains or losses arising from post-employment benefits are recognised immediately in statement of comprehensive income.

3.17 Earnings per share

Earnings per share are calculated by dividing the net income (loss) for the year by the weighted average number of common shares outstanding during the year.

3.18 Use of accounting estimates

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

3.19 Provisions for liabilities and expenses, and contingent assets

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

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTION AND JUDGEMENT AND CAPITAL RISK MANAGEMENT

4.1 Critical accounting estimates, assumption and judgments

4.1.1 Impairment of receivables

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

4.1.2 Allowance for obsolete, slow-moving and defective inventories

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

4.1.3 Plant and equipment and intangible assets

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

4.1.4 Impairment of assets

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

4.1.5 Post – employee benefits

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

4.2 Capital risk management

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

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

5. CASH AND CASH EQUIVALENTS

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2012	2011	2012	2011
Cash on hand	291	294	288	288
Cash at banks	29,053	20,465	25,739	19,621
Bill of exchange	65,177	-	65,177	-
Total	94,521	20,759	91,204	19,909

The Company has bill of exchange of Baht 65.18 million due at call with a bank. This bears interest at the rate of 2.40 – 2.50 percent per annum.

6. TRANSACTIONS WITH RELATED PARTIES

The Company has 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.

Name of Entity	Type of business	Type of relationship
Chut Chieb Co., Ltd.	Real estate rental service	Subsidiary
G.E.L. General Engineering Service Co., Ltd.	Rental and installation services	Subsidiary
Prinda Public Company Limited	Distribution of sand rock for construction	Associated company
Thai Philatex Planner Co., Ltd.	Rehabilitation planner	Co-directors (ended 12 March 2012)
Chiangmai New Lux Co., Ltd.	Provider of rent and service of assets	Co-directors (ended 12 March 2012)
Aura Dream Co., Ltd.	Hotel Business	Investment

Significant transactions with related parties for the years ended 31 December 2012 and 2011 are as follows :

(Unit : Thousand Baht)

		Consolidated F/S		Separate F/S	
		For the years ended 31 December			
	Pricing policy	2012	2011	2012	2011
<u>Service charges and others</u>		Determined by the Company negotiated price			
Chut Chieb Co., Ltd.		-	-	18	360
G.E.L. General Engineering Service Co., Ltd.		-	-	375	300
Aura Dream Co., Ltd.		-	-	7,898	-
Total		-	-	8,291	660
<u>Rental expense</u>		Negotiated price			
G.E.L. General Engineering Service Co., Ltd.		-	-	371	391
<u>Interest income</u>					
Chut Chieb Co., Ltd.	12% p.a.	-	-	-	755
G.E.L. General Engineering Service Co., Ltd.	4% p.a.	-	-	26	384
Total		-	-	26	1,139
<u>Management’s compensations</u>					
Short-term employee benefits		7,974	10,599	7,974	10,599
Post-employment benefits		510	475	510	475
Total		8,484	11,074	8,484	11,074

Significant balances with related parties as at 31 December 2012 and 2011 are as follows :

	Consolidated F/S		(Unit : Thousand Baht) Separate F/S	
	2012	2011	2012	2011
<u>Trade account receivable - related company</u>				
Aura Dream Co., Ltd.	8,451	-	8,451	-
<u>Other receivables and accrued interest - subsidiaries</u>				
<u>Other receivable</u>				
Chut Chieb Co., Ltd.	-	-	-	350
G.E.L. General Engineering Service Co., Ltd.	-	-	11	3,269
Total	-	-	11	3,619
<u>Accrued interest</u>				
Chut Chieb Co., Ltd.	-	-	-	26
G.E.L. General Engineering Service Co., Ltd.	-	-	-	10
Total	-	-	-	36
<u>Total other receivables and accrued interest - subsidiaries</u>	-	-	11	3,655
<u>Short - term loan to subsidiaries</u>				
Chut Chieb Co., Ltd.	-	-	-	16,000
G.E.L. General Engineering Service Co., Ltd.	-	-	-	1,000
Total	-	-	-	17,000

Movements during the year 31 December 2012 of short - term loan to subsidiaries are as follows :-

	(Unit : Thousand Baht)			
	1 January	During the year		31 December
	2012	Increase	Decrease	2012
<u>Subsidiaries</u>				
Chut Chieb Co., Ltd.	16,000	-	(16,000)	-
G.E.L. General Engineering Service Co., Ltd.	1,000	-	(1,000)	-
Total	17,000	-	(17,000)	-

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2012	2011	2012	2011
<u>Other payable - subsidiary</u>				
G.E.L. General Engineering Service Co., Ltd.	-	-	31	5,031
Employee benefits obligation				
<u>Executive directors</u>				
- Post - employee benefits	594	1,887	594	1,887

7. TEMPORARY INVESTMENTS AND AVAILABLE - FOR - SALE INVESTMENTS

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2012	2011	2012	2011
Temporary investments				
Marketable securities (Held for trading)				
Warrants - AQUA – W2	269,513	269,513	269,513	269,513
Securities – Grande Asset Hotel and Property				
Public Company Limited	3	3	3	3
Total	269,516	269,516	269,516	269,516
Less : Unrealized loss on trading security	(55,515)	(167,865)	(55,515)	(167,865)
Net	214,001	101,651	214,001	101,651

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2012	2011	2012	2011
Available - for - sales investments				
Securities – Aqua Corporation Public				
Company Limited	228,324	228,324	228,324	228,324
Less : Unrealized loss on available - for - sales				
investment	(39,024)	(95,814)	(39,024)	(95,814)
Net	189,300	132,510	189,300	132,510

During the year, P Plus P Public Company Limited has changed its name to Aqua Corporation Public Company Limited.

Movements during the years ended 31 December 2012 and 2011 of temporary investments are as follows :

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2012	2011	2012	2011
Book value - beginning balance	101,651	21,750	101,651	21,750
Purchases during the year	-	550,215	-	550,215
Sales during the year	-	(302,449)	-	(302,449)
Unrealized gain (loss)	112,350	(167,865)	112,350	(167,865)
Book value - ending balance	214,001	101,651	214,001	101,651

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

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

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

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

8. TRADE ACCOUNTS RECEIVABLE - NET

The aged balances of accounts receivable as at 31 December 2012 and 2011 are as follows :

	Consolidated F/S		Separate F/S	
	2012	2011	2012	2011
Trade accounts receivable	155,533	150,209	154,906	146,884
Retentions receivable	18,669	24,747	18,669	24,747
Postdated cheques	48	-	48	-
Total	174,250	174,956	173,623	171,631
Less : Allowance for doubtful accounts	(17,640)	(44,251)	(17,640)	(44,251)
Net	156,610	130,705	155,983	127,380

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

	Consolidated F/S		Separate F/S	
	2012	2011	2012	2011
<u>Receivables from construction and installation services</u>				
Retentions receivable - Not yet due	258	161	258	161
Retentions receivable - Past due over				
12 months	15	6,850	15	6,850
Not yet due	4,037	9,542	4,018	9,542
Past due :				
Not over 3 months	726	1,856	118	1,856
3 months to 6 months	9	3,335	9	10
6 months to 12 months	197	156	197	156
12 months	3,079	19,380	3,079	19,380
	8,321	41,280	7,694	37,955

Receivables from sales of concrete products

Retentions receivable - Not yet due	17,456	16,770	17,456	16,770
Retentions receivable - Past due over	939	966	939	966

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2012	2011	2012	2011
12 months				
Not yet due	101,812	64,256	101,812	64,256
Past due :				
Not over 3 months	19,017	25,746	19,017	25,746
3 months to 6 months	6,566	6,105	6,566	6,105
6 months to 12 months	3,016	3,688	3,016	3,688
12 months	17,075	16,145	17,075	16,145
	165,881	133,676	165,881	133,676
Total	174,202	174,956	173,575	171,631
Postdated cheques	48	-	48	-
Total	174,250	174,956	173,623	171,631
Less : Allowance for doubtful accounts	(17,640)	(44,251)	(17,640)	(44,251)
Trade accounts receivable - net	156,610	130,705	155,983	127,380

The normal credit terms granted by the Company range from 30 days to 60 days.

As at 31 December 2012, the management believes that the allowance for doubtful accounts is adequate to cover possible losses which may arise from the non-collection of trade receivables.

9. UNBILLED CONSTRUCTION WORK IN PROGRESS

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2012	2011	2012	2011
Total contract value	176,578	176,635	176,578	176,635
Accumulated construction income	174,688	131,081	174,688	131,081
Billed	(131,027)	(90,790)	(131,027)	(90,790)
Net	43,661	40,291	43,661	40,291

10. INVENTORIES - NET

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2012	2011	2012	2011
Finished goods	102,447	68,230	102,447	68,230
Work in progress	10,771	5,049	10,771	5,027
Raw materials	27,500	36,363	27,500	36,363
Inventories in transit	1,282	-	1,282	-
Total	142,000	109,642	142,000	109,620
Less : Allowance for obsolete inventories	(4,495)	(18,365)	(4,495)	(18,365)
Net	137,505	91,277	137,505	91,255

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

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2012	2011	2012	2011
Beginning balance	18,365	5,843	18,365	5,843
Increase	413	13,871	413	13,871
Decrease	(14,283)	(1,349)	(14,283)	(1,349)
Ending balance	4,495	18,365	4,495	18,365

During the years 2012 and 2011, the Company reversed the allowance for obsolete inventories of Baht 14.12 million and 1.35 million, respectively, because they were sold during the years and certain items were issued for production by reversal of allowance in statement of comprehensive income for the years.

11. OTHER CURRENT ASSETS

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2012	2011	2012	2011
Advances to subcontractors	21,507	1,928	21,507	1,928
<u>Less</u> Allowance for doubtful accounts	(11,242)	-	(11,242)	-
Net	10,265	1,928	10,265	1,928
Prepaid expenses	4,058	4,205	4,058	4,205
Others	1,439	12,303	1,370	2,181
Total	15,762	18,436	15,693	8,314

12. ASSETS HELD FOR SALES AND LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS HELD FOR SALES - SUBSIDIARY

	(Unit : Thousand Baht)	
	2012	2011
Assets held for sales - subsidiary*		
Building and building improvements and leasehold right	-	333,282
Accounts receivable and claims – net	-	84,291
Less : Allowance for impairment	-	(60,941)
	-	356,632
Liabilities directly associated with assets held for sales		
Loans from financial institutions	-	150,562
Bank overdrafts	-	9,983
Accrued interest	-	1,052
	-	161,597

*Fair value of the assets based on report of independent appraiser dated 23 June 2011 is Baht 431.8 million.

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

- 1) Assignment of long term lease right with main buildings; 6 Floors Building No. 225/2, part of area beside Pattaya Sai 2 Road with the area approximately 15-0-90 Rais to Sputnik Co., Ltd., with the total compensation

of Baht 240 million. The payment shall be made by cash of Baht 70 million and repayment of loan to the financial institution instead of the subsidiary of approximately Baht 170 million. If there is any balance left from the said payment, the subsidiary will not claim from the assignee which has addition condition as follow:

- 1.1) The assignee has to make payment for the transfer of leasehold right of Baht 10 million. The payment shall be made by 2 cheques, the first cheque of Baht 5 million to be dated 30 April 2012 and the second cheque of Baht 5 million to be dated 31 December 2012.
 - 1.2) On 31 May 2012, the assignee will pay the remaining amount Baht 50 million and register the transfer of leasehold right and/or assigned new leasehold with the proprietor.
- 2) Assignments of all long term lease right with main buildings; 8 Floors Building No. 225, part of area attached to Pattaya Sai 1 Road, with the area of 8 Rais to Beer The Beach Co., Ltd., with the compensation of Baht 150 million. The assignee agrees to pay the compensation of lease right together with buildings thereon 31 May 2012 and will arrange for the registration of the assignment of lease right or to make the new leasing contract with the proprietor.

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

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

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

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

13. ADVANCE PAYMENT FOR PURCHASE INVESTMENT

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

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

Therefore, the Board of Executive Committee has approved the signing of additional memorandum attached the agreement for extend the period to purchase / sale of shares to within 28 February 2013.

14. INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES - NET

(Unit : Thousand Baht)

	Paid - up capital		Percentage of shareholding		At cost	
	2012	2011	2012	2011	2012	2011
Chut Chieb Co., Ltd.	-	220,000	-	95.45	-	210,000
G.E.L. General Engineering Service Co., Ltd.	14,000	14,000	99.99	99.99	13,999	13,999
Prinda Public Company Limited	23,000	23,000	17.39	17.39	87,126	87,126
					101,125	311,125
					(87,126)	(124,535
Less : Allowance for impairment)
Net					13,999	186,590

On 5 July 2012, board of directors approved to sell all ordinary shares of Chut Chieb Co., Ltd at Baht 195 million that the Company has received the payment of Baht 120 million.

15. OTHER LONG - TERM INVESTMENT

On 21 January 2011, the Board of Director's Meeting passed a resolution to invest in common shares of Aura Dream Co., Ltd. of Baht 45 million for 4,500,000 shares, Baht 10 per share, or 9% of holding. The Company had fully paid for share subscription in January 2011. Such company is incorporated to engage in the hotel business in Nakorn Prathom province.

Such company has to propose the Environmental Impact Assessment (EIA) to the Office of Natural Resources and Environmental Policy and Planning for approval prior to start of the project. At present, such company has obtained the approval for the project and in the process of construction which is expected to be completed in year 2015.

16. PROPERTY, PLANT AND EQUIPMENT - NET

(Unit : Thousand Baht)

	Consolidated F/S			
	Transfer in			
	2011	Increase	Decrease	(out) 2012
Cost :				
Land and land improvement	33,984	7,902	-	- 41,886
Building and building improvement	47,413	-	(7,333)	422 40,502
Machinery and equipment	219,845	1,270	(70,793)	482 150,804
Furniture, fixtures and office equipment	36,067	1,972	(15,418)	- 22,621
Vehicles	37,351	4,709	(10,218)	- 31,842
Construction in progress	-	955	-	(904) 51
Total	374,660	16,808	(103,762)	- 287,706

(Unit : Thousand Baht)

	Consolidated F/S			
	Transfer in			
	2011	Increase	Decrease	(out) 2012
Accumulated depreciation :				
Building and building improvement	31,888	2,003	(20,485)	- 13,406
Machinery and equipment	211,617	2,635	(70,501)	- 143,751
Furniture, fixtures and office equipment	32,555	1,372	(15,335)	- 18,592
Vehicles	24,394	4,450	(5,599)	- 23,245
Total	300,454	10,460	(111,920)	- 198,994
Net book value - Net	74,206			88,712
Depreciation allocation for the year:				
Cost of goods sold	4,461			4,148
Selling and administrative expenses	7,992			6,312
Total	12,453			10,460

(Unit : Thousand Baht)

	Separated F/S			
	2011	Increase	Decrease	Transfer in (out)
Cost :				
Land and land improvement	26,856	6,714	-	-
Building and building improvement	47,413	-	(7,333)	422
Machinery and equipment	219,438	1,270	(70,386)	482
Furniture, fixtures and office equipment	35,732	1,972	(15,083)	-
Vehicles	37,350	4,709	(10,218)	-
Construction in progress	-	955	-	(904)
Total	366,789	15,620	(103,020)	-
Accumulated depreciation :				
Building and building improvement	31,888	2,003	(20,485)	-
Machinery and equipment	211,209	2,635	(70,094)	-
Furniture, fixtures and office equipment	32,220	1,372	(15,000)	-
Vehicles	24,394	4,450	(5,599)	-
Total	299,711	10,460	(111,178)	-
Net book value - Net	67,078			80,396
Depreciation allocation for the year:				
Cost of goods sold	4,461			4,148
Selling and administrative expenses	7,992			6,312
Total	12,453			10,460

As at 31 December 2012 and 2011, certain plant and equipment of the Company and its subsidiaries have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 170.86 million and Baht 258.6 million (Separate F/S : Baht 170.86 million and Baht 255.5 million, respectively)

During the year 2012, the Company hired an independent appraiser to re-appraise its land and building. Based on appraisal report, the appraisals were made using the market comparison approach for land and cost approach for buildings are as follows :

(Unit : Thousand Baht)

	Book value	Adjustment	Fair value
Company			
Land	26,856	6,714	33,570
Building	9,903	13,152	23,055
	<u>36,759</u>	<u>19,866</u>	<u>56,625</u>
Subsidiary			
Land	7,128	1,188	8,316
Total	<u>43,887</u>	<u>21,054</u>	<u>64,941</u>

(Unit : Thousand Baht)

2012

	Consolidated F/S	Separate F/S
Surplus on assets revaluation – beginning of the year	35,225	30,533
Add Revaluation increment during the year	21,054	19,866
Less Amortized surplus on assets revaluation	<u>(760)</u>	<u>(760)</u>
Surplus on assets revaluation – ending of the year	<u>55,519</u>	<u>49,639</u>

17. OTHER NON - CURRENT ASSETS

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2012	2011	2012	2011
Assets not used in operations				
Land	52,079	51,698	51,179	50,798
Land improvement	2,984	2,984	2,984	2,984
Less : allowance for impairment	<u>(8,127)</u>	<u>(17,858)</u>	<u>(8,127)</u>	<u>(17,678)</u>
Net	<u>46,936</u>	<u>36,824</u>	<u>46,036</u>	<u>36,104</u>
Buildings and Buildings improvement	320	320	320	320
Less : accumulated depreciation	<u>(200)</u>	<u>(234)</u>	<u>(200)</u>	<u>(234)</u>
Net	<u>120</u>	<u>86</u>	<u>120</u>	<u>86</u>
Other equipment	<u>59</u>	<u>59</u>	<u>-</u>	<u>-</u>
Total assets not used in operations	<u>47,115</u>	<u>36,969</u>	<u>46,156</u>	<u>36,190</u>
Deposits and others	7,713	13,184	5,245	10,894
Income tax deducted at sources	4,495	8,657	3,056	6,227
Less : allowance for un-refundable deposit and others	<u>(4,184)</u>	<u>(4,184)</u>	<u>(4,184)</u>	<u>(4,184)</u>
Total	<u>55,139</u>	<u>54,626</u>	<u>50,273</u>	<u>49,127</u>

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

	(Unit : Thousand Baht)		
	Book value	Adjustment	Fair value
Company			
Land	36,485	9,551	46,036
Building	86	34	120
	<u>36,571</u>	<u>9,585</u>	<u>46,156</u>
Subsidiary			
Land	720	180	900
Total	<u>37,291</u>	<u>9,765</u>	<u>47,056</u>

18. LIABILITIES UNDER FINANCE LEASE

	(Unit : Thousand Baht)	
	Consolidated F/S and Separate F/S	
	2012	2011
Liabilities under finance lease		
Not over one year	2,304	2,582
Over one year but not over five years	2,597	4,901
Total	<u>4,901</u>	<u>7,483</u>
Less : Deferred interest	<u>(234)</u>	<u>(508)</u>
	4,667	6,975
Less : Current portion	<u>(2,139)</u>	<u>(2,322)</u>
Net	<u>2,528</u>	<u>4,653</u>

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

19. OTHER CURRENT LIABILITIES

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2012	2011	2012	2011
Accrued expenses	48,042	15,529	47,970	14,714
Advances received from customers	25,187	23,893	25,187	18,907
Accrued costs	11,540	41,951	11,540	41,951
Others	3,505	9,940	3,464	9,388
Total	<u>88,274</u>	<u>91,313</u>	<u>88,161</u>	<u>84,960</u>

20. EMPLOYEE BENEFITS OBLIGATION

During the years ended 31 December 2012 and 2011, the movements in employee benefits obligation as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2012	2011	2012	2011
Balance as at 1 January	14,811	13,660	14,811	13,660
Current service costs	2,263	1,949	2,263	1,949
Interest on obligation	299	524	299	524
Decrease in obligation from payment	(2,321)	(1,322)	(2,321)	(1,322)
Balance as at 31 December	15,052	14,811	15,052	14,811

Principal actuarial assumptions at the reporting date are as follows :

	Percentage	
	Monthly employee	Daily employee
Discount rate	4	4
Salary increase rate	6	4
Employee turnover rate	0 - 25 (depend on working year)	0 - 50 (depend on working year)
Mortality rate	TMO 97 (Thai Mortality Ordinary Table)	TMO 97 (Thai Mortality Ordinary Table)

21. SHARE CAPITAL

On 28 March 2011, the Extraordinary Shareholders' Meeting has resolved to :

- 1) To decrease its authorized share capital by Baht 747,598,263 from Baht 4,895,364,463 (divided into 4,895,364,463 shares at Baht 1 par value) to Baht 4,147,766,200 (divided into 4,147,766,200 shares at Baht 1 par value)
- 2) To change the par value of share from Baht 1 to Baht 10 by reducing the number of shares from 4,147,766,200 shares to 414,776,620 shares

3) To increase the authorized share capital from Baht 4,147,766,200 to Baht 32,861,093,310 by issuing 2,871,332,711 ordinary shares of Baht 10 par value by

3.1) Issuing and offering new 1,878,238,610 common shares at Baht 10 par value for the existing shareholders proportionately at 1 existing for 5 new shares at the offering price of Baht 0.35 for Baht 10 par value.

3.2) Issuing and offering the warrants to purchase the common shares of the Company of not exceeding 939,119,305 shares to the existing shareholders with the ratio of 2 new shares for 1 warrant without any charge whereby warrant 1 unit can be used to exercise the right to purchase 1 share of the Company at Baht 1.

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

22. PREMIUM ON SHARE CAPITAL AND LEGAL RESERVE

Premium on share capital

Under 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 ("premium on share capital"). Premium on share capital is not available for dividend distribution.

Fair value changes and revaluation surpluses

Changes in fair value and revaluation surpluses recognised in shareholders' equity relate to cumulative net change in the fair value of available-for-sale investments and surplus arising from the revaluation of land and building.

Legal reserve

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

23. WARRANTS

On 16 May 2011, the Company issued and offered free warrants (GEN-W3) totaling 939,119,305 units to the existing shareholders whose name appears on the share register on 16 February 2011. The warrants are allowed to be traded in the Stock Exchange of Thailand totaling 577,868,385 units and the outstanding 361,250,920 units had been cancelled. The warrants are specific to holders and are transferable with the term of 3 years commencing from 16 May 2011. The warrants can be exercised on the last business day of December of each year until the date of

maturity. The first exercise date is on 30 December 2011 and the last exercise is on 14 May 2014. One warrant will be entitled to purchase one new common share at the exercise price of Baht 1 per share.

There is no potential dilution in earning per share arose from the warrants because the average share price during this year was lower than the exercise price. The Company therefore, has not computed the diluted earnings per share from the warrants.

24. EXPENSES BY NATURE

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	For the years ended 31 December			
	2012	2011	2012	2011
Changes in finished goods and work in progress	(41,243)	5,818	(41,243)	5,685
Raw materials and supplies used	491,317	484,389	490,209	484,389
Loss on revaluation of temporary investments	-	168,904	-	168,904
Employee benefit expenses	99,800	92,527	99,800	92,527
Service fees	42,933	84,373	42,685	80,349
Installation costs	74,291	63,894	73,766	63,466
Labour costs	60,871	42,182	60,871	42,182
Depreciation and amortization	10,460	39,594	10,460	12,453
Transportation expenses	43,170	36,383	43,170	36,383
Doubtful accounts	-	21,380	-	5,098
Management benefit expenses	8,484	11,074	8,484	11,074
Selling expenses	9,211	7,790	9,211	7,790
Other expenses	101,453	134,126	101,543	91,646

25. OTHER INCOME

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

26. FINANCIAL INSTRUMENTS**26.1 Financial risk management policies**

The Company and its subsidiaries is exposed 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 its subsidiaries does not hold or issue derivative financial instruments for speculative or trading purposes.

26.2 Liquidity risk

The Company and its subsidiaries monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company and its subsidiaries operations and to mitigate the effects of fluctuations in cash flows.

26.3 Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Company and its subsidiaries as and when they fall due. The Company and its subsidiaries has policy for this risk by controlled 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.

26.4 Foreign currency risk

The Company and its subsidiaries has 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.

26.5 Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the Company and its subsidiaries cash flows because loan interest rates are mainly floating. The Company and its subsidiaries is 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 2012 and 2011, 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)

	2012									
	Consolidated F/S					Separate F/S				
				Average Interest Rate					Average Interest Rate	
	Principal			(%)		Principal			(%)	
	Floatin g Interest Rate	Fixed Interest Rate	Total	Floating	Fixed	Floatin g Interest Rate	Fixed Interest Rate	Total	Floating	Fixed
Assets										
Cash at banks										
- saving deposits	19,958	-	19,958	0.75	-	16,699	-	16,699	0.75	-
- bill of exchange	65,177	-	65,177	2.40, 2.50	-	65,177	-	65,177	2.40, 2.50	-
Restricted term deposits at bank	50,599	-	50,599	1.75, 1.80	-	49,599	-	49,599	1.75, 1.80	-
Liabilities										
Overdrafts and short-term loans from										
financial institutions	-	-	-	-	-	-	-	-	-	-
Short-term loans from minority interests	-	-	-	-	-	-	-	-	-	-
Short-term loans from related parties and										
other	-	-	-	-	-	-	-	-	-	-
Long-term loans from financial institutions	-	-	-	-	-	-	-	-	-	-

(Unit : Thousand Baht)

	2011									
	Consolidated F/S					Separate F/S				
				Average Interest Rate					Average Interest Rate	
	Principal			g		Principal			g	
	Rate	Rate	Total	Floating	Fixed	Rate	Rate	Total	Floating	Fixed
Assets										
Cash at banks										
- saving deposits	20,541	-	20,541	0.75	-	19,999	-	19,999	0.75	-
Restricted term deposits at bank	56,581	-	56,581	1.87	-	55,181	-	55,181	1.87	-
Long-term loan receivable from related parties	-	-	-	-	-	-	17,000	17,000	-	4,00,12.00
Liabilities										
Overdrafts and short-term loans from financial institutions	-	-	-	-	-	-	-	-	-	-
					4,00,5.00					4,00,5.00
Short-term loans from minority interests	-	298	298	-	00	-	298	298	-	0
Short-term loans from related parties and other	-	-	-	-	-	-	-	-	-	-
Long-term loans from financial institutions	-	-	-	-	-	-	-	-	-	-

26.6 Fair values of financial instruments

The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. In determining the fair value of its financial assets and liabilities, the Company and its subsidiaries take into account their current circumstances and the costs that would be incurred to exchange or settle the underlying financial instrument. As at 31 December 2012 and 2011, fair value approximates the carrying amount.

27. SEGMENT INFORMATION

Segment information is presented in respect of the Company and its subsidiaries' business segments for the years ended 31 December 2012 and 2011 are as follows :

(Unit : Thousand Baht)

	For the years ended 31 December									
	Manufacturing and		Construction and		Rental of real-estate		Elimination		Consolidated F/S	
	sales		installation services		and related services					
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Revenues from sales, rental and services	837,648	694,534	45,138	152,331	371	78,879	(371)	(391)	882,786	925,353
Other income									177,756	18,715
Total revenues									1,060,542	944,068
Costs of sales, rent and services	688,005	606,427	49,425	156,716	-	30,686	(150)	3,292	737,280	797,121
Selling and administrative expenses									163,467	395,313
Total expenses									900,747	1,192,434
Income (loss) before financial costs and income tax									159,795	(248,366)
Financial costs									474	20,355
Income (loss) before income tax									159,321	(268,721)
Income tax									-	4,669
Income (loss) for the year									159,321	(273,390)

Unrealized gain (loss) on available-for-sell securities									56,790	(95,814)
Total comprehensive income (loss) for the year									<u>216,111</u>	<u>(369,204)</u>
	148,28	112,67	8,332	18,027	-	-	(11)	-	156,610	130,706
Trade accounts receivable - net	9	9								
Trade accounts receivable - related company	8,451	-	-	-	-	-	-	-	8,451	-
	137,50	91,255	-	22	-	-	-	-	137,505	91,277
Inventories	5									
Property, plant and equipment - net	80,396	67,078	8,316	7,128	-	-	-	-	88,712	74,206
Unallocated assets									<u>802,984</u>	<u>826,486</u>
									1,194,262	1,122,67
Total assets									<u></u>	<u>5</u>

28. COMMITMENTS AND CONTINGEN LIABILITIES

As at 31 December 2012, the Company has

- 28.1 The Company and its subsidiaries had commitments under contracts with customers for sale and service contracts for which goods or services have not been delivered or rendered to customers totaling Baht 442.50 million.
- 28.2 The Company and a subsidiary are liable for letters of guarantee issued by a bank to customers for the Company and its subsidiaries' performance bonds and for the use of electricity totaling Baht 53.19 million. The land used and not used in operations together with the construction thereon of the Company, with a net book value of Baht 94.98 million as at 31 December 2012, and the Company's fixed deposits of Baht 49.60 million and subsidiary's fixed deposit of Baht 1 million are pledged as collaterals for such letters of guarantee.
- 28.3 The Company has handovered work to a customer but may be penalised for the delay delivery of the work for Baht 30 million which the Company has recorded such penalty. However, the Company can charge back to subcontractor. The Company's management therefore, believes that it does not expect to incur the significant loss.
- 28.4 The Company has outstanding lease commitments regarding plant rental which are non-cancelable agreements are as follows :

(Unit : Thousand Baht)

Consolidated and
Separate F/S

2012

Due within 1 year	7,800
Due after 1 year but within 3 years	9,000
Total	16,800

- 28.5 Other commitments

(Unit : Thousand Baht)

Consolidated F/S

Separate F/S

	2012	2011	2012	2011
Bank guarantees not used	6,730	3,715	5,848	2,750
Total	6,730	3,715	5,848	2,750

29. RECLASSIFICATION

Certain accounts in the financial statements for the year ended 31 December 2011, presented for comparative purpose, were modified and reclassified to conform with financial statements for the year ended 31 December 2012.

30. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized by Board of Directors on 18 February 2013.

50th Anniversary

แห่งความมุ่งมั่นและพัฒนา พลิกผันทองการก่อสร้างไทย

Property & Construction / Construction Materials



บริษัท เจนเนอรัล เอนจิเนียริง จำกัด (มหาชน)

44/2 หมู่ 2 ถ.ติวานนท์ ต.บางกะดี อ.เมือง จ.ปทุมธานี 12000

โทร : 0-2501-1055, 0-2501-2020 แฟกซ์ : 0-2501-2134, 0-2501-2468

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