

# GENERAL ENGINEERING PLC

บริษัท เจนเนอรัล เอนจิเนียริ่ง จำกัด (มหาชน)



**56-1 ONE REPORT/**

รายงานประจำปี 2563

## MESSAGE FROM THE CHAIRMAN

In 2020, the Company is confronted with the global crisis of the COVID-19 outbreak which had a much more severe impact than expected. As a result, the operations of the entire group of companies need to be managed carefully under such limitations. The Board of Directors expects the economic impact of the COVID-19 will continue until a vaccination for the general public to immunize and prevent the spread of the COVID-19. The Board of Directors believes that the business environment will continue to be challenging throughout 2021 and possibly in the next year.

From the impact of the global economic downturn in 2019 and from the COVID-19 outbreak. The Board of Directors and executives have adjusted their business strategies to be in line with the changing economic conditions. The Company has developed new products and services in line with the significant slowdown in the real estate and construction sectors. The Company has expanded its products to support public infrastructure, which continues to invest from the government to stimulate the country's economy. In addition, the Company has improved its human resource structure to be in line with the increasingly competitive to prepare for adaptation. This will make it able to accommodate various situations and uncertainties and contributing to the Company's business to grow continuously and sustainably.

In addition to business operations and product development and management in accordance with the needs of the market. The Company is also committed to prudent, careful and efficient management as well as being able to adjust rapidly to accommodate various uncertain factors with great emphasis on environmental management and social responsibility, to foster sustainable prosperity for the company fundamentals of Good Corporate Governance Transparent and can be examined.

On behalf of the Board of Directors, we would like to thank you to all of our employees for their dedication and participation in bringing our company through the obstacles forward and meeting their expectations. We would like to thank you to the shareholders for their continued support. In addition, the Company would like to thank you very much for the trust of our partners, customers, communities and all stakeholders including financial institutions that support business operations throughout the year 2020.



Dr. Borwornsak Uwanno, Professor Emeritus  
Chairman of the Board of Director

## MESSAGE FROM CEO

In 2020 was a very challenging year for all businesses around the world as the COVID-19 outbreak which affected the global economy including in Thailand. The overall performance of the Group in 2020 experienced a decreased by 22% of revenue, forcing the Group to quickly and carefully adjust its management of the business crisis and bring the crisis to stimulate the group's adjustment

In 2020, the economic conditions at the beginning of the year continued to slow down from the previous year. In addition, the impact of the COVID-19 outbreak in the middle of the year resulted in more slowdowns in the construction and residential building sectors. But there is still investment from the government project which is the main factor driving the domestic economy. Therefore, in response to the economic conditions that occur, the Company has expanded its product line and services. In accordance with the need for rapid change. At the same time, the Company has brought new initiatives machine performance enhancement and improving the personnel structure within the organization. So that the Company are ready to better serve the needs of customers.

In the coming year 2021, the Group has great confidence in the upcoming growth and competition from what the Group has been doing since 2020, whether it is new products that serve the needs of existing customers and diversify future customers, structural and cost improvements that the Group has undertaken in order to be competitive. When the market trend has begun to improve, the Group intends to continue to strive for long-term business growth sustainable and stable.

In addition, the Company has always been steadfast in its transparent management, paying attention to anti-corruption and corruption and adhere to the principles of good governance in management in order to drive the Company to be an organization that operates with sincerity, honesty, honesty. This will benefit the organization, employees, shareholders and other stakeholders in the long run. Finally, the Company is extremely proud to inform all shareholders and stakeholders that, the Company was faced many obstacles regardless of the high competition in the building materials industry, economic situation but with the determination and dedication of all executives and employees' cooperation in solving problems of all parties including strategy adjustments, the rapid operations of the management under various circumstances. This will enable the Company to achieve its goal.



Mr. Thitipong Tangpoonphonvivat

CEO

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## 1. STRUCTURE AND BUSINESS OPERATIONS

### 1.1 POLICY AND OVERALL BUSINESS OPERATIONS

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

As at December 31, 2020, the Company has registered capital of Baht 4,588,195,610.65 and paid up capital of Baht 4,588,195,610.65 divided into 5,397,877,189 shares at a par value of Baht 0.85 per share

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

#### 1.1.1. Vision, Mission, Objective and Strategy

The Company initiated the pre-stressed concrete piles production by the leadership of technology and innovation with standard into the construction industry of Thailand. We have developed several construction materials with modern advanced technology and innovation. Our products consist of various construction materials such as pre-stressed concrete piles, glass fiber reinforced, precast concrete, post-tension slab and special cement products. We have been awarded ISO 9001:2015 certification and Thai Industrial Standards (TIS).

##### **Vision**

Bring inspiration, innovation and construction experience to our customers.

##### **Mission**

##### **People**

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

##### **Performance**

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

##### **Partnership**

- We provide products, services, consultancy, management with relevant innovation to attract, engage and delight our customer.

- We are a trusted provider of construction systems and technologies.

### **Organization Culture**

#### **Adapt & Learn**

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

#### **Commitment**

- Be responsible to build confidence in delivering products and services

#### **Think positive**

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

#### **Innovation**

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

#### **Value of Teamwork**

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

#### **Expertise**

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

### **1.1.2. The key events in year 2019 and development**

26 August The Board of Directors' Meeting No. 7/2019 of General Engineering Public Company Limited held on Thursday 14 November 2019 has the resolution and approve to invest in the Construction of precast concrete factory for infrastructure project and request the Company to complete the precedence conditions assigned by the Board of Directors before the investment. The Company has now completed in accordance with the precedence conditions assigned by the Board of Directors therefore started to invest in the construction of precast concrete factory for infrastructure project which located on Moo 4, Tambon Chiangraknoi, Ampoe Samkok, Pathumthani with total budget not exceeding Baht 240 Million due to support and meet the needs of customers for infrastructure project of the government such as beams and bridge, and to develop the Company's business potential for precast concrete.

12 November The Board of Directors' Meeting No. 4/2020 of General Engineering Public Company Limited held on Friday 3 July 2020 has the resolution and approve the acquisition of additional land for the construction of the central warehouse, maintenance building and worker accommodation located at Tambon Chiangraknoi, Ampoe Somkok, Pathumthani and request the Company to complete the precedence conditions assigned by the Board of Directors. The Company has now completed to acquisition of additional land which located at Tanbon Chiangraknoi,

Ampoe Samkok, Pathumthani which total area of 13-2-72.2 rai. The total budget including the transfer expenses the bond by the Company of approximately Bath 61.92 million.

16 November The Board of Directors' Meeting No. 6/2020 of General Engineering Public Company Limited held on Monday 16 November 2020 has the resolution and approve;

1. To invest in bored piles project with total budget Baht 129.06 million (which includes values of investment in bored piles equal to Baht 13.52 million regarding to the Board of Directors' Meeting No. 8/2019 which held on 24 December 2019) due to the Company plans to expand the business line to meet the needs of customers and provide more options for customers.
2. Land lease agreement at Bangkadee, Pathumthani province in period of 3 years with total budget Baht 54.00 million (3 years' land lease agreement) due to the expiry date of land lease agreement which will be expired on 31 December 2020.

#### **1.1.3. The used of raising funds in accordance with the objectives stated in the registration statement**

The company has no funding in 2020. The funding source for the 2020 investments comes from the Company's cash flow and/ or local financial institutions.

#### **1.1.4. Commitments that the Company made in the registration statement**

The Company has no funding in 2020.

#### **1.1.5. General Information**

Company name	: General Engineering Public Company Limited
Company symbol	: GEL (On 14 March 2014 the Company changed symbol from "GEN" to "GEL")
Headquarter	: 44/2, Moo 2, Tivanon Road, Bangkadee, Muang, Pathumthani 12000
Branch office	: Branch (1): 99, 99/1-5 Moo 4, Chiangraknoi, Sam Khok, Pathumthani 12160 Branch (2): 99/19 Moo 1, Banlang, Muang Rayong, Rayong 21000
Nature of Business	: Manufacturing and distribution of construction materials: Pre-stressed concrete pile products, Precast concrete products, glass fiber reinforced concrete product, special cement product and post-tensioned
Register Number	: 0107536001338
Contact numbers	: Tel 02-501-2020, 02-501-1055 Fax 02-501-2468, 02-501-2134
Website	: <a href="http://www.gel.co.th">www.gel.co.th</a>

Registered Share Capital	:	4,588,195,610.65 Baht
Paid up Share Capital	:	4,588,195,610.65 Baht
Paid up ordinary shares	:	5,397,877,189 shares
Par value	:	0.85 Baht
Accounting period	:	1 January - 31 December

## 1.2 NATURE OF BUSINESS

### 1.2.1 Revenue Structure

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

Type of revenue	2020		2019		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Revenue from sales and services</b>						
Pre-stressed concrete piles	630.74	38.65	806.91	38.57	970.84	47.83
Construction and service agreement	76.03	4.66	-	-	-	-
Concrete product	659.96	40.45	1,012.61	48.41	886.54	43.68
Special cement	47.81	2.93	88.87	4.25	74.43	3.67
Other products	3.30	0.20	6.58	0.30	9.63	0.47
Steel product	177.72	10.89	119.47	5.71	6.57	0.32
<b>Total revenue from sales and services</b>	<b>1,595.56</b>	<b>97.78</b>	<b>2,034.44</b>	<b>97.25</b>	<b>1,948.01</b>	<b>96.38</b>
Others revenue	36.17	2.22	57.63	2.75	73.17	3.62
<b>Total revenues</b>	<b>1,631.73</b>	<b>100.00</b>	<b>2,092.07</b>	<b>100.00</b>	<b>2,021.18</b>	<b>100.00</b>

### 1.2.2 Our Products and Services

#### 1) Core business

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

Product Group	Product Name	Properties	Usage
Pre-stressed concrete pile products	<ul style="list-style-type: none"> <li>* Square pile</li> <li>* I-shape pile</li> <li>* Hollow square pile</li> <li>* Pre-stressed concrete spun Piles</li> </ul>	Being efficient piles saving time and costs of construction	Government units, state enterprises, department stores, factory, universities, airports, housing Developments and bridge works etc.
Concrete products	<ul style="list-style-type: none"> <li>* Precast concrete for structural parts and architectural component parts</li> </ul>	Quality and standard can be regularly controlled on the whole piece for quick owner	Residence both housing and condominium, factory and warehouse, department store, high-rise building, stadium etc.



Product Group	Product Name	Properties	Usage
Post-tensioned slab	* Post-Tension slab	Used for space that requires an exceptionally wide distance of columns and requires no slab supporting beam so that the building has few columns and more space for use and that the construction can be made quickly.	Car park building, high rise building
	* Semi-finished slab	Designed for use on a slab with a column distance wider than normal standard, it can replace model timber and support weights as needed by the designer. It can be installed quickly.	Factory work, bridge work, big building
Glass fiber reinforced concrete product (GRC)	* Glass fiber reinforced concrete product (GRC)	Fiberglass reinforced concrete without steel reinforcement can make products in various shapes with resolution inform. They are attractive light-weighted and easy for installation. It is difficult for ordinary concrete to do so.	For a customer who wants to use a product of a unique and specific Description.
	* Noise Barrier	Being a product used for the prevention of noise pollution resulting from traffic or machinery	Special expressways, highways, underground tunnels, power plants and factories
Special cement products	* Non-Shrink Grout Cement	Being non-shrink cement and supporting a high pressure	Housing, high rise building, factory, power plant and petro chemical plant
	* Skim coat	There is a thin plaster adhesion. Used for wall decorations, concrete work surface to smooth out beautifully. There are no cracks. Savings color of the painting	Concrete wall
	* Tile Adhesive	For general floor and wall tiles	For general floor and wall tiles
	* Construction Chemicals	There are varieties of products which are suitable for different projects such as waterproofing, surface treatment and repairing etc.	Used for all types of construction
Other products	* Bored pile	Prevent unstable soil wall erosion around borehole Reduce the noise caused by installation	Projects that need to support large-scale structures
	* Segment & Girder	High construction technology and the work piece is large. The design meets the design requirements of the regulatory agencies.	Infrastructure such as the bridge structure, U-turn, expressway, elevation

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

### Research and development

In the year 2020, the Company and its subsidiaries received technology and innovation research and development support from the National Science and Technology Development Agency which is a government agency to carry out the project development process (Process Tracking), resulting in the ability to start work during the quick win action plan more efficiently. To help timely tracking of the information of freight and installation and also makes the delivery of work to customers quickly and accurately and can be used for the development of internal systems in order to increase the efficiency of work for the better and increase the competitiveness of the group of companies. The expenses that the Company receives from the National Science and Technology Development agency are 50% of the expenses according to the criteria but not exceeding the amount of 400,000 baht per project.

### 2) Marketing and competition condition

In 2021, the private sector, the main market, remained in the real estate sector, which continued to slow down from the previous year. The secondary market will be large-scale building projects that slowed in the previous year and construction work resumed this year. For government construction projects especially in the area of infrastructure construction that has already begun construction. This year is likely to expand. The Company has continuously focused on selling products to customers who received construction work from government jobs since the past year.

#### (a) Main customers of the Company

- |                                 |   |
|---------------------------------|---|
| 1. Medium and large contractors | A group of potential contractor companies that tend to bid from government sectors such as buildings and infrastructure   |
| 2. Developer                    | Require to purchase material for construction by themselves, since the confidence in the quality of products and services without the construction contractors.   |
| 3. Architectures and engineers  | The designers and drawing calculators with their knowledge and understanding for application to those products very well, with their capability to suggest to the project owners to use those products. |

#### (b) Marketing strategies

##### 1) Product and Service Strategy

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

## 2) Distribution Channel and Strategy

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

## 3) Marketing Promotion Strategy

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

### (c) Industry conditions and competition

The Company is a leader in innovative construction products with over 58 years of experience, focusing on the development of new products continuously. In the year 2020, the number of major competitors is shown in the table below

**The number of major competitors**

Products	The number of major competitors (list)			
	2020	2019	2018	2017
Manufacture and distribution of pre-stressed concrete pile	13	13	13	13
Manufacture and installation of precast concrete	7	6	5	5
Manufacture and distribution of glass fiber reinforced concrete	4	4	4	4
Manufacture and distribution of post-tensioned	6	6	6	6
Manufacture and distribution of special cement	14	12	12	12

## 3) Providing Products or Services

Currently, the Company has three locations as follows.

- (1) The Company headquarter 44/2 Moo 2 Tivanont Road, Bangkadi, Muang Pathumthani, Pathumthani
- (2) Branch (1) 99, 99/1-5 Moo 4, Chiangraknoi, Sam Khok, Pathumthani
- (3) Branch (2) 99/9 Moo 1, Banlang, Muang Rayong, Rayong

**(a) Capacity and utilization**

Product	2020				2019				2018			
	Full capacity	Actual production	Utilization (%)	Production volume increase (decrease) (%)	Full capacity	Actual production	Utilization (%)	Production volume increase (decrease) (%)	Full capacity	Actual production	Utilization (%)	Production volume increase (decrease) (%)
Pre-stress concrete pile (cu.m.)	227,550	59,393	26.10	(39.45)	227,550	98,097	43.11	(32.67)	227,550	145,694	64.03	18.70
Precast concrete (m <sup>3</sup> ) <sup>(1)</sup>	816,000	229,517	28.10	(60.42)	924,000	579,833	62.75	33.76	924,000	433,456	46.91	3.15
Post-Tensioned (m <sup>3</sup> )	800,000	440,443	55.06	50.82	800,000	292,040	36.51	(48.88)	600,000	434,783	72.46	(20.21)
Glass fiber reinforcement concrete (kg)	2,500,000	416,894	16.68	(70.07)	2,500,000	1,392,870	55.71	12.67	2,500,000	1,236,228	49.45	(14.90)
Special Cement (kg)	33,000,000	12,335,310	37.38	(59.49)	33,000,000	30,449,775	92.27	35.76	27,000,000	22,428,275	83.07	>100

note

(1) We stop doing production in Bangkadee factory since May 2020.

**(b) Supply of raw materials for production to sell**

In the year 2020, the Company has selected many new distributors to increase the price competition of the company's raw materials and equipment, as well as testing more various appliances and the Company is also looking for distributors from abroad as an alternative to the Company's purchase. The Company still considering both quality and price. The Company also has a partnership with distributors in cooperation in product development, inspection and evaluation both product distributors and users of the Company. By examining the satisfaction with the users and having a meeting together to discuss the ways of working and listening to the problems to improve and improve

**The main raw material suppliers**

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

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

**4) Assets used in business operation****(a) Main permanent property**

Details and net book value of the assets of the consolidated financial statements as of December 31, 2020 are as follows:

Assets	Ownership	Book Value (Million Baht)	Note
<b>Land and land improvement</b>			
1. Land which factory location Total area 5-2-38 rais located 44/2 Moo 2 Tivanont Road, Bangkadee, Muang, Pathunthani	General Engineering PLC.	1.87	Head office location
2. Land and land development at Chaing Rak Noi factory Total area 131-1-5.4 rais located Chaing Rak Noi, Samkok, Pathumthani	General Engineering PLC.	491.66	Some of the land has been mortgaged as collateral for credit facilities from financial institutions.
3. Land and land development at Chaing Rak Noi factory Total area 20 rais located Chaing Rak Noi, Samkok, Pathumthani	General Nippon Concrete Industries Limited	100.15	The subsidiary purchased from General Engineering Public Company Limited at a price of Bath 130.00 million for the construction of a factory of spun pile with profit Baht 29.85 million
4. Land with factory location Total area 2-3-88 rais located near 44/2 Moo 2 Tivanont Road, Bangkadee, Muang, Pathumthani	General Engineering PLC.	5.30	Head office location

Assets	Ownership	Book Value (Million Baht)	Note
5. Land which factory location Total area 74-2-18 rais located 44/2 Moo 2 Tivanont Road, Bangkadee, Muang, Pathunthani	Mr. Chairat Labsongsuk	-	Land lease agreement with Mr. Chairat Labsongsuk
6. Land for building factory Total area 40 rais located Banleang, Muang, Rayong	General Engineering PLC.	292.72	A subsidiary company to lease of land for a high-tensile wire factory which have been operated in 2018, and mortgaged to be used as collateral for credit facilities with a subsidiary's financial institution.
7. Land development	Seven Wire Company Limited	6.72	High-tensile wire factory
<b>Total land and land development</b>		<b>898.42</b>	
<b>Investment property</b>			
1. Land to build factory Total area 80 rais located Bangleang, Muang, Rayong	General Engineering PLC.	585.44	Mortgaged to be used as collateral for credit facilities with financial institution
2. Land to build factory Total area 55 rais located Bangleang, Muang, Rayong	General Engineering PLC.	402.49	Mortgaged to be used as collateral for credit facilities with financial institution
3. Land not use Total area 6-1-60 rais located Bangpahun, Bangpahun, Ayutthaya	General Engineering PLC.	0.51	
4. Land not use Total area 0-2-62 rais located Bangrakpattana- bangpreak, Bangbuathong, Nonthaburi	General Engineering PLC.	2.29	
5. Land not use Total area 2-0-12 rais located Lumtoiting, Nongjok, Bangkok	General Engineering PLC.	4.87	
6. Land not use Total area 0-1-80 rais located Nongphung, Saraphee, Chiangmai	General Engineering PLC.	0.90	
7. Land not use Condominium (Srisophit)	General Engineering PLC.	0.12	
<b>Total investment properties</b>		<b>996.62</b>	
<b>Building</b>			
1. Building	General Engineering PLC.	457.57	An office building built on the Company's land Baht 5.18 million and factory built on land leased Baht 3.58 million, Chiang Rak Noi factory Building Baht 356.98 million

Assets	Ownership	Book Value (Million Baht)	Note
2. Building	Seven Wire Company Limited	146.22	(mortgaged as collateral for credit facilities from financial institutions).
3. Building	General Nippon Concrete Industries Limited	130.48	High tensile wire factory Rayong Spun pile factory Chiang Rak Noi
<b>Total building</b>		<b>734.27</b>	
Machinery and tools	The Company and its subsidiaries	629.83	Most machines at Chiang Rak Noi factory has been mortgaged as collateral for the credit line loans from financial institutions
Office stationaries	The Company and its subsidiaries	15.74	
<b>Other assets</b>			
1. Assets under construction	The Company and its subsidiaries	90.30	
2. Deposit	The Company and its subsidiaries	5.39	
3. Vehicle	The Company and its subsidiaries	6.07	
<b>Total other assets</b>		<b>101.76</b>	

### (b) Investment Policy in Subsidiaries and Associates

Board of Directors is supervision of the operations of subsidiaries and associates to comply with our Code of Conduct (Conduct Guidelines), including regulations, goals, business strategies and the performance of subsidiaries and associated companies is continually monitored. The Company has a policy and management supervision of operations of subsidiaries and associated companies (resent and / or if there will be in the future) as follows

#### The Policy

- The Company has the respect of the rights and the stakeholders has had equitable and responsibility for the decisions and actions that can explain and clarify. accountability encompasses its
- The company to have the disclosure of information with transparency can check reorganizing
- The company to have to rely on ethical conduct and the Code of Conduct is the foundation of business code of conduct and the code of ethics)
- The Company the growth to the company and the company with and add value to the long-term shareholder (creation of long-term value, research with due regard to the rights of all stakeholders, including coordinating a superior equilibrium between the different stakeholders each group and with the company with a fair to all parties.

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

### Management

- Consider sending a qualified person to a representative of the Company to directors and/or management in the company and the company at least according to the shareholders proportion to supervise and control the business.
- The delivery report such representation with the features of the agent for the Board of Directors to Acknowledge
- Compliance. The Company has treated according to a power of approval and the action as well as the disclosure of information and any action that is based on the rule that with the Securities and Exchange Commission and the regulations announced the command or the requirements of the Stock Exchange of Thailand as well as the provisions on the disclosure of information of the connected transaction and/or assets.
- The summary report the performance of the company and the company to the Board of Directors every quarter and in the case where there is a significant of the company, such as the capital increase/decrease the capital of the company to offer it to the Board of Directors of the company to approve any action

Depending on the action is above the company to recognize the importance of the principles of good corporate governance as a primary factor in building an organization to have a system that is efficient and is committed to conducting business in accordance with the orientation of the good corporate governance in order to create a mechanism to control the operations of the company to have the transparency is fair and confidence to interested parties

### **5) Work has not been delivered**

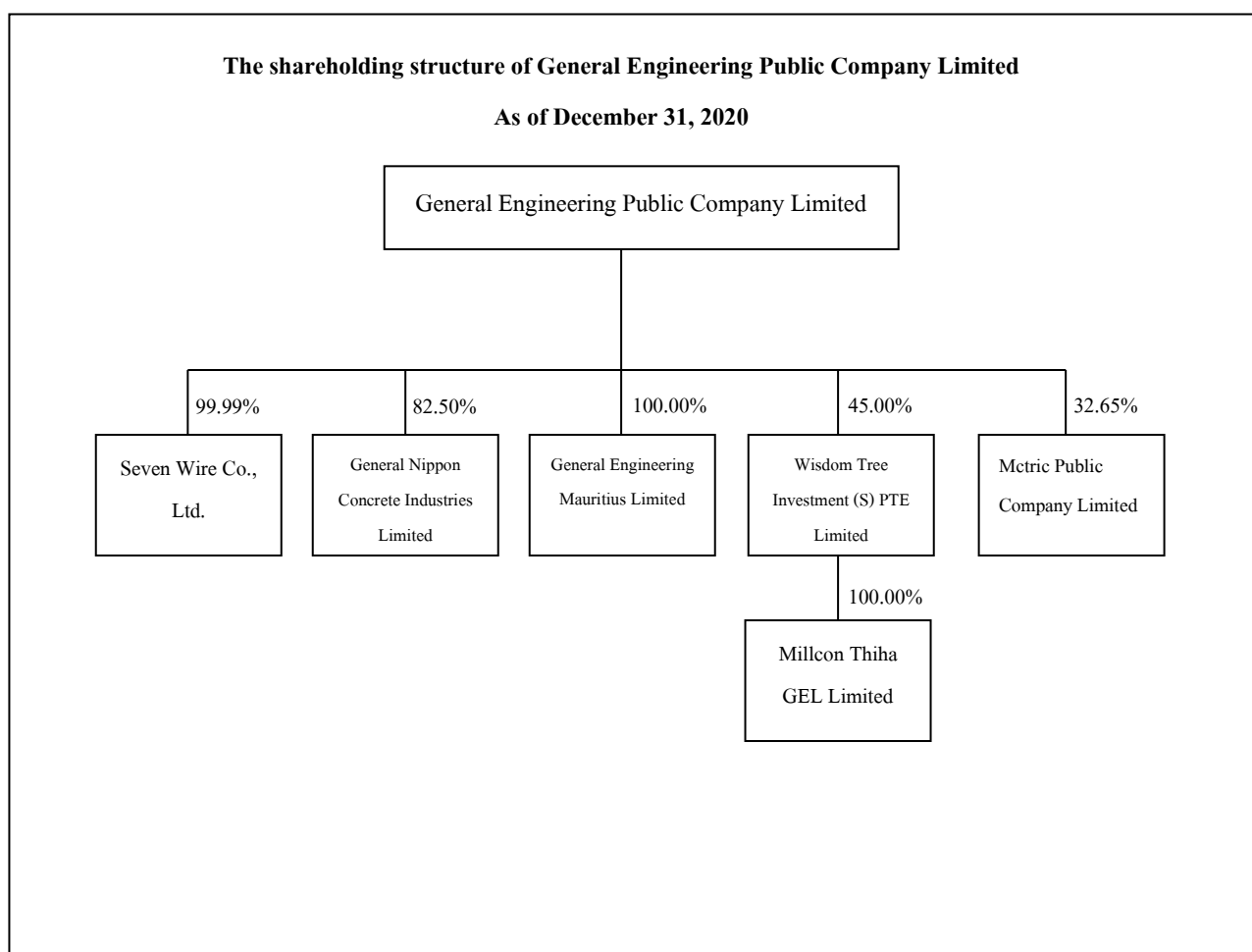
At the end of the consolidated financial statements, the company has sales and service contracts that have not yet been delivered as follows:

(Unit: million baht)	December 31, 2020	December 31, 2019	December 31, 2018
Number of work has not been delivered	2,856	1,919	1,851



### 1.3 THE SHAREHOLDING STRUCTURE OF THE GROUP

#### 1.3.1 The shareholding structure of the group



**Note:**

1. There were no shareholders with conflicts in subsidiary and associated companies exceeding 10%
2. The Company held 17.20% in Millcon Steel Public Company Limited which is invested company and the Company has no any control

## General information of Subsidiaries and Associates

Subsidiaries

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

Associated company

- |     |                    |   |  |
|-----|--------------------|---|--|
| (1) | Company name       | : | Wisdom Tree Investment (S) PTE. Limited  |
|     | Headquarter        | : | 1 Raffles Place #39-01 One Raffles Place Singapore (048616)  |
|     | Nature of Business | : | The company set up in Singapore for business investment in a joint venture to build and operate the plant, production and sale of steel products in Myanmar. |
|     | Contact numbers    | : | Tel (65) 6225-1868   |
|     | Investment value   | : | 12 Million USD   |
|     | Shareholding       | : | 45%  |
|     | Related status     | : | Joint venture company  |

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

Company	Nature of Business	Proportion (%)	Paid up capital (Million Baht)	Cost of investment (Million Baht)	Value of investments (Million Baht)
<b><u>Subsidiaries</u></b>					
1. General Engineering Mauritius Limited 10 <sup>th</sup> Floor, Standard Chartered Tower 19, Cybercity Ebene, Mauritius	Investment business	100.00	0.34	0.34	0.34
2. Seven Wire Company Limited 99/9 Moo 1, Tambon Banlang, Ampoe Muang Rayong, Telephone 0-3862-2299, 0-3862-4499	Manufacturing and sell the special qualified PC Wire and PC Strand	99.99	280.00	279.99	279.99
3. General Nippon Concrete Industries Limited 99/9 Moo 4, Tambon Chiangraknoi, Ampoe Samkok, Pathumthani	Manufacturing and sell concrete spun pile	82.50	200.00	165.00	165.00
<b><u>Joint Venture Company</u></b>					
Wisdom Tree Investment (S) PTE. Limited 1 Raffles Place #39-01 One Raffles Place	Investment in overseas	45.00	394.80	177.66	102.10

Company	Nature of Business	Proportion (%)	Paid up capital (Million Baht)	Cost of investment (Million Baht)	Value of investments (Million Baht)
Singapore (048616) Telephone (65) 6225-1868 Fax (65) 3125-7212					
<b><u>Associated Company</u></b> Mctric Public Company Limited 121/105, RS Tower, 39th Floor, Ratchadapisek Road, Dindaeng District, Bangkok Telephone 0-2641-2100 Fax 0-2641-2030, 0-2641-2029	Construction and System installation services	32.65	300.00	185.63	190.54

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

## Business of subsidiaries and associated

### Subsidiaries

- (1) General Engineering Mauritius Limited is an investment company which invests in Wisdom Tree Investment (S) PTE. Limited, the joint venture company.
- (2) Seven Wire Co., Ltd is a manufacturing and sells the special qualified of PC wire/ PC strand and cold drawn wire. It's headquarter is located in Pathumthani. The plant is located in the IPRC Eco Industrial Zone, Rayong province which produces following products;
  1. Prestressed Concrete Wire (Prestressed Concrete Wire - PC Wire)
  2. Prestressed Concrete Strands (Prestressed Concrete Wire - PC Strands)
  3. Cold Drawn Wire (CW)
- (3) General Nippon Concrete Industries Co., Ltd. is a manufacturing and sells concrete spun pile.

### Associate company

Mctric Public Company Limited operates construction engineering business including electrical and mechanical systems in various fully integrated, divided into two main areas which are general engineering construction, electrical and mechanical systems in various fully integrated with construction in various types such as commercial buildings, residential buildings, educational institution, industry construction and civil engineering construction etc. Mctirc Public

Company Limited provides the services from architecture, telecommunications, plumbing sanitation systems and fire protection systems, conditioning and ventilation systems.

### Joint venture Company

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

### 1.3.2 Persons who may have conflicts of interest hold shares in subsidiaries or affiliated companies.

The Company does not have any person who may have conflict of interest, holds shares in subsidiaries or affiliates.

### 1.3.3 Relationship with the business group of major shareholders

-None-

### 1.3.4 Shareholder structure

As of 31<sup>st</sup> December 2020 (referred the closing date (XM Date) as of 1 June 2020)

The distribution of shareholding by nationality

Thai Shareholders						Foreign Shareholders					
Juristic person			Individuals			Juristic person			Individuals		
No. of Shares	No. of person	%	No. of Shares	No. of person	%	No. of Shares	No. of person	%	No. of Shares	No. of person	%
72,434,376	18	1.34	5,161,440,567	10,170	95.62	163,381,102	3	3.03	621,144	13	0.01

### List of Top 10 Major shareholders (referred the closing date (XM Date) as of 1 June 2020)

Name of Shareholders	Nationality	Number of shares	
		Shares	%
1. Mr. Thitipong Tangpoonphonvivat	Thai	917,658,400	17.00
2. Mr. Thawisak Sriprachitichai	Thai	269,000,000	4.98
3. Mr. Sittichai Leesawadtrakul	Thai	249,722,100	4.63
4. Mr. Prasith Vitanakorn	Thai	155,600,008	2.88
5. LGT BANK (SINGAPORE) LTD	Singapore	145,118,900	2.69
6. Ms. Karnjana Vongphaitoonpiya	Thai	142,500,000	2.64

Name of Shareholders	Nationality	Number of shares	
		Shares	%
7. Ms. Pranee Vonphaitoonpiya	Thai	116,733,300	2.16
8. Mr. Veerasak Sutundhvi boon	Thai	99,237,500	1.84
9. Ms. Pornnatee Sompongchaikul	Thai	84,797,100	1.57
10. Mr. Pailuck Wongwaisayawan	Thai	68,687,400	1.28

#### 1.4 NUMBER OF REGISTERED CAPITAL AND PAID-UP CAPITAL

Registered and paid-up capital as at 31 December 2020, the Company registered capital is Baht 4,588,195,610.65 which paid up capital is Baht 4,588,195,610.65 divide into ordinary shares of 5,397,877,189 shares at par value of Baht 0.85 per share

#### 1.5 ISSUANCE OF OTHER SECURITIES

-None-

#### 1.6 DIVIDEND POLICY

In the Annual General Meeting of Shareholders No. 1/2008 on April 24, 2008, the meeting unanimously resolved to approve the Company change the dividend payment policy to “Not more than 60% of net profit after income tax and legal reserve and the Company must not have accumulated losses. This is in line with the cash flow and the Company’s future business expansion plans” and dividends will be paid equal to the number of shares for each share. The Company has a policy to grant shareholders the right to vote one share per one vote. (Currently, the company only issues 1 type of shares, namely ordinary shares, no preferred shares)

Right to receive a share of profit / dividend which received equal rights of operation. In addition, the Company also grants shareholders the right to appoint the Board of Directors, consider certifying the Company’s operating results every year, the right to approve amendments to the Articles of Association and the Memorandum of Association. And the right to consider and approve a capital reduction or capital increase.

The company takes into account the rights of shareholders. It takes care of shareholders rather than their legal basis, including providing important, up-to-date information through the Company’s website. Management reports and analysis (MD&A) are provided to explain the operating results every quarter and disseminating news on the Company’s website.

## **2. RISK MANAGEMENT**

### **2.1 RISK MANAGEMENT POLICY AND PLAN**

The Company has a framework for determining the level of risk of the Company. It was measured by the likelihood of occurrence and the severity of the impact. The Executive Committee and the working group that oversee the risk management process review and assess risks twice a year to ensure that the Company has effective risk management. This includes determining, assessing, preventing, mitigating and monitoring risks and reporting them to the Board of Directors immediately when the risk level is within the significant level.

### **2.2 RISK FACTORS TO THE BUSINESS OPERATION**

#### **2.2.1 Risk factors to the business operation**

##### **Risk of Commodity Market**

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

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

##### **Risk of Replacement by Innovative Products**

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

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

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

**Risk of Human Resources Management and Personnel Competencies to Support Future Business Growth**

The Company has continually improved our human resources management system to be consistent with the planned business strategies in order to prepare our personnel to be ready for business growth in the future. For example, the Company has prepared manpower to accommodate expansion of business via personnel assessment, development of personnel competencies, and experimentation of highly efficient personnel management system. We place importance on all aspects of personnel, including their remuneration, career growth and development, and assignment of tasks which suit personnel capabilities. As for development of personnel's business knowledge and skills, the Company provides training programs by Human Resource Development department, which are suitable for each level of personnel, including leadership and teamwork training courses to support business growth in the future.

**Risk of Compliance with the Company's Rules, Regulations and Articles of Association**

Corporate compliance risks cover the risk of non-compliance with external and internal regulations such as laws, government policies, corruption and ethics, which are likely to change over time. If the company failure to comply or incomplete compliance can affect the reputation of the Company, penalties and fines or lose a business opportunity

The company has established an anti-corruption policy and communication with directors, executives and employees at all levels to know and strictly observe. In matters of morality and ethics and the Company's Anti-Corruption Policy to raise awareness (Awareness) to educate and prevent corruption in order to support the implementation of the Anti-Corruption Policy. This will prevent unnecessary expenses. Business partners are interested in doing business with the organization because they believe that they will be fair to their partners equally and customers trust in purchasing quality products and services. In addition, the Company also expressed its intention to promote extend this idea to companies. in Thailand and its business partners to jointly apply the principles and concepts of good citizenship along with corporate governance for community, social and environmental development to expand the effect to the wider society which will lead to sustainable business operation.

**Risk from the information technology due to network connectivity failure and external disturbances**

Information technology is playing a dominant role in driving the business's operations. All internal activities have relations to the information technology and each day large amount of information is being sent via the information technology to facilitate the internal operations. Information is a valuable asset and if it is at risk for being violated, damaged, and used for inappropriate purposes such as network connectivity failure, unable to access an internal system



through the intranet, server being infected from malwares and spread to the remaining network. Data modification or interpretation of pictures on the company's website, seizure of confidential data from internal and external sources intentionally or unintentionally. Such occurrence can impact on the operations of officers, management of the company and others in accessing the webserver or required data, which can cause damages to the business in return.

The company has an approach to taking control and providing solution to such concerns including monitoring the main networking system, installing a networking system for protection and precaution, organizing of necessary plans or procedures respectively, inspecting the policy and log of the network to prevent the networking invasion, the installation of anti-virus to the host, and regular virus scanning updates.

**Corporate governance risk from having a major shareholder that affects management policy formulation.**

As of June 1, 2020, Mr. Thitipong Tangpoonphonvivat holds 17.00% of the total issued shares of that Company. However, regarding to the organization of the Company which consisted of the Board of Directors, Audit Committee, Corporate Governance Committee, Nomination and Remuneration Committee and the Risk Management Committee, the scope of authority and duties are clearly defined so that the Company's working system is standardized and can be examined. In addition, the Company hires an internal audit that reports directly to the audit committee. That making it possible to predict the performance of the Company to be more transparent as well as being able to balance the power in presenting various matters. The Company also has rules for dealing with transactions involving directors, major shareholders or a person with control over the business including people who may have conflicts. The said person will not have the power to approve such transactions. This makes it possible to reduce the risk that may arise as well.

**Risks of safety, occupational health and working environment**

The management of safety, occupational health and working environment is of the utmost importance to the Company. The Company has rules, regulations and procedures for safety, occupational health and working environment that are in line with the Company's policy and strictly enforced with all employees, contractors and visitors to work. The Company continuously monitors and reports its performance. There is also a review of the regulations and practices to comply with the law, rules and regulations of safety, occupational health and working environment at all times.

**Risk of climate change**

Climate change has a clearer impact on the environment, such as PM 2.5 dust, greenhouse gas global warming, etc., is a global focus and tries to push for concrete reductions in greenhouse gas emissions. This puts the company at risk of regulatory record issues requiring businesses to regulate future greenhouse gas emissions.

The Company's business is one of the direct contributors to greenhouse gas emissions and climate change up in the air especially in the area where chemical products are produced. There is a dust filter system before releasing it

outside the factory, planting trees around the establishment to support the ecological industry and efficient transportation management to reduce vehicle use, waste separation, record keeping of electricity usage statistics within factories and offices replace the lamp at the end of its useful life. They help reduce the Company's greenhouse gas emissions.

#### **Risk of Raw Material Cost Control**

Based on the nature of concrete pile and concrete slab distribution business, it is necessary to manufacture the construction materials according to the customers' orders. This makes it difficult to control the production costs and the Company does not save costs from the economy of scale model. Moreover, it has to encounter risk factors throughout the supply chain, starting from raw materials and equipment procurement, transport, distribution and delivery of products and services. In case of inconsistency in the supply chain process, it will affect customers' trust, stakeholders, and entire business. As a result, the Company has managed this risk by using the ERP system to control the costs of raw materials.

#### **Risk of Raw Material Procurement**

The Company uses domestic raw material for production at 99% of all raw materials used. When the price of raw materials adjusted higher, then the problem of the deficit came after in some duration. Some materials were in the form of monopoly, cause of less negotiation. In this case, the company has solved by following up the information and news of prices and raw material sources closely. There was planning to purchase those raw materials reasonably and sufficiently for production. While pre-purchase has been made if the signal of deficit occurred. In addition, the company is reliable from those raw material producers, so purchasing each time was in high volume, so those producers could provide raw material sufficiently and on time for the demand.

#### **Risk of Product Quality Control**

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

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

### **Risk of Manpower Shortage and Wage Hike**

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

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

## **2.2.2 Risks for Securities Holders' Investment**

### **Risk from the Company having accumulated losses which may not be able to pay dividends in the near future**

In the accounting period ended December 31, 2020, the consolidated financial statements of the Company had net operating loss of 144.75 million baht and accumulated loss of 457.60 million baht. In the past 2-3 years, the Company recorded losses because the Company experienced a high competition as a result, the Company's net profit margin has continued to decline. The fact that the Company has a large accumulated loss causing the Company to be unable to pay dividends to shareholders according to the law and shareholders are at risk of not receiving dividends according to the stipulated dividend payment policy.

However, the Company is in the process of adjusting its operating strategy. The Company expects that by doing so, the overall performance of the company will return in a better direction.

## **2.2.3 Emerging Risk**

### **Risk of COVID-19 outbreak**

In 2020 has been a challenging year for the Company due to the impact of the COVID-19 outbreak. The Company is more careful in business management and operation. In addition, the use of the resources available for maximum efficiency. The COVID-19 outbreak has had a broad impact. It is expected that this will continue to affect in the near future. Therefore, the Company has taken measures to strictly comply with government announcements together with health and safety measures screening and measuring temperature, spraying disinfectant, keeping distance at work, raising awareness of good hygiene practices and wearing masks both employees and related person through announcement channels or public relations signs.

### 3. DRIVING BUSINESS FOR SUSTAINABILITY

#### 3.1 SUSTAINABILITY MANAGEMENT POLICY AND TARGET

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

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

#### **Policies and guidelines on society, community and environment**

The Company is a construction material company therefore there may be pollution that is dust, noise and industrial debris. The Company is located in the zone that can be used in the cement industry. The Company has taken measures to prevent and fix in the matter of dust and noise which including the development of machines and tools study techniques for noise reduction and the production site is located far away from the neighboring locations. The Company has a safety department to take care of the safety and environment in the factory. The Company is certified for ISO 9001: 2015 which includes pollution control, working conditions, noise, light and dust or waste materials that are not used outside the factory area. The Ministry of Industry is a measure to set rules and regulations for the Company to act in the disposal of waste or waste materials outside the factory area including the need to comply with the Public Health Act 1992 and the Bangkokadee Subdistrict Municipality on the control of activities that are hazardous to health, B.E. 2548.

The Company is aware of health, safety and working environment therefore announced the policy on environment, health, health, safety at work as follows.

1) The Company must comply with laws, rules, regulations and requirements with all facilities. In regard to safety Health and Environment.

2) The Company will be aware of safety, health and welfare in the work of all employees Whether in the workplace or in the business operations of employees in other companies including others while they are at that company location.

3) The management system is not the only responsibility for accident prevention, occupational diseases and protect the environment only but also the provision of resources and budget necessary and sufficient to promote a culture of

safety, health and environment in the workplace by being clearly demonstrated and by continuing to undertake serious and ongoing agreements.

4) Safety management system health and environment is the way the Company recognize that it contributes to continual optimization and improvement of operational results. Therefore, the Company committed to the enforcement of the safety management system, health and environment in the identification, evaluation and control of hazards and risks related to occupational health safety and environmental pollution. We will develop a safety system, health and environment in the monitoring and reporting of continuous action and improvement.

5) Consideration of changes in the production process. We will bring a safety system health and environment are part of the assessment of every change.

6) The Company will be responsible for society. The Company promises to protect the environment, use raw materials well and use energy economically and efficiently to reduce pollution emissions, manage waste and recycle waste

7) Inspection of safety and health system and the environment will continue to do so, including identifying nonconformities and try to find ways to develop and improve

8) The Company will bring the best operating system in terms of safety, health and environment are applied in the organization and all employees are involved in these activities by training, audits, advises, and facilitates appropriate and adequate action.

9) All employees, contractors and subcontractors are responsible for the implementation of the procedures and regulations as specified in the safety, health and environmental management system in routine operations with safety, health and environment friendly.

#### **Social, Community and Environmental Policy and framework**

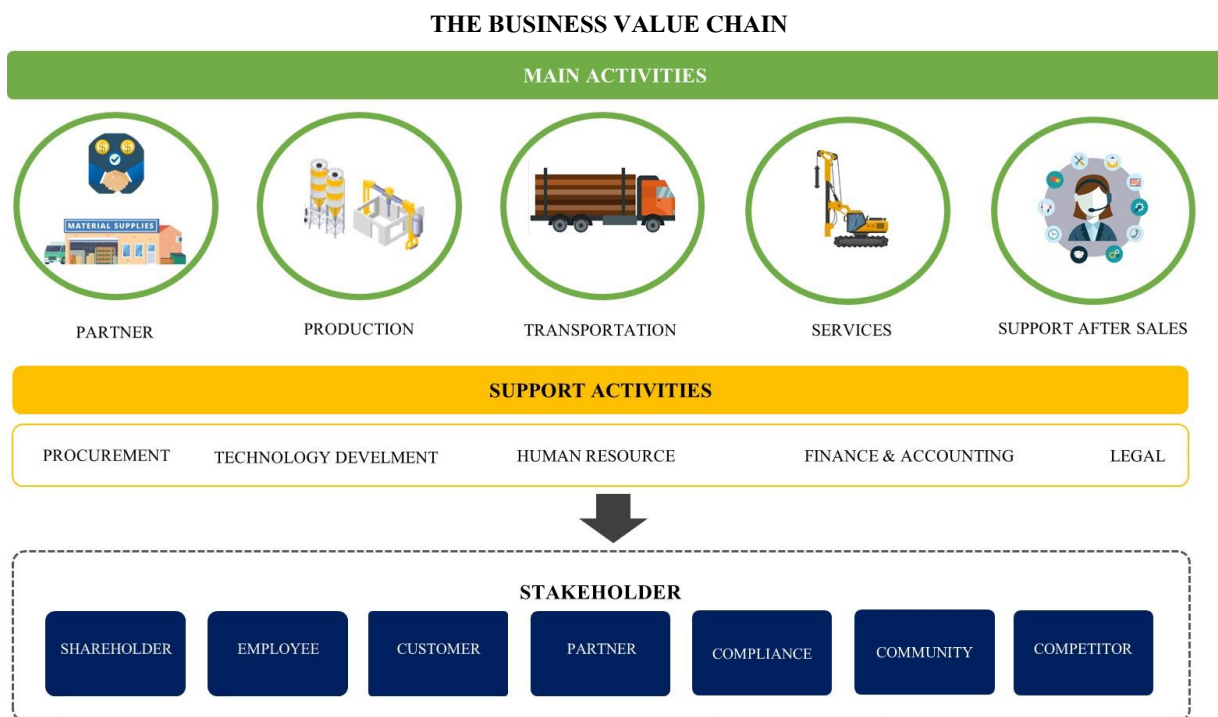
GEL emphasized on running sustainability growth business together with the development of society, community, environment and quality of life. With totally CSR realization, GEL promoted CSR policy in all level of our organization ranging from Company policy level to all of the operational levels. It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

GEL takes the CSR program as an important role and responsibility in promoting and arranging the wide range of beneficial activities in order to support the program always. GEL continuously organized the certain activity including the periodically activities as appropriate and required by the society. The activities were covered both of the benefit for

macro-community level and operational level which can demonstrate GEL's goal obviously in rewarding the society continuously every year.

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

### 3.2 MANAGING STAKEHOLDER IMPACTS IN THE BUSINESS VALUE CHAIN



#### Stakeholder Analysis in the Business Value Chain

Stakeholder	Expectation	Response from the Company
Employees	<ul style="list-style-type: none"> <li>Engagement</li> <li>Development to professional standards</li> <li>Compensation and benefits policy</li> <li>Occupational safety, health and Environment</li> </ul>	<ul style="list-style-type: none"> <li>Training and Development Plan</li> <li>Health management</li> <li>Suitable welfare</li> </ul>
Shareholders, Investors	<ul style="list-style-type: none"> <li>Long-term return</li> </ul>	<ul style="list-style-type: none"> <li>Transparent corporate governance</li> </ul>

Stakeholder	Expectation	Response from the Company
	<ul style="list-style-type: none"> <li>• Accuracy of financial reports, complete, timely</li> <li>• Good corporate governance</li> <li>• Have a good monitoring and control system.</li> <li>• Business strategies</li> </ul>	<ul style="list-style-type: none"> <li>• Disclosure of information in a transparent manner.</li> <li>• Shareholders meeting</li> <li>• Disclosure of information on the Company's website.</li> </ul>
Partner	<ul style="list-style-type: none"> <li>• Receive accurate and complete information on products and services.</li> <li>• Operate business in a transparent manner.</li> <li>• Abide by the agreement fairly</li> <li>• Product and service warranty</li> </ul>	<ul style="list-style-type: none"> <li>• Good corporate governance, transparency, fairness, verifiable</li> <li>• There is a policy against corruption and to promote</li> <li>• Have a code of conduct to maintain confidentiality to customers.</li> <li>• Certified products with ISO9001 standards</li> <li>• The products are constantly being developed.</li> <li>• Invited to visit the factory to see the production process.</li> <li>• Stakeholder Satisfaction Survey</li> <li>• Working closely with stakeholders</li> </ul>
Government agencies, communities and society	<ul style="list-style-type: none"> <li>• Compliance with rules and laws</li> <li>• Environmental Impact Management</li> </ul>	<ul style="list-style-type: none"> <li>• Accredited as a green industry establishment</li> <li>• Has passed the upgrading of industrial plants according to indicators to be an eco-industrial city</li> <li>• Long-term cooperation to support the community</li> </ul>

### 3.3 SUSTAINABILITY MANAGEMENT IN ENVIRONMENTAL DIMENSIONS

#### 3.3.1 Environmental Policies and Practices

The Company pays attention to environmental problems and their impacts on community. Therefore, the Company joined the project "Good Governance" for the year 2020, with a commitment to implement the principles of

environmental governance in the workplace in accordance with the specified criteria and focus on environmental protection and conservation together with local communities and society. The Environmental Governance Industrial practice was publishing on the company website [www.gel.co.th](http://www.gel.co.th). The Company is in the process of establishing policies and guidelines to demonstrate the intention and ability to manage for efficiency and reduce the environmental impact from business operation.

### **3.3.2 Environmental Action**

The Company gives importance to management to reduce greenhouse gas problems. It was found that the business activity with the highest amount of greenhouse gas emissions is transportation, so the Company has measures to manage the Company's transportation to be the most efficient in order to reduce the greenhouse gas problem. And the Company has taken steps to help reduce such greenhouse gas emissions, such as watering to reduce airborne dust particles especially in the area where chemical products are produced. There is a dust filter system before releasing it outside the factory. Planting trees around the establishment to support the ecological industry. Efficient transportation management to reduce vehicle use, waste separation, record keeping of electricity usage statistics within factories and offices. Replace the lamp at the end of its useful life. They can help reduce the Company's greenhouse gas emissions.

The Company is in the process of processing environmental information especially the data on greenhouse gas emissions to demonstrate the intention and ability of management for efficiency and reduce environmental impact from business operations.

## **3.4 SUSTAINABILITY MANAGEMENT IN THE SOCIAL DIMENSION**

### **3.4.1 Social policy and practice**

Details can be found in “Corporate Governance” page 79

#### **Policy on Personnel Development**

The Company has paid attention to personnel significance at all levels. In particular, the Company supports the development of each employee for every position. It emphasizes on professional development, opening opportunities for the employees to perform their potentials. Therefore, the Company and its subsidiaries have concrete policies to educate and elevate knowledge and expertise of the employees at all levels in continuation in order to achieve the business goal as well as promote the employees to meet their achievement in the career paths. The Company has planned to conduct annual training program. In 2020, the Company has budget for employees' training for Baht 159,740. The nominating and recruitment of the employees of the Company and its subsidiaries have been transparent and fair under Merit System. The qualification control of the employees is based on the expertise, knowledge, skills and experience. All need to be indicated clearly. And the candidate needs to pass the written exam and interview by the supervisor in order to get the most proper employee for the position. For new positions opened, the company will choose existing employees as priority if the employees have met qualification. This would be incentive and motivation for employees to keep



improving and elevate their performance as well as promote their advance in career path. If no internal candidate, the Company will consider outside applicants.

New employees will have to attend the orientation to learn and know the process and understand all components of the Company. This would help the employees work effectively to fit the goals of the company. In addition, the Company supports the advancement in career path of the employees, maintaining potential and excellent employees to stay with the Company. Its policy strongly supports trainings and profession development internally and externally if the training programs will help the employees in their careers and duties with all aspects of appropriateness, for example, the training in engineering and maintenance, the training in management, safety training, basic accounting and auditing training, fundamental information management, construction training and intellectual property right in business training.

**The Company had provided internal training courses as follows;**

- 1) GEL English Club
- 2) Excellence skill to be a good supervisor
- 3) Create sales motivation
- 4) Basic firefighting

**The Company had provided external training courses as follows;**

- 1) Crane commander course signal provider to solve the crane commander material binder or the controller of the crane
- 2) Review course on the use of crane
- 3) Preparing financial statements, closing accounts and presenting financial statements in accordance with Thai Financial Reporting Standards before submission of financial statements in 2020.
- 4) The differences to be aware of in accounting performance in accordance with accounting standards and important financial reporting standards
- 5) Piling driver course, piling machine and pile drilling vehicles
- 6) Road safety audit course, Class 10
- 7) Crane operator course crane type tower crane car boat spinning crane
- 8) Purchasing practices and beyond 2021
- 9) Road safety audit, Class 11

### **3.4.2 Social performance**

The company has established an anti-corruption policy and communication with directors, executives and employees at all levels to know and strictly observe. In matters of morality and ethics and the Company's Anti-Corruption Policy to raise awareness (Awareness) to educate and prevent corruption in order to support the implementation of the Anti-Corruption Policy. This will prevent unnecessary expenses. Business partners are interested in doing business with

the organization because they believe that they will be fair to their partners equally and customers trust in purchasing quality products and services. In addition, the Company also expressed its intention to promote extend this idea to companies, in Thailand and its business partners to jointly apply the principles and concepts of good citizenship along with corporate governance for community, social and environmental development to expand the effect to the wider society which will lead to sustainable business operation.

### Children's Day



#### 4. MANAGEMENT DISCUSSION AND ANALYSIS OF OPERATING RESULTS

##### 1) Financial Statements

##### Summary of Audit Report

##### Year 2020

##### Opinion

In the Report of Independent Auditor for the financial statements of year 2020, Ms. Sansanee Pooñsawat, Certified Public Accountant No. 6977, from Proud in Pro Company Limited, the auditor, stated his qualified opinion that “the consolidated financial statements as at 31 December 2020

The consolidated financial statements as at 31 December 2020 include investment in associated company accounted for under the equity method of Baht 190.54 million and share of profit from associated company under the equity method for the year then ended of Baht 27.92 million. I was unable to obtain sufficient appropriate audit evidence regarding to carrying amount of investment in associated company and the Company’s portion of profit for the year of associated company since component auditor of associated company unable to assess the potential impact (if any) to recoverable amount of loan and interest receivable - joint venture amounting to Baht 44.75 million (net allowance for expected credit loss of Baht 11.56 million) which depends on the result of debt collection with its joint venture. Consequently, I was unable to determine whether any adjustments were necessary for the value of investment in associated company and share of profit from associated company under the equity method.

From the above conditions of the associated company, the management of the associated company explained that the loan and accrued interest receivable were in the process of collecting the debt and it is likely to be recovered in the end.

The consolidated financial statements as at 31 December 2020 include investment in joint venture accounted for under the equity method of Baht 102.10 million and share of profit from joint venture under the equity method for the year then ended of Baht 1.11 million. I was unable to obtain sufficient appropriate audit evidence regarding to carrying amount of investment in joint venture and the Company’s portion of profit for the year of joint venture since under the circumstances of the coup in the Republic of the Union of Myanmar occurred in early February 2021, the component auditor of joint venture was unable to obtain sufficient appropriate audit evidence for significant items in the financial statements of joint venture. Consequently, I was unable to determine whether any adjustments were necessary for the value of investment in joint venture and share of loss from joint venture under the equity method.

From the above conditions of the joint venture, the certification of the auditor's financial statements of the joint venture must be subject to the political situation in Myanmar. The joint venture is still unable to predict it.

**Year 2019****Opinion**

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

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

**Year 2018****Opinion**

In the Report of Independent Auditor for the financial statements of year 2018, Mr. Teerasak Chuasrisakul, Certified Public Accountant No. 6624, from Grant Thornton Company Limited, the auditor, stated his qualified opinion that “I have audited the consolidated and separate financial statements of General Engineering Public Company Limited and its subsidiaries. ("Group of Companies") which consists of Consolidated Statement of Financial Position as at December 31, 2018, Consolidated and of the Company's Consolidated and Other Comprehensive Income and Income Statements Statement of changes in total and only equity of the company and the consolidated and company statements of cash flows. For the year ended the same day and notes to the consolidated and company financial statements Including a summary of important accounting policies.

I saw that The consolidated and the specific financial statements of the above company's financial status as of December 31, 2018, consolidated and company operating results. And the company's total and specific cash flow. For the year ended the same day in essence, according to the Financial Reporting Standards.

## 2) Financial conclusion

## GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31

(Unit: Thousand Baht)

	Consolidated F/S			Separate F/S		
	2020	2019	2018	2020	2019	2018
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	17,207	10,223	38,430	17,151	10,154	37,962
Restricted cash at bank	10,000	-	-	10,000	-	-
Trade accounts receivable-net	405,260	433,586	512,149	342,622	361,398	464,431
Contract assets – current	15,416	-	-	15,416	-	-
Retention receivables - current portion due within one year	19,439	30,219	13,991	18,068	30,208	13,991
Loan and interest receivable – subsidiary	-	-	-	24,132	-	-
Inventories - net	307,647	430,912	602,050	271,396	381,387	528,980
Other current assets	11,036	9,047	9,212	4,352	2,899	3,217
<b>Total Current Assets</b>	<b>786,005</b>	<b>913,987</b>	<b>1,175,832</b>	<b>703,137</b>	<b>786,046</b>	<b>1,048,581</b>
<b>NON - CURRENT ASSETS</b>						
Restricted deposits with banks	-	-	-	-	-	-
Retention receivables	59,900	62,367	67,248	59,900	62,367	67,248
Investments in available - for - sales securities	708,490	537,206	1,206,768	708,490	537,206	1,206,768
Investments in subsidiaries	-	-	-	445,337	445,337	445,337
Investments in associated company and joint venture	292,639	271,465	308,761	327,364	322,005	344,250
Property, plant and equipment – net	3,129,370	2,924,099	2,929,885	1,887,913	1,639,045	1,682,647
Right-of-use assets	63,227	-	-	58,852	-	-
Intangible assets	19,477	6,922	9,437	19,428	6,922	9,437
Investment property	996,627	996,627	996,627	1,289,347	1,289,347	1,289,347

Deferred income tax assets	136,611	159,841	22,900	134,833	159,367	21,627
Current income tax assets	4,222	5,052	5,430	3,349	4,540	5,160
Income tax assets of prior period	10,364	5,332	-	9,701	5,181	-
Other non - current assets	6,506	2,134	1,202	6,506	2,134	1,202
<b>Total Non - Current Assets</b>	<b>5,427,433</b>	<b>4,971,045</b>	<b>5,548,258</b>	<b>4,951,020</b>	<b>4,473,451</b>	<b>5,073,023</b>
<b>TOTAL ASSETS</b>	<b>6,213,438</b>	<b>5,885,032</b>	<b>6,724,090</b>	<b>5,654,157</b>	<b>5,259,497</b>	<b>6,121,604</b>

## GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31

(Unit: Thousand Baht)

	Consolidated F/S			Separate F/S		
	2020	2019	2018	2020	2019	2018
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short - term loan from financial institution	603,108	593,526	292,736	395,440	380,081	203,496
Trade accounts payable - general suppliers	614,970	462,092	635,731	439,130	325,267	526,558
Contract liabilities - current	176,872	63,705	100,367	176,225	60,495	100,367
Liabilities under lease agreements	17,076	277	264	15,211	277	264
Current portion of long - term loans from financial institution	142,572	190,515	193,500	52,297	83,709	111,600
Employee benefits obligation	615	4,140	1,461	615	4,140	1,461
Loan payable and accrued interest expense - subsidiary company	-	-	-	182,005	176,307	202,870
Other current liabilities	3,618	1,849	1,368	3,495	1,678	1,252
<b>Total Current Liabilities</b>	<b>1,558,831</b>	<b>1,316,104</b>	<b>1,225,427</b>	<b>1,264,418</b>	<b>1,031,954</b>	<b>1,147,868</b>
<b>NON - CURRENT LIABILITIES</b>						
Liabilities under finance lease agreement - net	47,933	175	452	45,237	175	452
Long - term loans from financial institution - net	792,394	705,731	815,819	194,635	107,600	191,309
Employee benefits obligation	31,046	54,614	36,322	26,681	50,774	34,339



Estimate decommissioning costs	3,149	-	-	3,149	-	-
Other non - current liabilities	-	59	59	-	59	59
<b>Total Non - Current Liabilities</b>	<b>760,579</b>	<b>852,652</b>	<b>305,518</b>	<b>158,608</b>	<b>226,159</b>	<b>27,224</b>
<b>TOTAL LIABILITIES</b>	<b>2,076,683</b>	<b>2,078,079</b>	<b>1,365,377</b>	<b>1,190,562</b>	<b>1,374,027</b>	<b>1,212,675</b>

## GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31

(Unit : Thousand Baht)

	Consolidated F/S			Separate F/S		
	2020	2019	2018	2020	2019	2018
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
<b>(Continued)</b>						
<b>SHAREHOLDERS' EQUITY</b>						
Share capital - Common shares						
- 5,397,877,189 shares 0.85 Baht in 2017						
-6,890,064,215 shares 0.85 Baht in 2015 and 2016	4,588,196	4,588,196	4,588,196	4,588,196	4,588,196	4,588,196
Issued and fully paid-up share capital						
- 5,397,877,189 shares 0.85 Baht in 2017						
- 5,562,877,189 shares 0.85 Baht in 2015 and 2016	4,588,196	4,588,196	4,588,196	4,588,196	4,588,196	4,588,196
Capital surplus - Common shares	71,131	71,131	71,131	71,131	71,131	71,131
Capital surplus - Treasury shares	49,179	49,179	49,179	49,179	49,179	49,179
Retained earnings						
- Appropriated for legal reserve	13,600	13,600	13,600	13,600	13,600	13,600
- Appropriated for treasury shares	-	-	-	-	-	-
- Unappropriated	(471,201)	(322,415)	(46,125)	(145,580)	(59,656)	83,336
<u>Less</u> Treasury shares - Common shares						
(165,000,000 shares, Baht 0.55 par value)	-	-	-	-	-	-
Other components of shareholders' equity	(479,360)	(611,418)	(62,099)	(456,489)	(593,515)	(57,867)
<b>Equity attributable to the Company's shareholders - net</b>	<b>3,771,545</b>	<b>3,788,273</b>	<b>4,613,883</b>	<b>4,120,037</b>	<b>4,068,935</b>	<b>4,747,576</b>
Non - controlling interests	8,540	20,076	32,128	-	-	-
<b>Total Shareholders' Equity</b>	<b>3,780,085</b>	<b>3,808,349</b>	<b>4,646,011</b>	<b>4,120,037</b>	<b>4,068,935</b>	<b>4,747,576</b>



<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>6,213,438</b>	<b>5,885,035</b>	<b>6,724,090</b>	<b>5,654,157</b>	<b>5,259,497</b>	<b>6,121,604</b>
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**GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES****STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME****FOR THE YEARS ENDED 31 DECEMBER****(Unit : Thousand Baht)**

	<b>Consolidated F/S</b>			<b>Separate F/S</b>		
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>REVENUES</b>						
Revenues from sales	1,595,561	2,034,440	1,948,014	1,283,756	1,874,934	1,948,024
Other income	17,935	27,041	26,484	31,065	41,058	43,905
Gain on disposal assets	2,137	2	-	2,137	2	-
Dividend income	15,571	23,357	2,409	15,571	23,357	2,409
Gain from sold warrants	235	5,907	1,664	235	5,907	1,664
Gain on disposal of other investment	-	-	42,000	-	-	42,000
Share of profit from investments in associated company and joint venture	29,034	(24,658)	8,510	-	-	-
Gain (loss) on exchange rate	(953)	1,152	462	(497)	188	266
Interest income	291	171	152	707	245	302
<b>Total Revenues</b>	<b>1,659,811</b>	<b>2,067,412</b>	<b>2,029,695</b>	<b>1,332,974</b>	<b>1,945,691</b>	<b>2,038,570</b>
<b>EXPENSES</b>						
Costs of Sales	(1,563,315)	(2,004,252)	(1,913,979)	(1,252,095)	(1,802,668)	(1,912,095)
Selling expenses	(27,836)	(42,330)	(47,282)	(24,456)	(41,828)	(47,087)
Administrative expenses	(140,341)	(179,285)	(145,984)	(107,953)	(154,244)	(115,882)
Reversal of impairment losses (impairment losses) on account receivable and contract assets	6,686	(21,883)	-	11,023	(21,883)	-
Reversal of impairment losses (impairment losses) on investments in associates and joint venture	-	-	-	5,359	-	-
Management benefit expenses	(39,638)	(38,397)	(23,812)	(28,716)	(27,295)	(23,812)
<b>Total Expenses</b>	<b>(1,764,444)</b>	<b>(2,286,147)</b>	<b>(2,131,057)</b>	<b>(1,396,838)</b>	<b>(2,047,918)</b>	<b>(2,098,876)</b>
<b>Profit before Finance costs and income tax</b>	<b>(104,633)</b>	<b>(218,735)</b>	<b>(101,362)</b>	<b>(63,864)</b>	<b>(102,227)</b>	<b>(60,306)</b>

Finance costs	(68,297)	(69,469)	(41,935)	(36,140)	(40,363)	(41,327)
Income tax benefit (expense)	16,600	3,246	(8,910)	15,240	2,982	1,197
<b>Profit for the year</b>	<b>(156,330)</b>	<b>(284,958)</b>	<b>(152,207)</b>	<b>(84,764)</b>	<b>(139,608)</b>	<b>(100,436)</b>

	Consolidated F/S			Separate F/S		
	2020	2019	2018	2020	2019	2018
<b>Other comprehensive income for the year</b>						
Unrealized gain (loss) on valuation of available - for - sales securities - net of tax	137,026	(535,649)	(62,285)	137,026	(535,649)	(62,285)
Translation adjustments for foreign currency financial statements	(4,968)	(13,670)	(4,260)	-	-	-
<b>Total</b>	<b>132,058</b>	<b>(549,320)</b>	<b>(66,545)</b>	<b>137,026</b>	<b>(535,649)</b>	<b>(62,285)</b>
Actuarial loss - net of tax	20,990	(3,384)	1,057	21,955	(3,384)	-
<b>Total comprehensive income for the year</b>	<b>(3,282)</b>	<b>(837,662)</b>	<b>(217,695)</b>	<b>74,217</b>	<b>(678,641)</b>	<b>(162,720)</b>
<b>Attribution of income for the year :</b>						
Portion of the Company's shareholders	(144,751)	(272,906)	(149,597)	(84,764)	(139,608)	(100,436)
Portion of non-controlling interests in subsidiary	(11,579)	(12,052)	(2,610)	-	-	-
	<b>(156,330)</b>	<b>(284,958)</b>	<b>(152,207)</b>	<b>(84,764)</b>	<b>(139,608)</b>	<b>(100,436)</b>
<b>Attribution of comprehensive income for the year :</b>						
Portion of the Company's shareholders	8,255	(825,610)	(215,085)	(74,217)	(678,641)	(162,720)
Portion of non-controlling interests in subsidiary	(11,536)	(12,052)	(2,610)	-	-	-
	<b>(3,282)</b>	<b>(837,662)</b>	<b>(217,695)</b>	<b>(74,217)</b>	<b>(678,641)</b>	<b>(162,720)</b>
<b>Basic earnings per share</b>						
Profit (Baht per share)	<b>(0.02682)</b>	<b>(0.05056)</b>	<b>(0.02771)</b>	<b>(0.01570)</b>	<b>(0.02586)</b>	<b>(0.01861)</b>

**GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEARS ENDED 31 DECEMBER 2020 2019 and 2018**

Unit: Thousand Baht

**Consolidated**

Consolidated	Equity attributable to the Company's shareholders												
	Other components of shareholders' equity												
	Issued and paid-up share capital	Premium on share capital	Capital surplus on share reduction and issued new share capital	Retained earnings			Treasury shares- Common shares	Unrealized gain(loss) on valuation of available - for sales securities	Translation adjustments for foreign currency financial statements	Total	Total Equity attributable to the Company's shareholders	Non - controlling interests	Total
				Legal reserve	Appropri atd for treasury shares	Unappropr iated							
				Legal reserve	Appropri atd for treasury shares	Unappropr iated							
Legal reserve				Appropri atd for treasury shares	Unappropr iated								
Balance as at 1 January 2018	4,588,196	71,131	49,179	13,600	-	120,415	-	4,419	28	4,447	4,828,968	34,739	4,863,707
Loss for the year	-	-	-	-	-	(149,597)	-	-	-	-	(149,597)	(2,611)	(152,208)
Comprehensive loss for the year	-	-	-	-	-	1,057	-	(62,285)	(4,260)	(66,545)	(65,488)	-	(65,488)
Total other comprehensive income (loss) for the year	-	-	-	-	-	(148,540)	-	(62,285)	(4,260)	(66,545)	(215,085)	(2,611)	(217,695)
Balance as at 31 December 2018	4,588,196	71,131	49,179	13,600	-	(46,125)	-	(57,866)	(4,232)	(62,098)	4,613,883	32,128	4,646,011

## MANAGEMENT DISCUSSION AND ANALYSIS OF OPERATING RESULTS

<b>Balance as at 1 January 2019</b>	4,588,196	71,131	49,179	13,600	-	(46,125)	-	(57,866)	(4,232)	(62,098)	4,613,883	32,128	4,646,011
Loss for the year	-	-	-	-	-	(272,906)	-	-	-	-	(272,906)	(12,052)	(284,958)
Comprehensive loss for the year	-	-	-	-	-	(3,384)	-	(535,650)	(13,670)	(549,320)	(552,704)	-	(552,704)
<b>Total other comprehensive income (loss) for the year</b>	-	-	-	-	-	<b>(276,290)</b>	-	<b>(535,650)</b>	<b>(13,670)</b>	<b>(549,320)</b>	<b>(825,610)</b>	<b>(12,052)</b>	<b>(837,662)</b>
<b>Balance as at 31 December 2019</b>	<b>4,588,196</b>	<b>71,131</b>	<b>49,179</b>	<b>13,600</b>	-	<b>(322,415)</b>	-	<b>(593,516)</b>	<b>(17,902)</b>	<b>(611,418)</b>	<b>3,788,273</b>	<b>20,076</b>	<b>3,808,349</b>
The effect of a change in accounting policies						(24,982)					(24,982)		(24,982)
<b>Ajusted balance</b>	<b>4,588,196</b>	<b>71,131</b>	<b>49,179</b>	<b>13,600</b>	-	<b>(347,37)</b>	-	<b>(593,516)</b>	<b>(17,902)</b>	<b>(611,418)</b>	<b>3,763,291</b>	<b>20,076</b>	<b>3,783,367</b>
<b>Change in shareholder's equity</b>													
Loss for the period						(144,751)					(144,751)	(11,579)	(156,330)
Other comprehensive income (loss) for the year						20,947		137,026	(4,968)	132,059	153,005	43	153,048
Total comprehensive income (loss) for the year						(123,804)		137,026	(4,968)	132,059	8,255	(11,536)	(3,282)
<b>Balance as at 31 December 2020</b>	<b>4,588,196</b>	<b>71,131</b>	<b>49,179</b>	<b>13,600</b>		<b>(471,201)</b>		<b>(456,490)</b>	<b>(22,870)</b>	<b>(479,359)</b>	<b>3,771,546</b>	<b>8,540</b>	<b>3,780,085</b>

## ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

## FOR THE YEARS ENDED 31 DECEMBER 2019 2018 AND 2017

## Separate F/S

	(Unit : Thousand Baht)								
	Capital surplus – Common shares		Retained earning				Treasury shares – Common shares	Other components of shares-equity	Total
	Issued and paid- up share capital	Capital surplus – Treasury shares	Legal reserve	Appropriated for treasury shares	Unappropriated			Unrealized gain (loss) on valuation of available-for-sale securities	
<b>Balance as at 1 January 2018</b>	4,588,196	71,131	49,179	13,600	-	183,772	-	4,418	4,910,296
Loss for the year	-	-	-	-	-	(100,436)	-	-	(100,436)
Other comprehensive income for the year	-	-	-	-	-	-	-	(62,285)	(62,285)
Total other comprehensive income (loss) for the year	-	-	-	-	-	(100,436)	-	(62,285)	(162,720)
<b>Balance as at 31 December 2018</b>	<b>4,588,196</b>	<b>71,131</b>	<b>49,179</b>	<b>13,600</b>	<b>-</b>	<b>83,336</b>	<b>-</b>	<b>(57,867)</b>	<b>4,747,575</b>
<b>Separate F/S</b>									
	(Unit : Thousand Baht)								
<b>Balance as at 1 January 2019</b>	4,588,196	71,131	49,179	13,600	-	83,336	-	(57,867)	4,747,575
Loss for the year	-	-	-	-	-	(139,608)	-	-	(139,608)
Other comprehensive income for the year	-	-	-	-	-	(3,384)	-	(535,649)	(539,033)
Total other comprehensive income (loss) for the year	-	-	-	-	-	(142,992)	-	(535,649)	(678,641)
<b>Balance as at 31 December 2019</b>	<b>4,588,196</b>	<b>71,131</b>	<b>49,179</b>	<b>13,600</b>	<b>-</b>	<b>(59,656)</b>	<b>-</b>	<b>(593,516)</b>	<b>4,068,935</b>

**Separate F/S****(Unit : Thousand Baht)**

	Capital surplus – Common shares		Retained earning			Treasury shares – Common shares	Other components of shares-equity	Total	
	Issued and paid- up share capital	Capital surplus – Treasury shares	Legal reserve	Appropriated for treasury shares	Unappropriated		Unrealized gain (loss) on valuation of available-for-sale securities		
Balance as at 1 January 2020	4,588,196	71,131	49,179	13,600	-	(59,656)	-	(593,516)	4,068,935
The effect of a change in accounting policies	-	-	-	-	-	(23,115)	-	-	(23,115)
Adjusted balance	4,588,196	71,131	49,179	13,600	-	(82,771)	-	(593,516)	4,045,820
Change in shareholder's equity									
Loss for the year						(84,764)			(84,764)
Other comprehensive income for the year						21,955		137,026	158,981
Total other comprehensive income (loss) for the year						(62,809)		137,026	74,217
Balance as at 31 December 2020	4,588,196	71,131	49,179	13,600		(145,580)		(456,490)	4,120,037

**GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES****STATEMENTS OF CASH FLOWS****FOR THE YEARS ENDED 31 DECEMBER****(Unit : Thousand Baht)**

	<b>Consolidated F/S</b>			<b>Separate F/S</b>		
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Cash flows from operating activities</b>						
Profit before income tax	(172,930)	(288,205)	(143,297)	(100,004)	(142,590)	(101,633)
Adjusted by						
Depreciation	138,467	112,456	77,401	90,284	70,953	69,507
Unrealized gain on exchange rate	128	-	(35)	-	-	(35)
Share of gain from investments in associated company and joint venture	(29,034)	24,658	(8,510)	-	-	-
Dividend income	(15,571)	(23,357)	(2,409)	(15,571)	(23,357)	(2,409)
Provision (reversal of allowance) for doubtful accounts	(2,521)	20,523	2,611	(11,195)	50,523	2,611
Gain on disposal of other investment	-	-	(42,000)	-	-	(42,000)
Allowance (reversal of allowance) for defective inventories	(25,728)	21,572	24,081	(17,497)	12,730	24,081
Gain on disposal of investment in associated company	-	-	-	(5,359)	22,245	-
Loss on write-off fixed assets	13	6,864	3,580	2	5,943	3,571
Gain on disposal of fixed assets	(2,137)	(2)	-	(2,137)	(2)	-
Loss on withholding tax written - off	-	-	512	-	-	512
Provisions for employee benefits obligation	4,107	17,467	8,783	3,413	15,674	7,869
Gain from change in other long-term benefits	(1,440)	-	-	(1,486)	-	-
Interest income	(291)	(171)	(152)	(707)	(245)	(302)
Interest expense	68,297	69,469	41,934	36,141	40,363	41,326
<b>Cash flows provided from (used in) operations before changes in operating Assets and Liabilities</b>						
<b>Decrease (Increase) in operating assets</b>						
Trade and other accounts receivable	15,846	62,441	(15,808)	10,634	79,311	(2,924)

	(Unit : Thousand Baht)					
	Consolidated F/S			Separate F/S		
	2020	2019	2018	2020	2019	2018
Contract assets – current	(15,416)	-	-	(15,416)	-	-
Inventories	114,159	147,012	(154,551)	94,354	133,022	(81,480)
Other current assets	(1,988)	(1,796)	(41,933)	(1,459)	7,420	(6,531)
Retention receivables	6,053	(15,250)	(34,100)	11,749	(15,239)	(34,100)
Other non - current assets	(4,372)	(932)	2,719	(4,372)	(932)	791
<b>Increase (Decrease) in operating liabilities</b>						
Trade and other accounts payable	152,566	(134,857)	162,306	113,863	(193,939)	122,385
Advances received - general customers	113,166	(36,987)	(244)	115,730	(40,198)	(244)
Advances received - related companies	-	-	(21)	-	-	(21)
Employee retirement benefits obligation	(2,495)	(1,795)	(2,760)	(2,495)	(1,795)	(2,760)
Other current liabilities	1,768	(4,270)	2,567	1,818	(4,751)	2,378
Other non - current liabilities	(59)	-	-	(59)	-	-
<b>Cash provided from (used in) operations</b>	<b>340,588</b>	<b>(25,160)</b>	<b>(119,323)</b>	<b>300,237</b>	<b>(14,864)</b>	<b>592</b>
Refunded income tax	-	-	6,178	-	-	6,178
Interest payment	(64,859)	(72,738)	(56,842)	(27,568)	(39,781)	(38,097)
Income tax payment	(4,202)	(4,954)	(5,281)	(3,329)	(4,560)	(5,160)
<b>Net cash used in operating activities</b>	<b>271,527</b>	<b>(102,852)</b>	<b>(175,268)</b>	<b>269,340</b>	<b>(59,205)</b>	<b>(36,488)</b>
<b>Cash flows from investing activities</b>						
Decrease (increase) in restricted deposits with banks	(10,000)	-	27,930	(10,000)	-	27,930
Decrease in fixed deposits	-	-	-	-	-	-
Paid for investment in subsidiary company	-	-	-	-	-	-
Paid for loan to subsidiary	-	-	-	(33,918)	-	(23,650)
Receipt from loan to subsidiary	-	-	-	9,861	-	23,650
Proceeds from disposal of other investment	-	-	42,000	-	-	42,000
Purchases of fixed assets	(302,107)	(73,711)	(366,495)	(301,124)	(30,603)	(44,321)
Purchases of software program	-	(70)	(440)	-	(70)	(440)
Dividend received	15,571	23,357	2,409	15,571	23,357	2,409
Proceeds from sales of fixed assets	2,944	57	-	2,944	57	-
Interest received	291	171	175	632	245	325



	(Unit : Thousand Baht)					
	Consolidated F/S			Separate F/S		
	2020	2019	2018	2020	2019	2018
<b>Net cash used in investing activities</b>	<b>(293,301)</b>	<b>(50,196)</b>	<b>(294,422)</b>	<b>(316,034)</b>	<b>(7,014)</b>	<b>(27,902)</b>
<b>Cash flows from financing activities</b>						
Increase (decrease) in short - term loan from financial institution	9,766	300,790	252,090	15,359	176,585	174,074
Repayments of long - term loans from financial institutions	(100,809)	(180,000)	(149,500)	(83,709)	(111,600)	(103,200)
Transaction costs related to loan	(920)	-	-	(920)	-	-
Proceeds from long - term loans from financial institutions	140,200	68,390	448,734	140,200	-	19,431
Repayments of fixed asset payabl	-	(64,106)	(72,705)	-	-	-
Proceeds from loans from subsidiary	-	-	-	-	(26,311)	(61,500)
Repayments of liabilities under finance lease agreement	(19,303)	(264)	(251)	(17,239)	(264)	(251)
Purchase of treasury shares - common shares	-	-	-	-	-	-
Increase in non - controlling interests	-	-	-	-	-	-
<b>Net cash provided from (used in) financing activities</b>	<b>28,933</b>	<b>124,810</b>	<b>478,368</b>	<b>53,691</b>	<b>38,410</b>	<b>28,553</b>
Translation adjustments for foreign currency financial statements	(175)	32	(4)	-	-	-
<b>Net decrease in cash and cash equivalents</b>	<b>6,984</b>	<b>(28,207)</b>	<b>(8,674)</b>	<b>6,997</b>	<b>(27,808)</b>	<b>(19,968)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>10,223</b>	<b>38,430</b>	<b>29,756</b>	<b>10,154</b>	<b>37,962</b>	<b>17,994</b>
<b>Cash and cash equivalents at end of year</b>	<b>17,207</b>	<b>10,223</b>	<b>38,430</b>	<b>17,151</b>	<b>10,154</b>	<b>37,962</b>
<b>Supplemental disclosures for cash flows information</b>						
Non - cash items :						
- Purchase of assets under finance lease agreements	-	-	-	-	-	-
- Unrealized gain (loss) on available - for - sales securities	171,283	(669,562)	(77,856)	171,283	(669,562)	(77,856)

	(Unit : Thousand Baht)					
	Consolidated F/S			Separate F/S		
	2020	2019	2018	2020	2019	2018
- Purchased fixed assets which have not been paid yet	-	32,283	64,106	-	-	-
-Transferred property,plant and equipment to software program	13,384	-	-	13,323	-	-
-Transferred property,plant and equipment to right-of-use assets	631	-	-	631	-	-
- Transferred inventories to fixed assets	34,834	2,554	5,575	33,134	1,840	5,575
-Rent assets during the year	6,840	-	-	5,668	-	-
-Transferred right-of-use assets to liabilities under lease agreements due to change in estimation	100,918	-	-	100,918	-	-
- Actuarial gains from employee benefit	29,188	(4,231)	-	28,959	(4,231)	-
-Increase in loss allowance	22,194	-	-	22,194	-	-
-Increase in right-of-use assets	177,476	-	-	172,310	-	-
-Decrease in investments in associated company	1,882	-	-	-	-	-
-Increase in liabilities under lease agreement	175,383	-	-	170,232	-	-
-Increase in estimate decommissioning costs	3,000	-	-	3,000	-	-
- Increase in deficits	24,982	-	-	23,115	-	-

## Summary of Key Financial Ratios

As of 31 December

	Unit	Consolidated Financial Statement			Separate Financial Staement		
		2019	2018	2017	2019	2018	2017
Liquidity ratio	time(s)	0.50	0.69	0.96	0.56	0.76	0.91
Quick liquidity ratio	time(s)	0.30	0.30	0.40	0.34	0.37	0.43
Account receivable turnover	time(s)	3.80	5.10	4.51	3.65	4.80	4.45
Average collection period	day(s)	96	72	81	100	76	82
Inventory turnover	time(s)	4.29	3.88	3.55	3.89	3.96	3.80
Average sale period	day(s)	85	94	103	94	92	96
Trade receivable turnover	time(s)	2.94	3.71	3.49	3.32	4.31	4.21
Average payment period	day(s)	123	98	104	110	85	87
Cash cycle	day(s)	57	67	79.39	84	84	81
Profitability Ratio							
Gross profit margin	%	2.02	1.48	1.75	2.47	3.85	1.84
Operating profit margin	%	(12.66)	(12.95)	(7.79)	(7.79)	(6.42)	(5.22)
Net profit margin	%	(8.90)	(13.62)	(7.50)	(6.37)	(7.18)	(4.93)
Return On Equity (ROE)	%	(3.84)	(7.48)	(3.28)	(2.06)	(3.43)	(2.12)
Efficiency Ratio							
Return on assets	%	(2.34)	(4.84)	(2.26)	(1.50)	(2.65)	(1.64)
Return on fixed assets	%	(3.50)	(7.26)	(3.87)	(2.65)	(4.76)	(3.37)
Assets Turnover	time(s)	0.26	0.35	0.29	0.23	0.36	0.32
Leverage Ratio or Financial Ratio							
Debt/Equity Ratio	time(s)	0.64	0.55	0.45	0.37	0.29	0.29
Interest Coverage	time(s)	(1.53)	(3.15)	(2.42)	(1.77)	(2.53)	(1.46)
Per Share Data							
Book Value	Baht	0.70	0.05	0.86	0.76	0.03	0.88
Profit (Loss) per Share	Baht	(0.03)	(0.05)	(0.03)	(0.02)	(0.03)	(0.02)

### 3) Management Discussion and Analysis (MD&A)

#### Overview of Business Operations and Significant Changes

Since the outbreak of Novel Coronavirus 2019 (COVID-19) is new virus occurred at a time close to the end of 2019. Thai Government announced Emergency Decree on Public Administration in Emergency Situation, B.E. 2548 (2005) which was effective on 26 March 2020 to help control the spread of COVID-19. The Act has layout important rules for granting the Prime Minister to have full authority in implementing policies in the nation. Thai government has introduced various measures to combat the outbreak, including travel restrictions, quarantines, closure of business and other venues and lockdown of certain areas. These measures have been a major disruption to supply chains as well as demand for goods and services. At the same time, fiscal and monetary policies are being relaxed to sustain the economy.

The Company's management has evaluated such event is impact to business into 3 dimensions as follows:

#### 1) Impact to market and customers

The such situation brings the overall of construction market decline, especially real estate sector. The horizontal real estate projects including detached house and town house are highest affects due to the decrease of booking or buyers are delay making decision, cancel booking and delay accepts houses from projects. This results the major real estate developer adjusted plan by slowing down construction in progress even there were hired construction contracts. This directly effects to the Group by the main customer targets which effects both distribution and installment services as the same as chain.

#### 2) Impact to acceptance and collection from customers

Since such situation, the customers, mainly are construction, have affected to the acceptance, delay and temporary stop construction projects. The most customers propose to adjust work plan and acceptance with the Group including adjusted payment plan as per decline market. This impacts to decrease on sales value and acceptance at the same time.

#### 3) Sales process

The situation and the government policy to control outbreak brings customers of the Group adjusted their policy and process to contact with suppliers by temporary giving up face-to-face contacts, meetings, and concluding the projects during the past 2 months (March-April 2020) at the customers' offices. There are barriers to see customers on sites in upcountry due to restrict the areas. This inevitably effects to delay and decline project sales in the present and future.

#### The key events in year 2019 and development

The Company invest in the construction of precast concrete factory for infrastructure project with total budget not exceeding Baht 240 Million due to support and meet the needs of customers for infrastructure project of the government such as beams and bridge, and to develop the Company's business potential for precast concrete.

The Company has acquisition of additional land which located at Tanbon Chiangraknoi, Ampoe Samkok, Pathumthani which total area of 13-2-72.2 rai. The total budget including the transfer expenses the bond by the Company of approximately Bath 61.92 million.

The Company invest in bored piles project with total budget Baht 129.06 million (which includes values of investment in bored piles equal to Baht 13.52 million regarding to the Board of Directors' Meeting No. 8/2019 which held on 24 December 2019) due to the Company plans to expand the business line to meet the needs of customers and provide more options for customers.

Land lease agreement at Bangkadee, Pathumthani province in period of 3 years with total budget Baht 54.00 million (3 years' land lease agreement) due to the expiry date of land lease agreement which will be expired on 31 December 2020.

### **Operating Results**

The operating results of the Company and its subsidiaries for the year ended December 31, 2020 is described in the financial statement showing net loss at the amount of Baht 156.33 million, comparing with the same period in 2019, the net loss amount of Bath 284.96 million. In 2020 net loss is decreased by Baht 128.63 million which details are as follows;

Unit: Million Baht	2020	2019	Increase (decrease)
Revenues from sales	1,595.56	2,034.44	(438.88)
Costs of sales	(1,563.32)	(2,004.25)	(440.93)
<b>Gross profit</b>	<b>32.24</b>	<b>30.19</b>	<b>2.05</b>
Other income	36.17	57.63	(21.46)
associated company and joint venture	29.03	(24.66)	53.69
Selling and Administrative expenses	(202.08)	(281.90)	(79.82)
Finance costs	(68.29)	(69.47)	(1.18)
Income tax benefit (expense)	16.60	3.25	13.35
<b>Net Profit</b>	<b>(156.33)</b>	<b>(284.96)</b>	<b>(128.63)</b>

#### (1) Revenue from sales

In 2020, the Company and its subsidiaries had total revenue from sales at the amount of Baht 1,595.56 million, which decreased from the year 2019 by Baht 438.88 million or 21.57% due to the impact of the outbreak of the COVID-19, the Company's customers, most of whom are the main contractors, were affected by work deliveries, postponements and temporary downtime from construction projects. Most of the clients therefore requested to adjust plans and take delivery of work with the group of companies. This is due to the slowdown in the market conditions, resulting in a decrease in the number of deliveries.

The revenue structure from business operation of the company for the year 2020 can be classified as follows:

Type of revenue	2020		2019	
	Million Baht	%	Million	%
Revenue from sales and services				
Pre-stressed concrete piles	630.74	39.53	806.91	39.66
Construction & Service Agreement	76.03	4.77	-	-
Concrete product	659.96	41.36	1,012.61	49.77
Special product	47.81	3.00	88.87	4.37
Other products	3.30	0.20	6.58	0.32
Steel product	177.72	11.14	119.47	5.88
<b>Total</b>	<b>1,595.56</b>	<b>100.00</b>	<b>2,034.44</b>	<b>100.00</b>

Revenue from wire products of subsidiary increase of Baht 58.25 million this year.

#### (2) Other revenues

In 2020, The Company and its subsidiaries had other revenues Baht 17.94 million, which decreased from the year 2019 by Baht 9.10 million due to revenue from construction materials and supplies decreased.

#### (3) Cost of sales

In 2020, the Company and its subsidiaries had total cost of sales at the amount of Baht 1,563.32 million, which decreased from the year 2019 by Baht 440.93 million or 22% due to the cost of sales varies according to the decrease in revenue and the Company was reduced production costs, personnel and control production costs strictly. This year reversed the allowance from reduction of value of goods resulted in cost of sales decreased by Baht 22.43 million due to the Company has sold the products on stock.

#### (4) Gross profit

The Company and its subsidiaries' total gross profit were Baht 32.24 million, which increased from the year 2019 by Baht 2.05 million or 6.79%, due to the Company have more efficiency to control cost of production and can sold the products on stock.

#### (5) Selling expenses

The Company and its subsidiaries had selling expenses of Baht 27.84 million, or Baht 14.49 million decreased from the year 2019 or 34.23% due to the Company restructure of commission rate and manpower.

#### (6) Administrative expenses

The Company and its subsidiaries' administrative expenses was Baht 140.34 million, decreased by Baht 38.94 million or 21.72% from the year 2019 due to the Company restructure and the employee which was 633 employees this year decrease approximately 33% compared from the previous year resulted in expenses related to salaries, wages, grants and other expenses of employees was decreased.

**(7) Reversal of impairment losses (impairment losses) on account receivable and contract assets**

The Company and its subsidiaries' reverse of impairment losses on account receivable and contract assets were Baht 6.68 million compared with the year 2019 which the Company and its subsidiaries impairment losses were Baht 21.88 million effecting to the Company's expenses was decreased by Baht 28.56 million due to the company is able to collect money from the more than one year of outstanding debtors and has issued a call letter and has a team to closely collect the outstanding debt.

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

In 2020, the Company recognized the profit sharing from Mctric Public Company Limited for the amount of Baht 27.92 million and the profit sharing amount of Baht 1.11 million from Wisdom Tree Investment (S) PTE. Limited, which the Company recognized the net profit sharing Baht 29.03 million, comparing with the same period of previous year, which the Company recognized the profit sharing from Mctric Public Company at the amount of Baht 7.34 million and loss sharing from Wisdom Tree Investment (S) PTE. Limited. at the amount of Baht 32 million.

**(9) Income Tax benefit (expense)**

In the year 2020, the Company and its subsidiaries recognized taxable benefits (expenses) in the amount of Baht 16.60 million, resulting from the allowance for doubtful accounts, allowance for devaluation of goods and assets and liabilities arising from the lease agreement.

**Financial Analysis****(Unit: Thousand Baht)**

Items	30 December 2020	31 December 2019	Increase (Decrease)	%
Net Assets	6,213,438	5,885,032	328,406	5.57
Net Liabilities	2,433,353	2,076,683	356,670	17.17
Shareholders' equity	3,780,085	3,808,349	(28,264)	(0.74)

**Assets**

As at December 31, 2020, the Company had total assets of Baht 6,213.44 million Baht, increased by Baht 328.41 million or 5.57% from December 31, 2019 due to

**1. Inventories**

As of December 31, 2020, the Company and its subsidiaries have inventories of Baht 307.64 million, a decrease of Baht 123 million compared to the previous year due to the decrease in the number of products in accordance with sales and the sale of long outstanding products at cost, and partly used in the construction of the factory segment, resulting in a decrease in the allowance for the decline in the value of the goods.

## 2. Trade and other current accounts receivables

As of December 31, 2020, the Company and its subsidiaries Trade and other current accounts receivable were Baht 405.26 million, a decrease of Baht 28.32 million from the previous year due to a decrease in sales volume and an increase in allowance for credit loss, resulting in a decrease of the remaining receivables of Baht 12.48 million. A decrease in advance from previous year at the amount of Baht 7.26 million, revenue receivables decreased by Baht 6.30 million.

## 3. Equity investment

As of December 31, 2020, the Company has available-for-sale securities (MILL) worth Baht 708.49 million, an increase of Baht 171.28 million from the previous year due to the market price adjustment at 0.91 baht per share as of December 31, 2020, compared to 31 December 2019 at a price of 0.69 baht per share

## 4. Right-of-use assets

In 2020, recorded of right-of-use assets at the amount of Baht 63 million (in accordance with the new Financial Reporting Standard No.16 titled "Lease").

## 5. Property, plant and equipment

As of December 31, 2020 the Company had property, plant and equipment at amount of Baht 3,129.36 million, increased by Baht 205.27 million compared with previous year due to the Segment factory is under construction in quarter 3 year 2020

## 6. Deferred income tax assets

	31 December 2020	1 January 2020
<b>Deferred tax assets from :</b>		
Employee benefits obligation	6,333	11,462
Allowance for expected credit loss	10,656	-
Allowance for devaluation of inventories	4,514	-
Lease assets	(12,646)	-
Lease liabilities	13,002	-
Provisions from decommissioning	630	-
Equity investment	114,122	148,379
	<b>136,611</b>	<b>159,841</b>

As in 2019, the Group considers that there may not be sufficient future taxable profits to take advantage of the unused tax losses. But this year was recorded for accuracy in accordance with accounting standards.

## Liabilities

As at 31 December 2020, the Company and its subsidiaries' liabilities was Baht 2,433.35 million, increased by Baht 356.67 million or 17.17% from 31 December 2019.



1. As of December 31, 2020, the Company's current liabilities were Baht 1,558.83 million, increased by Baht 242.73 million due to;
  - 1.1. Account payable was Baht 614.97 million, increased by Baht 152.88 million from the same period of previous year. The increase come from supplier of raw materials and contractor
  - 1.2. Contract liabilities was Baht 176.87 million, increased by Baht 113.16 million due to an increase in advance payment from customer
  - 1.3. Long - term loans from financial institutions due within 1 year was Baht 142.57 million, decrease by Baht 48 million due to repayment
  - 1.4. Liabilities under lease agreements within 1 year increased by Baht 17 million ((in accordance with the new Financial Reporting Standard No.16 titled "Lease")
2. As of December 31, 2020, the Company's non-current liabilities were Baht 874.52 million increased by Baht 113.94 million due to
  - 2.1. Term loan increased by Baht 86.66 million due to new loan from Segment factory
  - 2.2. Liabilities under lease agreement increased by Baht 47.76 million ((in accordance with the new Financial Reporting Standard No.16 titled "Lease")
  - 2.3. The Company and its subsidiaries recognized the employee benefits obligation - net at amount of Baht 31.05 million decreased by Baht 24 million from the employee decreased by 35%.
  - 2.4. The Company recorded a provision for decommissioning of a manufacturing plant at Bangkadi Subdistrict, Muang District, Pathum Thani District. Pathumthani Province If the lease is not renewed and must incur a demolition cost of Baht 3.15 million.

### **Shareholders' equity**

As at 31 December 2020, the shareholders' equity of the Company and its subsidiaries were Baht 3,780.09 million, decreased by Baht 28.26 million or 0.74% from 31 December 2019. The operating result of the Company and its subsidiaries in the year 2020 showing a loss amount of Baht 156.33 million resulting in a decrease in shareholders' equity.

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

- The Company and its subsidiaries had liabilities from the bank guarantees issued to the Company and its subsidiaries for performance of contracts and from electricity usage in the amount of Baht 391.42 million. The Company used land and buildings as the security for the bank guarantees. This was also normal in business operation.
- The Company and its subsidiaries had bank overdraft amounted to Baht 1,772.51 million which the Company's land and machinery have been mortgaged as collateral for credit facilities with the bank. This is a normal business.

- The Company has commitment from issuing a letter of guarantee (stand by letter of credit) with a bank together with the related company in the amount of USD 5.83 million to guarantee credit facilities of the joint venture. Such credit facility guarantor by ordinary shares of the company held in Wisdom Tree Investment (S) PTE. Limited.
- The subsidiary has an obligation to pay for training services to related companies. That has not been recognized as a liability in the financial statements amounting to 5,100,000 yen.

#### **Policy for setting CREDIT TERM**

Trade accounts receivable caused by selling products and services to customers according to the main operations of the Company. The payment period is typically 7 to 120 days from the date of the invoice. This is an item that is not yet due for payment. The debt collection is 30 to 60 days from the billing date. But according to the financial ratio, the actual average payment period is 96 days as most customers have a billing policy set and payment cycle to business partners according to the calendar specified by the customer which will not be in line with the deal with the group of companies. Some customers have postponed cheque payable according to the cash flow that can be paid. And due to the COVID-19 outbreak, the impact on customer debt repayment due to the Company's customers, most of which are the main contractors, were affected by work deliveries, postponements and temporary downtime from construction projects. Most of the clients therefore requested to adjust their payment plan according to the slowing down market conditions.

## 5. GENERAL INFORMATION AND OTHER IMPORTANT INFORMATION

### 5.1 GENERAL INFORMATION

Company name	: General Engineering Public Company Limited
Company symbol	: GEL (On 14 March 2014 the Company changed symbol from "GEN" to "GEL")
Headquarter	: 44/2, Moo 2, Tivanon Road, Bangkadee, Muang, Pathumthani 12000
Branch office	: Branch (1): 99, 99/1-5 Moo 4, Chiangraknoi, Sam Khok, Pathumthani 12160 Branch (2): 99/19 Moo 1, Banlang, Muang Rayong, Rayong 21000
Nature of Business	: Manufacturing and distribution of construction materials: Pre-stressed concrete pile products, Precast concrete products, glass fiber reinforced concrete product, special cement product and post-tensioned
Register Number	: 0107536001338
Contact numbers	: Tel 02-501-2020, 02-501-1055 Fax 02-501-2468, 02-501-2134
Website	: <a href="http://www.gel.co.th">www.gel.co.th</a>
Registered Share Capital	: 4,588,195,610.65 Baht
Paid up Share Capital	: 4,588,195,610.65 Baht
Paid up ordinary shares	: 5,397,877,189 shares
Par value	: 0.85 Baht
Accounting period	: 1 January - 31 December

#### Share Registrar

Thailand Securities Depository Co., Ltd.

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

Tel 02-229-2800 Fax 02-359-1259

#### Auditor

Ms. Sansanee Poonsawat Certified Public Accountant License No. 6977 or Ms. Pitinun Pattaraklitidej Certified Public Accountant License No. 10467 from Proud in Pro Company Limited 33/62 Wall Street Tower Floor 13, Surawong, Suriyawong, Bangrak, Bangkok 10500

### 5.2 OTHER INFORMATION

-None-

**5.3 LEGAL DISPUTES**

The Company and its subsidiaries have contingent liabilities as a result of legal disputes and normal business litigation. Management has made judgment in assessing the outcome of the disputes and litigation. The Company also makes an allowance for losses that may occur in the accounts for a reasonable amount as of the date of the financial statements, however results may differ from those estimates.

**5.4 PRIMARY MARKET**

-None-

**5.5 FINANCIAL INSTITUTION (INCASE OF ISSUING DEBT INSTRUMENTS)**

-None-

## 6. CORPORATE GOVERNANCE

### 6.1 CORPORATE GOVERNANCE

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

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

#### The committee

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

#### a) Board of Directors

As of December 31, 2020, the Board of Directors comprises 8 members, whose names are as follows:

Name			Position
1.	Professor Dr. Borwornsak	Uwanno	Chairman of the Board of Directors
2.	Mr. Sophon	Pholprasit	Vice Chairman of the Board of Directors
3.	Mr. Thitipong	Tangpoonphonvivat	Director
4.	Mr. Wirach	Morakotkarn	Independent Director
5.	Mrs. Pannee	Jarusombat	Independent Director
6.	Dr. Vichya	Kreangam	Independent Director
7.	Mr. Vipoota	Trakulhoon	Independent Director
8.	Mr. Wuttichai	Sresthabutra	Director

#### Term and retirement from the Board of Directors

Each director holds office for a term of 3 years as stated in the Company's Articles of Association and the director who retires from office upon expiration of term may be re-elected to hold office for another term. At every annual general meeting of shareholders, one third of the total number of directors shall retire from office. If the number is

not a multiple of three, the number of directors closest to one third shall retire from office. The directors retiring from their office in the first and the second years after registration of the Company shall be made by drawing lots. In subsequent years, the directors who have held office longest shall retire. Apart from retirement upon expiration of the term of office, the directors shall vacate office upon:

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

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

#### **Authorities, duties and responsibilities of the Chairman of the Board**

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

#### **Scope of Duties and Responsibilities of the Board of Directors**

- 1) The Board of Directors shall manage and carry on the businesses of the Company in compliance with the laws, objects, and Articles of Association of the Company, including the resolutions of shareholders'

meetings, with responsibility, honesty, care and protection of the interests of the Company. The directors shall also supervise the business operations, following the ethics, code of conduct and practices on anti-corruption.

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

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

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

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

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



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

**The Board of Directors' Meeting**

- 1) The meeting of the Board of Directors shall be organized every quarter or at least 4 times a year. The meeting schedule of the whole year shall be arranged in advance. A special meeting may be summoned as necessary. (Detail of the additional meetings for the year 2019, specified in the page 29) In case of no meeting, the Company should deliver to the Board of Directors the operating performance result report in the month the meeting is not held in order to ensure the Board of Directors shall be able to continually supervise and oversee the operations of the management in time.
- 2) The Chairman and the Chief Executive of the Company shall jointly consider and approve the meeting agenda.
- 3) The Company Secretary shall deliver meeting notice together with meeting agenda, and supplementary documentation for the meeting to the directors not less than 7 working days in advance of the date of meeting in order for the directors to have enough time to study the information. This is except for the case of necessity or urgency, the notice of meeting may be served by other means and earlier date may be scheduled for the meeting.
- 4) The Chairman of the Company shall chair the meeting and arrange time for each agenda item which is enough for the directors to freely discuss and express their opinions in relation to the main issues, taking into consideration the benefits of the shareholders and related persons in a fair manner.
- 5) During the meeting, the directors shall not be present in the meeting during consideration of the matter they have interests in.
- 6) A resolution of the meeting shall be made by a majority vote. If such resolution is objected by any director, his objection shall be recorded in the minutes of meeting.
- 7) In consideration of any matter, the directors shall have the right to make a request to see or inspect the documents related to such matter, and to request related executives to attend the meeting to give explanations about the matter.
- 8) The Board of Directors shall set as the policy allowing non-management directors to hold meetings, in the absence of the management, to discuss the management-related problems which are in the spotlight. The results of the meetings shall be reported to the Managing Director.
- 9) The Company Secretary has the duties to record and prepare the minutes of the Board of Directors' meeting within 14 days; keep the minutes of the meetings and supplementary documents used during the meeting; provide support and follow up to facilitate the Board of Directors to perform the duties in

compliance with laws, regulations, and resolutions of the shareholders' meetings; and coordinate with related parties.

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

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

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

**Authorized directors**

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

**Succession planning management**

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

**b) Audit Committee**

As of 31 December 2020, the Audit Committee consisted of 3 directors with the following names;

Member of Audit Committee		Position
1. Mr. Wirach	Morakotkarn	Chairman of the Audit Committee
2. Mrs. Pannee	Jarusombat	Audit Committee
3. Mr. Vichya	Kreangam	Audit Committee

**Term and Retirement from the Audit Committee**

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

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

- 1) Death
- 2) Resignation
- 3) Removal by the Board of Directors
- 4) Retirement from the position of director
- 5) Retirement from the position of independent director

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

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

**Scope of Duties and Responsibilities of the Audit Committee**

- 1) To review the Company's financial reporting to ensure that it is accurate in accordance with the generally accepted accounting principles and that sufficient information is disclosed
- 2) To review the efficiency and effectiveness of good corporate governance, risk management process and internal control process.
- 3) To review the Company's internal control system and internal audit system, including risk assessment policy to ensure they are suitable and effective; to consider the independence of the internal audit unit; and to approve the appointment, transfer or dismissal of the head of internal audit unit or any other agency responsible for internal audit
- 4) To review the Company's compliance with the law on securities and exchange, the Stock Exchange of Thailand's regulations, and the laws relating to the Company's business
- 5) To consider, select, and nominate an independent person to be the Company's auditor as well as terminate such person; to propose such person's remuneration; and to attend a meeting with the auditor, in the absence of the management, at least once a year

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- 6) To review the Connected Transactions or the transactions that may lead to conflicts of interests to ensure that they are in compliance with the laws and the Stock Exchange of Thailand's regulations and are reasonable for the highest benefit of the Company
  - 7) To prepare and to disclose in the Company's annual report, the Report of the Audit Committee which shall be signed by the Chairman of the Audit Committee and consist of at least the following information:
    - 1) An opinion on the accuracy, completeness and creditability of the Company's financial report
    - 2) An opinion on the adequacy of the Company's internal control system
    - 3) An opinion on the compliance with the law on securities and exchange, the Stock Exchange of Thailand's regulations, or the laws relating to the Company's business
    - 4) An opinion on the suitability of the auditor
    - 5) An opinion on the transactions that may lead to conflicts of interests
    - 6) An opinion on the Anti-Corruption Policy as appropriate
    - 7) The number of the Audit Committee meetings, and the attendance of such meetings by each committee member
    - 8) An opinion or overview comment of the Audit Committee from its performance of duties in accordance with the charter
    - 9) Other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors
  - 8) To review and comment on the internal audit plan and the performance of the internal audit unit. In performance of its duties under the scope of duties and authorities, the Audit Committee shall have authority to invite relevant management, executives, or employees to express opinions in the meeting or submit related documents as necessary.
  - 9) In performance of duties of the Audit Committee, if any of the following transactions or actions which may cause significant impacts on the financial status and the operating result of the Company is found or in doubt, the Audit Committee shall investigate such transaction or action, and report the result to the Board of Directors for rectification within the period of time as the Audit Committee deems fit.
    - 1) Report which contains conflict of interest
    - 2) Dishonest, corruption or irregular activities or significant defects in the internal control system
    - 3) Violation of the law on securities and exchange, the Stock Exchange of Thailand's regulations, and the laws relating to the Company's business.
    - 4) If the Board of Directors or executives fail to carry out rectification within the period of time as the Audit Committee deems fit, any member of the Audit Committee may report such transaction or action to the Securities and Exchange Commission or the Stock Exchange of Thailand.
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- 10) To consider, review, and revise the charter of the Audit Committee and propose to the Board of Directors for approval
- 11) To perform any other act as assigned by the Company's Board of Directors with the consent of the Audit Committee

### **Audit Committee's Meeting**

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

### **c) Risk Management Committee**

As of 31 December 2020, the Risk Management Committee consisted of 4 directors with the following names;

<b>Member of Risk Oversight Committee</b>		<b>Position</b>
1. Mr. Sophon	Pholprasit	Chairman of the Risk Management Committee
2. Mr. Chainarin	Sairungsri	Member of the Risk Management Committee
3. Mr. Vipoota	Trakulhoon	Member of the Risk Management Committee
4. Mrs. Wisadja	Kochsena	Member of the Risk Management Committee

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

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

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

### **Scope of Duties and Responsibilities of the Risk Management Committee**

- 1) To study, review, and assess both internal and external risks that may occur, and the tendency of the impacts on the organization, covering at least the following 5 risks:
  - Strategic risk
  - Operational risk
  - Financial risk

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

#### **Risk Management Committee's Meeting**

- 1) In the meeting of the Risk Management Committee, the presence of not less than one half of the total number of the Risk Oversight Committee members is required to constitute a quorum.
  - 2) The meetings shall be convened no less than twice a year.
  - 3) The Risk Management Committee may invite, as necessary, other persons to attend the meeting during consideration of the agenda item which is related to them.
  - 4) The resolution on any matter shall be passed by votes of not less than one half of the total members present at the meeting.
  - 5) The secretary of the Risk Management Committee is responsible for all arrangements for the meeting, including preparation of the meeting, meeting agenda, and supplementary documents for the meeting, and delivery of meeting documents via email to all members of the Risk Management Committee within the sufficient period of time or at least 7 days prior to the date of meeting. The secretary shall also prepare the minutes of the meeting and deliver to the Risk Oversight Committee members within 14 working days after the date of meeting.
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**d) Nomination & Remuneration Committee**

As of 31 December 2020, the Nomination & Remuneration Committee consisted of 4 directors;

Member of Nomination & Remuneration Committee		Position
1. Mr. Vipoota	Trakulhoon	Chairman of the Nomination & Remuneration Committee
2. Mr. Thitipong	Tangpoonphonvivat	Member of the Nomination & Remuneration Committee
3. Dr. Vichya	Krea-Engam	Member of the Nomination & Remuneration Committee

**Term and Retirement from the Nomination and Remuneration Committee**

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

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

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

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

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

**Scope of Duties and Responsibilities of the Nomination and Remuneration Committee****1. Nomination**

- 1) To establish the policies, criteria and methods for nomination of directors and authorized managers and propose to the Board of Directors for approval
- 2) To select a person who possesses qualifications in accordance with related regulations and laws to be nominated as director, member of sub-committee, and authorized manager to the Board of Directors for approval

For nomination of a director, the Nomination and Remuneration Committee shall consider his experience in at least one of the following professions, e.g. sales, finance, business administration,

marketing, human resource management, law, management, etc. which is important for the Board of Directors. Consideration should be also given to the competence to assist the Board of Directors in performing duties in a more careful manner, the ability to make reasonable business decisions, strategic thinking, leadership experience, high degree of professional expertise, integrity, and other appropriate personal qualifications.

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

## 2. Remuneration

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

## 3. Others

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

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

### **The Nomination and Remuneration Committee's Meeting**

- 1) The Nomination and Remuneration Committee shall convene a meeting in case of nomination of directors or executives, or consideration of remuneration.
- 2) The Chairman of the Nomination and Remuneration Committee shall assign the secretary to deliver meeting notice together with meeting agenda, and supplementary documentation for meeting via email to the committee members 7 days in advance of the date of meeting in order for the committee members to



have enough time to study the information. A written record of the meeting shall be prepared and kept in the well-organized filing system which is easy to retrieve. Details of the written record of the meeting cannot be changed without approval of the meeting and are ready for examination by the Board of Directors or related parties. The minutes of the meeting shall be prepared within 14 days after the date of meeting. The secretary shall keep the minutes of the meeting and supplementary documentation for the meeting; provide support to the Nomination and Remuneration Committee to ensure they perform duties in compliance with laws and regulations; and coordinate with related parties.

- 3) In the meeting of the Nomination and Remuneration Committee, the presence of not less than one half of the total number of the Nomination and Remuneration Committee members is required to constitute a quorum.
- 4) The meeting shall be convened at least once a year.
- 5) The resolution of the Nomination and Remuneration Committee shall be made by majority vote.

**e) Corporate Governance Committee**

As of 31 December 2020, the Corporate Governance Committee consisted of 4 directors;

<b>Member of Corporate Governance Committee</b>		<b>Position</b>
1.	Mr. Vichya KreaNgam	Chairman of the Corporate Governance Committee
2.	Mr. Vipoota Trakulhoon	Member of the Corporate Governance Committee
3.	Mr. Wuttichai Sresthabutra	Member of the Corporate Governance Committee
4.	Mrs. Wisadja Kochsena	Member of the Corporate Governance Committee

**Term and Retirement from the Corporate Governance Committee**

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

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

The Corporate Governance Committee shall vacate office upon:

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

### **Scope of Duties and Responsibilities of the Good Corporate Governance Committee**

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

### **The Corporate Governance Committee's Meeting**

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

**f) Executive Committee**

As of 31 December 2020, the Executive Committee consisted of 2 members;

Member of Executive Committee		Position
1. Mr. Thitipong	Tangpoonphonvivat	Chairman Executive Committee/ Chief Executive Officer
2. Mr. Wuttichai	Sresthabutra	Executive Committee

**Term and Retirement from the Executive Committee**

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

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

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

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

**Scope of Duties and Responsibilities of the Executive Committee**

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

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

#### **The Executive Committee's Meeting**

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

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

**g) Chief Executive Officer**

**Duties and responsibilities of Chief Executive Officer**

- 1) The Chief Executive Officer is responsible for managing operations and performs routine tasks. For the benefit of the Company and the purposes of the Company as well as regulations, policies, plans and resolutions within the framework of the law and jurisdiction of the Board of Directors determined.
- 2) To consider the annual budget prepared by the management which to be presented to the Board of Directors including to controls of spending of annual budget.
- 3) The Chief Executive Officer is authorized to perform any act that can be to perform according to normal business.
- 4) The Chief Executive Officer shall be presented to the Board of Directors to approve the investment of the Company which is not in the policy of the Company.
- 5) Powers Act and the presence of a representative of the business to a third party.
- 6) Approved the appointment of consultants necessary to the operation of the business.
- 7) Consider hiring, salary adjustments and benefits for their work positions. Including bonuses to executives. And all employees of the company hierarchy.
- 8) To approve the action plans of each department. And approve requests from various departments. Beyond the jurisdiction of the task.
- 9) Perform other duties as assigned by the Board of Directors each time.
- 10) The actions related to the transaction. As defined by the Securities and Exchange Commission (SEC) for approval to the Board of Directors.
- 11) To consider the profits and losses of the Company and to propose interim dividend or annual dividend to the Board of Directors.

In addition, the aforementioned delegation of authority to the Chief Executive Officer must be under the rules of law and regulation of the Company. In the case that may have benefit or interests to the Chief Executive Officer or person who may have conflicts (According to the announcement of the SEC), the Chief Executive Officer or attorney has

no authority to approve such actions. The Chief Executive Officer must present the matter to the Board of Directors for further consideration.

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

#### Change in Holding of the Company's Shares of the Director and Executive during the year 2020

Name	Position	Number of Securities held			
		As of December 31, 2020	As of December 31, 2019	Increase (Decrease)	Share holding in the Company (%) As of December 31, 2020
1. Professor Dr. Borwornsak Uwanno	Chairman of the Board of Directors	-	-	-	-
Spouse and underage children		-	-	-	-
2. Mr. Sophon Pholprasit	Vice Chairman of the Board of Directors	-	-	-	-
Spouse and underage children		-	-	-	-
3. Mr. Thitipong Tangpoonphonvivat	Director	917,658,400	885,486,000	32,172,400	17.00
Spouse and underage children		-	-	-	-
4. Mr. Wirach Morakotkarn	Independent Director				
Spouse and underage children					
5. Mrs. Pannee Jarusombat	Independent Director	2,000,000	2,000,000	-	0.04
Spouse and underage children		-	-	-	-
6. Dr. Vichya Krea-Ngam	Independent Director	-	-	-	-
Spouse and underage children		-	-	-	-
7. Mr. Vipoota Trakulhoon	Independent Director	-	-	-	-
Spouse and underage children		-	-	-	-
8. Mr. Wuttichai Sresthabutra	Director	-	-	-	-
Spouse and underage children		-	-	-	-
9. Mr. Amornsak Torot	Deputy Chief Executive Officer – Production	-	-	-	-
Spouse and underage children		-	-	-	-
10. Mrs. Wisadja Kochsena	VP – Accounting & Finance	-	-	-	-
Spouse and underage children		-	-	-	-

Name	Position	Number of Securities held			
		As of December 31, 2020	As of December 31, 2019	Increase (Decrease)	Share holding in the Company (%) As of December 31, 2020
11. Mr. Sarun Wiangkhamma	VP – Production and Service of Precast concrete	-	-	-	-
Spouse and underage children		-	-	-	-
12. Mr. Somnuk Putthiwat	VP – Service of pre-stressed concrete piles	-	-	-	-
Spouse and underage children		-	-	-	-
13. Ms. Chuensuk Meeposom	VP – Business development and business control	-	-	-	-
Spouse and underage children		-	-	-	-
14 Mr. Chardchai Hirunnuj	VP - Digital	-	-	-	-
Spouse and underage children		-	-	-	-

### Nomination of Directors and high level Executives

Detail of the Nomination of Directors and high level Executives, specified in “Corporate Governance Performance” page 96

### Remuneration of Directors and high level Executives

Detail of the Remuneration of Directors and high level Executives, specified in “Management Structure” page 92

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

Detail of the Board of Directors self-assessment, Subcommittees self-assessment and Chief Executive Officer’s self-assessment, specified in “Corporate Governance Performance” page 100

### Supervision of Operations of Subsidiaries and Associated Companies

Detail of the Nomination of Directors and high level Executives, specified in “Corporate Governance Performance” page 108

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

The Company has recognized the importance of good corporate governance which is very important for the business to grow sustainable as well as creating confidence for shareholders, investors or related parties to ensure management to be transparent, able to check and have good governance and being able to receive public recognition. The resolution of Board of Director No. 7/2019 held on 15 August 2019 determined a policy on good corporate governance and has reviewed a policy for annual.

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

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

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

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

### **Chapter 1 Right of the shareholders**

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

The basic rights of the shareholders are participating to appoint and remove the directors; appointment of the auditor and the matters that affect the Company, e.g. a revision of the rules and the articles of association, a reduction or increase of capital, allocation of dividends, and approval of the related items. The shareholders are also given the right to transact or transfer their shares, profit-sharing, or dividends, including receiving information from the Company



continuously. The Company shall not do anything to violate or derogate the right of the shareholders with the good guidelines toward them as follows:

1. The Company has appointed Thailand Securities Depository Co., Ltd. as its registrar to send a meeting invitation to the shareholders and the supplemental documents to all the shareholders before a meeting date a minimum of 7 days in advance. The meeting invitation shall contain complete information and opinions of the board of directors on each item clearly.

2. The Company shall bring the meeting invitation with the supplemental documents to announce to the shareholders via the channel of the SET and on its Web site 20 days in advance before the meeting date to open the opportunity for the shareholders to study the information before the meeting date.

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

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

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

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

## **Chapter 2 Equitable Treatment of the Shareholders**

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

1. The board of directors manages the process of the shareholders' meetings in terms of supporting by sending a proxy form to all shareholders, in case the shareholder is not convenient to attend the meeting in person it can appoint someone to attend by proxy. The format of the proxy form makes the shareholder can vote by proxy by agreeing,

disagreeing, or abstaining. Also the Company shall arrange for its Chairman and the two Audit committees as the alternative for the proxy, supplemented by the qualified four directors.

2. Giving the right to the minority shareholders to present in the agenda of the shareholders' meeting, or present the name of the people to be elected as a board director before the meeting date of the shareholders' meeting.

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

4. Establishing a measure to prevent from using the inside information to find interesting to himself or other people dishonestly by the board directors or management. It has to disseminate the measure to the executives for acknowledgement, while the board directors and the executives of the Company have to report a change of its holding of securities to the SEC on each time. The Company's employees shall not disclose the publicly undisclosed information to other people. A disclosure of information may have an impact on the business and the price of the Company's securities; it requires approval from the executives first. It is prohibited the board directors and the executives from utilizing the inside information, which can cause damage to the overall shareholders.

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

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

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

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

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

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

#### **1) The shareholders**

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

## 2) Employees

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

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

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

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

### Offering the fair compensation return

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

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

- Provide appropriate welfare for employees.

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

- 1) Benefits such as grants for employees Spouse of employees or parent Or child's death Hard working
- 2) Welfare benefits such as emergency welfare loan Housing loan
- 3) Fund benefits such as provident fund. Social Security Fund

- 4) health and life insurance benefits, such as annual health check-ups, as needed by age and sex, group health insurance Accident insurance group
- 5) Employee welfare

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

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

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

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

#### Number and Accident Rate of Employees in 2020

	Bangkadee Plant			Chiangraknoi Plant			Total number		
	Female(s)	Male(s)	Total	Female(s)	Male(s)	Total	Female(s)	Male(s)	Total
1. Number of work injuries (people)	-	2	2	2	5	7	2	7	9
2. Number of accidents (people)	-	1	1	-	2	2	-	3	3

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

### 3) Customers

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

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

### 4) Partners

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

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

## 5) Competitor

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

## 6) Creditor

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

## 7) Social / Community and Environment

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

The Company has considered the value and the importance of social benefits and society around the factory. The Company has given the development to improve the classroom school toilets nearby, support sporting for student, scholarship join Children's Day activity and join the activities of the nearby temples according to important religious festivals. Employees of the Company jointly donated blood to the Thai Red Cross once a year on a regular basis every year.

The Company aims to operate environmentally friendly businesses, have social responsibility, consideration of living together with society and community happily together. For sustainable development which has announced the policy on environmental governance Industrial establishment on March 18, 2014, with employees including nearby communities informed by the Company strictly complying with the policy on environmental governance.

The Company participated in industrial upgrading activities aimed at the development of industrial cities in ecological industrial cities. Under the project to upgrade and create a database of industrial development in the area of ecological industrial cities in 8 provinces in the target area (Rayong, Samut Prakarn, Samut Sakhon, Chachoengsao, Prachin Buri, Chon Buri, Nakhon Pathom and Pathum Thani)

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

And in addition, the Company is certified by the Ministry of Industry to ensure that the Company is a green industry Level 2 Green Activity. The activities to reduce the impact on the environment have been achieved in accordance with the intended commitment.

## **Chapter 4 Revelation of Information and Transparency**

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

Moreover, it has set up a unit to be responsible for supervising the job on the investor relations and secretarial job as its representative in communicating useful information to the shareholders, investors, securities analysts, and the involved persons. They can contact to inquire about the Company conveniently by the phone number 02-501-2020 ext. 773, 333 and by fax at 02-501-2134

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

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

#### **1. A channel for complaints**

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

- (1) Managers or supervisors that they trust at all levels.
- (2) Good Corporate Governance Committee
- (3) Correspondence

Chief Executive Officer or Chairman of the Audit Committee.

Company General Engineering Co., Ltd.

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

Pathumthani Province 12000

- (4) Email [gel@gel.co.th](mailto:gel@gel.co.th)
- (5) Website [www.gel.co.th](http://www.gel.co.th)

#### **2. The action on the complaints received**

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

### **3. Protection measures**

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

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

### **Chapter 5 Responsibility of the Board of Directors**

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

### **Intellectual property rights**

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

### **Internal Control System**

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



**Risk Management**

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

**Report of the Board of Directors**

The Audit Committee is responsible for reviewing the financial statements, and shall convene a meeting with the Accounting Department, the Finance Departments and the auditor in order to propose the financial statements to the Board of Directors every quarter. The Board of Directors is responsible for the financial statements of the Company, including the financial information that appears in the annual report (Report of the Board of Directors' Responsibility for Financial Statements). The financial statements are prepared according to the generally accepted accounting standards and certified by the Company's auditor. Essential information, financial and others, is completely and consistently disclosed based on the matters of fact.

**The Board of Directors' Meeting**

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

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

**6.2 CODE OF CONDUCT**

The Company has been in business for more than 58 years and is famous and recognized by the business community. Therefore, the Company pays attention to business ethics. That shows honesty and credibility to stakeholders. There is an activity that the executives will communicate on the subject of business ethics and the ethics

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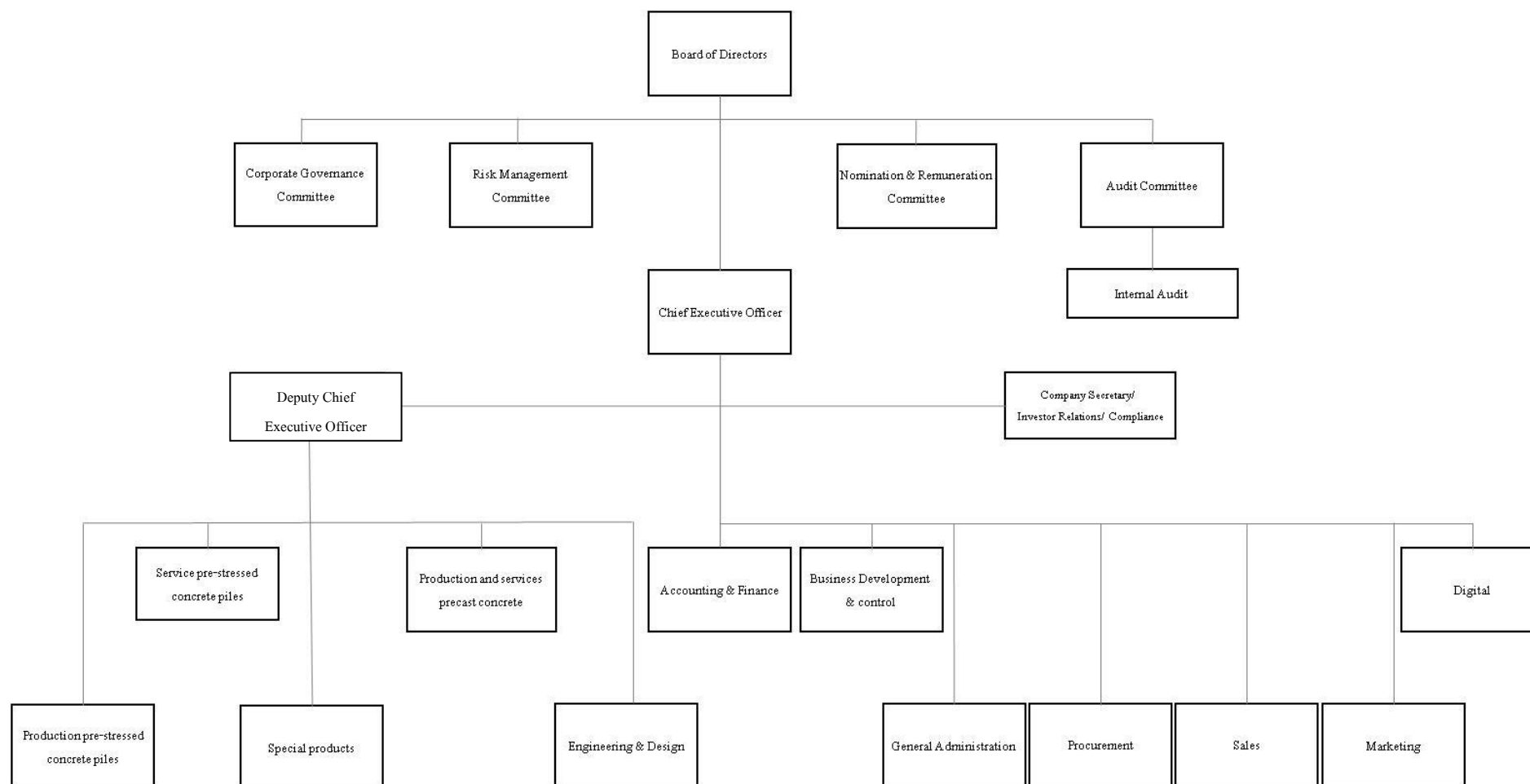
that employees should have toward the company, against business partners, competitors, against employees. In addition, the company has a policy on anti-corruption and bribery for the benefit of the business of the company and inform the employees on the orientation day to become a new employee of the company. Details specified in [www.gel.co.th](http://www.gel.co.th) under investor relations item.

### **6.3 MAJOR CHANGES AND DEVELOPMENT IN RELATED TO POLICY, PRACTICE, CORPORATE GOVERNANCE**

1. The Company has received a CG Score from the Thai Institute of Directors Association (IOD) with a 5-star rating which is Excellent (3 consecutive years). It received a total of 240 5-star ratings out of 692 listed companies.
2. The Company was assessed for the quality of the 2020 Annual General Meeting of Shareholders by the Thai Investors Association with a score of 100 points. In this regard, there were companies listed on the stock exchange that scored between 100 points, 240 of all listed companies. 692 companies
3. The Company provides an opportunity for shareholders to propose agenda and nominate persons to be elected as directors between December 1, 2020 - January 31, 2021, where there is no shareholder. Propose the agenda and the list of persons to be elected as directors
4. The Company was certified as Green Industry Level 2, Green Activity for the year 2020 by the Ministry of Industry at Bangkadee Factory
5. The Company has operated in accordance with the anti-corruption policy. It is certified by the Thai Private Sector Collective Action Coalition Against Corruption (CAC) program, which the Good Corporate Governance Committee has examined the anti-corruption policy. (Anti-Corruption Policy) In 2020, the company has been renewed as a member of the Thai Private Sector Collective Action Coalition against Corruption (CAC Recertification) for a period of 3 years.
6. The Company has organized an evaluation of the performance of the Board of Directors. Every sub-committee with self-assessment and Chief Executive Officer assessment. The overall assessment results are excellent, indicating the performance in line with good corporate governance practices.
7. Establish a policy and practice guideline political contribution Charitable donations
8. Review and improve the good corporate governance policy. Anti-Corruption Policy for accepting and giving gifts or any other benefits And ethics handbook
9. Measures to prevent the spread of COVID 2019 (COVID-19) together with health and safety measures.

MANAGEMENT STRUCTURE

7. MANAGEMENT STRUCTURE



## 7.2 BOARD OF DIRECTOR

The Board of Directors comprises individuals who possess all the qualifications prescribed in Section 68 of the Public Limited Companies Act B.E. 2535 and the applicable regulations announced by the Capital Market Supervisory Board. The Board of Directors is composed of individuals who, on the basis of their knowledge and experience, make valuable contributions to the planning of the company's policy.

### 7.2.1 Composition of the Board of Directors

1. The Board of Directors has arranged for a number of directors that are suitable for the size of the business. It consists of not less than 5 directors and not less than half of the directors must reside in the Kingdom and must have at least one director with experience in accounting and finance.
2. The Board of Directors comprises at least one third of the total number of independent directors. And there are at least 3 people
3. The Board of Directors consists of non-executive directors to perform duties and balance between the non-executive directors and the directors who take part in the management. And at least one-third of the total number of directors must be independent directors.

### 7.2.2 The member of Board of Directors

As of December 31, 2020, the Board of Directors comprises 8 members, whose names are as follows:

#### a) Board of Directors

- |    |                                 |   |
|----|---------------------------------|---|
| 1. | Professor Dr. Borwornsak Uwanno | Chairman of the Board of Directors/ Independent Director      |
| 2. | Mr. Sophon Pholprasit           | Vice Chairman of the Board of Directors/ Independent Director |
| 3. | Mr. Thitipong Tangpoonphonvivat | Director  |
| 4. | Mrs. Pannee Jarusombat          | Independent Director  |
| 5. | Dr. Vichya Kreangam             | Independent Director  |
| 6. | Mr. Wirach Morakotkarn          | Independent Director  |
| 7. | Mr. Vipoota Trakulhoon          | Independent Director  |
| 8. | Mr. Wuttichai Sresthabutra      | Director and Company Secretary                                |

The independent directors held a meeting with the auditors, which there is no management attends the meeting, at least 1 meeting per year to freely express opinions and suggestions. The Company held a meeting on 1 March 2021.

### 7.2.3 Roles and duties of the Board of Directors

The Board of Directors has roles and duties in the management and operation of the company in accordance with the law, objectives, company regulations. As well as the resolution of the shareholders' meeting with responsibility

honesty and be careful with the interests of the company Including ethical corporate governance Business ethics The details of "Charter of the Board of Directors" can be found on the Company's website. [www.gel.co.th](http://www.gel.co.th) under the heading "Investor Relations"

### Authorized directors

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

## 7.3 THE SUB-COMMITTEE

### a) Audit Committee

#### Composition of the Audit Committee

The Audit Committee is made up of 3 independent members of the Board of Directors. All members of the Audit Committee are knowledgeable and have acceptable experience in finance and accounting. Mr. Wirach Morakotkarn (appointed to the Chairman of Audit Committee since 26 February 2019), Chairman of the Audit Committee, has sufficient employment experience which enables him to maintain the reliability and integrity of the Company's accounting policies, financial reporting practices and financial statements, in order to ensure compliance with applicable international auditing standards. He also oversees the design, implementation, adequacy and effectiveness of the Company's internal controls and risk management. The Audit Committee is free to perform its duties and express its opinions.

As of December 31, 2020, the Audit Committee comprises 3 members whose names are as follows:

- |    |             |             |                                 |
|----|-------------|-------------|---------------------------------|
| 2. | Mr. Wirach  | Morakotkarn | Chairman of the Audit Committee |
| 3. | Mrs. Pannee | Jarusombat  | Audit Committee                 |
| 4. | Dr. Vichya  | Kreangam    | Audit Committee                 |

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

#### Roles and duties of the Audit Committee

Review to ensure that the Company has correct financial reporting as it should. To review the Company to comply with the law on securities and exchange. Requirements of the Stock Exchange of Thailand and laws relating to the Company's business. Review the efficiency and effectiveness of the good corporate governance process. Risk management process and internal control procedures. Details of the Audit Committee Charter can be found on the Company's website. [www.gel.co.th](http://www.gel.co.th) under the heading of "Investor Relations"

**b) Risk Management Committee****Composition of the Risk Management Committee**

To ensure that the Company's operations are carried out in accordance to the Company's policies, strategies and objectives and to drive the Company's sustainable growth and effective business expansion while preparing for possible internal and external changes that may affect the Company's business, the Board of Directors sees it fit to establish a risk management committee, as of December 31, 2020, the Risk Management Committee comprises 4 members whose names are as follows:

- |    |               |            |                                       |
|----|---------------|------------|---------------------------------------|
| 1. | Mr. Sophon    | Pholprasit | Chairman of Risk Management Committee |
| 4. | Mr. Chainarin | Sairungsri | Risk Management Committee             |
| 5. | Mr. Vipoota   | Trakulhoon | Risk Management Committee             |
| 6. | Mrs. Wisadja  | Kochsena   | Risk Management Committee             |

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

**Roles and duties of the risk management committee**

Establish a risk management policy to propose to the Board of Directors for approval, study, review and risk assessment that may occur. Including the tendency of the impact that may have on the organization both external and internal risks. Follow up and supervise the amount of the risk of the Company at an appropriate level. Details "Risk Oversight Committee Charter" can be found on the Company's website. [www.gel.co.th](http://www.gel.co.th) under the heading of "Investor Relations"

**c) Nomination & Remuneration Committee****Composition of the Nomination & Remuneration Committee**

To ensure that the Company's operations are carried out in accordance to the Company's policies, strategies and objectives and to drive the Company's sustainable growth and effective business expansion while preparing for possible internal and external changes that may affect the Company's business, the Board of Directors sees it fit to establish a Nomination & Remuneration Committee, as of December 31, 2020, the Nomination & Remuneration Committee comprises 3 members whose names are as follows:

- |    |               |                   |   |
|----|---------------|-------------------|---|
| 1. | Mr. Vipoota   | Trakulhoon        | Chairman of the Nomination & Remuneration Committee |
| 2. | Mr. Thitipong | Tangpoonphonvivat | Nomination and Remuneration Committee               |
| 3. | Mr. Vichya    | KreaNgam          | Nomination and Remuneration Committee               |

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

### **Roles and duties of the Nomination and Remuneration Committee**

Establish policies, criteria and methods for nominating directors and persons with management power. And to formulate policies, criteria and procedures for consideration of remuneration for proposing to the Board of Directors for approval. Select and nominate qualified persons to serve as directors of the Company and set guidelines for evaluating the performance of directors.

### **d) Corporate Governance Committee**

#### **Composition of the Corporate Governance Committee**

To ensure that the Company's operations are carried out in accordance to the Company's policies, strategies and objectives and to drive the Company's sustainable growth and effective business expansion while preparing for possible internal and external changes that may affect the Company's business, the Board of Directors sees it fit to establish Corporate Governance Committee, as of December 31, 2020, the Corporate Governance Committee comprises 4 members whose names are as follows:

- |    |               |              |  |
|----|---------------|--------------|--|
| 1. | Mr. Vichya    | KreaNgam     | Chairman of Corporate Governance Committee |
| 3. | Mr. Vipoota   | Trakulhoon   | Corporate Governance Committee             |
| 3. | Mr. Wuttichai | Sresthabutra | Corporate Governance Committee             |
| 4. | Mrs. Wisadja  | Kochsena     | Corporate Governance Committee             |

Ms. Jintara Karnjanaprakob is a secretary to the Corporate Governance Committee.

#### **Roles and duties of the good corporate governance committee**

Consider setting up and revising the policy Good Corporate Governance Manual and Practices Business ethics Employee ethics And anti-corruption at least once a year in a manner consistent with international practice. [www.gel.co.th](http://www.gel.co.th) under the heading of "Investor Relations"

### **Company Secretary**

In the board meeting No. 6/2014 held on Mar 5, 2014, the Company appointed Mr. Wuttichai Sresthabutra as the Company's secretary who has passed the secretary training program of the Company, having the duty pursuant to the Securities and Exchange. The Company's secretary shall prepare and keep the registration of the directors, the meeting appointments, and the minutes of the meetings; prepares and keeps the annual reports, sends a copy and keeps a report on the conflict of interest, and arranges the Company's documentation. The Corporate Secretary is also in charge of adoption and application of the Company's good governance principles.

In addition, the Company also encourages the Corporate Secretary to undergo training and continued to improve her knowledge in accounting laws or performance in the capacity of Corporate Secretary. The Corporate Secretary's qualifications and experience are disclosed in the attachment 1.

#### 7.4 EXECUTIVE COMMITTEE AND MANAGEMENT

The Executive Committee has 2 members and Management have 6 members as of December 31, 2020, as follows:

1.	Mr. Thitipong	Tangpoonphonvivat	Chairman of Executive Committee/ Chief Executive Officer
2.	Mr. Wuttichai	Sresthabutra	Executive Committee
3.	Mr. Amornsak	Torot	Deputy Chief Executive Officer – Production
4.	Mrs. Wisadja	Kochsena	VP – Accounting and Finance
5.	Mr. Sarun	Wiangkhamma	VP – Production and Services of precast concrete
6.	Mr. Somnuk	Putthiwat	VP – Service of pre-stressed concrete piles
7.	Ms. Chuensuk	Meeposom	VP - Business development and business control
8.	Mr. Chardchai	Hirunnuj	VP – Digital

Mr. Wuttichai Sresthabutra is a secretary to the Executive Committee.

The senior executives named above are in compliance with the definition of “Executives” as prescribed in the Notification of the Capital Market Supervisory Board Tor Chor 23/2551. The senior executives are authorized to carry out operations under the policies, strategies and objectives laid out by the Board of Directors. The Board of Directors has agreed to publish a handbook that describes clearly the responsibilities, authority and duties of the executives in order to ensure transparency and smooth flows of operations. All 8 executives do not possess the following prohibited characteristics:

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

#### Remuneration of the Executive committee and the Executives

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



Remuneration	Year 2020		Year 2019		Year 2018	
	Number	Amount (Baht)	Number	Amount (Baht)	Number	Amount (Baht)
Salary	8	22,188,660.00	11	17,952,370.64	8	19,204,522.12
Bonus and remuneration	8	-	11	-	8	-
Total	8	22,188,660.00	11	17,952,370.64	8	19,204,522.12

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

#### Other Remunerations for the Executive committee and the Executives

Detail	Years 2020		Year 2019		Year 2018	
	Number	Amount (Baht)	Number	Amount (Baht)	Number	Amount (Baht)
Provident Fund	8	466,509.95	11	485,093.32	8	493,839.12
Total	8	466,509.95	11	485,093.32	8	493,839.12

## 7.5 EMPLOYEES INFORMATION

### Number of employees

As of December 31, 2020, the Company has in total 633 employees, who are in the main lines of activities as follows:-

Main Lines of Activities	Number of Employees
Office and support	273
Production	360
<b>Total</b>	<b>633</b>

As of December 31, 2020, the subsidiaries have in total 109 employees, who are in the main lines of activities as follows:-

Main Lines of Activities	Number of Employees
Office and support	26
Production	83
<b>Total</b>	<b>109</b>

### Remuneration for company personnel or employees

In year 2019 and in year 2020 the Company and its subsidiary paid remuneration in the forms salaries, bonuses, provident fund contributions, and other momentary payments (not including remuneration for the Board of Directors and Executives) to the employees in the total amount of Baht 257,634,972.58 in year 2019 and Baht 183,100,946.49 in year 2020 respectively.

### Provident Fund

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

In addition, the Company has contributed to the provident fund for employees. For Year 2019 the Company had contributed to the fund was amounted by Baht 5,567,899.62 and Year 2020 the Company has contributed to the fund was amounted by Baht 3,688,416.96.

Company	Provident fund	Number of employees attend	% of employees attend
General Engineering PLC.	Yes	633	100
Seven Wire Co., Ltd.	Yes	29	60
General Nippon Concrete Industries Limited	Yes	30	49

### Significant change in the number of employees in the past 3 years

-None-

### The labor dispute in the past 3 years

-None-

## 7.6 OTHER IMPORTANT INFORMATION

### Company Secretary

In the board meeting No. 6/2014 held on Mar 5, 2014, the Company appointed Mr. Wuttichai Sresthabutra as the Company's secretary who has passed the secretary training program of the Company, having the duty pursuant to the Securities and Exchange. The Company's secretary shall prepare and keep the registration of the directors, the meeting appointments, and the minutes of the meetings; prepares and keeps the annual reports, sends a copy and keeps a report on the conflict of interest, and arranges the Company's documentation. The Corporate Secretary is also in charge of adoption and application of the Company's good governance principles.

In addition, the Company also encourages the Corporate Secretary to undergo training and continued to improve her knowledge in accounting laws or performance in the capacity of Corporate Secretary. The Corporate Secretary's qualifications and experience are disclosed in the attachment 1.

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

At the Audit Committee's meeting No. 1/2020 on 2 March 2020, the Company appointed DIA and Associates Co., Ltd. by Mr. Apinan Sripamroj as the Company's internal auditor, mainly responsible for internal audit of the Company for the year 2020. Considering the qualifications of DIA and Associates Co., Ltd., the Audit Committee viewed that the DIA and Associates Co., Ltd. was sufficiently suitable to perform internal audit for the Company since it is independent and experienced in internal audit for many companies listed on the Stock Exchange of Thailand.

### **Remuneration of Auditors**

The Annual General Meeting of Shareholders 2020 on July 3, 2020 had the resolution to approve the appointment of

- 1) Ms. Sansanee Poolsawat Certified Public Accountant License No. 6977 or
- 2) Ms. Pitinun Phatrakritidej Certified Public Accountant License No. 10467

From Proud in Pro Company Limited, an audit company that is well qualified and widely accepted, approved by The Securities and Exchange Commission as the auditor of the company and its subsidiaries. As at 31 December, 2020, the audit fee was determined at Baht 2,600,000 and authorized the Board of Directors to approve if Grant Thornton Company Limited requires a replacement of the certified public accountant, in case the listed certified public accountant cannot perform his/her duty. The Board of Directors was also authorized to approve the financial statement of the company and its subsidiaries.

### **General Engineering Public Company Limited and Subsidiaries**

(unit: Baht)	2020	2019	2018
Audit fee	2,600,000	3,450,000	2,800,000
Non-audit fee	36,211	480,207	281,668

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

## 8. CORPORATE GOVERNANCE PERFORMANCE

### 8.1. SUMMARY OF THE BOARD'S PERFORMANCE IN THE PAST YEAR

#### 8.1.1. Nomination of Directors and high level Executives

##### Definition of independent directors of the Company

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

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

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

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

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

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

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

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

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

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

### **1) Nomination of Independent Directors**

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

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

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

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

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

4. Neither having, nor used to have a business relationship with the Company, its parent company, subsidiary company, associate company, or juristic entity which may pose conflict of interest, in a manner which may interfere with his independent judgment, and neither being, nor used to be a major shareholder or director who is not independent director, or controlling person of any person having a business relationship with the Company, its parent company, subsidiary company, associate company, or juristic person which may pose conflict of interest, unless the foregoing

relationship has ended not less than two years prior to the date of filing an application with the Securities and Exchange Commission, or prior to the date of being appointed as independent director. The foregoing business relationship shall cover normal business transactions to conduct renting or letting for rent of real estate, asset- or service-related transactions, offering or accepting financial assistance by receiving or giving loans, and giving assets as collateral for loans, including other similar activities, causing the Company or the party to the contract has burden to pay debts to the other party at least 3 per cent of the net tangible assets of the Company or at least 20 million baht depending on which one is lower. Calculation of such debt burden shall follow the method for calculation of value of the connected transactions pursuant to the notification of the Capital Market Supervisory Board regarding criteria for connected transactions mutatis mutandis. Such debt burden shall cover all debts arising during the period of 1 year before the date of having business relationship with such person.

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

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

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

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

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

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

11. Not being a director of the parent company, subsidiary company, or same-level subsidiary company which is a listed company. Each independent director shall check and endorse his qualifications of independence at least once a year and shall submit the report together with his profile at the end of each year for preparation of the annual information disclosure form and annual report of the Company.

## **2) Nomination of Directors**

According to the articles of Association of the company, the Company's Board of Directors consists of Committee of not less than 5 persons and a Committee of not less than one half of the total membership must be resident in the Kingdom.

The general meeting of shareholders at every annual, Directors must retire from office at the rate of one-third. If the number is divided straight into 3 parts does not, then the number closest to the number 1 in 3 is the directors who retired by rotation may be elected to serve as directors of the new company. Both assigned to the shareholders elect directors under the rules and procedures prescribed in the Articles of Association of the Company.

1) Each shareholder has one vote per one share, one vote.

2) Each shareholder must use all his votes to elect one or several persons as directors, in the case of the election of several directors, the votes to break any much impossible.

3) The persons receiving the highest vote down. Was elected as directors or board of directors shall be elected at the time. In the case of a person who was elected in descending order of votes equal to the maximum number of guests. Or be elected at that time. To the chairman a casting votes.

In the event of a vacancy, reasons other than retirement by rotation. The committee will select one person who is qualified. And not prohibited by law. To be appointed at the next Board Meeting. The votes of not less than 3 in 4 of the remaining directors, except directors remaining term of less than two months, such person shall be a director instead. Be in position for the remaining term of the Director whom he represents.

Meeting of Shareholders May approve any director from office before the expiration of their term. The votes of not less than three-fourths of the shareholders at the meeting with voting rights and shares amounting to not less than one-half of the shares held by the shareholders present at the meeting and entitled to vote.

The Company has not set a maximum number of directors to be elected to a new director, includes properties in terms of age. However, the Company will take into account the time devoted to knowledge useful to the company. Including the ability to perform the duties is important.

**3) Nomination of audit committee**

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

**4) Nomination of Management**

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

**5) Developing the ability of directors**

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

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

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

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



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

The process of evaluation as the following;

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

The criteria and methods of evaluation are as follows.

#### Meaning

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

#### Methods

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

The scoring details for the Board of Directors are as follows:

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

Details	Number of Topics	Score
action in the following matter in sufficient detail.		
4. The other	2	8
<b>Total</b>	<b>29</b>	<b>116</b>

The scoring details for the Audit Committee are as follows;

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

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

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

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

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

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

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

The scoring details for the Executive Committee are as follows;

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

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

Details	Number of Topics	Score
1. Leadership	6	24
2. Strategy	6	24
3. Pursuing strategy	6	24
4. Planning and financial performance	6	24
5. Relationship with the Board of Directors	6	24
6. Relationship with others	5	20
7. Management and relationship with employees	6	24
8. Succession	3	18
9. Knowledge on products and services	4	16
10. Personal features	6	24
<b>Total</b>	<b>54</b>	<b>222</b>

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

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

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

#### 8.1.2. The Attendant of Board of Director Meeting

In 2020, the Board of Directors meeting was scheduled (meeting schedule is subject to change) and exclude additional meeting. Schedules are as follows;

No	The Board of Directors	The Audit Committee
1	Monday 2 March 2020	Monday 2 March 2020
2	Friday 15 May 2020	Friday 15 May 2020
3	Thursday 13 August 2020	Thursday 13 August 2020
4	Friday 16 November 2020	Friday 16 November 2020

#### The Board of Directors

Board of Directors	Number of attending to the Board of Director Meeting	Number of attending to the Annual General of Shareholders Meeting
1. Prof. Dr. Borwornsak Uwanno	6/6	1/1
2. Mr. Sophon Pholprasit	6/6	1/1
3. Mr. Thitipong Tangpoonphonvivat	6/6	1/1
4. Mr. Wirach Morakotkarn	6/6	1/1
5. Mrs. Pannee Jarusombat	6/6	1/1
6. Dr. Vichya Kreangam	6/6	1/1
7. Mr. Vipoota Trakulhoon	6/6	1/1
8. Mr. Wuttichai Sresthabutra	6/6	1/1

**Remuneration for Directors**

According to Section 90 of the Public Limited Companies Act, 2535, it states that "No company shall pay money or other assets. For directors Except paid in accordance with the regulations of the company In the event that the Company's Articles of Association do not specify The payment of remuneration under the first paragraph shall be made in accordance with the resolution of the shareholders' meeting. Which consisted of not less than two-thirds of the shareholders who attended the meeting"

And according to Article 30 of the Company's Articles of Association, directors are entitled to receive remuneration from the Company in the form of awards. Meeting allowances, gratuity, bonus or other types of benefits as the shareholders' meeting will consider, which the shareholders meeting may be fixed or set as criteria and will be determined from time to time or will be effective until There may be changes and in addition, allowances and benefits may be received. According to company regulations

The Board of Directors has considered remuneration taking into account the remuneration for directors of other listed companies in the same industry of similar size. Company performance and duties and responsibilities of the Board of Directors as well as the overall economic situation, it is therefore deemed appropriate to propose to the Annual General Meeting of Shareholders to consider and approve the determination of directors 'remuneration for the year 2020, in which the 2020 Annual General Meeting of Shareholders held on 3 July 2020 resolved to approve the determination of directors' remuneration. As proposed by the Nomination and Remuneration Committee and the Board of Directors as follows:

Directors	Annual remuneration 2019 (THB)				Annual remuneration 2020 (THB)			
	Monthly remuneration	Meeting remuneration (per time)	Bonus/ Pension	Other benefits	Monthly remuneration	Meeting remuneration (per time)	Bonus/ Pension	Other benefits
1. The Board of Directors								
■ Chairman of the Board of Directors	80,000	10,000	-None-	-None-	80,000	10,000	-None-	-None-
■ Deputy Chairman	50,000	10,000	-None-	-None-	50,000	10,000	-None-	-None-
■ Directors	20,000	10,000	-None-	-None-	20,000	10,000	-None-	-None-
2. The Audit Committees								
■ Chairman of Audit Committee	50,000	10,000	-None-	-None-	50,000	10,000	-None-	-None-
■ Audit Committee	20,000	10,000	-None-	-None-	20,000	10,000	-None-	-None-
3. The Nomination and Remuneration Committee								
■ Chairman of the Nomination and Remuneration	No	10,000	-None-	-None-	No	10,000	-None-	-None-
■ Nomination and Remuneration Committee	No	10,000	-None-	-None-	No	10,000	-None-	-None-
4. The Corporate Governance Committee								
■ Chairman of the Corporate Governance Committee	No	10,000	-None-	-None-	No	10,000	-None-	-None-
■ Corporate Governance Committee	No	10,000	-None-	-None-	No	10,000	-None-	-None-
5. The Risk Management Committee								
■ Chairman of the Risk Management Committee	No	10,000	-None-	-None-	No	10,000	-None-	-None-
■ Risk Management Committee	No	10,000	-None-	-None-	-None-	-None-	-None-	-None-

Note:

1. Monthly remuneration is paid to Directors based on the maximum monthly remuneration of one position only director executive director and a regular salary will not receive the above remuneration
2. For the Board of Directors, the meeting remuneration per time is paid to the Board of Directors who attended the meeting at the maximum rate that not exceeding nine times per year. The rate of remuneration is the same rate as the rate of the previous year as the Company considers that it is still appropriate.

## The monetary remuneration

Name	Position	The amount of remuneration for 2017 (Baht/Year)							Total
		Board of Directors		Audit Committee		The Good Corporate Governance Committee	The Risk Management Committee	The Nominating & Remuneration Committee	
		Remuneration	Meeting honorariums	Remuneration	Meeting honorariums				
1. Prof. Dr. Borwornsak Uwanno	Chairman of the Board of Director	960,000	70,000	-	-	-	-	-	1,030,000
2. Mr. Sophon Pholprasit	Vice Chairman of the Board of Director	600,000	60,000	-	-	-	20,000	-	680,000
3. Mr. Thitipong Tangpoonphonvivat	Chief Executive officer	-	-	-	-	-	-	-	-
4. Mr. Wirach Morakotkarn	Independent Director	-	60,000	240,000	40,000	-	-	-	700,000
5. Mrs. Pannee Jarusombat	Independent Director and Audit Committee	-	60,000	240,000	40,000	-	-	-	340,000
6. Dr. Vichya Kreangam	Independent Director and Audit Committee	-	60,000	240,000	40,000	40,000	-	10,000	390,000
7. Mr. Vipoota Trakoonhun	Independent Director	240,000	60,000	-	-	40,000	20,000	10,000	370,000
8. Mr. Wuttichai Sresthabutra	Director and Executive Committee/Secretary	-	-	-	-	-	-	-	-
Total		1,800,000	360,000	1,080,000	120,000	80,000	40,000	20,000	3,500,000

### 8.1.3. Supervision the operation of the Subsidiaries and Associated

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

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

#### The Policy

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

#### Management

- Consider sending a qualified person to a representative of the Company to directors and/or management in the company and the company at least according to the shareholders proportion to supervise and control the business.
- The delivery report such representation with the features of the agent for the Board of Directors to Acknowledge
- Compliance. The Company has treated according to a power of approval and the action as well as the disclosure of information and any action that is based on the rule that with the Securities and Exchange Commission and the regulations announced the command or the requirements of the Stock Exchange of Thailand as well as the provisions on the disclosure of information of the connected transaction and/or assets.



- The summary report the performance of the company and the company to the Board of Directors every quarter and in the case where there is a significant of the company, such as the capital increase/decrease the capital of the company to offer it to the Board of Directors of the company to approve any action

Depending on the action is above the company to recognize the importance of the principles of good corporate governance as a primary factor in building an organization to have a system that is efficient and is committed to conducting business in accordance with the orientation of the good corporate governance in order to create a mechanism to control the operations of the company to have the transparency is fair and confidence to interested parties

#### **8.1.4. Monitoring to ensure the implementation of the corporate governance policy and practice**

The company pays attention to good corporate governance. Relevant policies and practices have been established in the Company's corporate governance policy and business ethics. Along with promoting real action to build confidence among all groups of stakeholders.

In the past year The company has followed up to ensure compliance with good corporate governance, covering

1. Policies and plans on occupational safety Including work safety
2. Guidelines for Political Support Action Treatment of government agencies Charitable donations and grants
3. Anti-Corruption Policy (Anti-Corruption Policy)
4. Policy of accepting and giving gifts or other benefits
5. Corporate Governance Policy
6. Ethics Handbook
7. Information Security Policy
8. Policy for safety, health and work environment

#### **a) Prevention of Conflicts of Interest**

The Company has established a policy that does not allow directors, executives and employees Take advantage of being a director Are executives and employees seeking personal benefits And it is approved by the approval committee in principle on commercial terms with general commercial terms In intercompany transactions Or subsidiaries with directors, executives or related persons In the event that it is considered a connected transaction Under the announcement of the Stock Exchange of Thailand Must follow the rules And strictly disclose information on connected transactions

The Company has prohibited the use of opportunities or information from being directors, executives or employees for personal gain. Or conducting business that competes with the company or related businesses, including not using inside information for their own benefit in trading the Company's shares or providing information to other persons.

## **b) Internal Information**

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

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

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

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

In accordance with the resolution of the Board of Directors Meeting No. 6/2020 held on November 16, 2020 of General Engineering Public Company Limited (“the Company”), the Board of Directors' meeting passed a resolution approving the announcement of the prohibition. Directors, executives and employees of the company Who know the inside information of the company that has not yet been disclosed to the public or the Stock Exchange of Thailand Such inside information may have a material effect on the price changes of the securities. Buy or sell the company's securities, including bringing in information that they have come across. To buy or sell or persuade others to buy or sell the Company's securities Which brings the interests of oneself and / or of others And allowing directors and executives to get inside information of the company Refrain from trading the Company's securities during the period of one month prior to the public disclosure of the financial statements. (Via the Stock Exchange of Thailand) every quarter.

## **c) Anti-corruption**

The Company is in the process of enlisting in the declaration of the intent to join the Thailand's Private Sector Collective Action Coalition against Corruption (CAC) of the Thai Institute of Directors Association (IOD). Besides, the Company has assessed the opportunities for corruption to cover all kinds of frauds, e.g. fraudulent financial reporting,

activities which lead to loss of assets, corruption, management override of internal control system, fraudulent change of significant information in reports, wrongful acquisition and use of assets, etc.

- The Board of Directors of the Company No. 3/2015 held on May 13, 2015. Passed a resolution to form a unified private practice in Thailand to fight corruption. The intention of the policy and defense have been involved in corrupt.
- Later in December 2016, the Company completed and submitted the self-evaluation tool version 2.0 in accordance with the regulations of the declaration of the intent to join the Thailand's Private Sector Collective Action Coalition against Corruption (CAC) in order to apply for certification. It is now under consideration. (Consideration takes a period of about 2 months from the date of submitting the self-evaluation tool to CAC.)
- On 18 August, 2017, the Company was certified as a member of the Collective Action Coalition against Corruption (CAC), which will last for 3 years. The Company is officially certified by the Thai Institute of Directors (IOD) on 21 November, 2017.
- On March 31, 2020, the company has been renewed its certificate of membership in the Private Sector Collective Action Coalition against Corruption (CAC).

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

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

#### **d) Whistle-blowing or Complaint Filing**

The Company has appointed an executive to be directly responsible for complaint acceptance and a committee to mutually perform investigation in a correct and fair manner. The policy has been formulated to ensure efficient internal control system, and reporting on the basis of transparency and accountability so that whistle-blowers trust and be confident in the fair investigation process. In place is the policy on protection of whistle-blowers. In the case of the whistle-blowers who are the Company's employees, customers, or persons who are engaged by the Company, their right shall be protected by laws. Details on complaint filing are included in the corporate governance policy of the Company. If stakeholders have any suspicions or find any suspicious activities in violation or in breach of laws, regulations, rules or business ethics, they can report clues or file complaints together with evidences to the Company's Joint Investigation Committee for fairness and equity of the Company

In the event that there are different groups of interests Having doubts or observations of actions suspected of violating or failing to comply with laws, regulations or business ethics Illegal offenses, including behaviors that show

corruption, uneven practices, the Company provides channels for whistleblowing or complaints through the following channels.

- 1) Executives or supervisors they trust at all levels.
- 2) Good Corporate Governance Committee
- 3) by mail  
Chief Executive Officer Or Chairman of the Audit Committee  
General Engineering Public Company Limited  
44/2 Moo 2, Tiwanon Road, Bang Kadi Subdistrict, Mueang Pathum Thani  
District Pathumthani 12000
- 4) by e-mail to [gel@gel.co.th](mailto:gel@gel.co.th), [independentdirector@gel.co.th](mailto:independentdirector@gel.co.th)
- 5) Company website [www.gel.co.th](http://www.gel.co.th)

## 8.2. SUMMARY OF THE AUDIT COMMITTEE'S PERFORMANCE FOR THE PAST YEAR

### 8.2.1. Number of attending to the Audit Committee's meeting

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

### 8.2.2. The Audit Committee's performance

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

The Audit Committee performed its duties as entrusted by the Board of Directors in line with its own charter, and the requirements of the Stock Exchange of Thailand. In the 2019 accounting period, the Audit Committee held totally 4 meetings. All members of the Audit Committee attended every meeting with the management and the external and internal auditors to consider, discuss, and exchange opinions on related matters as appropriate. The meeting results were summarized and reported to the Board of Directors. The Audit Committee also attended the meeting on 1 March 2021 with the auditor and 3 independent directors, in the absence of the management, in order for the auditor to freely express opinions. The Audit Committee's performance of duties can be summarized as follows.

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

The Audit Committee and the auditor mutually reviewed the Company's quarterly and annual financial statements for 2020 in terms of accuracy and adequacy of financial information disclosure. After review, the Audit Committee did not find anything that might cause inaccuracy of the essential information in the financial statements according to the generally accepted accounting principles. In addition, the Audit Committee and the independent directors had a meeting with the auditor, in the absence of the management, to make inquiries with the external auditor and listen to his explanations, as well as to provide comments and suggestions in connection with the financial statements. This was to ensure that the essential information in the Company's financial statements was accurate, complete, and credible in accordance with the generally accepted accounting standards and that the adequate information in such financial statements was disclosed. Then, the reviewed financial statements were submitted to the Board of Directors for consideration and approval to be disclosed to the Stock Exchange of Thailand and the Office of Securities and Exchange Commission.

### **2. Review of Compliance with Good Corporate Governance Policies**

The Audit Committee had the meetings with the management and heads of relevant departments to review the Company's compliance with the law on securities and exchange, the Stock Exchange of Thailand's regulations, and the laws relating to the Company's business. Also, the Audit Committee regularly inspected, monitored, and inquired about the compliance with the good corporate governance policies, including had review and revised anti-corruption policy, as well as accepted all information and complaints about frauds or violation of laws, regulations, and rules according to the whistle-blowing process. In 2020, no complaint about such frauds or violation was filed.

The Company had signed up for the Private Sector Collective Action Coalition against Corruption (CAC), a campaign had initiated by Thai Institute of Directors Association and sponsored by the government and the Office of the National Anti-Corruption Commission. The Company had complied with the certification process of the campaign by presenting evidence relating to the business policies, measures and working processes, including internal control systems to the Audit Committee. As a consequence, the Company was certified as a member of the CAC as from 18<sup>th</sup> August 2017. The Company already re-certification a member of the CAC on 31 March 2020.

### **3. Supervision of Compliance with Regulations of the Regulatory Bodies**

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

#### **4. Review of Risk Management**

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

#### **5. Review of Internal Control System**

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

#### **6. Appointment of External Auditor for the 2020 Financial Statements**

The Audit Committee considered, selected and nominated to the Board of Directors the person independent of the Company to be the external auditor. The Board of Directors appointed Proud in Pro Company Limited, represented by Ms. Sansanee Poolsawat, Certified Public Accountant License No. 6977 or Ms. Pitinun Patrakrittidej, Certified Public Accountant License No. 10467, as the auditor of the Company for the accounting period ended on 31 December 2020. The audit fee was determined at 2,600,000 baht with the approval of the Company's Board of Directors and the shareholders' meeting.

#### **7. Revision of the Audit Committee Charter**

In 2020, the Audit Committee reviewed and revised the charter of the Audit Committee to cover more working rules in aspects of good corporate governance and anti-corruption. The charter was amended as appropriate and approved by the Board of Directors.

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

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

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

**8.2.3. The sub-committee's performance****8.2.3.1. The Risk Management Committee's performance for the past year****a) Number of attending the Risk Management meeting**

<b>Risk Management Committee</b>	<b>Times of the meeting</b>
1. Mr. Sophon Pholprasit	2/2
2. Mr. Vipoota Trakulhoon	2/2
4. Mr. Chainarin Sairungsri	2/2
5. Mrs. Wisadja Kochsena	2/2

**b) The Risk Management Committee's performance**

For the year 2020, the Risk Management Committee held two meetings, summarizing the results of the 2020 risk assessment as follows:

There were 37 risks in 2019 and currently there are 5 emerging risks, totaling 42 issues, with the high and very high risks that need to be controlled as follows:

1. Risks of continuing business operations from COVID-19 impacts Which is at a very high level of risk. The company has methods to prevent and manage risks by providing measures to comply with government announcements together with health and safety measures. Secondary trap and temperature measurement, spraying disinfectant, keeping distance at work, raising awareness of good hygiene practices and wearing masks both employees and the next party through announcement channels or public relations signs.

2. Risk of lack of financial liquidity which is at a high level of risk. The Company has a method to prevent and manage risks by managing the cash flow in the Company. Manage this account receivable with the institution in order to have the appropriate bureaucracy always available.

3. Risk from doing business in the commodity market which is at a high level. The Company has a method to prevent and manage risks by proportioning the income of each product to be appropriate with the current business and market conditions.

4. Risk of fluctuation of raw material prices Which is at a high level of risk The company has methods to prevent and manage risks by negotiating to lock in the raw material prices in advance.

The Company has a policy to control and manage risks in each department in the organization with a high level of risk control first. Add a moderate risk management plan to prevent it from becoming a high risk and there are ongoing internal risk assessments.

**8.2.3.2. The Nomination & Remuneration Committee's performance for the past year****a) Number of attending the Nomination & Remuneration meeting**

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

**b) The Risk Management Committee's performance**

The Company has provided opportunities for shareholders to propose agenda and nominate candidates for election as the Company's directors for a period of 2 months between December 1, 2020 - January 31, 2021, where no shareholder proposed agenda.

In the year 2020, the Nomination and Remuneration Committee held a meeting in total 1 time to consider the agenda for recruiting new directors to replace the retiring directors and reappoint the directors to serve as positions. And to consider the remuneration of directors for the year 2021 and to propose to the board of directors for further proposal to the annual general meeting of shareholders

**8.2.3.3. The Corporate Governance Committee's performance for the past year****a) Number of attending the Governance Committee**

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

**b) The Corporate Governance Committee's performance**

1. The Good Corporate Governance Committee has performed for the Company to receive a 5-star CG Score of Excellent (3 consecutive years). There are 193 companies received 5-star CG out of 692 listed company.

2. The Good Corporate Governance Committee has performed for the Company to receive the quality assessment of the 2020 Annual General Meeting of Shareholders at a score of 100 points. There are 241 companies received 100 points out of 692 listed company.

3. The Good Corporate Governance Committee has provided opportunities for shareholders to propose agenda and nominate persons to be elected as directors during December 1, 2020 - January 31, 2021. There are no shareholders propose the agenda and the list of persons to be elected as directors.



4. The Good Corporate Governance Committee works for the Company to be certified as a Green Industry Level 2, Green Activity for the year 2020 from the Ministry of Industry at Bangkadee plant.

5. The Good Corporate Governance Committee operates in accordance with the anti-corruption policy. It has been certified by members of the Private Sector Collective Action Coalition Against Corruption (CAC), which the Corporate Governance Committee. In 2020, the Company has renewed the membership of the Thai Private Sector Collective Action Coalition against Corruption (CAC Recertification), which has created a self-assessment form and has a resolution certifying the membership of the Private Sector Collective Action Coalition from Thailand. In the Anti-Corruption (CAC) certification for 3 years.

6. The Good Corporate Governance Committee operates in accordance with the good corporate governance policy by conducting a performance appraisal of the Board of Directors, every sub-committee with self-assessment and Chief Executive Officer assessment. The overall assessment results are excellent. demonstrate operations in accordance with good corporate governance practices.

7. The Good Corporate Governance Committee reviewed the Charter of the Good Corporate Governance Committee. To cover operational rules in accordance with guidelines approved by the Board of Directors.

## 9. INTERNAL CONTROL AND RELATED TRANSACTION

### 9.1. INTERNAL CONTROL

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

##### **Opinions of the Board of Directors**

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

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

The Board of Directors' Meeting No. 1/2021 on 1 March 2021, attended by the members of the Audit Committee to present the yearly report on the internal control system, resolved that the internal control system of the Company was appropriate and adequate, and that the Company's assets were safeguarded from misuse or unauthorized use by the management. Over the past year, no significant shortcoming of the internal control system was found.

Moreover, Proud in Pro Company Limited which is the Company's auditor for the year 2020 stated the opinion in the Report of Independent Auditor that the consolidated and separate financial statements presented fairly, in all material respects, the consolidated and separate financial status of the Group and the Company respectively as at 31 December 2020, and the consolidated and separate results of operations, including the consolidated and separate statements of income for the year then ended in accordance with the Thai financial reporting standards.

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

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

1. Organization and environment
  2. Risk management
  3. Control activities of the management
  4. Information and communication
  5. Monitoring activities
-

**Organization and Environment**

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

**Risk Management**

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

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

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

**Control Activities of the Management**

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

**Information and Communication**

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

**Monitoring Activities**

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

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

-None-

**Internal Control System of the Company**

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

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

At the Audit Committee's meeting No. 1/2020 on 2 March 2020, the Company appointed DIA and Associates Co., Ltd. by Mr. Apinan Sripramoj as the Company's internal auditor, mainly responsible for internal audit of the Company for the year 2020.

DIA and Associates Co., Ltd.—approved by the Office of the Securities and Exchange Commission—has more than 20 years of experience in internal audit for businesses/industries.

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

## 9.2. RELATED TRANSACTIONS

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

**The related transactions of the Company and its subsidiaries with related companies during the year 2018 – 2020 as follows.**

■ Items related to the subsidiary companies

Related person	Relationship	Type	Consolidated (Thousand Bath)			Separate (Thousand Bath)			Nature of transaction	Pricing policy
			2020	2019	2018	2020	2019	2018		
Metric Public Company Limited	Associated, holds 32.65 percent.	Revenue from sales	7,515	2,853	3,306	1,006	2,853	3,306	Revenue from sale of steel and ready-mix	Market Price
		Trade accounts receivables	3,036	1,870	9,642	2,946	1,870	9,642	Cement.	Contract price
		Other purchase –construction	-	401	98,062	-	-	2,490	Trade accounts receivables.	
		Purchase machine	-	428	-	-	-	-	Construction plant	
		Construction payable	20,643	28,992	49,599	-	-	7,663	Purchase machine	
		Other payable	13,689	12,380	7,663	5,700	4,391	-	Payables for plant construction	
		Other receivables	1,325	1,325	1,326	-	-	-	Guarantee the construction of the plant	
		Retention	2	2	5	2	2	5	Electricity and others from construction	
									Retention from construction	
Seven Wire Company Limited	Subsidiaries, holds 99.99 percent.	Rental income	-	-	-	5,000	5,000	5,000	Land rental income	Negotiated price
		Revenue from sale and services	-	-	-	7,391	10,469	14,405	Revenue from sale of steel and concrete pile	Market Price
		Purchase of raw material	-	-	-	81,985	135,336	43,124	Purchase of steel	Market Price
		Interest income	-	-	-	-	141	71	Loan	MLR -0.50 percent p.a.
		Interest expense	-	-	-	8,564	10,571	13,250	Loan	MLR -0.50 percent p.a.
		Account payable	-	-	-	7,141	4,161	13,872	Purchase of steel	
		Other receivables	-	-	-	9,553	5,705	4,782	Land rental, management fee	
		Loans and accrued interest expense	-	-	-	182,005	176,307	202,869	Loans and accrued interest	
			-	-	-	22,831	20,493	-	Construction	

Related person	Relationship	Type	Consolidated (Thousand Bath)			Separate (Thousand Bath)			Nature of transaction	Pricing policy
			2020	2019	2018	2020	2019	2018		
		Trade Accounts receivable								
General Engineering Mauritius Company Limited	Subsidiaries, holds 100 per cent.	Other receivables	-	-	-	2,545	2,033	1,568	Advances to establish a company Advance for management fees.	
General Nippon Concrete Industries Company Limited	Subsidiaries, holds 82.50 per cent.	Revenue from sale and services	-	-	-	1,898	1,015	5,110	Sale of pre-stressed pile products and management fee	Market Price
		Other service	-	-	-	(99)	45,883	-	Sales of spun pile and services	Negotiated price
		Trade Accounts receivable	-	-	-	-	-	85	Sales of special cement	
		Other receivables	-	-	-	3,038	3,727	1,563	Management fee	
		Interest income	-	-	-	-	3	120	Loan	MLR -0.50 percent p.a.
		Interest expenses	-	-	-	670	-	19	Loan	MLR -0.50 percent p.a.
		Trade account payable	-	-	-	2,170	2,893	-	Purchase of spun piles	
		Other account payable	-	-	-	24,132	2,167	-	Retention	
Millcon Steel Public Company Limited	Invested company	Purchase of raw materials	115,884	28,967	91,846	19,214	10,823	91,846	Purchase of Steel	market price
		Trade accounts payables	50,333	14,826	13,740	13,617	-	13,740	Purchase steel	market price
Suntech Metals Company Limited	Invested company's subsidiary	Purchase of raw materials	-	1,821	4,578	-	1,821	4,578	Purchase of Steel	market price
		Trade accounts payables	-	-	1,529	-	-	1,529	Purchase of Steel	
Kobelco Millcon Steel Company Limited (Formerly "Millcon Special Steel)	Invested company's associate	Other payable	-	-	133	-	-	-	Construction cost	Contract price
		Account payable	14,920	-	35,475	-	-	-	Construction cost	

## INTERNAL CONTROL AND RELATED TRANSACTION

Related person	Relationship	Type	Consolidated (Thousand Bath)			Separate (Thousand Bath)			Nature of transaction	Pricing policy
			2020	2019	2018	2020	2019	2018		
Company Limited")										
IGEN Engineering Company Limited.(Formerly “Zentra - Watung Engineering Company Limited.”)	Invested company’s associate	Construction cost Other payable Construction payable Other service income	- - - -	- - - -	23,611 1,405 4,178 51	- - - -	- - - -	- - - -	construction cost Warranty repair machine Construction cost Utilities fee	Contract price
Millcon Steel Pipe Company Limited	Invested company’s subsidiary	Purchase of raw materials Trade accounts payables	165 -	3,621 1,330	20,388 4,614	165 -	3,621 1,330	20,388 4,614	Purchase of steel Purchase of steel	market price
Millcon Thiha Company Limited	Invested company’s subsidiary	Revenue from sale and services and other Trade accounts receivable Retention receivables	- 63 -	199 - -	285 70 975	- 63 -	199 - -	285 70 975	Sales of special cement products Sales of special cement products Retention receivables	market price
Saharuam Construction Materials Company Limited	Invested company’s subsidiary	Purchase of raw materials	-	-	5,266	-	-	5,266	Purchase of steel	market price
Complete Transport Company Limited	Invested company’s associate	Transportation Trade accounts payables	- -	- -	18,106 1,210	- -	- -	18,106 1,210	Transportation Transportation	market price
IBCI – Mctric Joint Venture	Associate’s joint venture	Revenue from sale and services and other Trade Accounts receivable	- -	- -	2 -	- -	- -	2 -	The sale of Cement products and steel products Trade Accounts receivable	market price

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

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



**Measures or procedure to Approve Related Transactions**

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

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

**Policies and Trends of the Related Transactions in the Future**

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

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

## **To the Shareholders of General Engineering Public Company Limited**

### *Qualified Opinion*

I have audited the consolidated and separate financial statements of General Engineering Public Company Limited and its subsidiary ("the Group"), which comprise the consolidated and separate statement of financial position as at 31 December 2020, the consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effects of the investment in associated company and joint venture described in Basis for Qualified Opinion paragraph, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of General Engineering Public Company Limited and its subsidiaries as at 31 December 2020, and its consolidated and separate financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### *Basis for Qualified Opinion*

The consolidated financial statements as at 31 December 2020 include investment in associated company accounted for under the equity method of Baht 190.54 million and share of profit from associated company under the equity method for the year then ended of Baht 27.92 million. I was unable to obtain sufficient appropriate audit evidence regarding to carrying amount of investment in associated company and the Company's portion of profit for the year of associated company since component auditor of associated company unable to assess the potential impact (if any) to recoverable amount of loan and interest receivable - joint venture amounting to Baht 44.75 million (net allowance for expected credit loss of Baht 11.56 million) which depends on the result of debt collection with its joint venture. Consequently, I was unable to determine whether any adjustments were necessary for the value of investment in associated company and share of profit from associated company under the equity method.

The consolidated financial statements as at 31 December 2020 include investment in joint venture accounted for under the equity method of Baht 102.10 million and share of profit from joint venture under the equity method for the year then ended of Baht 1.11 million. I was unable to obtain sufficient appropriate audit evidence regarding to carrying amount of investment in joint venture and the Company's portion of profit for the year of joint venture since under the circumstances of the coup in the Republic of the Union of Myanmar occurred in early February 2021, the component auditor of joint venture was unable to obtain sufficient appropriate audit evidence for significant items in the financial statements of joint venture. Consequently, I was unable to determine whether any adjustments were necessary for the value of investment in joint venture and share of loss from joint venture under the equity method.

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

#### *Key Audit Matters*

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

Key audit matter	Audit response
<p><b>Revenue recognition</b></p> <p>In the consolidated and separate financial statements, the Group has recognised revenue from sales and services for the year ended 31 December 2020 amounting to Baht 1,595.56 million and Baht 1,283.75 million, respectively.</p> <p>I have focused on revenue recognition since including revenues from sales, revenues from sales with related service and services which each of the agreements are different in terms of scope and the delivery period which could impact the amount and timing of revenue recognition.</p> <p>The Company's revenues from services are recognised based on the percentage of completion. Such revenues from services are material and have a significant impact to related accounting transactions including unbilled accrued income and costs of services. The percentage of completion requires management's judgement and continuous review of estimated revenues and cost budget throughout the service periods and the estimate needs to be adjusted as necessary.</p> <p>As disclosed in Notes 3.7 and 20 to the financial statements.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> <li>▪ obtained an understanding of the revenue process and the revenue recognition policy through inquiry with management and reviewing a sample of sales and services agreement.</li> <li>▪ evaluated the design and testing operating effectiveness of the controls over the revenue recognition</li> <li>▪ performed analytical review of sales and services during the year</li> <li>▪ sampling test sales documents during the year to assess whether revenue recognition. It was in compliance with the Company's policy and Thai Financial Reporting Standards.</li> <li>▪ Sample reviewing the reasonableness of the percentage of completion by performing physical survey of construction in progress, recalculating percentage of completion and reviewing events after the end of the year until the auditor's report date</li> <li>▪ Sampling test supporting documents for sales transactions occurring near the end of the year.</li> <li>▪ Considered the sufficient disclosure of information in accordance with Thai Financial Reporting Standards.</li> </ul>

Key audit matter	Audit response
<p><b>Allowance for declining value of inventories</b></p> <p>In the consolidated and separate financial statements, the Group has an allowances for declining value of inventories of Baht 23.18 million and Baht 22.75 million, respectively.</p> <p>Estimating the net realisable value of finished goods and work in process is required management judgment especially the estimation of allowance for declining value of inventories which is required detail of each project to assess such allowances.</p> <p>As disclosed in Notes 3.12 and 10 to the financial statements.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> <li>▪ Observed physical inventory counts to determine the slow-moving and obsolete inventory items</li> <li>▪ Compared the cost of inventory and net realisable value which is the estimate of selling price less cost necessary to complete and to make the sale and sampling test with related documents after the reporting period to consider whether inventories will be stated at the lower of cost and net realisable value and check with backlog.</li> <li>▪ Analysed project revenues incurred during the year by considering loss projects to compare with cost of inventories at the end of the year to consider adequacy of Allowance for declining value of inventories including future loss of the projects</li> <li>▪ Analysed the quantity of slow-moving inventories to determine the slow-moving and obsolete inventory items</li> <li>▪ Reviewed the adequacy of provision for devaluation of inventories recorded in the past</li> <li>▪ Considered the sufficient disclosure of information in accordance with Thai Financial Reporting Standards.</li> </ul>

Key audit matter	Audit response
<p><b>Impairment of investments in joint venture and associates</b></p> <p>The separate financial statements include investments in joint venture and associates amounting to Baht 327.36 million.</p> <p>Investments in joint venture and associates have indicator of impairment and reversal based on Thai Financial Reporting Standards. An impairment assessment requires significant judgement by management, specifically in determining the assumptions to develop the cash flows projections of the joint venture and associates and the selection of the discount rate which may be affected by changes in the economic condition, market situation and specific risks.</p> <p>As disclosed in Notes 3.14 and 12 to the financial statements.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> <li>▪ Obtaining an understanding of how management identifies impairment indicators and the testing process</li> <li>▪ Reviewing the supporting documents prepared by management to assess whether the goodwill is impaired at the end of year and assess the appropriateness of the valuation model and key assumptions used by management</li> <li>▪ Assessing the competence and independence of independent experts</li> <li>▪ Assessing the reasonableness of the discount rate, growth rate and other significant assumptions applied to the estimated future cash flows</li> <li>▪ Testing the calculation of the recoverable amount</li> <li>▪ Review the sensitivity analysis provided by management and considered the impact to recoverable amount</li> <li>▪ Considering the adequacy and appropriateness of the disclosure of the assumptions, methodology and recoverable amount of investment.</li> </ul>

#### *Other Matter*

The consolidated financial statements of General Engineering Public Company Limited and its subsidiaries and the separate financial statements of General Engineering Public Company Limited as at 31 December 2019, presented as comparative information, were audited by another auditor, who issued his audit report dated 2 March 2020 expressed an qualified opinion since he was unable to obtain sufficient appropriate audit evidence regarding to carrying amount of investment in associated company and joint venture and share of profit (loss) of associated company and joint venture under the equity method.

### *Other Information*

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

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

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

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

### *Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements*

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

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

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

### *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements*

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

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

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



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements.  
I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

**Miss Sansanee Poolsawat**

Certified Public Accountant

Registration No. 6977

Proud in Pro Co., Ltd.

Bangkok

1 March 2021

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

(Unit : Baht)

		Consolidated F/S		Separate F/S	
	Notes	31 December 2020	31 December 2019	31 December 2020	31 December 2019
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	9.1	17,207,488	10,223,420	17,151,157	10,153,768
Restricted cash at bank	9.2	10,000,000	-	10,000,000	-
Trade and other current accounts receivable	9.3	405,259,597	433,585,343	342,621,809	361,398,245
Contract assets - current	20	15,416,049	-	15,416,049	-
Retention receivable - current	9.4	19,439,255	30,219,036	18,068,394	30,208,036
Loan and interest receivable - subsidiary	8	-	-	24,131,975	-
Inventories	10	307,647,035	430,912,199	271,396,252	381,387,157
Other current assets		11,035,569	9,047,161	4,351,753	2,899,097
<b>Total Current Assets</b>		<b>786,004,993</b>	<b>913,987,159</b>	<b>703,137,389</b>	<b>786,046,303</b>
<b>NON - CURRENT ASSETS</b>					
Equity investment	9.5	708,489,598	537,206,398	708,489,598	537,206,398
Investments in subsidiaries	11	-	-	445,337,168	445,337,168
Investments in associates and joint venture	12	292,638,804	271,464,970	327,363,740	322,004,616
Retention receivable - non current	9.4	59,900,121	62,366,614	59,900,121	62,366,614
Investment property	13	996,626,500	996,626,500	1,289,346,500	1,289,346,500
Property, plant and equipment	14	3,129,369,557	2,924,099,091	1,887,912,966	1,639,044,751
Right-of-use assets	15	63,227,686	-	58,851,548	-
Intangible assets	16	19,477,155	6,922,470	19,428,133	6,922,470
Current income tax assets		4,221,870	5,052,178	3,348,921	4,539,986
Income tax assets of prior period		10,364,645	5,332,173	9,701,338	5,181,058
Deferred income tax assets	23	136,610,765	159,840,683	134,833,188	159,367,812
Other non - current assets		6,506,542	2,133,799	6,506,542	2,133,799
<b>Total Non - Current Assets</b>		<b>5,427,433,243</b>	<b>4,971,044,876</b>	<b>4,951,019,763</b>	<b>4,473,451,172</b>
<b>TOTAL ASSETS</b>		<b>6,213,438,236</b>	<b>5,885,032,035</b>	<b>5,654,157,152</b>	<b>5,259,497,475</b>

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

(Unit : Baht)

		Consolidated F/S		Separate F/S	
	Notes	31 December 2020	31 December 2019	31 December 2020	31 December 2019
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>					
<b>CURRENT LIABILITIES</b>					
Bank overdrafts and short - term loan from financial institutions	9.6	603,107,702	593,526,007	395,440,000	380,080,421
Trade and other current accounts payable	17	614,970,181	462,091,896	439,129,782	325,267,055
Contract liabilities - current	20	176,872,071	63,705,179	176,225,280	60,495,015
Current portion of					
- Long - term loans from financial institutions	9.8	142,572,083	190,514,862	52,296,632	83,709,433
- Liabilities under lease agreements	9.7	17,076,209	277,149	15,210,522	277,149
- Liabilities under post - employment benefits obligation	18	615,200	4,140,095	615,200	4,140,095
Short -term loan and accrued interest expense - subsidiary	8	-	-	182,005,425	176,307,299
Other current liabilities		3,617,419	1,848,625	3,495,375	1,677,692
<b>Total Current Liabilities</b>		<b>1,558,830,865</b>	<b>1,316,103,813</b>	<b>1,264,418,216</b>	<b>1,031,954,159</b>
<b>NON - CURRENT LIABILITIES</b>					
Long - term loans from financial institutions	9.8	792,394,086	705,731,168	194,635,025	107,600,000
Liabilities under lease agreement	9.7	47,932,579	175,017	45,237,320	175,017
Liabilities under post - employment benefits obligation	18	31,046,829	54,614,205	26,680,735	50,774,126
Estimate decommissioning costs		3,148,945	-	3,148,945	-
Other non - current liabilities		-	59,123	-	59,123
<b>Total Non - Current Liabilities</b>		<b>874,522,439</b>	<b>760,579,513</b>	<b>269,702,025</b>	<b>158,608,266</b>
<b>TOTAL LIABILITIES</b>		<b>2,433,353,304</b>	<b>2,076,683,326</b>	<b>1,534,120,241</b>	<b>1,190,562,425</b>

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

(Unit : Baht)

		Consolidated F/S		Separate F/S	
	Notes	31 December 2020	31 December 2019	31 December 2020	31 December 2019
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)</u></b>					
<b>SHAREHOLDERS' EQUITY</b>	19				
Share capital - Common shares, Baht 0.85 par value					
- Authorized share capital 5,397,877,189 shares		4,588,195,611	4,588,195,611	4,588,195,611	4,588,195,611
- Issued and fully paid-up share capital - Common shares					
- 5,397,877,189 shares		4,588,195,611	4,588,195,611	4,588,195,611	4,588,195,611
Capital surplus - Common shares		71,131,343	71,131,343	71,131,343	71,131,343
Capital surplus - Treasury shares		49,179,549	49,179,549	49,179,549	49,179,549
Retained earnings (Deficits)					
- Appropriated for legal reserve		13,600,000	13,600,000	13,600,000	13,600,000
- Unappropriated		(471,200,643)	(322,414,782)	(145,580,278)	(59,655,580)
Other components of shareholders' equity		(479,360,435)	(611,418,740)	(456,489,314)	(593,515,873)
<b>Equity attributable to the Company's shareholders</b>		3,771,545,425	3,788,272,981	4,120,036,911	4,068,935,050
Non - controlling interests	6.2	8,539,507	20,075,728	-	-
<b>Total Shareholders' Equity</b>		3,780,084,932	3,808,348,709	4,120,036,911	4,068,935,050
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		6,213,438,236	5,885,032,035	5,654,157,152	5,259,497,475

**GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED 31 DECEMBER 2020**

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		2020	2019	2020	2019
Revenues from sales and services	20, 25	1,595,560,715	2,034,440,491	1,283,755,753	1,874,934,480
Costs of sales and services	22	(1,563,315,431)	(2,004,251,895)	(1,252,095,262)	(1,802,668,219)
<b>Gross profit</b>		<b>32,245,284</b>	<b>30,188,596</b>	<b>31,660,491</b>	<b>72,266,261</b>
Dividend income	9.5	15,571,200	23,356,827	15,571,200	23,356,827
Gain from sold warrants	9.5	235,322	5,907,086	235,322	5,907,086
Gain from disposal of fixed assets		2,137,203	2,056	2,137,203	2,056
Gain (loss) on exchange rate		(953,026)	1,151,569	(497,356)	188,336
Other income	21	17,935,375	27,040,397	31,064,847	41,058,035
Distribution costs	22	(27,835,680)	(42,329,521)	(24,456,180)	(41,827,916)
Administrative expenses	22	(140,341,332)	(179,284,714)	(107,952,541)	(154,243,541)
Reversal of impairment losses (impairment losses) on account receivable and contract assets	29.2	6,685,724	(21,883,200)	11,022,705	(21,883,200)
Reversal of impairment losses (impairment losses) on investments in associates and joint venture	12	-	-	5,359,124	-
Management benefit expenses		(39,637,689)	(38,397,808)	(28,715,980)	(27,295,709)
<b>Loss from operating activities</b>		<b>(133,957,619)</b>	<b>(194,248,712)</b>	<b>(64,571,165)</b>	<b>(102,471,765)</b>
Finance income		290,912	170,655	707,428	245,379
Finance costs		(68,296,525)	(69,468,986)	(36,140,548)	(40,363,488)
Share of profit (loss) from investments in associated company and joint venture	12	29,033,765	(24,657,781)	-	-
<b>Loss before income tax</b>		<b>(172,929,467)</b>	<b>(288,204,824)</b>	<b>(100,004,285)</b>	<b>(142,589,874)</b>
Income tax revenue(expense)	23	16,599,641	3,246,630	15,239,851	2,982,293
<b>Loss for the year</b>		<b>(156,329,826)</b>	<b>(284,958,194)</b>	<b>(84,764,434)</b>	<b>(139,607,581)</b>
<b>Other comprehensive income (loss)</b>					
<b>Items that will be reclassified subsequently to profit or loss</b>					
Translation adjustments for foreign currency financial statements		(4,968,254)	(13,670,325)	-	-
Total items that will be reclassified subsequently to profit or loss		(4,968,254)	(13,670,325)	-	-
<b>Items that will not be reclassified subsequently to profit or loss</b>					
Profit (loss) from remeasurement of defined employee benefit - net of tax	23.1	20,989,989	(3,384,421)	21,955,240	(3,384,421)
Unrealised gain (loss) from valuation of equity investment - net of tax	23.1	137,026,559	(535,649,279)	137,026,559	(535,649,279)
Total items that will not be reclassified subsequently to profit or loss		158,016,548	(539,033,700)	158,981,799	(539,033,700)
<b>Other comprehensive profit (loss) for the year - net of tax</b>		<b>153,048,294</b>	<b>(552,704,025)</b>	<b>158,981,799</b>	<b>(539,033,700)</b>
<b>Total comprehensive income (loss) for the year</b>		<b>(3,281,532)</b>	<b>(837,662,219)</b>	<b>74,217,365</b>	<b>(678,641,281)</b>

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED 31 DECEMBER 2020**

					(Unit : Baht)
		Consolidated F/S		Separate F/S	
	Note	2020	2019	2020	2019
<b>Attribution of profit (loss) :</b>					
Portion of the parent company		(144,750,539)	(272,905,528)	(84,764,434)	(139,607,581)
Portion of non - controlling interest	6.2	(11,579,287)	(12,052,666)	-	-
		<u>(156,329,826)</u>	<u>(284,958,194)</u>	<u>(84,764,434)</u>	<u>(139,607,581)</u>
<b>Attribution of total comprehensive income (loss) :</b>					
Portion of the parent company		8,254,689	(825,609,553)	74,217,365	(678,641,281)
Portion of non - controlling interest	6.2	(11,536,221)	(12,052,666)	-	-
		<u>(3,281,532)</u>	<u>(837,662,219)</u>	<u>74,217,365</u>	<u>(678,641,281)</u>
<b>Basic loss per share</b>	26				
Loss (Baht per share)		<u>(0.02682)</u>	<u>(0.05056)</u>	<u>(0.01570)</u>	<u>(0.02586)</u>
Weighted average number of common shares (shares)		<u>5,397,877,189</u>	<u>5,397,877,189</u>	<u>5,397,877,189</u>	<u>5,397,877,189</u>

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED 31 DECEMBER 2020

(Unit : Baht)

Shareholders' equity of the parent company													
Notes	Issued and paid-up share capital	Capital surplus - Common shares	Capital surplus - Treasury shares	Retained earnings (Deficit)		Other components of shareholders' equity					Total equity of the parent company	Non - controlling interests	Total
						Other comprehensive profit (loss)							
						(loss) on valuation of available - for - sales securities	Translation adjustments for foreign currency financial statements	Total comprehensive income (loss)	Total equity of the parent company	Non - controlling interests			
<b>Consolidated F/S</b>													
Balance as at 1 January 2019	4,588,195,611	71,131,343	49,179,549	13,600,000	(46,124,833)	(57,866,594)	(4,232,542)	(62,099,136)	4,613,882,534	32,128,394	4,646,010,928		
Change in shareholder's equity													
Loss for the year	-	-	-	-	(272,905,528)	-	-	-	(272,905,528)	(12,052,666)	(284,958,194)		
Other comprehensive loss for the year	-	-	-	-	(3,384,421)	(535,649,279)	(13,670,325)	(549,319,604)	(552,704,025)	-	(552,704,025)		
Total other comprehensive loss for the year	-	-	-	-	(276,289,949)	(535,649,279)	(13,670,325)	(549,319,604)	(825,609,553)	(12,052,666)	(837,662,219)		
Balance as at 31 December 2019	4,588,195,611	71,131,343	49,179,549	13,600,000	(322,414,782)	(593,515,873)	(17,902,867)	(611,418,740)	3,788,272,981	20,075,728	3,808,348,709		
Balance as at 1 January 2020	4,588,195,611	71,131,343	49,179,549	13,600,000	(322,414,782)	(593,515,873)	(17,902,867)	(611,418,740)	3,788,272,981	20,075,728	3,808,348,709		
The effect of a change in accounting policies	5	-	-	-	(24,982,245)	-	-	-	(24,982,245)	-	(24,982,245)		
Adjusted balance	4,588,195,611	71,131,343	49,179,549	13,600,000	(347,397,027)	(593,515,873)	(17,902,867)	(611,418,740)	3,763,290,736	20,075,728	3,783,366,464		
Change in shareholder's equity													
Loss for the period	-	-	-	-	(144,750,539)	-	-	-	(144,750,539)	(11,579,287)	(156,329,826)		
Other comprehensive income (loss) for the year	-	-	-	-	20,946,923	137,026,559	(4,968,254)	132,058,305	153,005,228	43,066	153,048,294		
Total comprehensive income (loss) for the year	-	-	-	-	(123,803,616)	137,026,559	(4,968,254)	132,058,305	8,254,689	(11,536,221)	(3,281,532)		
Balance as at 31 December 2020	4,588,195,611	71,131,343	49,179,549	13,600,000	(471,200,643)	(456,489,314)	(22,871,121)	(479,360,435)	3,771,545,425	8,539,507	3,780,084,932		

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED 31 DECEMBER 2020

(Unit : Baht)

	Notes	Issued and paid-up share capital	Capital surplus - Common shares	Capital surplus - Treasury shares	Retained earnings		Other components of shareholders' equity	Total
							Other comprehensive profit (loss)	
					Legal reserve	Unappropriated	Unrealized gain (loss) on valuation of available-for-sale securities	
<u>Separate F/S</u>								
Balance as at 1 January 2019		4,588,195,611	71,131,343	49,179,549	13,600,000	83,336,422	(57,866,594)	4,747,576,331
Change in shareholder's equity								
Loss for the year		-	-	-	-	(139,607,581)	-	(139,607,581)
Other comprehensive loss for the year		-	-	-	-	(3,384,421)	(535,649,279)	(539,033,700)
Total other comprehensive loss for the year		-	-	-	-	(142,992,002)	(535,649,279)	(678,641,281)
Balance as at 31 December 2019		4,588,195,611	71,131,343	49,179,549	13,600,000	(59,655,580)	(593,515,873)	4,068,935,050
Balance as at 1 January 2020		4,588,195,611	71,131,343	49,179,549	13,600,000	(59,655,580)	(593,515,873)	4,068,935,050
The effect of a change in accounting policies	5	-	-	-	-	(23,115,504)	-	(23,115,504)
Adjusted balance		4,588,195,611	71,131,343	49,179,549	13,600,000	(82,771,084)	(593,515,873)	4,045,819,546
Change in shareholder's equity								
Loss for the period		-	-	-	-	(84,764,434)	-	(84,764,434)
Other comprehensive income for the year		-	-	-	-	21,955,240	137,026,559	158,981,799
Total comprehensive income (loss) for the year		-	-	-	-	(62,809,194)	137,026,559	74,217,365
Balance as at 31 December 2020		4,588,195,611	71,131,343	49,179,549	13,600,000	(145,580,278)	(456,489,314)	4,120,036,911



GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED 31 DECEMBER 2020

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
<b>Cash flows from operating activities</b>				
Loss for the year	(156,329,826)	(284,958,194)	(84,764,434)	(139,607,581)
<b>Adjustments to reconcile loss to net cash receipts (payments)</b>				
<b>Adjust expenses (income) to loss for the year</b>				
Income tax revenue(expense)	(16,599,641)	(3,246,630)	(15,239,851)	(2,982,293)
Depreciation and amortization expenses	138,466,793	112,455,760	90,284,147	70,952,863
Unrealized loss on exchange rate	127,526	-	-	-
Share of profit (loss) of joint ventures and associates accounted for using the equity method	(29,033,765)	24,657,781	-	-
Reversal of (allowance) for impairment of investments in associates and joint venture	-	-	(5,359,124)	22,245,864
Reversal of impairment (losses) on trade and other current accounts receivable	(2,521,142)	20,523,022	(11,195,105)	20,523,022
Allowance for detective inventories	(25,728,092)	21,572,214	(17,497,140)	12,730,068
Gain on disposal of assets	(2,137,203)	(2,056)	(2,137,203)	(2,056)
Loss from written off fixed assets	13,188	6,863,811	2,346	5,942,541
Provisions for employee benefits obligation	4,106,858	17,466,969	3,413,497	15,674,165
Gain from change in other long-term benefits	(1,439,949)	-	(1,486,183)	-
Finance income	(290,912)	(170,655)	(707,428)	(245,379)
Finance costs	68,296,525	69,468,986	36,140,548	40,363,488
Dividend income	(15,571,200)	(23,356,827)	(15,571,200)	(23,356,827)
<b>Adjust operating assets decrease (increase)</b>				
Trade and other current accounts receivable	15,846,346	62,440,572	10,634,017	79,310,665
Contract assets - current	(15,416,049)	-	(15,416,049)	-
Inventories	114,158,824	147,011,861	94,354,413	133,022,112
Other current assets	(1,988,408)	(1,795,584)	(1,452,656)	7,419,503
Retention receivable	6,053,115	(15,249,572)	11,749,958	(15,238,572)
Other non - current assets	(4,372,743)	(932,192)	(4,372,743)	(932,192)
<b>Adjust operating liabilities increase (decrease)</b>				
Trade and other current accounts payable	152,566,158	(134,856,338)	113,862,727	(193,938,540)
Contract liabilities - current	113,166,892	(36,987,366)	115,730,265	(40,197,530)
Other current liabilities	1,768,794	(4,270,177)	1,817,683	(4,751,333)
Paid post-employee benefits obligation	(2,494,652)	(1,795,470)	(2,494,652)	(1,795,470)
Other non - current liabilities	(59,123)	-	(59,123)	-
<b>Cash provided from (used in) operations</b>	<b>340,588,314</b>	<b>(25,160,085)</b>	<b>300,236,710</b>	<b>(14,863,482)</b>
Interest payment	(64,859,023)	(72,738,713)	(27,567,599)	(39,780,525)
Income tax payment	(4,202,164)	(4,953,692)	(3,329,216)	(4,560,742)
<b>Net cash provided used in operating activities</b>	<b>271,527,127</b>	<b>(102,852,490)</b>	<b>269,339,895</b>	<b>(59,204,749)</b>

**GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS (CONTINUED)**  
**FOR THE YEARS ENDED 31 DECEMBER 2020**

(Unit : Baht)

	CONSOLIDATED F/S		SEPARATE F/S	
	2020	2019	2020	2019
<b>Cash flows from investing activities</b>				
Proceeds from restricted cash at bank	(10,000,000)	-	(10,000,000)	-
Paid for loan to subsidiary	-	-	(33,918,384)	-
Repayment of loan by subsidiary	-	-	9,860,963	-
Acquisition of property, plant and equipment	(302,106,825)	(73,710,780)	(301,124,166)	(30,603,208)
Acquisition of intangibel assets	-	(70,000)	-	(70,000)
Proceeds from disposal of fixed assets	2,943,925	57,099	2,943,925	57,099
Dividend received	15,571,200	23,356,827	15,571,200	23,356,827
Interest received	290,912	170,655	632,874	245,378
<b>Net cash used in investing activities</b>	<b>(283,300,788)</b>	<b>(50,196,199)</b>	<b>(316,033,588)</b>	<b>(7,013,904)</b>
<b>Cash flows from financing activities</b>				
Proceeds from short-term loan from financial institutions	9,766,296	300,789,629	15,359,579	176,584,651
Repayments of long-term loans from financial institutions	(100,809,433)	(180,000,000)	(83,709,433)	(111,600,000)
Transaction costs related to loan	(920,010)	-	(920,010)	-
Proceeds from long-term loans from financial institutions	140,200,000	68,390,000	140,200,000	-
Repayments of assets payable	-	(64,105,869)	-	-
Repayments of loans from subsidiary	-	-	-	(26,310,673)
Repayments of liabilities under lease agreement	(19,303,442)	(263,729)	(17,239,054)	(263,729)
<b>Net cash provided from financing activities</b>	<b>28,933,411</b>	<b>124,810,031</b>	<b>53,691,082</b>	<b>38,410,249</b>
<b>Net increase (decrease) in cash and cash equivalents before adjustments for effects of exchange</b>	<b>7,159,750</b>	<b>(28,238,658)</b>	<b>6,997,389</b>	<b>(27,808,404)</b>
Effects of exchange rate changes on cash and cash equivalents	(175,682)	31,997	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>6,984,068</b>	<b>(28,206,661)</b>	<b>6,997,389</b>	<b>(27,808,404)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>10,223,420</b>	<b>38,430,081</b>	<b>10,153,768</b>	<b>37,962,172</b>
<b>Cash and cash equivalents at end of year</b>	<b>17,207,488</b>	<b>10,223,420</b>	<b>17,151,157</b>	<b>10,153,768</b>
<b>Supplemental disclosures for cash flows information</b>				
Non-cash items :				
- Unrealized loss (gain) on available for sale securities	171,283,200	(669,561,599)	171,283,200	(669,561,599)
- Actuarial loss from employee benefit	29,188,437	(4,230,526)	28,959,258	(4,230,526)
- Purchased fixed assets which have not been paid yet	-	32,283,467	-	-
- Transferred property,plant and equipment to software program	13,384,365	-	13,323,033	-
- Transferred property,plant and equipment to right-of-use assets	630,741	-	630,741	-
- Transferred inventories to fixed assets	34,834,432	2,554,191	33,133,632	1,840,171
- Rent assets during the year	6,840,097	-	5,668,202	-
- Transferred right-of-use assets to liabilities under lease agreements due to change in estimation	100,917,632	-	100,917,632	-
The effect of a change in accounting policies				
- Increase in loss allowance	22,193,701	-	22,193,701	-
- Increase in right-of-use assets	177,475,818	-	172,310,273	-
- Decrease in investments in associated company	1,881,778	-	-	-
- Increase in liabilities under lease agreement	175,382,584	-	170,232,076	-
- Increase in estimate decommissioning costs	3,000,000	-	3,000,000	-
- Increase in deficits	24,982,245	-	23,115,504	-

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

**GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**1. GENERAL INFORMATION**

**1.1 The Company's information**

General Engineering Public Company Limited ("the Company") was incorporated in Thailand on September 14, 1962. The Company's shares have been listed for trading on the Stock Exchange of Thailand on March 28, 1991 and registered as the public company in accordance with public company limited law on Nov 5, 1993 with the registration number 0107536001338

The Company registered its office and branch in total 3 offices as follows:

- 1) Head office: located on 44/2 Moo2 Tivanont Road, Bangkadi, Muang Pathumthani, Pathumthani
- 2) Branch (1): located on 99, 99/1-5 Moo4 Chiang Rak Noi, Samkhok, Pathumthani
- 3) Branch (2): located on 99/9 Moo1 Banlang, Muang Rayong, Rayong

**1.2 Nature of operations**

The principal activity of General Engineering Public Company Limited and its subsidiary ("the Group") are as follows:

- Manufacturing and selling of construction material, prestressed concrete piles, precast concrete, glass fiber reinforced concrete, cementation products and post-tensioned slab
- Services of bored pile
- Manufacturing and selling of prestressed spun concrete piles
- Manufacturing and selling of the special qualified PC wire and PC Strand and providing the construction and installation services for such products.
- Investment business

**1.3 Significant events impact the Group's operation during the year**

Since the outbreak of Novel Coronavirus 2019 (COVID-19) is new virus occurred at a time close to the end of 2019. Thai Government announced Emergency Decree on Public Administration in Emergency Situation, B.E. 2548 (2005) which was effective on 26 March 2020 to help control the spread of COVID-19. The Act has layout important rules for granting the Prime Minister to have full authority in implementing policies in the nation. Thai government has introduced various measures to combat the outbreak, including travel restrictions, quarantines, closure of business and other venues and lockdown of certain areas. These measures have been a major disruption

to supply chains as well as demand for goods and services. At the same time, fiscal and monetary policies are being relaxed to sustain the economy.

The Company's management has evaluated such event's impact to business into 3 dimensions as follows:

1) Impact to market and customers

The such situation brings the overall of construction market decline, especially real estate sector. The horizontal real estate projects including detached house and town house are highest affects due to the decrease of booking or buyers are delay making decision, cancel booking and delay accepts houses from projects. This results the major real estate developer adjusted plan by slowing down construction in progress even there were hired construction contracts. This directly effects to the Group by the main customer targets which effects both distribution and installment services as the same as chain.

2) Impact to acceptance and collection from customers

Since such situation, the customers, mainly are construction, have affected to the acceptance, delay and temporary stop construction projects. The most customers propose to adjust work plan and acceptance with the Group including adjusted payment plan as per decline market. This impacts to decrease on sales value and acceptance at the same time.

3) Sales process

The situation and the government policy to control outbreak brings customers of the Group adjusted their policy and process to contact with suppliers by temporary giving up face-to-face contacts, meetings, and concluding the projects during the past 2 months (March-April 2020) at the customers' offices. There are barriers to see customers on sites in upcountry due to restrict the areas. This inevitably effects to delay and decline project sales in the present and future.

## 2. GOING CONCERN

The Group has continuing losses due to the economic crisis and Covid-19 pandemic; therefore, its business may not be able conducted as usual. As a result, loss for the year of the Company's portion in the consolidated financial statements as at 31 December 2020 and 2019 are Baht 144.75 million and Baht 272.90 million respectively, and the separate financial statements are Baht 84.76 million and Baht 139.61 million respectively. The Group also has unappropriated deficits in the consolidated financial statements as at 31 December 2020 and 2019 are Baht 471.20 million and Baht 322.41 million respectively, and the separate financial statements are Baht 145.38 million and Baht 59.65 million respectively. Moreover, current liabilities exceed current assets in the consolidated financial statements at Baht 772.82 million and

Baht 402.12 million respectively, and the separate financial statements (net of short-term loan and interest receivable-subsidary) are Baht 379.27 million and Baht 69.60 million respectively. However, the Group's management has revised management plan in order to increasing new customers who has efficiency to expand its business, reducing operation costs related to personal costs and production efficiency. The Group remains receiving credit facilities from the financial institutions continuously and adequately for expanding its business in the foreseeable future. The Group believes that its business will be able to operate continuously.

### 3. SUMMARY OF ACCOUNTING POLICIES

#### 3.1 Basis of financial statements preparation

The accompanying financial statements have been prepared in accordance with the Accounting Act B.E. 2543, Thai Financial Reporting Standards ("TFRS") issued under the Accounting Professions Act B.E. 2547 and the financial reporting requirements promulgated by the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535. These financial statements are officially prepared in the Thai language. The translation of these financial statements to other languages must be in compliance with the official report in Thai.

##### (1) New Thai Financial Reporting Standards adopted by the Group

The new Thai Financial Reporting Standards became applicable for the current reporting period and the Group had to change its accounting policies and adjust as a result of adopting the following standards:

- Thai Accounting Standard No. 32 "Financial Instruments: Presentation"
- Thai Financial Reporting Standard No. 7 "Financial Instruments: Disclosure"
- Thai Financial Reporting Standard No. 9 "Financial Instruments" ("TFRS 9")
- Thai Financial Reporting Standard No. 16 "Leases" ("TFRS 16")

The impact of the adoption of these standards and the new accounting policies are disclosed in note 5. The other new and revised Thai Financial Reporting Standards, interpretations and guidance did not have any impact on the Company and its subsidiary's accounting policies and the financial statements.

According to the guidance "Accounting optional temporary relief measures in response to impact of COVID-19 outbreak" issued by the Federation of Accounting Professions dated 16<sup>th</sup> April 2020, the Group has impact from the COVID-19 situation which is in high uncertainty and brings the Group uses significant judgments for estimation. The accounting optional temporary relief measures are only for 1 January 2020 to 31 December 2020. The Group selected to apply the temporary relief measures which is to measure expected credit losses

of simplified approach as per Thai Financial Reporting Standard No.9 “Financial Instruments”, the Group uses historical information as at 1 January 2020 which excluded the impact of the COVID-19 situation into forward-looking information.

(2) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

### 3.2 Basis of consolidation

The Group financial statements consolidate those of the parent company and all of its subsidiary as of 31 December 2020. Its subsidiary has a reporting date of 31 December.

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

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

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

### 3.3 Foreign currency translation

*Functional and presentation currency*

The consolidated financial statements are presented in Thai Baht, which is the Company's functional currency.

*Transactions and balance in foreign currencies*

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions. Gains and loss arising on received or payment in foreign currencies and translating monetary items are recognized as profit or loss in the statement of income.

Non-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate at the date of the transaction except non-monetary items that are measured at fair value in a foreign currency shall be translated using the exchange rates at the date when the fair value was measured.

#### *Foreign operations*

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

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

### 3.4 Fair value measurements

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

Financial assets and liabilities for which fair value is disclosed in the statements of financial position are categorised within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows.

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Inputs for the asset or liability that are not based on observable market data.

### 3.5 Segment reporting

The Group has two operating segments which are manufacturing and selling of concrete products and manufacturing and selling of the special qualified PC wire and PC Strand. In identifying these operating segments, management generally follows the Company and its subsidiary's operations representing its main operation (see Note 25).

Each of these operating segments is managed separately as each requires different marketing approaches and other resources. All transferring transaction among segments are market prices based on customers who are not relevant to those selling.

For management purposes, the Group use the same measurement policies as those used in these financial statements.

### 3.6 Related parties

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

### 3.7 Revenues and expenses

Revenue from sales of goods and service are recognised when the customers obtain control of that goods or services at an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer net of any amounts collected on behalf of third parties and any related sales taxes, which excludes trade discounts, volume rebates. The revenue is recognised point in time or overtime when the Group satisfies a performance obligation by transferring goods or service to customers.

#### *Revenue from sales of concrete products and of PC wire and PC strand*

Revenue is recognised when control of the products has transferred, being when the products are delivered to the customers. Where a customer has a right to return goods, revenue is recognised at the amount of high probability that the significant reversal in the cumulative revenue recognised will not occur. Therefore, recognised revenue is adjusted by the amount of returns estimated from the historical data (if any).

#### *Revenue from sales of concrete products and related services*

Revenue is recognised when control of the products has transferred, being when the products are delivered and the related services are rendered, such as the installation and driving. Moreover, the customers satisfy the result of goods testing after services are rendered. Where a customer has a right to return goods, revenue is recognised at the amount of high probability that the significant reversal in the cumulative revenue recognised will not occur. Therefore, recognised revenue is adjusted by the amount of returns estimated from the historical data (if any).



#### *Construction and service contracts*

Construction contracts such as bored pile etc. Service contracts such as drilling etc.

Construction and service contracts comprise the revenue initially agreed in contract including the amount of contract modification.

When the Group can reasonably measure its progress of construction and services contracts, the group recognise revenue from construction and services and the related costs by reference with the progress of construction and service. At the end of reporting period, revenue from construction and services are measured at fair value of any amounts received (or receivable).

Revenues from construction and services are recognised overtime based on output method.

When the Group may not be able to reasonably measure the outcome of construction and service, revenues is recognised only to the extent of contract costs that have been incurred and are recoverable and recognized construction cost have been incurred during the year in expenses.

In either situation, when it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately in profit or loss.

The Group recognises contract assets when cumulative revenue earned exceed the billings to date. Contract assets are transferred to receivables when the rights become unconditional (i.e. services are completed and delivered to the customer). The Group recognises contract liabilities when the billings to date exceed the cumulative revenue earned and the Group has an obligation to transfer goods or services to a customer. Contract liabilities are recognised as revenue when the Group fulfils its performance obligations under the contracts.

When incurred contract cost exceed estimated costs by the stage of completion, the Group recognizes the exceed amount as “Contracted construction work in progress” under current assets. In the other hand, when estimated costs by the stage of completion exceed contract cost incurred, the Group recognizes the exceed amount as “Accrued construction cost” under current liabilities.

#### *Rental income*

Rental income is recognized on a straight -line basis over the period of the lease agreement.

#### *Dividend income*

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

#### *Interest income*

Interest income is recognized by the effective interest method.

### *Cost and other expenses*

Cost and other expenses are recognised in profit or loss when obtained control of that goods or services.

### 3.8 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are included in the cost of that asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which it incurs and presented as borrowing costs.

### 3.9 Income tax

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

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

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

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

### 3.10 Cash and cash equivalents

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

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

### 3.11 Trade and other current accounts receivable

Trade and other current accounts receivable are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components (if any) when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method less any reduction for allowance for expected credit loss.

The Group applies simplified approach to measuring expected credit losses which uses a lifetime expected allowance for expected credit loss based on grouping credit risk characteristics and the days past due.

The expected loss rate is based on the payment profiles of revenue over a period of 24 months before 31 December 2019. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of customers to settle the receivables.

The Group selected to adjust the effect resulting from impairment due to the first-time adoption of Thai Financial Reporting Standard No.9 “Financial Instruments” with the deficits as at 1 January 2020.

### 3.12 Inventories

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

Raw materials, supplies and finished goods calculated by using the first-in, first-out method, and work-in-process calculated by using specific method. Inventory cost comprises costs of purchase, costs of conversion and other costs that bring the inventories to their present location and condition. In the case of manufactured finished goods and work-in-process, cost includes an appropriate proportion of overhead expenditure, the latter being allocated on the basis of normal operating capacity.

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

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

### 3.13 Investments and other financial assets

#### 1) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

## 2) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

## 3) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in the statement of profit or loss.

## 4) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

## Equity investments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income because it is long-term investment for better operation. There is no subsequent reclassification of fair value gains and losses to the statement of profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

### 3.14 Investments in subsidiaries, associated companies and joint venture

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

In consolidated financial statements, associated companies and joint venture are accounted for using the equity method of accounting and initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Company's share of losses in a joint venture equals or exceeds its interests in the joint ventures, the Company will recognise such losses as obligation of the Company's interest in the joint ventures.

#### Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognised in the statement of profit or loss.

### 3.15 Lease on assets

The Group's asset lease contracts are typically made for fixed periods, but may have extension. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date
- amount expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Right-of-use assets comprise:

- the amount of the initial measurement of the lease liability
- any lease payments made at or before the commencement date, less any lease incentives received
- any initial direct costs incurred by the Group and
- an estimate of cost to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease

Decommissioning cost measures by present value of the expenditures expected to be required to settle the obligation. The discount rate referred current market.

Depreciation of right-of-use assets is calculated using the straight-line method to allocate the cost of the assets, net of their residual values, over their estimated useful lives. The following useful lives are applied:

	Years
Land and constructions	<u>4</u>
Vehicles	5 - 6

The Group selected to adjust the effect accumulated resulting from the first-time adoption of Thai Financial Reporting Standard No. 16 "Leases" with the retained earnings as at 1 January 2020. The leases of assets were classified as either finance leases or operating leases for the financial year 2019, from 1 January 2020, leases are recognised as a right-of-use assets and a corresponding liabilities under lease agreements.

### 3.16 Property, plant and equipment

#### *Land*

Land is carried at cost. As no finite useful life for land can be determined, related carrying amounts are not depreciated.

#### *Buildings and equipment*

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

#### *Depreciation*

Depreciation is calculated using the straight-line method to allocate the cost of the assets, net of their residual values, over their estimated useful lives. The following useful lives are applied:

Buildings and building improvements	5 - 30	Years
Machinery and equipment	5 - 30	Years
Furniture, fixtures and office equipment	5-10	Years
Vehicles	5-10	Years

No depreciation is recognised for assets under construction and assets which are not in condition to be capable of operating.

Material residual value estimates and estimates of useful life are at least annually.

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

### 3.17 Intangible assets

Intangible asset comprises of computer software with definite useful lives which are stated at cost less accumulated amortization and allowance for impairment (if any). Amortization is charged to the statement of profit or loss on a straight-line basis over the estimated useful lives of 5-30 years.

### 3.18 Investment property

Investment property comprises of

- land not used in operation of the Group and is initially recorded as cost plus transaction cost. As no finite useful life for land can be determined, related carrying amounts are not depreciated.
- Buildings and building improvements not used in operation of the Group and is initially recorded as cost plus transaction cost and subsequently measures at cost less accumulated depreciation

and impairment losses (if any). Depreciation is charged to the statement of profit or loss on a straight-line basis over the estimated useful lives.

### 3.19 Impairment of assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

### 3.20 Trade and other current accounts payable

Trade and other current payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### 3.21 Borrowing

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no



evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates. Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

### 3.22 Short-term employee benefits and post-employment benefits

#### *Short-term employee benefits*

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

#### *Other long-term benefits*

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

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

#### *Post-employment benefit*

The Group provides post-employment benefits through a defined contribution and a defined benefit plan.

#### Defined contribution plans

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

#### Defined benefit plans

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

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

Actuarial gains or losses for the computation of post-employee benefits is recognised in other comprehensive income and directly transferred to retained earnings.

### 3.23 Equity

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

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

Other components of equity include

- unrealized gain (loss) on valuation of investment in equity instrument measures at FVOCI and directly transferred to retained earnings when they have disposal of related investment.
- translation adjustments for foreign currency and the company will recognised to statement of profit or loss when they have disposal of related investment.

Retained earnings (deficits) includes all current profit (loss) and prior period retained profits (deficits).

All transactions with owner of the parent company are recognised in shareholders' equity.

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

### 3.24 Basic earnings (loss) per share

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

### 3.25 Provisions, contingent assets and contingent liabilities

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

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

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

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

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable.

## 4. SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY

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

### *Significant management judgement*

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

### Recognition of construction and services contract revenues

Recognising construction contract revenue requires significant judgment in determining actual work performed and the estimated costs to complete the work and service.

### Recognition of deferred tax assets

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

#### *Estimation uncertainty*

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

#### Account receivables

The Group provides expected credit losses to reflect impairment of trade accounts receivable resulting from the inability of customers to make required payments. The allowances are based on consideration of historical collection experiences to measure the historical loss rates adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of customers to settle the receivables. Actual results may be substantially different.

#### Inventories

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

#### Useful lives of depreciable assets

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

#### Impairment of assets

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

#### Defined benefit obligation (DBO)

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

### 5. THE EFFECT OF CHANGE IN ACCOUNTING POLICIES

The change in accounting policies effected the Group selected adjustments to the deficits as at 1 January 2020 without restated comparative information. The effects to the financial statements for the year ended 31 December 2020 are as follows:

*CONSOLIDATED F/S*

(Unit : Thousand Baht)

	As originally presented	TFRS 9	TFRS 16	Presented
<b>Statement of financial position</b>				
Trade and other current accounts receivable	420,595	(15,335)	-	405,260
Retention receivable	86,532	(7,193)	-	79,339
Right - of - use assets	7,272	-	55,956	63,228
Investments in associated company	192,420	(1,882)	-	190,538
Liabilities under lease agreement	(4,769)	-	(60,240)	(65,009)
Estimate decommissioning costs	-	-	(3,149)	(3,149)
Unappropriated deficits	439,358	24,410	7,433	471,201
<b>Statement of profit or loss and other comprehensive income for the year ended 31 December 2020</b>				
Costs of sales and services	1,580,466	-	(17,151)	1,563,315
Administrative expenses	(144,482)	6,859	(2,718)	(140,341)
Finance costs	(65,148)	-	(3,148)	(68,296)
Loss for the year	(140,172)	6,859	(23,017)	(156,330)
Loss per share (Baht)				
Basic loss per share	(0.02382)	0.00127	(0.00426)	(0.02682)

**SEPARATE F/S**

(Unit : Thousand Baht)

	As originally presented	TFRS 9	TFRS 16	Presented
<b>Statement of financial position</b>				
Trade and other current accounts receivable	353,620	(10,998)	-	342,622
Retention receivable	80,824	(2,856)	-	77,968
Right - of - use assets	6,099	-	52,752	58,851
Liabilities under lease agreement	(5,205)	-	(55,243)	(60,448)
Estimate decommissioning costs	-	-	(3,149)	(3,149)
Deficit unappropriated	126,086	13,854	5,640	145,580
<b>Statement of profit or loss and other comprehensive income for the year ended 31 December 2020</b>				
Costs of sales and services	(1,235,821)	-	(16,274)	(1,252,095)
Administrative expenses	(117,515)	11,196	(1,633)	(107,952)
Finance costs	(33,295)	-	(2,845)	(36,140)

Loss for the year	(75,208)	11,196	(20,752)	(84,764)
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**Loss per share (Baht)**

Basic loss per share	(0.01393)	0.00207	(0.00384)	(0.01570)
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The details of above adjustments are as below.

- The Group applies simplified approach to measuring expected credit losses which uses a lifetime expected allowance for expected credit loss as per Thai Financial Reporting Standard No. 9 “Financial Instruments”.
- The Group recognized land with construction and vehicles lease agreement, which is operating leases in accordance with former Thai Financial Reporting Standards, to be Right-of-use assets by Thai Financial Reporting Standard No. 16 “Leases”.

The effect of resulting from change of accounting policies due to the first-time adoption of new Thai Financial Reporting Standards to the deficits as at 1 January 2020 are as below.

	(Unit : Thousand Baht)	
	CONSOLIDATED F/S	SEPARATE F/S
Deficits as at 31 December 2019	(322,415)	(59,656)
Deficits adjustments	(24,983)	(23,115)
Deficits as at 1 January 2020	(347,398)	(82,771)

In addition, the adoption of new Thai Financial Reporting Standards impact on reclassifies of assets and liabilities to financial assets and liabilities, including the change of accounting policy of recognition and derecognition are as follow:

Transactions	Former Accounting Policy	New Accounting Policy	Effect
- Trade and other current accounts receivable - Trade and other current accounts payable - Borrowing	at cost	at amortised cost	None
Equity investment	Available - for - sales securities presented at fair value. Changes in the fair value are recognised in FVOCI. When disposal are classified to profit or loss.	Equity investment are defined measured at fair value are recognised in FVOCI. Changes in the fair value are recognised in FVOCI. Gain (loss) is directly recognised through retained earnings when they have disposal.	Changes in account name and classified profit ( loss) from change in FV under “Items that may be reclassified to profit or loss” to under “It ems that will not be reclassified to profit or loss” in the statement of profit or loss and OCI

The effect of resulting from change of accounting policies are not material impact on the financial statements in the past periods.

## 6. INTERESTS IN SUBSIDIARIES

### 6.1 Composition of the Group

The consolidated financial statements include the following subsidiaries :

Subsidiary companies	Country of incorporation	Proportion of Shareholding (Percentage)		Type of businesses
		2020	2019	
Seven Wire Co., Ltd.	Thai	99.99	99.99	Manufacturing and selling of the special qualified PC Wire and PC Strand
General Engineering Mauritius Limited.	Mauritius	99.99	99.99	Investment business
General Nippon Concrete Industries Co., Ltd.	Thai	82.50	82.50	Manufacturing and selling of concrete spun pile

#### *Subsidiary*

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

### 6.2 Subsidiary with material non-controlling interests (NCI)

The following table summarizes the information relating to the Company's subsidiary for the year ended 31 December 2020 and 2019.

Name	Proportion of ownership interests held by the NCI (percentage)		Total comprehensive loss attributed to NCI		Accumulated NCI	
	2020	2019	2020	2019	2020	2019
General Nippon Concrete Industries Co., Ltd.	17.50	17.50	(11,536)	(12,053)	8,539	20,076

(Unit: Thousand Baht)

No dividends were paid to non-controlling interest for the year ended 31 December 2020 and 2019.

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

	(Unit: Thousand Baht)	
	31 December 2020	31 December 2019
<b>Statement of financial position</b>		
Proportion of non-controlling interest	17.50	17.50
Current assets	18,042	74,499
Non-current assets	96,724	577,775
Current liabilities	(43,573)	(180,492)
Non-current liabilities	(62,560)	(357,067)
<b>Net asset</b>	<b>8,633</b>	<b>114,715</b>
Profit in inventories	(94)	-
Carrying amount of non-controlling interest	8,539	20,076
	(Unit : Thousand Baht)	
	For the years ended 31 December	
	2020	2019
<b>Statement of profit or loss and other comprehensive income</b>		
Loss for the year	(66,166)	(68,874)
Other Comprehensive Income	246	-
<b>Total comprehensive loss</b>	<b>(65,920)</b>	<b>(68,874)</b>
Loss attributed to non-controlling interest	(11,579)	(12,053)
Other Comprehensive Income	43	-
Total comprehensive loss of non-controlling interest	(11,536)	(12,053)
<b>Statement of cash flows</b>		
Net cash used in operating activities	(9,656)	(78,293)
Net cash used in investing activities	(29,584)	(30,144)
Net cash provided from financing activities	39,197	108,051
<b>Net decrease in cash and cash equivalents</b>	<b>(43)</b>	<b>(386)</b>

## 7. INVESTMENT BY EQUITY METHOD

### 7.1 Investments in associated company

Associated company	Country of incorporation	Proportion of Shareholding (Percentage)		Type of business
		2020	2019	



Metric Public Company Limited	Thai	32.65	32.65	Construction and System installation services
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#### *Associated company*

An associate is an entity over which the Company has significant influence, being the power to participate in the financial and operating policy decisions but not control or joint control of those policies. Investment in associated company is important strategy to the Group's operation.

Summarized financial information for Associated company as below:

		(Unit : Thousand Baht)	
		31 December 2020	31 December 2019
<b>Statements of Financial Position</b>			
Current assets		1,473,509	1,598,902
Non-current assets		272,455	245,419
Current liabilities		(1,463,496)	(1,531,907)
Non-current liabilities		(54,336)	(43,164)
<b>Net assets</b>		<b>228,132</b>	<b>269,250</b>
Additional information			
- Cash and cash equivalents included in current assets		104,908	65,403
- Current financial liabilities (excluding trade and other payables and provisions for liabilities) included in current liabilities		(968,282)	(963,333)
- Non-current financial liabilities (excluding trade and other payables and provisions for liabilities) included in non-current liabilities		(54,336)	(40,164)

		(Unit: Thousand Baht)	
		For the years ended 31 December	
		2020	2019
<b>Statement of Profit or Loss and Other comprehensive Income</b>			
Revenue		2,113,473	1,809,989
Profit (loss) for the year		(31,723)	(47,041)
Other comprehensive income		(3,631)	4,992
<b>Total comprehensive income (loss)</b>		<b>35,355</b>	<b>(42,049)</b>
Depreciation and amortization expense		(11,612)	(10,586)
Interest income		6,639	18,423
Interest expense		(26,117)	(40,612)
Income tax expense		(59,669)	(13,130)

Reconciliation of the financial information with the associated company's equity which recognised in consolidated financial statements:

	(Unit: Thousand Baht)	
	2020	2019
Net assets of associated company	228,132	269,250
Non - controlling interests	178,728	58,202
Net	406,860	327,452
Proportion of shareholding in Mctric Public Company Limited (percentage)	32.65	32.65
Goodwill	83,322	83,322
Adjustments relating to the different of accounting's policies	(25,624)	(24,551)
Carrying amount of investment in Mctric Public Company Limited	190,538	165,684

During the years ended 31 December 2020 and 2019, the Company did not receive dividends from associated company.

## 7.2 Investments in Joint Venture

Joint Venture	Country of incorporation	Proportion of investment (Percentage)		Type of business
		2020	2019	
Wisdom Tree Investment (S)				Investment in overseas
PTE.Limited	Singapore	45.00	45.00	

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

### *Joint arrangement*

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Joint Arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor. An entity assesses its rights and obligations by considering the structure and legal form of the arrangement, the terms agreed by the parties in the contractual arrangement and, when relevant, other facts and circumstances. A joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

A joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

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

	(Unit : Thousand Baht)	
	31 December 2020	31 December 2019
<b>Statement of financial position</b>		
Current assets	145,205	218,045
Non-current assets	394,133	408,293
Current liabilities	(271,859)	(366,245)
Non-current liabilities	(40,588)	(25,023)
<b>Net Assets</b>	<b>226,891</b>	<b>235,070</b>
Additional information		
- Cash and cash equivalents included in current assets	31,571	40,931
- Non-current financial liabilities (excluding trade and other payables and provisions for liabilities) included in non-current liabilities	(40,588)	(25,023)

	(Unit : Thousand Baht)	
	For the years ended 31 December	
	2020	2019
<b>Statement of profit or loss and other comprehensive income</b>		
Revenue	346,755	307,490
Gain (loss) for the year	2,472	(71,104)
<b>Total comprehensive loss</b>	<b>2,472</b>	<b>(71,104)</b>
Depreciation and amortization expense	12,768	12,327
Interest expense	14,514	13,490

Reconciliation of the financial information with the Joint Venture's equity which is recognised in consolidated financial statements:

	(Unit : Thousand Baht)	
	2020	2019
Net assets of joint venture	226,891	235,070
Proportion of shareholding in Wisdom Tree		
Investment (S) PTE. limited (percentage)	45	45
Carrying amount of investment in overseas joint venture	102,101	105,781

During the years ended 31 December 2020 and 2019, the Company did not receive dividends from joint venture.

## 8. RELATED PARTY TRANSACTIONS

The Group has transactions with related parties that are related through common shareholding and/or directorship. Thus, the consolidated and separate financial statements reflect the effects of those transactions on the basis agreed upon between the Group and its related parties, which might be different from the basis used for transactions with unrelated parties.

Details of related parties are as follow:

Entity name	Country of incorporation/ nationality	Type of relationship
<u>Subsidiaries</u>		
Seven Wire Co., Ltd.	Thailand	Direct major shareholder
General Engineering Mauritius Limited	Mauritius	Direct major shareholder
General Nippon Concrete Industries Co., Ltd.	Thailand	Direct major shareholder
<u>Associated company</u>		
Metric Public Company Limited	Thailand	Direct shareholder
<u>Joint venture</u>		
Wisdom Tree Investment (S) PTE. Limited	Singapore	Joint venture
Millcon Thiha GEL Limited	Myanmar	Joint venture's subsidiary
<u>Related parties</u>		
Millcon Steel Public Company Limited	Thailand	Invested company
Suntech metal Co., Ltd.	Thailand	Invested company's subsidiary
Millcon Burapa Co., Ltd.	Thailand	Invested company's subsidiary
Millcon Steel Pipe Co., Ltd.	Thailand	Invested company's subsidiary
Millcon Thiha Limited	Myanmar	Invested company's subsidiary
Saharuam construction materials Co., Ltd.	Thailand	Invested company's subsidiary
Joint Venture IBCI - McTRIC	Thailand	Associate's joint venture
Joint Venture Thep Mongkol Sukothai - Hi Media	Thailand	Associate's joint venture
Nippon Concrete Industries Co., Ltd.	Japan	Shareholder of the subsidiary
<u>Related persons</u>		
Directors and managements	Thai	Key Management

Significant transactions with related parties for the year ended 31 December 2020 and 2019 are as follows:

(Unit : Thousand Baht)

		Consolidated F/S		Separate F/S	
		For the year ended 31 December			
	Pricing policy	2020	2019	2020	2019
<b>Transactions with subsidiaries</b>					
Revenue from sales and services	Market price			-	259
Rental income	Agreed price	-	-	5,000	5,000
Other service income	Agreed price	-	-	9,323	11,225
Interest income	MLR - 0.5 percent p.a.	-	-	670	144
Interest expense	MLR - 0.5 percent p.a.	-	-	8,564	10,571
Purchase of raw materials	Market price	-	-	81,885	135,336
Purchase of finished goods and services	Agreed price	-	-	123	45,883
<b>Transactions with associated</b>					
Revenue from sales and services	Market price	7,515	1,838	1,006	1,838
Other service income	Agreed price	-	1,015	-	1,015
Construction cost	Contract price	-	401	-	-
Machinery cost	Market price	-	428	-	-
<b>Management's compensations</b>					
Current employment benefits		38,098	37,132	27,868	26,107
Post-employment benefits		1,532	1,266	846	1,189
Other long-term benefits		8	-	2	-
Total		39,638	38,398	28,716	27,296
<b>Transactions with related parties</b>					
Revenue from sales and services	Market price	-	199	-	199
Purchase of raw materials	Market price	116,050	34,409	19,379	16,265

Significant balances with related parties as at 31 December 2020 and 2019 are as follows:

(Unit : Thousand Baht)

		Consolidated F/S		Separate F/S	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
<b>Trade accounts receivable</b>					
Subsidiaries		-	-	22,831	20,493
Associated		3,036	1,870	2,946	1,870
Related companies		63	-	63	-
Total		3,099	1,870	25,840	22,363
<b>Other current accounts receivable</b>					
Subsidiaries		-	-	15,135	11,465
Associated		1,326	1,325	-	-
Total		1,326	1,325	15,135	11,465

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
<b>Retention receivables</b>				
Associated	2	2	2	2
<b>Total</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Trade accounts payable</b>				
Subsidiaries	-	-	7,141	7,054
Related companies	65,254	16,156	13,617	1,330
<b>Total</b>	<b>65,254</b>	<b>16,156</b>	<b>20,758</b>	<b>8,384</b>
<b>Assets payable</b>				
Associated	20,643	28,992	-	-
<b>Other accounts payable</b>				
Subsidiaries	-	-	2,170	2,167
Associated	13,689	12,380	5,700	4,391
Management	1,502	-	-	-
<b>Total</b>	<b>15,191</b>	<b>12,380</b>	<b>7,870</b>	<b>6,558</b>
<b>Loans and accrued interest income</b>				
Subsidiary	-	-	24,132	-
<b>Loans and accrued interest expense</b>				
Subsidiary	-	-	182,005	176,307
<b>Employee benefits obligation</b>				
Key management	9,784	8,243	6,625	5,777

Movements in loans and accrued interest income to subsidiary company for the year ended 31 December 2020 are as follows:

(Unit : Thousand Baht)

	Separate F/S		
	1 January 2020	Increase	31 December 2020
<b>Loans and accrued interest income</b>			
Subsidiary			
Loan	-	33,918	24,057
Accrued interest income	-	670	75
<b>Total</b>	<b>-</b>	<b>34,588</b>	<b>24,132</b>

Loan to subsidiary is uncollateralized and repayable on demand. These loan bear interest at the rate of MLR - 0.5% per annum.

Movements for loans and accrued interest expense from subsidiary company for the year ended 31 December 2020 are as follows:

(Unit : Thousand Baht)

	Separate F/S			
	1 January 2020	Increase	Decrease	31 December 2020
<b>Loans and accrued interest expense</b>				
Subsidiary company				
Loan	171,689	-	-	171,689
Accrued interest expense	4,618	8,564	(2,866)	10,316
<b>Total</b>	<b>176,307</b>	<b>8,564</b>	<b>(2,866)</b>	<b>182,005</b>

(Unit : Thousand Baht)

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

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

## 9. FINANCIAL ASSETS AND LIABILITIES

Financial instruments consist of

(Unit : Thousand Baht)

	CONSOLIDATED F/S		SEPARATE F/S	
	2020	2019	2020	2019
<b><u>Financial assets</u></b>				
<b>Financial assets at amortised cost</b>				
Cash and cash equivalents (note 9.1)	17,207	10,223	17,151	10,154
Restricted cash at bank (note 9.2)	10,000	-	10,000	-
Trade and other current accounts receivable (note 9.3)	348,925	363,111	329,941	345,825
Retention receivable (Note 9.4)	79,339	92,586	77,968	92,575
Loan and interest receivable - subsidiary (note 8)	-	-	24,132	-

	(Unit : Thousand Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2020	2019	2020	2019
<b>Financial assets at fair value through other comprehensive income</b>				
Equity investment (note 9.5)	708,490	537,206	708,490	537,206
<b>Financial liabilities</b>				
<b>Liabilities at amortised cost</b>				
Bank overdrafts and short - term loan from financial institutions (note 9.6)	603,108	593,526	395,440	380,080
Trade and other current accounts payable (note 17)	536,449	378,043	362,601	242,269
Loans and accrued interest expenses - subsidiary (note 8)	-	-	182,005	176,307
Long-term loans from financial institutions (note 9.8)	934,966	896,246	246,392	191,309
<b>Liabilities under lease agreements (note 9.7)</b>	65,009	452	60,448	452

#### 9.1 Cash and cash equivalents

	(Unit : Thousand Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2020	2019	2020	2019
Cash on hand	257	206	207	186
Cash at bank				
- Savings account	12,881	9,830	12,880	9,812
- Current account	4,010	129	4,005	98
- Fixed deposit less than 3 months	59	58	59	58
<b>Total</b>	<b>17,207</b>	<b>10,223</b>	<b>17,151</b>	<b>10,154</b>

For the year ended 31 December 2020 and 2019, savings deposits with banks bear interest at 0.05-0.375 and 0.1-0.375 percent per annum, respectively.

#### 9.2 Restricted cash at bank

As at 31 December 2020, the whole amount of cash at bank was pledged as collateral with a bank according to the contract with customer which less than 12 months as disclosed in Note 28.

#### 9.3 Trade and other current accounts receivable

The balances of trade and other accounts receivable as at 31 December 2020 and 2019 are as follows:



(Unit : Thousand Baht)				
	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
<b>Financial assets</b>				
Trade accounts receivable	380,304	389,368	322,881	341,523
Postdated cheques	2,162	-	-	-
Total trade accounts receivable	382,466	389,368	322,881	341,523
- general customers				
Trade accounts receivable	3,099	1,870	25,840	22,363
- related companies				
Total trade accounts receivable	385,565	391,238	348,721	363,886
<u>Less</u> Allowance for expected credit losses	(46,398)	(33,919)	(42,061)	(33,919)
Trade accounts receivable - net	339,167	357,319	306,660	329,967
Other receivables - general customers	651	1,138	538	1,079
Other receivables - related parties	1,326	1,325	15,135	11,465
Deposit	6,880	1,755	6,858	1,755
Retention receivable	-	15	-	-
Discount receivable	901	1,559	750	1,559
<b>Total Financial assets</b>	<b>348,925</b>	<b>363,111</b>	<b>329,941</b>	<b>345,825</b>
Prepaid expenses	12,614	19,874	9,715	11,861
Advance	3,125	4,078	2,966	3,712
Advance - related parties	10	-	-	-
Revenue Department receivables	39,650	45,903	-	-
Prepayment for goods and services	935	619	-	-
<b>Total other current accounts receivable</b>	<b>56,334</b>	<b>70,474</b>	<b>12,681</b>	<b>15,573</b>
<b>Total trade and other current accounts receivable</b>	<b>405,259</b>	<b>433,585</b>	<b>342,622</b>	<b>361,398</b>

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

(Unit : Thousand Baht)				
	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
<b>Trade accounts receivable</b>				
- <b>general customers</b>				
Not yet due	258,081	140,880	219,051	114,156
Past due:				
Not over 3 months	60,010	180,296	47,646	163,123
3 - 6 months	6,319	19,236	5,975	15,204

		(Unit : Thousand Baht)			
		Consolidated F/S		Separate F/S	
		2020	2019	2020	2019
6 - 12 months		11,594	11,673	9,902	11,757
Over 12 months		44,300	37,283	40,307	37,283
Total		380,304	389,368	322,881	341,523
Postdated cheque		2,162	-	-	-
Total		382,466	389,368	322,881	341,523
<u>Trade accounts receivable - related companies</u>					
Not yet due		63	224	6,774	224
Past due :					
Not over 3 months		-	1,323	-	1,323
3 - 6 months		-	323	-	7,322
6 - 12 months		1,300	-	1,317	13,494
Over 12 months		1,736	-	17,749	-
Total		3,099	1,870	25,840	22,363
Total trade accounts receivable		385,565	391,238	348,721	363,886
Less Allowance for doubtful accounts		(46,398)	(33,919)	(42,061)	(33,919)
Trade accounts receivable - net		339,167	357,319	306,660	329,967

#### *Classification*

Trade accounts receivable are amounts due from customers for selling and services performed in the ordinary course of business. They are generally due for settlement within 7-120 days since invoice issued date and are therefore all classified as current. The payment period is 30 -60 days after billing date.

#### *Fair values*

Due to the short-term nature of the trade accounts receivable, their carrying amount is considered to be the same as their fair value.

#### 9.4 Retentions receivable

		(Unit : Thousand Baht)	
		Consolidated F/S	Separate F/S

	2020	2019	2020	2019
Retention receivables - general customers	86,221	96,612	84,850	96,601
Retention receivables - related company	2	2	2	2
Total	86,223	96,614	84,852	96,603
<u>Less</u> Allowance for expected credit loss	(6,884)	(4,028)	(6,884)	(4,028)
Net	79,339	92,586	77,968	92,575
<u>Less</u> Current portion	(19,439)	(30,219)	(18,068)	(30,208)
Receive more than one year	59,900	62,367	59,900	62,367

Retention receivable is deducted by customers for guaranteed work at 5-10% of installment and will be refund when the customers accept the project's inspection.

## 9.5 Equity investment

(Unit : Thousand Baht)

	Consolidated and Separate F/S					
	Number of shares		Percentage of shareholding		Investment value	
	2020	2019	2020	2019	2020	2019
	(Thousand shares)	(Thousand shares)				
Millcon Steel Public Company Limited						
Investment in common share	778,560	778,560	17.20	17.20	1,279,101	1,279,101
Unrealized loss					(570,611)	(741,895)
Equity investment-net					708,490	537,206

Movements during the years ended 31 December 2020 and 2019 of equity investment are as follows :

(Unit : Thousand Baht)

	Consolidated and Separate F/S	
	2020	2019
Book value - beginning balance of the year	537,206	1,206,768
Unrealized loss	171,284	(669,562)
Book value - ending balance of the year	708,490	537,206

During the year 2020, the Company received dividend amounting to Baht 15.57 million and sold warrants amounting to Baht 0.24 million via the Stock Exchange of Thailand.

During the year 2019, the Company sold warrants of Millcon Steel Public Company Limited of 210 million shares, amounting to Baht 5.91 million via the Stock Exchange of Thailand. The Company received dividend from Millcon Steel Public Company Limited at Baht 0.03 per share amounting to Baht 23.36 million.

Fair value of equity investment with reference to the closing rate of Stock Exchange of Thailand as at 31 December 2020 and 2019 consisted of:

	(Unit : Thousand Baht)	
	Consolidated and Separate F/S	
	Level 1	
	31 December 2020	31 December 2019
<u>Financial Assets</u>		
Equity investment	708,490	537,206

#### 9.6 Bank overdrafts and short - term loan from financial institutions

	(Unit : Thousand Baht)					
	Interest rate per annum (Percent)		Consolidated F/S		Separate F/S	
	2020	2019	2020	2019	2020	2019
Liabilities under trust receipt agreements	3.25-6.00	3.75-7.00	21,748	30,766	-	75
Promissory notes	4.25-5.00	5.00-5.25	554,450	536,428	395,440	380,000
Overdraft	5.875-6.875	6.875	26,910	26,332	-	5
Total bank overdraft and short - term loans from financial institutions			603,108	593,526	395,440	380,080

The Group has bank overdraft and short-term loans from financial institution bearing interest rate at MLR -1% to MOR per annum. Land and building, bank deposit, and machinery and partial of land and building are pledged as security. The parent company also guarantee credit limit of subsidiary.

#### 9.7 Liabilities under lease agreements

	(Unit : Thousand Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2020	2019	2020	2019
Liabilities under lease agreements	70,728	471	65,738	471
<u>Less</u> Deferred financing charges	(5,619)	(19)	(5,290)	(19)
Present value of lease liabilities	65,009	452	60,448	452
<u>Less</u> Current portion	(17,076)	(277)	(15,211)	(277)
Amount due more than one year	47,933	175	45,237	175

Liabilities under lease agreement are categorized by payment period as follows:

(Unit : Thousand Baht)

CONSOLIDATED F/S

	2020		2019			
	Future value of minimum lease payments		Present value of minimum lease payments		Future value of minimum lease payments	
		Interest			Interest	Present value of minimum lease payments
Within one year	19,926	(2,850)	17,076	293	(16)	277
After one year but within five years	50,702	(2,769)	47,933	178	(3)	175
<b>Total</b>	<b>70,628</b>	<b>(5,619)</b>	<b>65,009</b>	<b>471</b>	<b>(19)</b>	<b>452</b>

(Unit : Thousand Baht)

SEPARATE F/S

	2020		2019			
	Future value of minimum lease payments		Present value of minimum lease payments		Future value of minimum lease payments	
		Interest			Interest	Present value of minimum lease payments
Within one year	17,865	(2,654)	15,211	293	(16)	277
After one year but within five years	47,873	(2,636)	45,237	178	(3)	175
<b>Total</b>	<b>65,738</b>	<b>(5,290)</b>	<b>60,448</b>	<b>471</b>	<b>(19)</b>	<b>452</b>

The Group entered into hire-purchase and lease agreements for land and building, machines and vehicles. The terms of agreements are 3-5 years. These agreements are secured by the related assets held under the leases.

*Other related information*

(Unit : Thousand Baht)

For the years ended 31 December 2020	CONSOLIDATED F/S	SEPARATE F/S
Interest expense	3,382	3,091
Expense relating to short-term leases	3,261	870
Total cash outflow for leases	24,530	21,579

9.8 Long-term loans from financial institutions

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Long - term loans				
Credit Baht 390.00 million	-	50,109	-	50,109
Credit Baht 140.00 million	75,650	99,050	75,650	99,050

(Unit: Thousand Baht)

	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Credit Baht 60.00 million	31,950	42,150	31,950	42,150
Credit Baht 225.50 million	148,700	158,300	-	-
Credit Baht 174.50 million	119,500	127,000	-	-
Credit Baht 150.00 million	150,000	150,000	-	-
Credit Baht 250.00 million	242,740	242,740	-	-
Credit Baht 37.00 million	28,360	28,360	-	-
Credit Baht 109.00 million	92,800	-	92,800	-
Credit Baht 71.00 million	47,400	-	47,400	-
Total	937,100	897,709	247,800	191,309
<u>Less</u> Deferred financial fees	(2,134)	(1,463)	(868)	-
Net	934,966	896,246	246,932	191,309
<u>Less</u> Current portion	(142,572)	(190,515)	(52,297)	(83,709)
Payment more than one year	792,394	705,731	194,635	107,600

Movements during the years ended 31 December 2020 and 2019 of long - term loan are as follows:

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Balance - beginning of the year	896,246	1,009,319	191,309	302,909
<u>Add</u> Additional borrowings	140,200	68,390	140,200	-
Amortised financial costs	250	-	52	-
<u>Less</u> Repayment	(100,809)	(180,000)	(83,709)	(111,600)
Deferred financial costs	(921)	(1,463)	(920)	-
Balance - ending of the year	934,966	896,246	246,932	191,309

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

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

Type of credit facilities	Credit facilities (Million Baht)		Interest	Period	Repayment term	Objective
	2020	2019				
Long - term loan	60.00	60.00	Monthly payment at MLR - 1 percent p.a.	7 years From 2017 to 2024	- 1 <sup>st</sup> - 12 <sup>th</sup> payment is grace period - 13 <sup>th</sup> onward repayment of Baht 0.85 million per month	Purchase machinery and equipment for prestressed concrete pile
Long - term loan	109.00	-	Monthly payment at MLR percent p.a.	7 years From 2021 to 2028	- 1 <sup>st</sup> -6 <sup>th</sup> payment is grace period - 7 <sup>th</sup> onward repayment of Baht 1.40 million per month	To improve area and invest in machinery, equipment Project Segment Phase 1
Long - term loan	71.00	-	Monthly payment at MLR percent p.a.	7 years From 2021 to 2028	- 1 <sup>st</sup> -6 <sup>th</sup> payment is grace period - 7 <sup>th</sup> onward repayment of Baht 0.91 million per month	To improve area and invest in machinery, equipment Project Segment Phase 2
Total	380.00	590.00				

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

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

Type of credit facilities	Credit facilities (Million Baht)		Interest	Repayment Period	Repayment term	Objective
	2020	2019				
Long - term loan M.L (1)	174.50	174.50	Monthly payment at MLR - 2 percent p.a.	Apr 21 - Apr 25	repayment of Baht 2.50 million per month	Plant construction for special qualified PC Wire and PC Stand
Long - term loan M.L (2)	225.50	225.50	Monthly payment at MLR - 2 percent p.a.	Apr 21 - Feb 25	repayment of Baht 3.20 million per month	Purchase of machinery and equipment related with manufacturing of special qualified PC Wire and PC Stand
Long - term loan M.L (3)	150.00	150.00	Monthly payment at MLR - 1 percent p.a.	May 21 - Mar 27	- 1 <sup>st</sup> - 24 <sup>th</sup> onward repayment of Baht 1.50 million per month - 25 <sup>th</sup> -48 <sup>th</sup> onward repayment of Baht 2.00 million per month - 49 <sup>th</sup> -71 <sup>st</sup> onward repayment of Baht 2.75 million per month - 72 <sup>th</sup> onward repayment of remaining	Plant construction for spun pile concrete.
Long - term loan M.L (4)	250.00	250.00	Monthly payment at MLR - 1 percent p.a.	May 21 - Mar 27	- 1 <sup>st</sup> - 24 <sup>th</sup> onward repayment of Baht 3.00 million per month - 25 <sup>th</sup> -48 <sup>th</sup> onward repayment of Baht 3.50 million per month - 49 <sup>th</sup> -71 <sup>st</sup> onward repayment of Baht 3.90 million per month - 72 <sup>th</sup> (the last) repayment of remaining	Purchase of machinery and equipment related with manufacturing of spun pile concrete.
Long - term loan M.L (5)	37.00	37.00	Monthly payment at MLR - 2 percent p.a.	Jun 21 - Oct 27	repayment of Baht 0.48 million per month	Purchase of machinery and equipment related with manufacturing of special qualified

Type of credit facilities	Credit facilities (Million Baht)		Interest	Repayment Period	Repayment term	Objective
	2020	2019				
						PC Wire and PC Stand
Total	837.00	837.00				

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

As at 31 December 2020, the Group was unable to maintain the financial ratio as stipulated in the loan agreement with the financial institution which was not compliance with loan agreement's condition. However, the Group has requested the consent letter from financial institution and the financial institution accepted to process as requested within the reporting period.

Those credit facilities are collateralized by the mortgages of machinery and land and construction as disclosed in Note 32.

#### 10. INVENTORIES

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Finished goods	217,356	340,864	191,025	294,332
Work in process	31,931	65,641	27,899	63,041
Raw materials and spare parts	81,542	72,353	75,040	63,118
Goods in transit	-	961	-	961
Total	330,829	479,819	293,964	421,452
<u>Less</u> Allowance for defective inventories	(3,704)	(1,783)	(3,704)	(1,783)
Allowance for devaluation of inventories	(19,478)	(47,124)	(18,864)	(38,282)
Net	307,647	430,912	271,396	381,387

Inventories recognised as an expense during the years are as follows:

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Inventories recognised as an expense	1,589,040	1,982,679	1,269,592	1,789,937
Allowance for inventories increase (Reversal)	(25,725)	21,573	(17,497)	12,731
Cost of sales and services	1,563,315	2,004,252	1,252,095	1,802,668

During the year, the movements in the allowance for defective inventories and devaluation on inventories are as follows:



(Unit : Thousand Baht)				
	CONSOLIDATED F/S		SEPARATE F/S	
	2020	2019	2020	2019
Beginning Balance	48,907	27,334	40,065	27,334
Increase	5,840	21,704	3,930	12,862
Decrease	(31,565)	(131)	(21,427)	(131)
Ending Balance	23,182	48,907	22,568	40,065

#### 11. INVESTMENT IN SUBSIDIARY COMPANY

(Unit : Thousand Baht)						
	Paid-up capital		Percentage of shareholding		Cost method	
	2020	2019	2020	2019	2020	2019
General Engineering Mauritius Limited	338	338	99.99	99.99	338	338
Seven Wire Co., Ltd.	280,000	280,000	99.99	99.99	279,999	279,999
General Nippon Concrete Industries Co., Ltd.	200,000	200,000	82.50	82.50	165,000	165,000
Total					445,337	445,337

#### 12. INVESTMENTS IN ASSOCIATED COMPANY AND JOINT VENTURE – NET

(Unit : Thousand Baht)								
	Paid-up capital		Percentage of shareholding		Cost method		Equity method	
	2020	2019	2020	2019	2020	2019	2020	2019
	(Thousand Baht)	(Thousand Baht)						
<b>Associated company</b>								
Metric Public Company Limited	300,000	300,000	32.65	32.65	185,633	185,633	190,538	165,684
<u>Less</u> Allowance for impairment					(10,592)	(19,044)	-	-
Net					175,041	166,589	190,538	165,684
	(Thousand USD)	(Thousand USD)						
<b>Joint venture</b>								
Wisdom Tree Investment (S)								
PTE Limited	12,000	12,000	45.00	45.00	177,661	177,661	102,101	105,781
<u>Less</u> Allowance for impairment					(25,338)	(22,245)	-	-
Net					152,323	155,416	102,101	105,781
Investments in associated and joint venture - net					327,364	322,005	292,639	271,465

The Company pledge its share of Wisdom Tree Investment (S) PTE Limited to guarantee credit facilities of overseas joint venture as disclosed in note 32.2.

Movements in investments in associated company and joint venture, which are accounted for by the equity method in the consolidated financial statements, for the years ended 31 December 2020 and 2019 are as follows:

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Balance as at 1 January	271,465	308,761	322,005	344,250
Share of loss from associated company	27,922	7,339	-	-
Change in accounting policies	(1,882)	-	-	-
Share in comprehensive loss	(1,186)	-	-	-
Share of profit (loss) from oversea joint venture	1,112	(31,997)	-	-
<u>Less</u> Translation adjustments for foreign currency	(4,792)	(12,638)	-	-
Allowance for impairment of investment	-	-	5,359	(22,245)
Balance as at 31 December	292,639	271,465	327,364	322,005

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

#### *Impairment testing*

According to the annual impairment testing, the management calculated the recoverable amount of associated company and joint venture.

- As at 31 December 2020, Discounted Cash Flow Approach is applied to the recoverable amount of associated company and joint venture by independent valuers who approved from the Securities & Exchange Commission Thailand. The key assumptions are as follows:

Assumption	Associated company	Joint venture
Discount rate (percentage per annum)	10.27-11.04	13.75-29.27
Revenue growth rate (percentage per annum)	2-3	5-10

As a result, provision and reversal of impairment loss were considered as at 31 December, 2020 as follows.

Unit : million Baht	Carrying amount	Appraisal price	Increase (decrease) impairment	Sensitivity analysis of discount rate affect the Appraisal price		
				Percentage	Rate Increase	Rate decrease
Joint venture	155.41	152.32	3.09	0.50	142.17	163.37
Associated company	166.59	175.04	(8.45)	0.25	163.05	188.21
Total	322.00	327.36	(5.36)			

The above impairment losses and reversal are recognised in the separated financial statements for the year ended 31 December 2020.

As of 31 December 2019, the recoverable amount of investment in joint venture is lower than carrying amount of investment in separate financial statements. Therefore, the Company recognized loss on

impairment of investment in joint venture amounting to Baht 22.65 million in the financial statements for the year ended 31 December 2019.

### 13. INVESTMENT PROPERTY

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Land	1,001,379	1,001,379	1,294,099	1,294,099
<u>Less</u> Allowance for impairment	(4,872)	(4,872)	(4,872)	(4,872)
Net	996,507	996,507	1,289,227	1,289,227
Buildings and buildings improvement	320	320	320	320
<u>Less</u> Accumulated depreciation	(200)	(200)	(200)	(200)
Net	120	120	120	120
Investment property - net	996,627	996,627	1,289,347	1,289,347

The relevant income and expenses are recognized in profit or loss for the years ended 31 December are as follows:

	(Unit : Thousand Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2020	2019	2020	2019
Rental income from investment property	-	-	5,000	5,000

As at 31 December 2020 and 2019, the whole amount of investment property is pledged as collateral of bank overdraft as disclosed in note 9.6.

As at 31 December 2020 and 2019, fair value of the investment properties are determined by freelance valuers approved from the Securities & Exchange Commission Thailand. The fair value level 2 are Baht 1,331.31 million.

### 14. PROPERTY, PLANT AND EQUIPMENT

	(Unit :Thousand Baht)							
	CONSOLIDATED F/S							
	Land	Building and construction	Machinery, tools and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under constructions	Deposit	Total
<b>Cost :</b>								
1 January 2019	1,064,675	592,624	1,114,238	62,267	87,757	224,608	221,924	3,368,093
Acquisitions	-	2,287	49,362	5,507	1,161	47,295	406	106,018
Capitalised borrowing costs	-	-	2,994	-	-	1,142	-	4,136
Transfer in /out	-	143,627	308,476	527	-	(235,912)	(214,164)	2,554
Disposals / write-off	-	-	(6,745)	(61)	-	(94)	(43)	(6,943)
31 December 2019	1,064,675	738,538	1,468,325	68,240	88,918	37,039	8,123	3,473,858
Acquisitions	91,693	104,878	49,329	1,341	115	49,932	5,001	302,289
Transfer in /out	-	1,319	2,974	524	-	(4,498)	(319)	-
Disposals / write-off	-	(2,736)	(4,749)	(967)	(6,393)	(19)	-	(14,864)
Transferred to intangible assets	-	-	(11,596)	(6,717)	-	(550)	-	(18,863)
Transferred to right-of-use assets	-	-	-	-	(1,573)	-	-	(1,573)

(Unit :Thousand Baht)

## CONSOLIDATED F.S

Receive transfer from inventories	-	-	(7,895)	1,701	-	40,848	-	34,654
31 December 2020	1,156,368	841,999	1,496,388	64,122	81,067	122,752	12,805	3,775,501
<b>Accumulated depreciation :</b>								
1 January 2019	(222)	(52,908)	(275,196)	(39,393)	(70,489)	-	-	(438,208)
Depreciation for the year	(386)	(29,487)	(67,930)	(7,269)	(6,479)	-	-	(111,551)
31 December 2019	(608)	(82,395)	(343,126)	(46,662)	(76,968)	-	-	(549,759)
Depreciation for the year	(387)	(29,618)	(74,972)	(7,272)	(4,587)	-	-	(116,836)
Depreciation of disposal	-	2,736	4,744	952	5,612	-	-	14,044
Depreciation transferred to intangible assets	-	-	2,062	3,416	-	-	-	5,478
Depreciation transferred to right-of-use assets	-	-	-	-	942	-	-	942
31 December 2020	(995)	(109,277)	(411,292)	(49,566)	(75,001)	-	-	(646,131)
<b>Net book value :</b>								
31 December 2019	1,064,067	656,143	1,125,199	21578	11,950	37,039	8,123	2,924,099
31 December 2020	1,155,373	732,722	1,085,096	14,556	6,066	122,752	12,805	3,129,370
<b>Depreciation for the year 2019</b>								
Costs of services								101,329
Administrative expenses								10,222
<b>Total</b>								111,551
<b>Depreciation for the year 2020</b>								
Costs of services								107,061
Administrative expenses								9,775
<b>Total</b>								116,836

(Unit :Thousand Baht)

## SEPARATE F.S

	Land	Building and construction	Machinery, tools and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under constructions	Deposit	Total
<b>Cost :</b>								
1 January 2019	664,089	429,459	861,242	56,434	87,756	12,339	595	2,111,914
Acquisitions	-	1,524	24,716	1,536	1,161	1,529	142	30,608
Transfer in /out	-	1,482	12,377	-	-	(12,017)	-	1,842
Disposals	-	-	(5,824)	(61)	-	(94)	(25)	(6,004)
31 December 2019	664,089	432,465	892,511	57,909	88,917	1,757	712	2,138,360
Acquisitions	91,693	104,878	49,790	414	115	49,233	5,001	301,124
Transfer in /out	-	1,319	643	-	-	(1,642)	(320)	-
Disposals	-	(2,736)	(4,749)	(953)	(6,393)	(19)	-	(14,850)
Transferred to intangible assets	-	-	(11,596)	(6,637)	-	(550)	-	(18,783)
Transferred to right-of-use assets	-	-	-	-	(1,573)	-	-	(1,573)
Receive transfer from inventories	-	-	(7,715)	-	-	40,849	-	33,134
31 December 2020	755,782	535,926	918,884	50,733	81,066	89,628	5,393	2,437,412
<b>Accumulated depreciation :</b>								
1 January 2019	-	(48,583)	(271,870)	(38,325)	(70,489)	-	-	(429,267)
Depreciation for the year	-	(15,747)	(42,264)	(5,558)	(6,479)	-	-	(70,048)
31 December 2019	-	(64,330)	(314,134)	(43,883)	(76,968)	-	-	(499,315)
Depreciation for the year	-	(16,765)	(44,563)	(4,712)	(4,587)	-	-	(70,627)
Depreciation for disposals	-	2,736	4,744	948	5,613	-	-	14,041
Depreciation transferred to intangible assets	-	-	2,062	3,397	-	-	-	5,459
Depreciation transferred to right-of-use assets	-	-	-	-	942	-	-	942
31 December 2020	-	(78,359)	(351,891)	(44,250)	(75,000)	-	-	(549,500)

(Unit :Thousand Baht)

## SEPARATE F/S

## Net book value :

31 December 2019	664,089	368,135	578,377	14,026	11,949	1,757	712	1,639,045
31 December 2020	755,782	457,567	566,993	6,483	6,066	89,628	5,393	1,887,912

## Depreciation for the year 2019

Costs of services								64,293
Administrative expenses								5,755
<b>Total</b>								<b>70,048</b>

## Depreciation for the year 2020

Costs of services								64,840
Administrative expenses								5,787
<b>Total</b>								<b>70,627</b>

.As at 31 December 2020 and 2019, some fully depreciated assets are still in use with a total costs of Baht 268.71 million and Baht 274.43 million in consolidated financial statements and in the separate financial statements, respectively.

Machinery and land with construction of Baht 545.44 million have been mortgaged as collaterals for credit facilities with a bank as mentioned in Note 9.6 and 9.8.

For the year ended 31 December 2020, total expenses amounting to Baht 0.44 million is included in carrying cost of land, building and equipment from construction.

15. RIGHT-OF-USE ASSETS

(Unit :Thousand Baht)

## CONSOLIDATED F/S

	Land and construction	Vehicles	Total
<b>Cost :</b>			
1 January 2020	-	-	-
Increase from change in accounting policy	166,081	19,731	185,812
Change rental rate No. 1	(43,372)	-	(43,372)
Change rental rate No. 2	(14,064)	-	(14,064)
Change term of contract	(44,076)	(5,321)	(49,397)
Reclassify from property, plant and equipment	-	1,573	1,573

(Unit :Thousand Baht)

## CONSOLIDATED F/S

	Land and construction	Vehicles	Total
Rental increase	-	6,840	6,840
31 December 2020	64,569	22,823	87,392

**Accumulated amortisation :**

1 January 2020	-	-	-
Increase from change in accounting policy	-	(8,336)	(8,336)
Transfer from property, plant and equipment	-	(942)	(942)
Amortization of change on rental rate No.1	2,491	3,424	5,915
Amortisation for the year	(18,678)	(2,124)	(20,802)
31 December 2020	(16,187)	(7,978)	(24,165)

**Net book value :**

31 December 2019	-	-	-
31 December 2020	48,382	14,845	63,227

**Amortisation for the year 2020**

Costs of services		17,184
Administrative expenses		3,618
<b>Total</b>		<b>20,802</b>

(Unit :Thousand Baht)

## SEPARATE F/S

	Land and construction	Vehicles	Total
<b>Cost :</b>			
1 January 2020	-	-	-
Increase from change in accounting policy	166,081	12,943	179,024
Change rental rate No. 1	(43,372)	-	(43,372)
Change rental rate No. 2	(14,064)	-	(14,064)

(Unit :Thousand Baht)

## SEPARATE F/S

	Land and construction	Vehicles	Total
Change term of contract	(44,076)	(5,321)	(49,397)
Reclassify from property, plant and equipment	-	1,573	1,573
Rental increase	-	5,668	5,668
31 December 2020	64,569	14,863	79,432
<b>Accumulated amortisation :</b>			
1 January 2020	-	-	-
Increase from change in accounting policy	-	(6,713)	(6,713)
Transfer from property, plant and equipment	-	(942)	(942)
Amortization of change on rental rate No.1	2,491	3,424	5,915
<b>Amortisation for the year</b>	(18,678)	(162)	(18,840)
31 December 2020	(16,187)	(4,393)	(20,580)
<b>Net book value :</b>			
31 December 2019	-	-	-
31 December 2020	48,382	10,470	58,852
<b>Amortisation for the year 2020</b>			
Costs of services			16,932
Administrative expenses			1,908
<b>Total</b>			18,840

As at 1 December 2020, the Company recognised liabilities under lease agreement of land and construction according to new accounting standard and change in estimates during the year 2020, details are as follow:

Revision	Date	Details
Rental rate - 1st	31 March 2020	Revise rental rate from Baht 2.5 million per month in 2021 to Baht 1.75 million per month, and Baht 2.00 million per month in 2022-2026
Rental rate - 2nd	30 June 2020	Revise rental rate from Baht 1.75 million to per month in 2021 to Baht 1.2 million per month, and from 2 million per month to Baht 1.5 million per month in 2022, and Baht 1.8 million per month in 2023-2026
Rental period	31 December 2020	Revise period from 7 years to 4 years

The revision of rental rates are resulted from the negotiation with the lessor during the year. The revision of rental period resulted from the decision to move production base from land lease to own

in 2023 which is the last year of the contract. The purpose is for controlling the operating costs in the future.

#### 16. INTANGIBLE ASSETS

(Unit :Thousand Baht)

	SOFTWARE COMPUTER	
	CONSOLIDATED F/S	Separate F/S
<b>Cost</b>		
1 January 2019	9,681	9,681
Purchases	70	70
Disposal	(1,680)	(1,680)
31 December 2019	8,071	8,071
Reclassify from property, plant and equipment	18,864	18,783
31 December 2020	26,935	26,854
<b>Accumulated amortisation</b>		
1 January 2019	(244)	(244)
Amortisation for the year	(904)	(904)
31 December 2019	(1,148)	(1,148)
Amortisation for the year	(830)	(818)
Reclassify from property, plant and equipment	(5,478)	(5,459)
31 December 2020	(7,456)	(7,425)
<b>Net book value</b>		
31 December 2019	6,923	6,923
31 December 2020	19,479	19,429
<b>Amortisation for the year 2019</b>		
Administrative expenses	904	904
<b>Amortisation for the year 2020</b>		
Administrative expenses	830	818

As at 31 December 2020 and 2019, some fully depreciated intangible assets are still in use with a total costs of Baht 0.52 million as the same of both years.



## 17. TRADE AND OTHER ACCOUNTS PAYABLE

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
<b>Financial Liabilities</b>				
Trade accounts payable	363,826	240,055	281,318	187,203
- general suppliers				
Trade accounts payable	65,254	16,156	20,758	8,384
- related companies				
Account payable - retention	12,678	16,802	11,609	15,733
Account payable - retention related companies	13,689	12,380	7,870	6,558
Construction payable - general suppliers	200	2,262	-	-
Construction payable - related companies	20,643	28,992	-	-
Other payable - general suppliers	1,405	31,898	-	-
Other payable - related companies	1,502	-	-	-
Other accrued expenses	57,252	29,498	41,046	24,391
<b>Total financial liabilities</b>	<b>536,449</b>	<b>378,043</b>	<b>362,601</b>	<b>242,269</b>
<b>Estimated liabilities</b>				
Accrued construction cost	72,501	76,689	71,455	76,563
<b>Total estimated liabilities</b>	<b>72,501</b>	<b>76,689</b>	<b>71,455</b>	<b>76,563</b>
Revenue department	1,520	3,580	1,520	3,580
Accrued withholding tax	3,569	2,384	2,767	1,701
Other Payable	931	1,396	787	1,154
<b>Total trade and other accounts payable</b>	<b>614,970</b>	<b>462,092</b>	<b>439,130</b>	<b>325,267</b>

## 18. EMPLOYEE BENEFITS OBLIGATION

### 18.1 Employee benefits expense

Expenses recognised for employee benefits for the year ended 31 December are as follow :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Salaries and wages	243,552	330,163	206,565	266,794
Social security costs	5,387	6,932	4,560	5,919
Pensions - defined benefit plans	4,558	5,372	3,684	4,523
Fringe benefit	22,329	41,013	19,321	36,661
Other long-term employee benefits	7,117	18,472	3,836	15,673

Total	282,943	401,952	237,966	329,570
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## 18.2 Defined contribution plan

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530 with the contribution to the fund and will be paid to the employees upon the termination in accordance with the fund rules. For the years ended 31 December 2020 and 2019, the Group has the contribution into the provident fund to amounting to Baht 4.56 million and Baht 5.37 million, respectively.

## 18.3 Employee benefits obligation

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

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
<b>The statement of financial position</b>				
Post - employee benefits	28,179	55,346	24,016	51,602
Other long-term employee benefits	3,483	3,408	3,280	3,312
Total	31,662	58,754	27,296	54,914
<u>Less</u> Current portion	(615)	(4,140)	(615)	(4,140)
Net	31,047	54,614	26,681	50,774

Movements in employee benefits obligation for the years ended 31 December 2020 and 2019 are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Employee benefit obligation as at 1 January	58,754	37,782	54,914	35,800
Current service cost	3,126	9,863	2,433	8,577
Interest expense	1,465	1,073	1,403	1,005
Past service costs	-	7,601	-	7,097
Profit from changes in post-employment benefit	(27,748)			
- Other comprehensive income		4,230	(27,473)	4,230
Profit from changes in other long-term employment				
benefit- income statement	(1,440)	-	(1,486)	-
Benefits paid	(2,495)	(1,795)	(2,495)	(1,795)
Employee benefit obligation as at 31 December	31,662	58,754	27,296	54,914

Wholly unfunded	31,662	58,754	27,296	54,914
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- Defined benefit plan expenses

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

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Current service cost	3,126	9,863	2,433	8,577
Net interest expense	1,465	1,073	1,403	1,005
Past service costs	-	7,601	-	7,097
Total expenses recognized in profit or loss	4,591	18,537	3,836	16,679

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

The net interest expense is included in finance costs.

Actuarial gain(loss) recognized in other comprehensive income for the year ended 31 December 2020 are as follows:

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
Demographic assumptions	27,813	27,473

All expenses summarized above are included in items that will not be reclassified subsequently to profit or loss.

**Principal actuarial assumptions**

Principal actuarial assumptions as at 31 December 2020 and 2019 are as follows:

	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Discount rate (% per annum)	1.50 - 1.98	1.61 - 3.07	1.50 - 1.71	1.61
Growth rate (% per annum)	4	3 - 5	4	3 - 5
Turnover rate (%)	1.91 - 30.08	0 - 22.00	3.34 - 30.08	3.00 - 16.00
Number of employees (persons)	681	1,077	516	967
Retirement age (years)	60	60	60	60

### *Sensitivity analysis*

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

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
	2020	2020
<b>The defined benefit obligation</b>		
<i>Post-employment benefits obligation</i>		
Discount rate (1% increment)	(2,445)	(2,105)
Discount rate (1% decrement)	2,841	2,435
<i>Other long-term benefits obligation</i>		
Discount rate (1% increment)	(107)	(97)
Discount rate (1% decrement)	120	108
<i>Post-employment and other long-term benefits obligation</i>		
Future salary growth (1% increment)	2,746	2,353
Future salary growth (1% decrement)	(2,417)	(2,081)
Employee turnover (20% increment)	(2,470)	(2,224)
Employee turnover (20% decrement)	3,008	2,714

## **19. SHARE CAPITAL**

### **19.1 Share Premium**

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

### **19.2 Legal Reserve**

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

## **20. Revenues from sales and services**

### *Contracts with customers*

The Group have revenue from contracts with customers are as follows:

Description	Revenue from sales of concrete products and of PC wire and PC strand	Revenue from sales of concrete products and related services	Construction and service contracts
Type of contract	Sales of goods	Sales of goods and services	Services
Type of goods or service	Concrete products and of PC wire and PC strand	Sales of concrete products and related services such as the installation and hammer	bored pile and exploration boring
Performance obligation	Deliver goods	Deliver goods and provide services	Service performing
Determine the transaction price	Cost plus margin	Estimated cost plus margin	Estimated cost plus margin
Allocate the transaction price	Unit of goods	Estimated cost plus margin of unit of goods	Estimated cost plus margin of performance obligation
The payment terms	The customer has accepted goods and billing which due is within 1 - 60 days after billing	The customer has accepted goods and related services, and billing which due is within 30 - 90 days after billing	The customer has accepted services and billing which due is within 30 -45 days after billing
Right of return	Low-quality	-	-
Warranties	None	1 - 5 Years	1 - 2 Years
Contract duration	Less than 12 months	1 year and 4 years	1 - 2 Years
Type of revenue recognition	At a point in time	At a point in time	Over time by output method

### Segment revenue

(Unit : Thousand Baht)

#### Consolidated F/S

	Revenue from sales of concrete products and of PC wire and PC strand		Revenue from sales of concrete products and related services		Construction and service contracts		Related Transaction		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Domestic	445,581	444,046	1,165,344	1,789,751	76,032	-	(91,937)	(199,749)	1,595,020	2,034,048
Oversea	540	392	-	-	-	-	-	-	540	392
Total	446,121	444,438	1,165,344	1,789,751	76,032	-	(91,937)	(199,749)	1,595,560	2,034,440

(Unit : Thousand Baht)

#### Separate F/S

	Revenue from sales of concrete products and of PC wire and PC strand		Revenue from sales of concrete products and related services		Construction and service contracts		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Domestic	49,586	94,331	1,157,598	1,780,212	76,032	-	1,283,216	1,874,543
Oversea	540	392	-	-	-	-	540	392
Total	50,126	94,723	1,157,598	1,780,212	76,032	-	1,283,756	1,874,935

### Contract balances

### Contract asset

	(Unit : Thousand Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2020	2019	2020	2019
<i>Construction and service contracts</i>				
Accrued income	15,416	-	15,416	-
Total	15,416	-	15,416	-

#### Contract liabilities

	(Unit : Thousand Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2020	2019	2020	2019
<i>Revenue from sales of concrete products and of PC wire and PC strand</i>				
Advance received from customers - general customers	174,332	63,705	173,685	60,495
<i>Construction and service contracts</i>				
Advance received from customers - general customers	2,540	-	2,540	-
Total	176,872	63,705	176,225	60,495
<u>Less</u> Current portion	(176,872)	(63,705)	(176,225)	(60,495)
Received longer than one year	-	-	-	-

Advance received from customers will be deducted under the condition of contract when the goods are delivered to the customers.

#### *Other disclosures*

- 1) The amount of revenue recognised in period from contract liabilities of prior period

	(Unit : Thousand Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2020	2019	2020	2019
<i>Revenue from sales of concrete products and related services</i>	41,587	90,836	38,506	90,836

(Unit : Thousand Baht)

	CONSOLIDATED F/S		SEPARATE F/S	
	2020	2019	2020	2019
<i>Total</i>	41,587	90,836	38,506	90,836

21. OTHER INCOME

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	For the years ended 31 December			
	2020	2019	2020	2019
Revenue from sales of steel and concrete	-	1,916	-	2,462
Revenue from sales of construction material	8,284	14,546	8,283	14,870
Management fee income	-	-	6,750	7,760
Rental income	175	-	5,175	5,000
Revenue from sales - supply used	1,492	4,003	2,031	1,660
Gain from sale of investment	7,985	6,575	8,826	9,306
Total	17,936	27,040	31,065	41,058

22. EXPENSES BY NATURE

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	For the years ended 31 December			
	2020	2019	2020	2019
Changes in finished goods and work in progress	99,652	47,697	109,920	54,836
Purchase of finished goods	47,425	19,844	17,568	153,051
Raw materials and supplies used	726,379	930,659	488,250	712,744
Employee benefit expenses	282,943	401,952	237,968	329,570
Service fees	74,141	70,331	66,446	68,830
Installation costs	144,247	208,048	118,161	204,344
Labor costs	116,136	178,830	108,958	151,504
Depreciation and amortization expenses	133,584	112,455	83,073	70,953
Transportation expenses	78,256	101,723	66,361	98,506
Allowance for expected credit loss	(6,686)	20,523	(11,023)	20,523
Allowance for devaluation on inventories	(22,431)	21,572	(17,497)	12,730
Losses from impairment of investment	-	-	(5,359)	22,246
Other expenses	90,798	172,513	134,012	148,082
Total expenses by nature	1,764,444	2,286,147	1,396,838	2,047,919

23. DEFERRED INCOME TAX ASSET AND LIABILITY

## 23.1 Income tax

### Income tax recognized in statements of profit or loss

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
<b>Income tax recognized in profit or loss</b>				
<b>Current income tax</b>				
Loss before income tax	(172,929)	(288,205)	(100,004)	(142,590)
Tax rate (%)	20	20	20	20
Income tax at corporation tax rate	(34,586)	(57,641)	(20,001)	(28,518)
Adjustment for				
- Tax-exempt income	(3,114)	(4,671)	(3,114)	(4,671)
- Addition taxable	(3,120)	(8,063)	(3,070)	(2,255)
- Non-deductible expenses	14,626	16,599	12,059	14,438
Impact from related transactions	-	(4,289)	-	-
Loss from subsidiary companies	-	(28,480)	-	-
Current year losses for which deferred tax assets was not recognized	9,594	83,298	(1,114)	18,023
Net	(16,600)	(3,247)	(15,240)	(2,983)

	(Unit : Thousand Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	For the year ended 31 December			
	2020	2019	2020	2019
Current tax expense	-	-	-	-
Deferred tax from temporary differences	(16,600)	(3,247)	(15,240)	(2,983)
Total income tax	(16,600)	(3,247)	(15,240)	(2,983)
Income tax recognized in other comprehensive income	(39,830)	134,758	(39,775)	134,758

### Income tax recognized in other comprehensive income:

	(Unit : Thousand Baht)					
	Consolidated					
	2020			2019		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax



Unrealized loss on valuation of available - for - sales securities	171,283	(34,257)	137,026	(669,562)	133,912	(535,650)
Actuarial gains	27,748	(5,573)	22,175	(4,230)	846	(3,384)
Actuarial gains - associate	1,185	-	1,185	-	-	-

(Unit : Thousand Baht)

	Separate F/S					
	2020			2019		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Unrealized loss on valuation of available - for - sales securities	171,283	(34,257)	137,026	(669,562)	133,912	(535,650)
Actuarial loss	27,473	(5,518)	21,955	(4,230)	846	(3,384)

## 23.2 Deferred tax

Deferred tax asset and liabilities are as follow :

	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Deferred tax assets	136,611	159,841	134,833	159,368
Deferred tax liabilities	-	-	-	-
Net	136,611	159,841	134,833	159,368

(Unit : Thousand Baht)

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

	Consolidated F/S			
	Recognized in			31 December 2020
	1 January 2020	Statement of profit or loss	Other comprehensive income	
<b>Deferred tax assets from :</b>				
Employee benefits obligation	11,462	444	(5,573)	6,333
Allowance for expected credit loss	-	10,656	-	10,656
Allowance for devaluation of inventories	-	4,514	-	4,514
Lease assets	-	(12,646)	-	(12,646)
Lease liabilities	-	13,002	-	13,002
Provisions from decommissioning	-	630	-	630
Equity investment	148,379	-	(34,257)	114,122
	159,841	16,600	(39,830)	136,611

(Unit: Thousand Baht)

(Unit: Thousand Baht)

Consolidated F/S			
	Recognized in		
	1 January 2019	Statement of profit or loss	Other comprehensive income
			31 December 2019
<b>Deferred tax assets from :</b>			
Employee benefits obligation	7,369	3,247	846
Equity investment	14,467	-	133,912
	<u>21,836</u>	<u>3,247</u>	<u>134,758</u>
			<u>159,841</u>

(Unit: Thousand Baht)

Separate F/S			
	Recognized in		
	1 January 2020	Statement of profit or loss	Other comprehensive income
			31 December 2020
<b>Deferred tax assets from :</b>			
Employee benefits obligation	10,989	(13)	(5,518)
Allowance for expected credit loss	-	9,789	-
Allowance for devaluation of inventories	-	4,514	-
Lease assets	-	(11,770)	-
Lease liabilities	-	12,090	-
Provisions from decommissioning	-	630	-
Equity investment	148,379	-	(34,257)
	<u>159,368</u>	<u>15,240</u>	<u>(39,775)</u>
			<u>134,833</u>

(Unit: Thousand Baht)

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

As at 31 December 2020, the Company and subsidiaries have not recognized deferred tax assets as follows:

- In the consolidated and separate financial statements, loss carried forward of Baht 145.44 million and Baht 102.37 million, respectively.
- In the separate financial statements, impairment on investments in associated company and joint venture Baht 35.93 million

Due to the Group evaluated that future taxable profits may not be sufficient to utilize unused tax losses.

## 24. PROMOTIONAL PRIVILEGES

Subsidiaries obtained promotional privileges from the Board of investment under the promotional certificate issued on 17 November 2016 for manufacturing of metal product. Under these privileges, the Company has received an exemption from certain taxes and corporate income tax as specified in such promotional certificate for a period of 7 years, commencing from the first date the subsidiary generates income from operations. As a promoted business, the subsidiary is required to comply with the terms and conditions as specified in such promotional certificate. The subsidiary has not started production from investment promotion benefits and privileges.

## 25. SEGMENT REPORTING

The revenues and gross profit by segments of the Company and subsidiaries for the years ended 31 December 2020 and 2019 are as follow:

(Unit : Million Baht)

	Consolidated F.S							
	For the year ended 31 December							
	Manufacturing and distribution of concrete products		Manufacturing and distribution of PC wire and PC strand		Eliminated		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Revenues from external customers	1,419	1,915	177	119	-	-	1,596	2,034
Revenues from inter-segments	-	46	92	151	(92)	(197)	-	-
Total revenue	1,419	1,961	269	270	(92)	(197)	1,596	2,034
Earning (loss) before interest income tax								
depreciation and amortization	(18)	(41)	8	(33)	(13)	13	(23)	(61)
Interest income	1	-	10	11	(11)	(11)	-	-
Interest expense	(60)	(59)	(26)	(29)	18	18	(68)	(70)
Depreciation and amortization	(117)	(91)	(24)	(22)	2	1	(139)	(112)
Reducing (reversing) the inventory value to the net realizable value	26	(21)	-	(1)	-	-	26	(22)
Profit (loss) from the sale of property, plant and equipment	2	-	-	-	-	-	2	-
Profit or loss from associates company and joint ventures recorded using the equity method	-	-	-	-	29	(25)	29	(25)
<b>Profit (loss) before income tax</b>	<b>(166)</b>	<b>(212)</b>	<b>(32)</b>	<b>(74)</b>	<b>25</b>	<b>(4)</b>	<b>(173)</b>	<b>(290)</b>
Income tax benefit	15	3	1	-	-	-	16	3
Profit (loss) for the year	(151)	(209)	(31)	(74)	25	(4)	(157)	(287)
Segment assets	3,985	3,763	725	765	(494)	(448)	4,216	4,080
Equity investment	708	537	-	-	-	-	708	537
Investment in associates and joint venture	327	322	-	-	(35)	(51)	292	271
Investment property - net	1,289	1,289	-	-	(293)	(293)	996	996
Total assets	6,310	5,912	725	765	(822)	(791)	6,213	5,886
Increase (decrease) segment non-current assets apart from financial instruments, deferred tax assets	305	(53)	(17)	23	20	(14)	308	(44)

(Unit : Million Baht)

	Consolidated F/S							
	For the year ended 31 December							
	Manufacturing and distribution of concrete products		Manufacturing and distribution of PC wire and PC strand		Eliminated		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
<b>Segment liabilities</b>	2,143	1,730	581	591	(291)	(245)	2,433	2,076

Major customer

For the years ended 31 December 2020 and 2019, the company earns revenue more than 10 % of revenues in consolidated and separate financial statements from 1 and 1 customers amounting to Baht 141 million and Baht 339 million, respectively.

**26. BASIC EARNINGS PER SHARE**

For the years ended 31 December 2020 and 2019 are as follow:

	CONSOLIDATED F/S		SEPARATE F/S	
	2020	2019	2020	2019
Number of common shares (Thousand shares)	5,397,877	5,397,877	5,397,877	5,397,877
Profit for the year (Thousand Baht)	(144,751)	(272,906)	(84,764)	(139,608)
Basic earnings per share (Baht per shares)	(0.02682)	(0.05056)	(0.01570)	(0.02586)

**27. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES***CONSOLIDATED F/S*

(Unit : Thousand Baht)

	Effects of offsetting on the balance sheet			Related amounts not offset		
	Gross amounts	Gross set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Financial instrument collateral	Net amount
<b>Financial assets</b>						
Trade and other current accounts receivable	389,041	(40,116)	348,925	(6,957)	-	341,968
<b>Financial liabilities</b>						
Trade and other current accounts payable	496,333	(40,116)	536,449	(14,098)	-	522,351

*SEPARATE F/S*

(Unit : Thousand Baht)

Effects of offsetting on the balance sheet	Related amounts not offset
--	----------------------------

	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Financial instrument collateral	Net amount
<b>Financial assets</b>						
Trade and other current accounts receivable	352,004	(22,063)	329,941	(37,874)	-	292,067
<b>Financial liabilities</b>						
Trade and other current accounts payable	340,538	(22,063)	362,601	(12,631)	-	349,970
Long - term loans from financial institutions	182,005	-	182,005	(25,243)	-	156,762

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously as at 31 December 2020.

## 28. ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for current and non-current borrowings are:

(Unit : Thousand Baht)					
	Notes	CONSOLIDATED F/S		SEPARATE F/S	
		2020	2019	2020	2019
<b>Current assets</b>					
Restricted cash at bank	92	10,000	-	10,000	-
<b>Non-current assets</b>					
Equity investment	95	358,540	-	358,540	-
Investment in associated company	12	190,538	-	175,041	-
Investment property	13	987,930	987,930	1,280,650	1,280,650
Property, plant and equipment	14	2,004,115	2,223,124	771,940	946,878
Right - of - use assets	15	63,228	-	58,852	-
Total assets pledged as security		3,614,351	3,211,054	2,655,023	2,227,528

## 29. FINANCIAL RISK MANAGEMENT

Financial risks that could affect the group's future financial performance are as follow:

Risk	Exposure arising from	Measurement	Management
<b>Liquidity risk</b>	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
<b>Credit risk</b>	cash and cash equivalents, trade accounts receivable, Investments in debt and contract assets	Aging analysis and credit rating	Diversification of bank deposits and credit limits
<b>Market risk</b>			
<i>Exchange risk</i>	Assets and liabilities transactions in foreign currency	Immaterial	-
<i>Interest rate risk</i>	Long-term borrowings at variable rates	Sensitivity analysis	-
<i>Securities prices risk</i>	Investments in equity securities	-	-

## 29.1 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities to meet obligations.

Payment term of financial liabilities as at 31 December 2020 and 2019 are as follows:

### CONSOLIDATED F/S

As at 31 December 2020

	(Unit : Thousand Baht)					
	0-6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Total
<b>Financial liabilities</b>						
Bank overdrafts and short - term loan from financial institutions	603,108	-	-	-	-	603,108
Trade and other current accounts payable	580,852	-	-	-	-	580,852
Long - term loans from financial institutions	56,444	94,408	270,990	430,634	82,490	934,966
Liabilities under lease agreement	8,558	8,634	44,579	3,238	-	65,009

### SEPARATE F/S

As at 31 December 2020

	(Unit : Thousand Baht)					
	0-6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Total
<b>Financial liabilities</b>						
Bank overdrafts and short - term loan from financial institutions	395,440	-	-	-	-	395,440
Trade and other current accounts payable	326,601	-	-	-	-	326,601
Short -term loan and accrued interest expense - subsidiary	182,005	-	-	-	-	182,005
Long - term loans from financial institutions	30,522	30,530	61,100	115,991	8,789	246,932
Liabilities under lease agreement	7,637	7,689	43,035	2,087	-	60,448

## 29.2 Credit risk

Credit risk arises from cash and cash equivalents, loan receivable, restricted cash at bank and credit exposures to receivables from sales goods and services.

### 1) Risk management

Credit risk is managed on a group basis as follow:

1.1 For banks and financial institutions, only independently rated parties with a minimum rating of 'BBB+' are accepted. (reference from independent credit rating institute)

1.2 If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into

account its financial position, past experience and other factors. The compliance with credit limits by customers is regularly monitored by line management.

## 2) Security

For majority receivables the group may obtain partial deposit or advance to secure the operation under the terms of the agreement.

## 3) Impairment of financial assets

The group has 3 types of financial assets that are subject to the expected credit loss model as follow:

- 1) Trade accounts receivable from sales goods and services
- 2) Contract assets
- 3) Loan receivable - subsidiary measure at amortized cost

Loan receivable are applied general approach to measuring expected credit losses. Measurement of expected credit losses of loan receivable by an amount equal to expected credit in the next 12 months. As at December 31, 2020, the loan is not overdue and no account such credit losses.

Trade accounts receivable and contract assets are applied simplified approach to measuring expected credit losses. Details as at 1 January 2020 and 31 December 2020 are as follow.

## CONSOLIDATED F/S

(Unit : Million Baht)

		Past due						Total
	Current	1-30 days	31-60 days	61-90 days	91-180 days	181-365 days	More than 365 days	
<u>As at 1 January 2020</u>								
Expected credit losses rate (percent)								
	0.02 - 0.28	0.02 - 0.30	0.05-0.42	0.11 - 0.73	0.16-0.86	0.27 - 1	1	
Trade accounts receivable	258,152	39,462	12,476	5,700	8,112	13,972	47,691	385,565
Retention receivable	77,582	1,293	21	969	-	710	5,648	86,223
Contract assets	15,416	-	-	-	-	-	-	15,416
Liabilities and subsequent repayment	(150,148)	(33,014)	(8,504)	(4,378)	(5,751)	(7,005)	(24,227)	(233,027)
Net value for calculation	201,002	7,741	3,993	2,291	2,361	7,677	29,112	254,177
Allowance for expected credit losses	4,235	122	208	260	337	2,905	45,215	53,282

## SEPARATE F/S

(Unit : Million Baht)

		Past due						Total
	Current	1-30 days	31-60 days	61-90 days	91-180 days	181-365 days	More than 365 days	
<u>As at 1 January 2020</u>								
Expected credit losses rate (percent)								
	0.02	0.02	0.05	0.11	0.16	0.27	1.00	
Trade accounts receivable	225,834	24,938	12,478	5,700	7,768	12,233	59,770	348,721
Retention receivable	76,212	1,293	22	968	-	710	5,648	84,853
Contract assets	15,416	-	-	-	-	-	-	15,416

Liabilities and subsequent repayment	(112,980)	(20,132)	(8,504)	(4,378)	(5,670)	(6,638)	(22,242)	(180,544)
Net value for calculation	204,482	6,099	3,996	2,290	2,098	6,305	43,176	268,446
Allowance for expected credit losses	3,169	122	208	260	337	1,673	43,176	48,945

During the year, the movements in allowance for expected credit losses are as follows:

	(Unit : Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2020	2019	2020	2019
Beginning balance	37,947	17,298	37,947	17,298
<u>Add</u> increase from change in accounting policies	22,194	-	22,194	-
<u>Add</u> addition	7,193	22,113	2,856	22,113
<u>Less</u> reversed	(14,052)	(1,464)	(14,052)	(1,464)
Ending Balance	53,282	37,947	48,945	37,947

During the years ended 31 December 2020, the Group has changed the approach to measuring allowance for expected credit losses which separate group of receivables based on nature of business to more appropriate for allowance for expected credit losses. As a result, allowance for expected credit losses was reversed of Baht 14.05 million in consolidated and separate financial statements.

Allowance for expected credit losses of trade and other current accounts receivable and contract assets presented net of administrative expenses. Subsequently reversal of prior period presented net in same line.

### 29.3 Market risk

#### *Exchange risk*

The Group has minimum exchange risk because most of its financial assets and liabilities have been executed in Baht. Where the Group does enter into significant foreign currency transactions, they will utilise forward foreign exchange contracts to hedge exchange risk.

The Group has financial assets and financial liabilities with foreign exchange rate that are not hedging reserves as follows:

#### *CONSOLIDATED F/S*

Transaction	31 December 2020		31 December 2019	
	USD	JPY	USD	JPY



Financial assets	2,099	-	-	-
Financial liabilities	-	5,100,000	1,011,845	26,868,000

#### SEPARATE F/S

Transaction	31 December 2020		31 December 2019	
	USD	JPY	USD	JPY
Financial assets	2,099	-	-	-
Financial liabilities	-	-	-	268,000

Total gain (loss) from foreign exchange rate for the year ended 31 December 2020 and 2019.

(Unit : Thousand baht)

	CONSOLIDATED F/S		SEPARATE F/S	
	2020	2019	2020	2019
Gain (loss) from foreign exchange rate	(102)	734	-	188

#### Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's cash flows because loan interest rates are floating rates. The group has interest rate risk expose to cash flow arising from loan which interest rate risk arising from changes in market interest rates.

As at 31 December 2020 and 2019, financial assets and financial liabilities with risk on prices and cash flow arising from changed in market interest rates are summarized as follow.

(Unit : Thousand Baht)

	2020									
	CONSOLIDATED F/S					SEPARATE F/S				
	Principal		Average interest rate (%)			Principal		Average interest rate (%)		
	Floating interest rates	Fixed interest rates	Total	Adjust to market rate	Fixed	Floating interest rates	Fixed interest rates	Total	Adjust to market rate	Fixed
<b>Financial assets</b>										
Cash at banks										
- saving account	12,881	-	12,881	0.05 - 0.375	-	12,880	-	12,880	0.05 - 0.375	-
<b>Financial liabilities</b>										
Short-term loan from financial institutes	603,108	-	603,108	MLR-1	-	395,440	-	395,440	MLR-1	-
Long-term loan from financial institutes	934,966	-	934,966	MLR, MLR-0.5 - 2	-	246,392	-	246,392	MLR, MLR-0.5 - 1	-
Liabilities under lease agreements	-	65,009	65,009	-	4.29 - 5.73	-	60,448	60,448	-	4.29 - 5.73
Loan from Subsidiary	-	-	-	-	-	182,005	-	182,005	MLR-0.50	-

#### Sensitivity analysis

(Unit : Thousand Baht)

	CONSOLIDATED F/S	SEPARATE F/S
	2020	2020
Interest rate - 1% increment	11,149	3,626
Interest rate - 1% decrement	(11,149)	(3,626)

*The securities price risk*

The Group has risk arising from the securities price of equity investment which is measured at fair value through FVOCI.

### 30. CAPITAL MANAGEMENT

*Risk Management*

The Group'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,
- to maintain an optimal capital structure to reduce the cost of capital.

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

According to condition of loan agreement, the Group monitor and examine the capital structure to maintain debt-to-equity ratio which does not exceed 2 times. As at 31 December 2020, details of debt to equity ratio are as follow:

	(Unit : Thousand Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2020	2019	2020	2019
Net liabilities	2,433,353	2,076,683	1,534,120	1,192,562
Shareholders' Equity	3,780,084	3,808,349	4,120,036	4,068,935
Debt to Equity ratio	0.64	0.55	0.37	0.29

### 31. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

(Unit : Thousand Baht)	
CONSOLIDATED F/S	
Liabilities under	Long

	lease agreement	term loan	Total
<b>1 January 2020</b>	<b>452</b>	<b>896,246</b>	<b>896,698</b>
Change in account policies	175,382	-	175,382
Change estimates	(100,917)	-	(100,917)
<b>Cash-flows:</b>			
Repayment	(16,748)	(100,809)	(117,557)
Cash received	6,840	140,200	147,040
Amortised fee	-	(670)	(670)
<b>31 December 2020</b>	<b>65,009</b>	<b>934,967</b>	<b>999,976</b>

(Unit : Thousand Baht)

	CONSOLIDATED F/S		
	Liabilities under lease agreement	Long term loan	Total
<b>1 January 2019</b>	<b>716</b>	<b>1,009,319</b>	<b>1,010,035</b>
<b>Cash-flows:</b>			
Repayment	(264)	(180,000)	(180,264)
Cash received	-	68,390	68,390
Financial fees amortized	-	(1,463)	(1,463)
<b>31 December 2019</b>	<b>452</b>	<b>896,246</b>	<b>896,698</b>

(Unit : Thousand Baht)

	SEPARATE F/S		
	Liabilities under lease agreement	Long term loan	Total
<b>1 January 2020</b>	<b>452</b>	<b>191,309</b>	<b>191,761</b>
Change in account policies	170,232	-	170,232
Change estimates	(100,918)	-	(100,918)
<b>Cash-flows:</b>			
Repayment	(14,987)	(83,709)	(98,696)
Cash received	5,668	140,200	145,868

Amortised fee	-	(868)	(868)
<b>31 December 2020</b>	<b>60,447</b>	<b>246,932</b>	<b>307,379</b>
(Unit : Thousand Baht)			
SEPARATE F/S			
	Liabilities under lease agreement	Long term loan	Total
1 January 2019	<b>716</b>	<b>302,909</b>	<b>303,625</b>
Cash-flows:			
Repayment	(264)	(111,600)	(111,864)
<b>31 December 2019</b>	<b>452</b>	<b>191,309</b>	<b>191,761</b>

### 32. COMMITMENTS

As at 31 December 2020, the Company has commitments as follow:

32.1 As at 31 December 2020 and 2019, the Group have opened credit facilities as follow:

(Unit : Thousand Baht)							
Consolidated F/S							
		2020			2019		
	Currency	Total	Utilized	Remained	Total	Utilized	Remained
Letters of guarantee	Baht	819,772	(391,422)	428,350	741,325	(312,998)	428,327
Bank overdraft and others	Baht	1,921,000	(1,772,507)	148,493	2,038,000	(2,000,663)	37,337

(Unit : Thousand Baht)							
Separate F/S							
		2020			2019		
	Currency	Total	Utilized	Remained	Total	Utilized	Remained
Letters of guarantee	Baht	470,000	(321,102)	148,898	408,000	(250,182)	157,818
Bank overdraft and others	Baht	894,000	(764,497)	129,503	1,011,000	(995,466)	15,534

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

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

32.3 The Group have commitment for training service with a related company which has not recorded into the financial statements yet, amounting to JPY 5,100,000.

### 33. Reclassification

Financial statements for the year ended 31 December 2019 have been reclassified for comparison to financial statement for the year ended 31 December 2020, details are as follows:

(Unit : Thousand Baht)			
	Consolidated F/S		
	Before Reclassification	Increase (Decrease)	After Reclassification
STATEMENTS OF FINANCIAL POSITION			
Trade and other current accounts receivable	359,770	73,815	433,585
Other current assets	82,862	(73,815)	9,047
Income tax assets of current period	-	5,052	5,052
Income tax assets of prior period	-	5,332	5,332
Withholding tax	10,384	(10,384)	-
Trade and other current accounts payable	456,099	5,993	462,092
Contract liabilities - current	-	63,705	63,705
Advanced received - general customers	63,380	(63,380)	-
Other current liabilities	8,167	(6,318)	1,849
(Unit : Thousand Baht)			
	Separate F/S		
	Before Reclassification	Increase (Decrease)	After Reclassification
STATEMENTS OF FINANCIAL POSITION			

	(Unit : Thousand Baht)		
	Separate F/S		
	Before Reclassification	Increase (Decrease)	After Reclassification
Trade and other current accounts receivable	342,507	18,891	361,398
Other current assets	21,790	(18,891)	2,899
Income tax assets of current period	-	4,540	4,540
Income tax assets of prior period	-	5,181	5,181
Withholding tax	9,721	(9,721)	-
Trade and other current accounts payable	319,956	5,311	325,267
Contract liabilities - current	-	60,495	60,495
Advanced received - general customers	60,170	(60,170)	-
Other current liabilities	7,314	(5,636)	1,678

#### 34. AUTHORISATION OF FINANCIAL STATEMENTS

The consolidated and separate financial statements for the year ended 31 December 2020 were approved by the Board of Directors on 1 March 2021.

### **CERTIFICATION OF INFORMATION**

The company has reviewed the information in this annual registration statement with caution. The Company hereby certifies that Such information is correct, complete, not false, does not mislead others or lack of information that should be disclosed in essence. In addition, the Company hereby certifies that

1. Financial statements and financial information summarized in the annual registration statement has shown accurate and complete information about the financial position, performance and cash flow of the Company and its subsidiaries.

2. The Company has set up a good disclosure system. This is to ensure that the Company has disclosed all material information of the Company and its subsidiaries correctly and completely as well as supervising the implementation of the aforementioned systems.

3. The Company has set up a good internal control system. And supervise the implementation of the said system and the Company has notified the information on the internal control system assessment as of March 2021 to the Company's auditors and audit committees, covering defects and changes that were made to the Audit Committee. The importance of the internal control system that may affect the financial reporting of the Company and its subsidiaries.

In this case, to provide evidence that all documents are the same set of documents that the Company has certified the accuracy, the Company has assigned Mr. Wuttichai Sresthabutra is the person who signs this document on every page. If any document does not have the name of Mr. Wuttichai Sresthabutra above, the Company will consider that it is not the information that I have certified the correctness of the information mentioned above.

<u>Name</u>	<u>Position</u>	<u>Signature</u>
1. Mr. Thitipong Tangpoonphonvivat	Director	<i>Signed</i>
2. Mr. Wuttichai Sresthabutra	Director	<i>signed</i>

#### **Attorney**

<u>Name</u>	<u>Position</u>	<u>Signature</u>
Mr. Wuttichai Sresthabutra	Director and Company Secretary	<i>signed</i>

**Attachment 1 DETAILS OF THE COMPANY'S COMMITTEE, MANAGEMENT, REGULATORS, AND SECRETARIES**

List of name, qualification and experiences of the Company's Committee, Management, Regulators, and Secretaries as December 31, 2020

No.	Firstname-Lastname/Position/ Date of Appointment	Age (Yr.)	Education and Training History	Percentage in Shareholding (%)	Family Relationship with Board of Directors or Executives	Working Experience		
						Duration	Position	Department/Company
1.	Prof. Dr. Borwornsak Uwanno Chairman of the Board of Directors / Independent Director 25 April 2014	67	<b><u>Education History</u></b> <ul style="list-style-type: none"> <li>■ Ph.D. Public Law (High Honor) (University of Paris 10)</li> <li>■ Master of Advanced Public Law (Honor) (University of Paris 10)</li> <li>■ Master of Administrative Law (University of Paris 2)</li> <li>■ Thai Barrister at Law (Institute of Legal Education of the Thai Bar)</li> <li>■ Bachelor of Law (First Class Honor) (Chulalongkorn University)</li> </ul> <b><u>Training Experience</u></b> <ul style="list-style-type: none"> <li>■ Director Accreditation Program (DAP) from Thai Institute of Directors (IOD)</li> <li>■ Diploma in National Defense College The State, Private sector and Political sector course, class 4111 (National Defense College)</li> <li>■ Certificate of Senior Executives course, class 8 (Capital Market Academy)</li> </ul>	None	None	2014 – Present	Chairman of the Board of Directors/ Independent Director	General Engineering Public Company Limited
						Present	Chairman of the Board of Directors/ Independent Director	Namyong Terminal Public Company Limited
						2007 – Present	Chairman of the Board of Directors/ Independent Director	Eternal Energy Public Company Limited
						2007 – Present	Independent Director	Glow Energy Public Company Limited
						Present	Member	King Prajadhipok's Institute Council
						Present	Member	Royal Institute of Thailand
						Present	The chairpreson of the 13 <sup>th</sup> law committee	Office of the Council of State
						Present	Member of Law Reform Commission	Office of the Council of State
						Present	Member	The Thailand Research Fund
						Present	Member	Council of Silpakorn University
						Present	Member	Chiang Mai University Council
						Present	President of the University Council	Songkhla Rajabhat University
						Present	Director	Ministry of Higher Education, Science, Research and Innovation
						President	Councilor	King Prajadhipok's Institute



ATTACHEMENT 1

No.	Firstname-Lastname/Position/ Date of Appointment	Age (Yr.)	Education and Training History	Percentage in Shareholding (%)	Family Relationship with Board of Directors or Executives	Working Experience		
						Duration	Position	Department/Company
			<ul style="list-style-type: none"> <li>■ Certificate of Senior Executives on Justice Administration, Class 15, Office of the Judicial Training Institute</li> </ul>			2014-2015	First Vice Chairman of the national Reform Council	The National Reform Council Royal
						2014-2015	Chairman of the Constitution Drafting Committee	
						2006-2014	Secretary General	King Prajadhipok's Institute
						2003-2006	Secretary General of the Cabinet	
2.	Mr. Sophon Pholprasit Vice Chairman of the Board// Independent Director/ Chairman of the Risk Management Committee 5 March 2014	69	<u>Education History</u> <ul style="list-style-type: none"> <li>■ Advanced Certificate of Public Management and Public Law (Class 6<sup>th</sup>) King Prajadhipok's Institute</li> <li>■ MBA in General Management, Ramkhamhaeng University</li> <li>■ B.Sc. Civil Sanitary and Environment, Mapua Institute of Technology, Phillipines</li> </ul> <u>Training Experience</u> -None -	None	None	Present	Vice Chairman of the Board	General Engineering Public Company Limited
						Present	Director of University Council Members	Mahanakorn University of Technology
						Present	Director	Mill con Steel (Public) Co. Ltd.
						2013	Director General	Department of Industry Promotion, Ministry of Industry, Thailand
						2012	Principal	The Office of Industrial Economics, Ministry of Industry, Thailand
						2010	Inspector	Office of the Permanent Secretary for Industry, Ministry of Industry
						2008	Deputy Director General	Department of industrial works, Ministry of Industry
3.	Mr. Thitipong Tangpoonphonvivat Director /Chief Executive Office / Member of Nomination &	42	<u>Education History</u> <ul style="list-style-type: none"> <li>■ M.Sc.in Engineering of Business Management,</li> </ul>	17.00%, holding 917,658,400	None	Present	Director /Chief Executive Office / Member of Nomination & Remuneration Committee	General Engineering Public Company Limited

ATTACHEMENT 1

No.	Firstname-Lastname/Position/ Date of Appointment	Age (Yr.)	Education and Training History	Percentage in Shareholding (%)	Family Relationship with Board of Directors or Executives	Working Experience		
						Duration	Position	Department/Company
	Remuneration Committee 4 February 2014		University of Warwick University, UK ■ B.S. In Business Administrative, Walter A. Hass School of Business, University of California at Berkeley <b>Training Experience</b> -None-	shares		Present	Director	Seven Wire Co. Ltd.
						Present	Director	General Engineering Mauritius Limited
						Present	Director	General Nippon Concrete Industries Co., Ltd.
						2006-Present	Director	Siam Rubber Industry Co.,Ltd.
						2015-2016	Director	World Wire Processing Co., Ltd.
						2011-2013	President	Millcon Steel Industries Plc.
						2012-2013	Director	Million Miles Co.,Ltd
						2009 - 2013	President	Millcon Burapa Co., Ltd
4.	Mr. Wirach Morakotkarn Independent Director/ Chairman of the Audit Committee (appointed to the Chairman of the Audit Committee on 26 February 2019) 16 November 2016	53	<b>Education History</b> ■ Master of Business Administration in Management Science, Virginia Polytechnic Institute and State University ■ B.Sc. Statistics, Chulalongkorn University <b>Training Experience</b> ■ Capital Market Academy Programs (CMA) from Capital Market Academy Class of No. 26/2018 ■ Board Nomination and Compensation (BNCP) from Thai Institute of Directors (IOD) Class of No. 5/2018 ■ TLCA Executive Development Program	None	None	2015-Present	Independent Director and Chairman of Auditing Committee	General Engineering Public Company Limited
						2009-Present	Independent Director and Chairman of Auditing Committee	Next Capital Public Company Limited
						Present	Director	Tonraiko Co.,Ltd.
						2014-Present	President of Auditing Committee	Aksorn Education Public Company Limited
						Present	Independent Director and Chairman of the Risk Management Committee	Deestone Corporation Limited
						Present	Chief Executive Officer	Vending Plus Co., Ltd.
						Present	Executive Committee/ Chief of the Commercial and Investment	Sabuy Technology PLC.
						2018-2019	Managing Director	KT ZMICO Securities Company

ATTACHEMENT 1

No.	Firstname-Lastname/Position/ Date of Appointment	Age (Yr.)	Education and Training History	Percentage in Shareholding (%)	Family Relationship with Board of Directors or Executives	Working Experience		
						Duration	Position	Department/Company
			(EDP) from Thai Institute of Directors (IOD) Class of No. 16/2016 ■ Advance Audit Committee Program (AACP) from Thai Institute of Directors (IOD) Class of No. 18/2015 ■ Director Certification (DCP) from Thai Institute of Directors (IOD) Class of No. 190/2014					Limited
						2018-2018	Director	KTZ Ruby Hill Securities Company Limited at Myanmar
						2016-2018	Assistant Managing Director	CIMB Thai Bank Public Company Limited
						2009 – 2015	Acting President of the Executive Office	Krungthai Advisory Co. Ltd.
5.	Mrs.Panee Jarusombat Independent Director and Audit Committee 2 June 2014	64	<u><b>Education History</b></u> ■ Master in Political Science, Politics and Government, Sukhothai Thammathirat Open University ■ Bachelor in Communication Art, Major in Mass Communication (2 <sup>nd</sup> Class Honor), Bangkok University <u><b>Training Experience</b></u> -None-	None	None	Present	Deputy Secretary General	Thai-Chinese Economics & Relationship Association
						Present	Council Committee	King Mongkut's University of Technology North Bangkok
						Present	Independent Director and Auditing Director	General Engineering Public Company Limited.
						2014-2015	Member of the National Reform Council	National Reform Council
						2009	Secretary to the Minister of Industry	Ministry of Industry
						2008	Advisor to the Minister of Industry	Ministry of Industry
6.	Dr. Vichya Kreangam	39	<u><b>Education</b></u>	None	None	2014-Present	Independent Director	General Engineering Public Company

ATTACHEMENT 1

No.	Firstname-Lastname/Position/ Date of Appointment	Age (Yr.)	Education and Training History	Percentage in Shareholding (%)	Family Relationship with Board of Directors or Executives	Working Experience		
						Duration	Position	Department/Company
	Independent Director Audit Committee / Remuneration and Nomination Committee / Chairman of Corporate Governance Committee 2 October 2014		<ul style="list-style-type: none"> <li>■ Doctor of Juridical Science (J.S.D.), University of California, Berkeley</li> <li>■ Master of Laws (LL.M), University of California, Berkeley</li> <li>■ Bachelor of Laws (Honors), Chulalongkorn University</li> <li>■ Thai Bar Association, The Thai Bar under the Royal Patronage</li> <li>■ Certificate of Advocacy from the Lawyer Council</li> </ul> <p><b>Training Experience</b></p> <ul style="list-style-type: none"> <li>■ Role of Chairman Program (RCP) Class No 42/2018 (IOD)</li> <li>■ Corporate Governance for Executive (CGE) Class No. 6/2016 (IOD)</li> <li>■ Advance Audit Committee Program (AACP) Class NO. 22/2016 (IOD)</li> <li>■ Director Accreditation Program (DAP) Class No. 116/2015 (IOD)</li> <li>■ Corporate Governance for Capital Market Intermediaries (CGI) Class No. 8/2015 (IOD)</li> <li>■ Certificate of The Rule of Law Class 7, College</li> </ul>				Audit Committee / Remuneration and Nomination Committee / Chairman of Corporate Governance Committee	Limited
						2014-Present	Director/ Member of the Audit Committee/ Member of the Nomination, Compensation and Corporate Governance Committee/ Independent Director	Namyong Terminal Public Company Limited
						2019-Present	Independent Director/ Audit Committee / Chairman of the Nomination, Compensation and Corporate Governance Committee	AEC Securities Public Company Limited
						2014-Present	Independent Director/ Audit Committee/ Remuneration Committee	Sikarin Public Company Limited
						2010-Present	Business Development Executive	True Corporation Public Company Limited
						2020-Present	Lecturer	The Thai Bar Under the Royal Patronage

ATTACHEMENT 1

No.	Firstname-Lastname/Position/ Date of Appointment	Age (Yr.)	Education and Training History	Percentage in Shareholding (%)	Family Relationship with Board of Directors or Executives	Working Experience		
						Duration	Position	Department/Company
			of the Constitutional Court ■ Certificate of Senior Executives on Justice Administration Class 16, Office of the Judicial Training Institute ■ Certificate of Administrative Justice for Senior Executives Class 6, Office of the Administrative Courts ■ Certificate of New Era Leadership in the Democratic Systems Class 1, King Prajadhipok's Institute			2018-Present	Sub - Committee	Sub-Committee on scrutinization laws relating to energy business operations, Energy Regulatory Commission
						2018 - Present	Sub - Committee	Sub-Committee on Participation, Follow - up, examination, evaluation Law on the National Reform
						2013 - Present	Director	The Badminton Association of Thailand under Royal Patronage of His Majesty the King
						2020-Present	Honorary Director	Urgent law reform implementation committee
						2020-Present	Sub-committee	Subcommittee on Education Suggested solutions to poverty and reduce economic inequality for the Senate.
						2014-2017 2019-2020	Independent Director, Nomination and Compensation Committee, Risk Management Committee/ Corporate Governance Committee	AEC Securities Public Company Limited
						2016-2017	Academic Advisor to the Committee	Committee on Sports, Arts, Cultures, Religion, Morality and Ethics under the National Reform Steering Assembly
						2010 -2018	Lecturer, Faculty of Law (Main Job)	Assumption University

ATTACHEMENT 1

No.	Firstname-Lastname/Position/ Date of Appointment	Age (Yr.)	Education and Training History	Percentage in Shareholding (%)	Family Relationship with Board of Directors or Executives	Working Experience		
						Duration	Position	Department/Company
						2015-2017	Board of Director	Chulalongkorn Law School Alumni Association
						2013-2014	Sub-Committee on ICT and Public Media	The Senate
						2013-2014	Advisor to Sub-committee on Research for Regulation, Order and Laws relating to ICT and Telecommunications	The House of Representatives
						2006-2010	Associate Lawyer	White & Case (Thailand) Limited
7.	Mr.Vipoot Trakulhoon Independent Director/ Chairman of Nomination & Remuneration Committee/ Corporate Governance Committee/ Risk Management Committee 26 February 2019	54	<b><u>Education History</u></b> <ul style="list-style-type: none"> <li>Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University</li> <li>Bachelor of Business Administration in faculty of banking and finance, Chulalongkorn University</li> </ul> <b><u>Training Experience</u></b> <ul style="list-style-type: none"> <li>Director Accreditation Program from Thai Institute of Directors (IOD) Class 117/2015</li> </ul>	None	None	Present	Independent Director/ Member of Good Corporate Governance Committee/ Chairman of Nominating & Remuneration Committee / Member of Risk Management Committee	General Engineering Public Company Limited
						2014-Present	Executive Committee	Millcon Steel Industries Public Company Limited
						Present	Chairman	Triple O Logistic
						Present	Independent Director / Audit Committee	Business Alignment Public Company Limited

ATTACHEMENT 1

No.	Firstname-Lastname/Position/ Date of Appointment	Age (Yr.)	Education and Training History	Percentage in Shareholding (%)	Family Relationship with Board of Directors or Executives	Working Experience		
						Duration	Position	Department/Company
						Present	Director	Creative Power Co., Ltd.
						2011-2013	Senior Executive Vice Present – Managing Director Corporate Banking	Krungthai bank Public Company Limited
8.	Mr.Wuttichai Sresthabutra Director/Executive Director/ Member of Corporate Governance Committee/ Company Secretary 12 May 2014	49	<b><u>Education History</u></b> <ul style="list-style-type: none"> <li>■ M.A. in International Economics and Finance, Chulalongkorn University</li> <li>■ B.A. in Business Administration, National University, California, U.S.A</li> </ul> <b><u>Training Experience</u></b> <ul style="list-style-type: none"> <li>■ Law and Best Practices for Company Secretary Program, following new securities law, the Stock Exchange of Thailand</li> <li>■ Direct accreditation Program (DAP) Class 131/2016</li> </ul>			2017-Present	Director	General Nippon Concrete Industries Co., Ltd.
						2015-Present	Director	Seven Wire Co. Ltd.
						2015-Present	Director	Wisdom Tree Investment (S) PTE.Limited
						2015-Present	Director	General Engineering Mauritius Limited
						2015-Present	Director	Millcon Thiha Gel Limited
						2015-Present	Director	Metric Public Company Limited Co.,Ltd
						2014-Present	Director/Executive Director/ Member of Good Corporate Governance Committee Company secretary	General Engineering Public Company Limited
						2014-Present	Director	Geoform Co. Ltd.
						2013	Executive Director of Investor Relation and Coordination	G Steel (Public) Co. Ltd.
						2011-2013	President of Administrative Office	G Steel (Public) Co. Ltd.
						2010-2013	Executive Director in Accounting & Finance	G Steel (Public) Co. Ltd.

ATTACHEMENT 1

No.	Firstname-Lastname/Position/ Date of Appointment	Age (Yr.)	Education and Training History	Percentage in Shareholding (%)	Family Relationship with Board of Directors or Executives	Working Experience		
						Duration	Position	Department/Company
						2008-2013	Company Secretary	G Steel (Public) Co. Ltd.
						2005-2007	Business Development Manager	G Steel (Public) Co. Ltd.
						2004-2005	General Manager	Geoform Co. Ltd.
						1999-2004	Assistant of Managing Director	Geoform Co. Ltd.
						2011-2011	Director	TOT Public Company Limited
9.	Mr. Amornsak Torot Deputy CEO-Production	54	<b>Education History</b> <ul style="list-style-type: none"> <li>Master of Business Administration, Kasetsart University</li> <li>Bachelor of Engineering, Chulalongkorn University</li> </ul>	None	None	2019-Present	Deputy CEO-Production	General Engineering Public Company Limited
						1989-2019	Senior Vice President	Siam City Cement Public Company Limited
						2004-2005	Consultant Engineer	Holcim Group Services Ltd, Switzerland
						1999-2001	Maintenance Engineer	Holcim Group Services Ltd, Switzerland
10.	Mrs. Wisadja Kochsena Vice President Accounting & Finance effective	49	<b>Education History</b> <ul style="list-style-type: none"> <li>Master of Accounting, Ramkhamhang</li> </ul>	0.00% Holding 334 shares	None	2016-Present	Director of Accounting & Finance	General Engineering Public Company Limited
						2011-2016	Accounting & Finance Consulting	General Engineering Public Company Limited
						1993-2008	Accounting & Finance Manager	P plus P Public Company Limited
						1991- 1998	Director of Sale	BLM group Co., Ltd.
						2014-2015	Assisting Director of Production and Service of Pre-stressed Concrete Pile	General Engineering Public Company Limited



ATTACHEMENT 1

No.	Firstname-Lastname/Position/ Date of Appointment	Age (Yr.)	Education and Training History	Percentage in Shareholding (%)	Family Relationship with Board of Directors or Executives	Working Experience		
						Duration	Position	Department/Company
						1988-2005	Field Engineer – Manager of the Factory of Pre-stressed Concrete Pile Production	General Engineering Public Company Limited
11.	Mr. Sarun Wiangkhamma Vice President Production and Service of Precast Concrete	60	<b><u>Education History</u></b> <ul style="list-style-type: none"> <li>■ B.B.A. in Construction Management, Sukhothai Thammathirat University</li> <li>■ M.SC. in Civil and Structural Engineering, Universiti Kebangsaan Malaysia.</li> <li>■ B.Eng. in Civil Engineering, Rajchamangkala Institute of Technology, Thevaves Campus, Bangkok.</li> </ul> <b><u>Training History</u></b> <ul style="list-style-type: none"> <li>■ Inspection &amp; Construction Supervision of Horizontal Construction, Class 15 Strategies for Managing Generation Y, Pruksa Training School, IT Square, Laksi, Bangkok.</li> <li>■ Finance for Non Finance. Pruksa Training School, IT Square, Laksi, Bangkok.</li> </ul>	None	None	Present	Director of Production and Service of Precast Concrete	General Engineering Public Company Limited
						2011-2015	Assistant Vice President	Pruksa Real Estate Public Company Limited
						2008 -2011	Assistant Vice President	General Engineering Public Company Limited
12.	Mr. Somnuk Puttiwat Vice President Prestressed Concrete Pile Services	61	<b><u>Education History</u></b> <ul style="list-style-type: none"> <li>■ Bachelors of Engineering, Civil Engineering Khon Kaen University</li> </ul> <b><u>Training Experience</u></b>	None	None	2017-Present	Vice President Prestressed Concrete Pile Services	General Engineering Public Company Limited
						2004-2017	Director	Mecca and Associates Company Limited

ATTACHEMENT 1

No.	Firstname-Lastname/Position/ Date of Appointment	Age (Yr.)	Education and Training History	Percentage in Shareholding (%)	Family Relationship with Board of Directors or Executives	Working Experience		
						Duration	Position	Department/Company
			-None-			2003-2004	Manager	Mankong Home and Land Company Limited
						1990-2000	Consulting Engineer	General Engineering Public Company Limited
						1980-1982	Field Engineer	W. Udom Construction Company Limited
13.	Ms. Chuensuk Meeposom Vice President Business Development and Control	49	<u><b>Education History</b></u> <ul style="list-style-type: none"> <li>Master of Science in Finance Chulalongkorn University</li> <li>Bachelors of Business Administration (Finance and Banking)</li> </ul> <u><b>Training Experience</b></u> <p>-None-</p>	None	None	2019 - Present	Vice President Business Development and Control	General Engineering Public Company Limited
						2017 - 2019	Consultant, Business Development	Angel Real Estate Consultancy Co., Ltd.
						2014 - Present	Director	TCJM Business Consultant Co., Ltd.
						2012 - 2014	Vice President Finance and Accounting	Eternal Asia Distribution (Thailand) Co., Ltd.
14.	Mr. Chardchai Hirunnuj Vice President Digital	46	<u><b>Education History</b></u> <ul style="list-style-type: none"> <li>Master of Computing University of Tasmania</li> <li>Bachelors 's degree of Science Rajamangara Institute of Technology</li> </ul> <u><b>Training Experience</b></u> <p>-None-</p>	None	None	2019-Present	Vice President Digital	General Engineering Public Company Limited
						2016-2019	Director of IT	Show DC Corp Co., Ltd.
						2011-2016	Director of IT	LCB Container Terminal 1LTD.

**Attachment 2 INFORMATION OF THE DIRECTORS OF THE SUBSIDIARIES**

Information of in-charge positions of directors, executive directors of the Company, its subsidiaries, its associated and related companies as of 31 December 2020<sup>1)</sup>

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

Note:

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

GEL General Engineering Public Company Limited

GEM General Mauritius Limited

Seven Wire Seven Wire Company Limited

MCTRIC Metric Public Company Limited Co. Ltd.

WT Wisdom Tree Investment (S) PTE. Limited

MILL Millcon Steel Public Company Limited

GENCI General Nippon Concrete Industries Limited

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

**Attachment 3 DETAILS OF CHIEF INTERNAL AUDIT**

NAME	AGES	EDUCATION	EXPERIENCE		
Mr. Apinun Sripranoj	60	<ul style="list-style-type: none"> <li>● Master of Business Administration, Ramkhamhaeng University</li> <li>● Mini MBA Thammasart University</li> <li>● CPA Certificate License 5092</li> <li>● Internal Audit Certificate form The Institute of Internal Auditors of Thailand</li> </ul>	2008-present	Leader	DIA and Associated Co., Ltd.

Establishing operational standards and reviewing the performance in accordance with the established standards.  
Reviewing the audit report and provide suggestions for improvement Before presenting to the management and the audit committee of the company

**Job description**

- 1) Establish an audit guideline (AUDIT PROGRAM) in respect of the supervisory unit to review the performance of the internal auditors.
- 2) Make a working paper. Summary of findings as well as propose appropriate solutions
- 3) Perform audit tasks as assigned. By using various auditing methods such as inquiries, interviews, counting, checking documents and evidences. And data analysis
- 4) Report of the inspection results in the part of the auditing unit Which has been approved by the Managing Director
- 5) Coordinate with the manager of the examination unit. About the activity being audited
- 6) Control the preparation of the annual budget of the Internal Audit Department.
- 7) Acting as secretary of the Audit Committee
- 8) Perform other tasks as assigned by the supervisor

ATTACHEMENT 4

**Attachment 4 ASSETS REVALUATION**

-NONE-

**Attachment 5 GOODS CORPORATE GOVERNANCE AND ETHICS**

The details are disclosed on [www.gel.co.th](http://www.gel.co.th) under Investor Relations

**Report of the Audit Committee**

Dear Shareholders,

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

<b>Name</b>	<b>Position</b>	<b>Number of Attendance</b>	<b>Appointed</b>
1. Mr. Wirach Morakotkarn	Chairman of the Audit Committee and Independent Director	4/4	26 February 2019
2. Mrs. Pannee Jarusombat	Member of the Audit Committee and Independent Director	4/4	2 June 2014
3. Mr.Vichya Krea-Ngam	Member of the Audit Committee and Independent Director	4/4	2 October 2014

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

The Audit Committee performed its duties as entrusted by the Board of Directors in line with its own charter, and the requirements of the Stock Exchange of Thailand. In the 2020 accounting period, the Audit Committee held totally 4 meetings. All members of the Audit Committee attended every meeting with the management and the external and internal auditors to consider, discuss, and exchange opinions on related matters as appropriate. The meeting results were summarized and reported to the Board of Directors. The Audit Committee also attended the meeting on 1 March 2021 with the auditor and 3 independent directors, in the absence of the management, in order for the auditor to freely express opinions. The Audit Committee's performance of duties can be summarized as follows.

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

The Audit Committee and the auditor mutually reviewed the Company's quarterly and annual financial statements for 2020 in terms of accuracy and adequacy of financial information disclosure. After review, the Audit Committee did not find anything that might cause inaccuracy of the essential information in the financial statements according to the generally accepted

accounting principles. In addition, the Audit Committee and the independent directors had a meeting with the auditor, in the absence of the management, to make inquiries with the external auditor and listen to his explanations, as well as to provide comments and suggestions in connection with the financial statements. This was to ensure that the essential information in the Company's financial statements was accurate, complete, and credible in accordance with the generally accepted accounting standards and that the adequate information in such financial statements was disclosed. Then, the reviewed financial statements were submitted to the Board of Directors for consideration and approval to be disclosed to the Stock Exchange of Thailand and the Office of Securities and Exchange Commission.

## **2. Review of Compliance with Good Corporate Governance Policies**

The Audit Committee had the meetings with the management and heads of relevant departments to review the Company's compliance with the law on securities and exchange, the Stock Exchange of Thailand's regulations, and the laws relating to the Company's business. Also, the Audit Committee regularly inspected, monitored, and inquired about the compliance with the good corporate governance policies, including had review and revised anti-corruption policy, as well as accepted all information and complaints about frauds or violation of laws, regulations, and rules according to the whistle-blowing process. In 2020, no complaint about such frauds or violation was filed.

The Company had signed up for the Private Sector Collective Action Coalition against Corruption (CAC), a campaign had initiated by Thai Institute of Directors Association and sponsored by the government and the Office of the National Anti-Corruption Commission. The Company had complied with the certification process of the campaign by presenting evidence relating to the business policies, measures and working processes, including internal control systems to the Audit Committee. As a consequence, the Company was certified as a member of the CAC as from 18<sup>th</sup> August 2017. In 2020, the Company already re-certification a member of the CAC on 31 March 2020.

## **3. Supervision of Compliance with Regulations of the Regulatory Bodies**

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

## **4. Review of Risk Management**

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



**5. Review of Internal Control System**

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

**6. Appointment of External Auditor for the 2019 Financial Statements**

The Audit Committee considered, selected and nominated to the Board of Directors the person independent of the Company to be the external auditor. The Board of Directors appointed Proud in Pro Company Limited, represented by Ms. Sansanee Poolsawat, Certified Public Accountant License No. 6977 or Ms. Pitinun Phatrarakritidej, Certified Public Accountant License No. 10467, as the auditor of the Company for the accounting period ended on 31 December 2020. The audit fee was determined at 2,600,000 baht with the approval of the Company's Board of Directors and the shareholders' meeting.

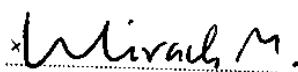
**7. Revision of the Audit Committee Charter**

In 2020, the Audit Committee reviewed and revised the charter of the Audit Committee to cover more working rules in aspects of good corporate governance and anti-corruption. The charter was amended as appropriate and approved by the Board of Directors.

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

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

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



(Mr. Wirach Morakotkarn)

Chairman of the Audit Committee



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