

# GENERAL ENGINEERING PLC



บริษัท เจนเนอรัล เอนจิเนียริ่ง จำกัด (มหาชน)



# 2021

Annual Registration Statement  
Annual Report 2021 (Form 56-1 One Report)

## MESSAGE FROM THE CHAIRMAN

From 2020 to 2021, all the business are still to confront with the impact of the COVID-19. The economics and GDP of the country are decrease. The business has to adjust according to the economic.

Year 2021, General Engineering Public Company Limited (“Company”) are effect from spread of Covid-19. Especially real estate, the government announced that all construction workers’ camps in Bangkok and neighbouring province will be locked down for one month. The company had changed a strategy to be consistent with changing of economics by expand / develop product and service to serve infrastructure project of government. The infrastructures are always invest from the government for stimulate the economics of the country. The changing strategy of company impact that turnover of company has increase prepare with last year. Revenue in 2021 is 1,662 Million Baht increase 4 percentage from year 2020. The profit is well-adjusted by improve the organization, cautious of cost and expenses of company.

In 2022, the trend of construction industry is increase. To be server and respond the customer, the company is expand of work to the pre-stressed precast concrete (Segment & Girder) for Infrastructure. We believe that the revenue of our company are going to grow up and recover. The target of this year is higher than last year. The company is still develop the product and service to respond the need of customer and consistent with the market in the present. 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.



Dr. Borwornsak Uwanno, Professor Emeritus

Chairman of the Board of Director

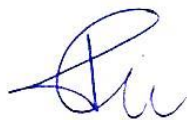
## MESSAGE FROM CEO

In the beginning of 2021, the coronavirus disease 2019 (“COVID-19”) epidemic continues and increases in severity. The government has a policy to lock down the country. The company’s clients delay the construction in many project. Consequently, the Company’s revenue was reduced from the target. The company has adjusted its operating strategy by reducing cost of the project and the selling and administrative expenses in order to have cost competitive cause the company has more backlog, expanding revenue, ready to bid a new project and according to the goals of the company.

In the third quarter of the year, the government has eased the lock down, but overall of the economic still decelerate in private sector with higher price competition. The company has adjusted the marketing plan by entering into government bidding project in order to generate income to achieve the target for the year 2021 and future growth.

For the tendency of Thai economics in 2021, the company expects that the economics will expand in a good way. The main driving factor is investing in public construction which expand and will being during years 2022-2024 according to the latest urgent transportation action plan in year 2018 under the transport development strategy 20 years (2018-2037), whether rail project, road project or other infrastructure. In addition to the private construction investment tends to recover and gradually improve. This was driven by the large investments are going to recover in 2022 as well as the expansion of domestic demand and the recovery of the tourism section. All of these factors results cause the company be able to expand the product continuously, increase in backlog and gradually recognizing revenue until 2023

The company is determined to operate its business with a good management whether delivery’s quality, on time of delivery, civil engineering services and maintaining financial discipline to reduce costs for competitive. The company also remain committed to creating value in economics, social and environment, to consider of stakeholder, always develop personal and find new channels and innovations for our company. The company operate with corporate governance, set the anti-corruption policy to conduct the business with honesty, ethics and social responsibility and sustainable growth



Mr. Thitipong Tangpoonphonvivat

CEO

## CONTENTS

### SECTION 1 OUR BUSINESS

1. STRUCTURE AND BUSINESS OPERATIONS	1
2. RISK MANAGEMENT	21
3. DRIVING BUSINESS FOR SUSTAINABILITY	26
4. MANAGEMENT DISCUSSION AND ANALYSIS OF OPERATING RESULTS	37
5. GENERAL INFORMATION AND OTHER IMPORTANT INFORMATION	58

### SECTION 2 CORPORATE GOVERNANCE

6. CORPORATE GOVERNANCE	60
7. MANAGEMENT STRUCTURE	91
8. CORPORATE GOVERNANCE PERFORMANCE	101
9. INTERNAL CONTROL AND RELATED TRANSACTION	123

### SECTION 3 FINANCIAL STATEMENTS 130

### SECTION 4 CERTIFICATION OF INFORMATION

ATTACHMENT 1	DETAILS OF THE COMPANY'S COMMITTEE, MANAGEMENT, REGULATORS, AND SECRETARIES
ATTACHMENT 2	INFORMATION OF THE DIRECTORS OF THE SUBSIDIARIES
ATTACHMENT 3	DETAILS OF CHIEF INTERNAL AUDIT
ATTACHMENT 4	ASSETS REVALUATION
ATTACHMENT 5	GOODS CORPORATE GOVERNANCE AND ETHICS
ATTACHMENT 6	AUDIT COMMITTEE REPORT
ATTACHMENT 7	REPORT OF THE BOARD OF DIRECTORS'RESPONSIBILITY IN FINANCIAL STATEMENT

## 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, 2021, 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, and 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 -2021**

YEAR	KEY of EVENT in YEAR 2019-2021
<b>2019</b>	<p>The Board of Directors' Meeting No. 8/2019 of General Engineering Public Company Limited has the resolution and approve;</p> <p>1) To invest in the Construction of factory for infrastructure project which located on Moo 4, Tambon Chiangraknoi, Ampoe Samkok, Pathumthani with total budget not exceeding Baht 91.25 Million (Including developed land which area of ~14 rai amount ~70 Million Baht) due to the company has plan to move the production base to Chiangraknoi and the expiry date of the permission for building construction</p> <p>2) To invest in Bored Piles project with total budget not exceeding Baht 13.52 Million due to the company plans to expand the business line to serve the customer needs and provide more options for the clients</p>
<b>2020</b>	<p>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</p>

	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.
	<p>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 on Tambon Chiangraknoi, Ampoe Samkok, Pathumthani and request the Company has now completed to acquisition of additional land which located on Tambon 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 Baht 61.92 million.</p> <p>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;</p> <ol style="list-style-type: none"> <li>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.</li> <li>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.</li> </ol>
<b>2021</b>	- No key of event in this year -

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

The company has no funding in 2021. The funding source for the 2021 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 2021.

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

## 1.2 NATURE OF BUSINESS

### 1.2.1 Revenue Structure

The revenue structure from business operation of the company for the year 2021 can be classified as follows:

Type of revenue	2021		2020		2019	
	Million Baht	Million Baht	%	Million Baht	%	%
<b>Revenue from sales and services</b>						
Pre-stressed concrete piles	410.16	23.51	589.55	36.13	806.91	38.57
Precast Concrete	495.76	28.42	494.02	30.28	826.61	39.51
Post-tensioned slab	62.43	3.58	139.60	8.56	94.91	4.54
Glassfiber Reinforced Concrete	33.32	1.91	26.34	1.61	91.08	4.35
Construction chemical products	86.04	4.93	47.81	2.93	88.87	4.25
The pre-stressed precast concrete (Segment & Girder)	275.45	15.79	41.19	2.52	-	-
Steel product	25.11	1.44	177.72	10.89	119.47	5.71
Other products	273.72	15.69	79.33	4.86	6.58	0.31
<b>Total revenue from sales and services</b>	<b>1,661.99</b>	<b>95.26</b>	<b>1,595.56</b>	<b>97.78</b>	<b>2,034.44</b>	<b>97.25</b>
Others revenue	82.69	4.74	36.17	2.22	57.63	2.75
<b>Total revenues</b>	<b>1,744.68</b>	<b>100.00</b>	<b>1,631.73</b>	<b>100.00</b>	<b>2,092.07</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> <li>* Corrugated concrete sheet pile</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	* Precast concrete for structural parts and architectural component parts	Quality and standard can be regularly controlled on the whole piece for quick owner	Residence both housing and condominium, factory and warehouse, department store, high-rise building, stadium etc.
Post-tensioned slab	* 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
Construction chemical 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	Concrete wall

Product Group	Product Name	Properties	Usage
		no cracks. Savings color of the painting	
Other products	* 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
	* 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
	* Soil Cement Column	technique for improving the quality of foundation soils to be able to carry loads by bringing cement into the soil which can reduces subsidence in soft soil layers and prevent soil degradation that are caused by the structure of soil grains with air and water. Thus, it has a high chance of subsidence when the weight is occurred.	roads on soft soil or loose soil erosion prevention works Deep excavation prevention work, embankment work, stable small ponds, small building foundation including waterproofing works of embankments and reservoirs.

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

### Customer Satisfaction Survey

	Jul-Dec 2021	Jan-Jun 2021	Jul-Dec 2020	Jan-Jun 2020	Jul-Dec 2019	Jan-Jun 2019
% of customer satisfaction	85.99	92.60	85.94	88.94	83.71	77.72

Note: The Company has target the performance not exceed 75%

### Research and development

According to 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

Within 2021, the company is still carry out the project development process continually and applied with other product. The product that apply with this process which are Pre-stressed concrete pile products and Segment & Girder product.

## 2) Marketing and competition condition

In 2021 to 2022, the Coronavirus disease 2019 (COVID-19) has had a significant impact on the construction sector. In mid of 2021 is the greatest epidemic and effect to delay of construction.

Especially the private sector, the epidemic prevention policy in construction sector, lack of labor and material whilst the price of materials are increasing because of cost of raw material and limiting the capacity of international freight etc. In the end of 2021 until begin of 2022, the policy of public health in country is relieve as a result of entrepreneur in private sector are expedite in construction.

For the government construction projects especially in the area of infrastructure construction are continuing from the previous year according to the plan of each institution.

### 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. |

To increase the competent of potentiality, the company has the strategy which are;

### (a) Marketing strategies

#### 1) Product and Service Strategy

The company has expanded and focused on the product which are according to project in the present and future since end of 2020. By expand in the product and service of construction technology products and construction which are Segment & Girder for utilities, bored pile, soil cement column, chemical for construction etc. The previous product lead to the value of work and profit per unit when compare with the original product and service (Pre-stressed concrete pile and Post-tension).

#### 2) Distribution Channel and Strategy

The company focuses on the direct selling by the sales management team to contractor, sub-contractor. The portion of work can divide into 2 parts which are Public Sector and Private Sector. For the private sector can divide into low-rise and high-rise real estate sector, large construction project and infrastructure etc. For public sector can separate into large infrastructure, road and bridge contractors, dam project etc.

#### 3) Building and maintain relationship with key customers strategy

The company focuses on build, develop and retain the relationship with key account by expand the relation from buyer-seller to long-term business partnership. We provide products, services, consultancy, and management with relevant innovation to attract, engage and delight our customer (one stop service) as we position ourselves as consultant in the construction field.

#### 4) Cost management and quality control strategy

Manage the cost of company to compete with competitor in the market. The company manage the relationship of manufacturer, distributor from abroad. Bargaining raw material costs with high purchase volumes until design and manage how to use raw material in factory and site such as reduce waste of material, control loss of raw material, determine the date to pick up the raw material in time with the start date

#### 5) Brand awareness and promotion strategy

In 2021 continuously, the company focus on brand awareness by online communication. Firstly, develop and improve our main website of the company and its subsidiaries. Other online instrument such as Facebook. Line Application and LinkedIn etc. However, the company add more awareness by search engine optimization. In addition the company has more activities such as seminar, online meeting. This implement, we can expand the customer base especially new customer which has no experience in our product and service including customer who has the age under 40 years old in related field such as engineering, architect and project owner etc.

### (b) Industry conditions and competition

The Company is a leader in innovative construction products with over 59 years of experience, focusing on the development of new products continuously. In the year 2021, the number of major competitors is shown in the table below

#### The number of major competitors

Products	The number of major competitors (list)			
	2021	2020	2019	2018
Manufacture and distribution of pre-stressed concrete pile	15	13	13	13
Manufacture and installation of precast concrete	7	7	6	5
Manufacture and distribution of glass fiber reinforced concrete	4	4	4	4
Manufacture and distribution of post-tensioned	5	6	6	6
Manufacture and distribution of special cement	21	14	12	12
Manufacture and distribution of segment and girder	9	9	9	9
Manufacture and distribution of bored pile	8	8	8	8
Manufacture and distribution of soil cement column	5	5	5	5

**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	2021				2020				2019			
	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.)	139,500	57,255	41.04	(3.60)	227,550	59,393	26.10	(39.45)	227,550	98,097	43.11	(32.67)
Precast concrete (m <sup>2</sup> )	735,560	319,838	43.48	39.35	816,000	229,517	28.10	(60.42)	924,000	579,833	62.75	33.76
Post-Tensioned (m <sup>2</sup> )	667,000	222,176	33.31	(49.56)	800,000	440,443	55.06	50.82	800,000	292,040	36.51	(48.88)
Glass fiber reinforcement concrete (kg)	2,500,000	554,032	22.16	32.90	2,500,000	416,894	16.68	(70.07)	2,500,000	1,392,870	55.71	12.67
Special Cement (kg)	30,270,000	21,318,169	70.43	72.82	33,000,000	12,335,310	37.38	(59.49)	33,000,000	30,449,775	92.27	35.76
Bored Pile (cu.m.) <sup>(1)</sup>	13,000.00	11,853.89	91.18	-	-	-	-	-	-	-	-	-
Segment (Q) <sup>(1)</sup>	50,000	16,000	32.00	-	-	-	-	-	-	-	-	-
Girder (Q) <sup>(1)</sup>	36,000	6,600	18.33	-	-	-	-	-	-	-	-	-
Soil Cement Column (cu.m.) <sup>(1)</sup>	48,000.00	41,461.61	86.38	-	-	-	-	-	-	-	-	-

Note:

(1) Start production in 2021

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

In the year 2021, 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
5. Land which factory location	Mr. Chairat Labsongsuk	-	Land lease agreement with Mr. Chairat

Assets	Ownership	Book Value (Million Baht)	Note
Total area 74-2-18 rais located 44/2 Moo 2 Tivanont Road, Bangkadee, Muang, Pathunthani			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 and land development at Chaing Rak Noi factory Total area 52 rais located Chaing Rak Noi, Samkok, Pathumthani - Land development	Seven Wire Company Limited	256.96 6.33	Chaing Rak Noi location High-tensile wire factory
<b>Total land and land development</b>		<b>1,154.99</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>	



Assets	Ownership	Book Value (Million Baht)	Note
<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 (mortgaged as collateral for credit facilities from financial institutions).
2. Building	Seven Wire Company Limited	146.22	High tensile wire factory Rayong
3. Building	General Nippon Concrete Industries Limited	130.48	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

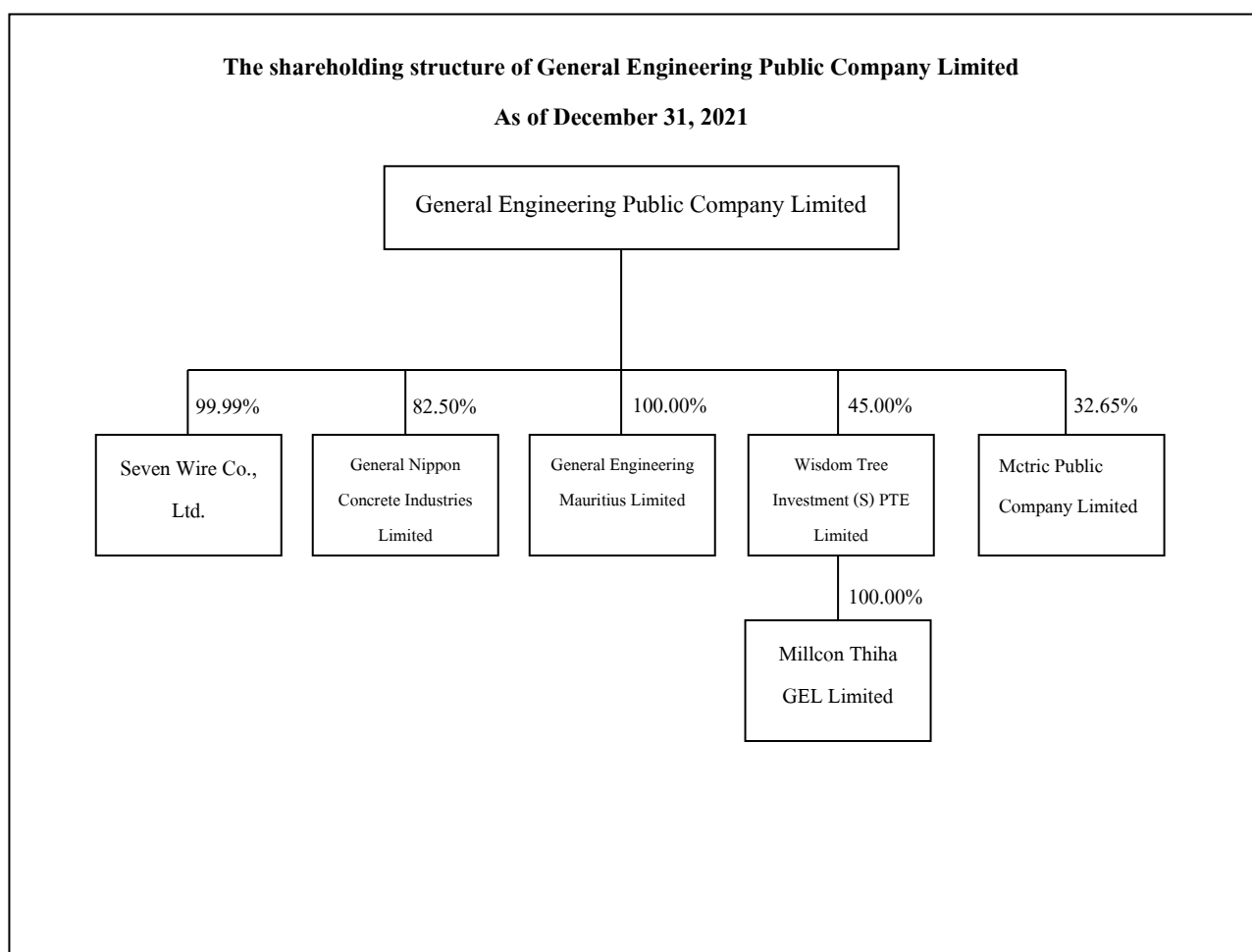
#### **5) Work has not been delivered**

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, 2021	December 31, 2020	December 31, 2019
Number of work has not been delivered	4,124	2,856	1,919

### 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 Singapore (048616) Telephone (65) 6225-1868 Fax (65) 3125-7212	Investment in overseas	45.00	394.80	177.66	103.84
<b><u>Associated Company</u></b>					
Metric Public Company Limited 121/105, RS Tower, 39th Floor, Ratchadapisek Road, Dindaeng District, Bangkok	Construction and System installation services	32.65	300.00	185.63	206.73

Company	Nature of Business	Proportion (%)	Paid up capital (Million Baht)	Cost of investment (Million Baht)	Value of investments (Million Baht)
Telephone 0-2641-2100 Fax 0-2641-2030, 0-2641-2029					

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 99/9 Moo 1, Tambon Banlang,
- (3) Ampoe Muang Rayong, . 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)
- (4) General Nippon Concrete Industries Co., Ltd. is a manufacturing and sells concrete spun pile.

#### Associate company

Metric 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. Metric 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 2021 (referred the closing date (XM Date) as of March 22, 2021)

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	%
58,086,046	18	1.08	5,187,051,097	10,173	96.09	152,137,502	3	2.82	602,544	13	0.01

**List of Top 10 Major shareholders (referred the closing date (XM Date) as of March 22, 2021)**

Name of Shareholders	Nationality	Number of shares	
		Shares	%
1. Mr. Thitipong Tangpoonphonvivat	Thai	942,658,400.00	17.46
2. Mr. Thawisak Sriprachitichai	Thai	269,000,000	4.98
3. Mr. Sittichai Leesawadtrakul	Thai	249,722,100	4.63
4. Mr. Veerasak Sutundhviboon	Thai	240,000,000	4.45
5. Mr. Prasith Vitanakorn	Thai	181,150,008	3.36
6. LGT BANK (SINGAPORE) LTD	Singapore	145,118,900	2.69
7. Ms. Karnjana Vongphaitoonpiya	Thai	142,700,000	2.64
8. Ms. Pranee Vongphaitoonpiya	Thai	123,500,000	2.29
9. Mr. Akkarin Thanakijrujiroj	Thai	71,000,000	1.32
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 2021, 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.

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**

Pandemic of COVID-19 in the year 2021 has seriously impacted to many businesses, even overall situation seems better as new domestic infected case continue decrease and the government eased policy in some area allow few sectors to resume its businesses. Many businesses face many unsolicited factors caused business slow down, postpone of project schedule, delay in project delivery and tighten spending of project owners affect the company's income while overall cost increase from hidden factors in the effort to reform its business to generate new stream and expenses in preventing and protecting the infection. Such impact is widespread to business but the magnitude of the severity of the impact is different. This matter affects the company's income below than plan. However, the company manage its liquidity to comply with a shrinkage of income. To increase the confidence, the company elevate its preventing measure against the epidemic by applying temperature measurement before entering working area and 100% mask wearing to all staffs, maids, security guards and visitors, people without mask is prohibited to enter working area while alcohol gel is provided in all working area and screening area at the entrance and exit along with disinfection spraying, inter person distance keeping and emphasizing of awareness in good hygienic practices.

### 3. DRIVING BUSINESS FOR SUSTAINABILITY

#### 3.1 SUSTAINABILITY MANAGEMENT POLICY AND TARGET

The company operates its business with corporate governance, emphasize in morality, transparency, social responsibility and benefit of interests of all stakeholders. The target are develop real estate project which response changing the world and focus on clients as center. We expect that our business operation and related activities will be part of the developing Thailand's real estate business equal to international standards and relate to sustainable development, which cover economic, social and environmental dimensions especially global trends.

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.

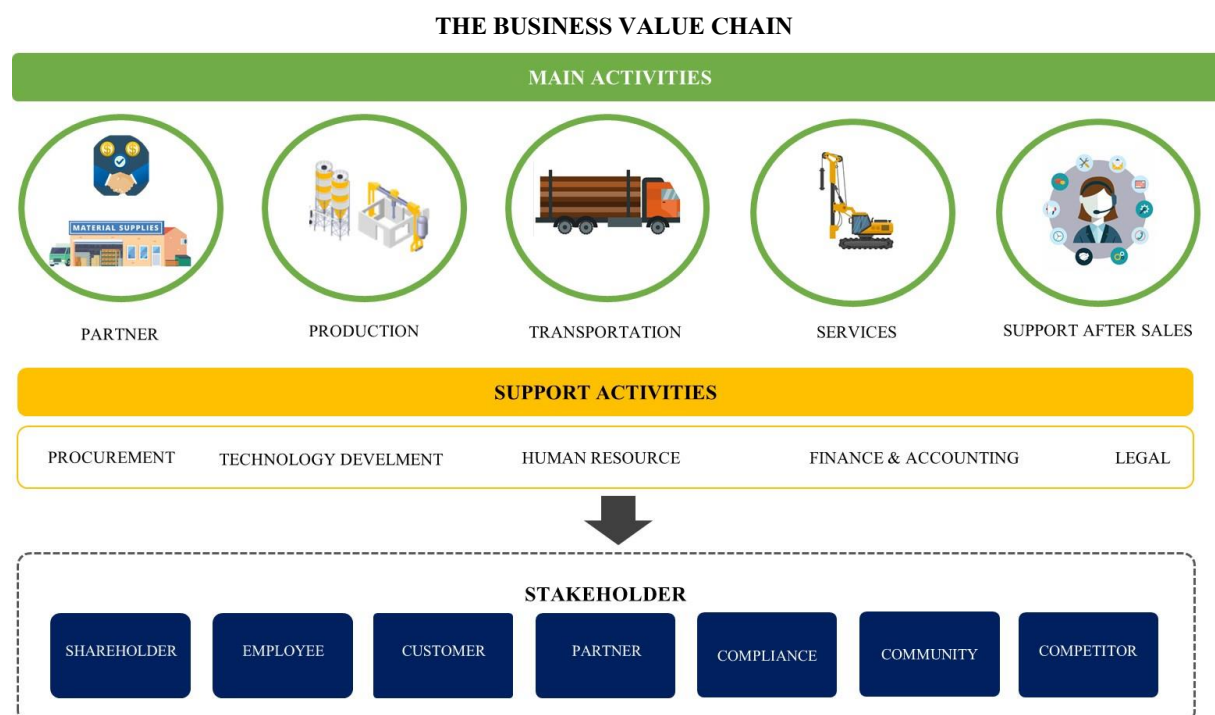
#### **Social, Community and Environmental Policy and framework**

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> <li>Accuracy of financial reports, complete, timely</li> </ul>	<ul style="list-style-type: none"> <li>Transparent corporate governance</li> <li>Disclosure of information in a transparent manner.</li> </ul>



Stakeholder	Expectation	Response from the Company
	<ul style="list-style-type: none"> <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>• 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. 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) Personal Data Protection Act Archives (PDPA) Course – manager level
- 2) Excellence skill to be a good supervisor Course
- 3) Enterprise Resource Planning System Course
- 4) Basic firefighting Course
- 5) Biaxial Slab Course
- 6) Document management and document storage Course
- 7) Safety of work on cutting, grinding, welding Course
- 8) Product Knowledge for Production SEG Course
- 9) Safety management in piling work Course

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

- 1) Personal Data Protection Act Archives (PDPA) Course
- 2) DevSecOps Series Course
- 3) MLS09 course : Supply Chain management in turbulent situation
- 4) APICS Certified in Supply Chain Professional (CSCP)
- 5) Overview of PDPA course

The company is always taking care our employer because “employer” is our stakeholder. We support our employer, employer family, contractor to vaccinate especially Covid-19 situation. We are going to pass this crisis together.





### 3.4.2 Social performance



During Social Distancing situation, we give special gift box (“Health box”) and wish our companions all happiness and healthy.

Regarding Lock down policy including temporary close of construction sites and worker camps and disallowance of labor transfer under COVID-19 situation since 2020. The company become a part to provide help to these workers, by sending survival bag containing dry food and some necessary for daily life, which is an urgent issue to relieve the impact to their well being and quality of life







The company are always support for the community according occasion and suitability

### Children's Day



โรงเรียนเทศบาลตำบลบางกะดี



โรงเรียนวัดบางกะดี



โรงเรียนอนุบาลเทศบาลตำบลบางกะดี



โรงเรียนวัดบางกุฎิทอง

## 3.5 Governance and Economic Management

### 3.5.1 Policy and regulation of governance and economic

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.

### 3.5.2 Corporate Governance Outcomes

On December 22, 2021 the company are receive The CAC Certification in Thailand National Conference on Collective Action Against Corruption No. 11 Year 2021 of Thai Private Sector Collective Action Against Corruption (CAC)



The company are respect for rights and equality in society, so the director and leader in company are women along with we are realize to Environmental, Social and Governance (ESG)



**4. MANAGEMENT DISCUSSION AND ANALYSIS OF OPERATING RESULTS****1) Financial Statements****Summary of Audit Report****Year 2021****Opinion**

In the Report of Independent Auditor for the financial statements of year 2021, Mr.Thanawut Poboonsawad, Certified Public Accountant No. 6699, from Dharmniti Auditing Company Limited, the auditor, stated his qualified opinion that “the consolidated financial statements as at 31 December 2021

The consolidated financial statements as at 31 December 2021 include investment in associated company accounted for under the equity method of Baht 310.57 million and share of profit from associated company under the equity method for the year then ended of Baht 20.94 million. 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 reason, which are;

- In case of investment in associated company (Mctric Public Company Limited), I was unable to obtain sufficient appropriate audit evidence regarding to carrying amount of investment in associated company and the Company's proportion of profit for the year of associated company since component auditor of associated company unable to assess the potential impact (if any) from the expected return of the advance payment loan and accrued interest receivable amounting to Baht 138.49 million (net of allowance for impairment loss of Baht 159.35 million). The repayment is subject to collection of debts which have not been finalized

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.

- In case of investment in Wisdom Tree Investment (S) PTE. Limited, I was unable to obtain sufficient appropriate audit evidence, management and auditor of Wisdom Tree Investment (S) PTE. Limited (Joint Venture in Singapore) and Millcon Thiha GEL Limited (subsidiary of joint venture abovementioned in Myanmar). Therefore, 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 2020****Opinion**

In the Report of Independent Auditor for the financial statements of year 2020, Miss Sunsanee Poolsawat, Certified Public Accountant No. 6977, from Proud in Pro Company Limited, the auditor, stated his qualified with opinion that “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) based on the expected recoverable amount of loan and accrued interest receivable from joint venture total Baht 44.75 million (net of allowance for impairment loss of Baht 11.56 million), which depends on the results of operations. The repayment is subject to collection of debts that have not been finalized. Therefore, I am unable to determine whether any adjustments are necessary for the value of investments in associates and share of profits of associates 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 loss 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 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 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 394.65 million. The billing depends on the approval of the amendment of contract and extension of the complete

construction period from the employer which outcome cannot presently be concluded. Consequently, I was unable to determine whether any adjustments were necessary for the investment in associated company and share of profit from associated company under the equity method.”

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

## 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		
	2021	2020	2019	2021	2020	2019
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	15,128	17,207	10,223	15,028	17,151	10,154
Restricted cash at bank	-	10,000	-	-	10,000	-
Trade accounts receivable-net	381,929	405,260	433,586	362,910	342,622	361,398
Contract assets – current	230,488	15,416	-	230,488	15,416	-
Retention receivables - current portion						
due within one year	23,699	19,439	30,219	23,068	18,068	30,208
Loan and interest receivable – subsidiary	-	-	-	72,682	24,132	-
Inventories - net	333,651	307,647	430,912	283,764	271,396	381,387
Other current financial assets	5,599	-	-	5,599	-	-
Other current assets	12,491	11,036	9,047	8,689	4,352	2,899
<b>Total Current Assets</b>	<b>1,002,985</b>	<b>786,005</b>	<b>913,987</b>	<b>1,002,228</b>	<b>703,137</b>	<b>786,046</b>
<b>NON - CURRENT ASSETS</b>						
Restricted deposits with banks	17,360	-	-	17,360	-	-
Retention receivables	76,603	59,900	62,367	74,440	59,900	62,367
Investments in available - for - sales securities	808,130	708,490	537,206	808,130	708,490	537,206
Investments in subsidiaries	-	-	-	445,337	445,337	445,337
Investments in associated company and joint venture	310,567	292,639	271,465	329,444	327,364	322,005
Property, plant and equipment – net	3,133,448	3,129,370	2,924,099	1,393,448	1,887,913	1,639,045
Right-of-use assets	80,837	63,227	-	78,232	58,852	-
Intangible assets	17,581	19,477	6,922	17,544	19,428	6,922

Investment property	996,627	996,627	996,627	1,289,347	1,289,347	1,289,347
Deferred income tax assets	63,157	136,611	159,841	61,379	134,833	159,367
Current income tax assets	11,292	4,222	5,052	10,622	3,349	4,540
Income tax assets of prior period	14,318	10,364	5,332	13,050	9,701	5,181
Other non - current assets	10,496	6,506	2,134	9,419	6,506	2,134
<b>Total Non - Current Assets</b>	<b>5,540,416</b>	<b>5,427,433</b>	<b>4,971,045</b>	<b>5,093,752</b>	<b>4,951,020</b>	<b>4,473,451</b>
<b>TOTAL ASSETS</b>	<b>6,543,401</b>	<b>6,213,438</b>	<b>5,885,032</b>	<b>6,095,980</b>	<b>5,654,157</b>	<b>5,259,497</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		
	2021	2020	2019	2021	2020	2019
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short - term loan from financial institution	631,420	603,108	593,526	427,738	380,081	395,440
Trade accounts payable - general suppliers	698,702	614,970	462,092	582,625	325,267	439,130
Contract liabilities - current	215,965	176,872	63,705	213,276	60,495	176,225
Liabilities under lease agreements	33,039	17,076	277	31,847	277	15,211
Short – term debt from others	10,122	-	-	10,122	-	-
Current portion of long - term loans from financial institution	115,695	142,572	190,515	25,358	83,709	52,297
Employee benefits obligation	4,859	615	4,140	4,859	4,140	615
Loan payable and accrued interest expense - subsidiary company	-	-	-	116,123	176,307	182,005
Other current liabilities	3,945	3,618	1,849	3,905	1,678	3,495
<b>Total Current Liabilities</b>	<b>1,713,747</b>	<b>1,558,831</b>	<b>1,316,104</b>	<b>1,415,851</b>	<b>1,031,954</b>	<b>1,264,418</b>
<b>NON - CURRENT LIABILITIES</b>						
Liabilities under finance lease agreement - net	54,517	47,933	175	52,940	45,237	175

Long - term loans from financial institution - net	786,651	792,394	705,731	188,822	194,635	107,600
Employee benefits obligation	31,050	31,046	54,614	26,372	26,681	50,774
Estimate decommissioning costs	3,314	3,149	-	3,314	3,149	-
Other non - current liabilities	-	-	59	-	-	59
<b>Total Non - Current Liabilities</b>	<b>875,532</b>	<b>874,522</b>	<b>760,579</b>	<b>271,448</b>	<b>269,702</b>	<b>158,608</b>
<b>TOTAL LIABILITIES</b>	<b>2,589,279</b>	<b>2,433,353</b>	<b>2,076,683</b>	<b>1,687,299</b>	<b>1,534,120</b>	<b>1,190,562</b>

Non - controlling interests	(4,616)	8,540	20,076	-	-	-
<b>Total Shareholders' Equity</b>	<b>3,954,122</b>	<b>3,780,085</b>	<b>3,808,349</b>	<b>4,408,681</b>	<b>4,120,037</b>	<b>4,068,935</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>6,543,401</b>	<b>6,213,438</b>	<b>5,885,035</b>	<b>6,095,980</b>	<b>5,654,157</b>	<b>5,259,497</b>

**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)

	งบการเงินรวม			งบการเงินเฉพาะกิจการ		
	2564	2563	2562	2564	2563	2562
<b>REVENUES</b>						
Revenues from sales	1,661,989	1,595,561	2,034,440	1,564,413	1,283,756	1,874,934
Other income	13,726	20,363	28,366	28,426	33,909	41,493
Gain on disposal assets						
Dividend income	2,435	15,571	23,357	2,435	15,571	23,357
Profit from the sale of warrants to purchase ordinary shares	60,929	235	5,907	60,929	235	5,907
Share of profit from investments in associated company and joint venture	20,936	29,034	(24,658)	-	-	-
<b>Total Revenues</b>	<b>1,760,015</b>	<b>1,660,764</b>	<b>2,067,412</b>	<b>1,656,203</b>	<b>1,333,471</b>	<b>1,945,691</b>
<b>EXPENSE</b>						
Costs of Sales	1,603,533	1,563,315	2,004,252	1,465,590	1,252,095	1,802,668
Selling expenses	31,342	27,836	42,330	29,509	24,456	41,828
Administrative expenses	167,581	174,246	239,565	120,909	120,784	203,422
Other results (profits) losses	(5,599)	-		(5,599)		
<b>Total Expenses</b>	<b>1,796,857</b>	<b>1,765,397</b>	<b>2,286,147</b>	<b>1,610,409</b>	<b>1,397,335</b>	<b>2,047,918</b>
<b>Profit before Finance costs and income tax</b>	<b>(36,842)</b>	<b>(104,633)</b>	<b>(218,735)</b>	<b>45,794</b>	<b>(63,864)</b>	<b>(102,227)</b>
Finance costs	66,421	68,297	69,469	36,848	36,140	40,363
Income tax benefit (expense)	3,444	(16,600)	(3,246)	3,444	(15,240)	(2,982)
<b>Profit (loss) for the year</b>	<b>(106,707)</b>	<b>(156,330)</b>	<b>(284,958)</b>	<b>5,502</b>	<b>(84,764)</b>	<b>(139,608)</b>
<b>Other comprehensive income</b>						
Exchange differences on translating financial statement	(2,438)	(4,968)	(13,670)	-	-	-
Gains (Losses) on investment in equity designated at fair value through other comprehensive income	353,776	171,283	(669,562)	353,776	171,283	(669,562)
Gains (Losses) on re-measurements of defined benefit plans	(582)	26,563	(4,230)	(623)	27,473	(4,230)
Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss	(70,010)	(39,830)	134,758	(70,010)	(39,774)	134,758
<b>Other comprehensive income (expense) for the year, net</b>	<b>280,746</b>	<b>153,048</b>	<b>(552,704)</b>	<b>283,143</b>	<b>158,982</b>	<b>(539,034)</b>

## of tax

<b>Total comprehensive income (expense) for the year</b>	<b>174,039</b>	<b>(3,282)</b>	<b>(837,662)</b>	<b>288,645</b>	<b>74,217</b>	<b>(678,641)</b>
<b>Profit (loss) attributable to</b>						
Owners of the parent	(93,442)	(144,751)	(272,906)	5,502	(84,764)	(139,608)
Non-controlling interests	(13,265)	(11,579)	(12,052)	-	-	-
	(106,707)	(156,330)	(284,958)	(5,502)	(84,764)	(139,608)
<b>Total comprehensive income (expense) attributable to</b>						
Owners of the parent	187,194	8,255	(825,610)	288,645	74,217	(678,641)
Non-controlling interests	(13,155)	(11,536)	(12,052)	-	-	-
	<b>174,039</b>	<b>(3,282)</b>	<b>(837,662)</b>	<b>288,645</b>	<b>74,217</b>	<b>(678,641)</b>
<b>Basic earnings (loss) per share</b>						
Profit attributable to owners of the parent (Baht)	<b>(0.01731)</b>	<b>(0.02682)</b>	<b>(0.05056)</b>	<b>0.00102</b>	<b>(0.01570)</b>	<b>(0.02586)</b>



**GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEARS ENDED 31 DECEMBER 2021**

	Baht										
	Consolidated financial statements:										
	Equity attributable to owners of the parent							Non - controlling	Total		
	Ordinary shares, issued and paid-up	Premium on ordinary shares	Premium on treasury shares	Retained earnings (deficits)		Other components of shareholders' equity		Total	Total equity attributable to owners of the parent	interests	Shareholders' equity
				Appropriated legal reserve	Unappropriated	Gains (losses) on investment in equity designated at fair value through other comprehensive income	Exchange differences on translating financial statements				
Note											
Beginning balance as at January 1, 2020	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
Loss for the year	-	-	-	-	(144,750,539)	-	-	-	(144,750,539)	(11,579,287)	(156,329,826)
Other comprehensive income (expense)											
for the year - net of tax	-	-	-	-	20,946,923	137,026,559	(4,968,254)	132,058,305	153,005,228	43,066	153,048,294
Ending balance as at December 31, 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
Loss for the year	-	-	-	-	(93,441,839)	-	-	-	(93,441,839)	(13,265,696)	(106,707,535)
Other comprehensive income (expense)											
for the year - net of tax	-	-	-	-	3,031,807	280,040,924	(2,437,588)	277,603,336	280,635,143	110,363	280,745,506
Ending balance as at December 31, 2021	4,588,195,611	71,131,343	49,179,549	13,600,000	(561,610,675)	(176,448,390)	(25,308,709)	(201,757,099)	3,958,738,729	(4,615,826)	3,954,122,903

**ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEARS ENDED 31 DECEMBER 2021**

	Baht					
	Separate financial statements					
	Ordinary shares, issued and paid-up	Premium on ordinary shares	Premium on treasury shares	Retained earnings (deficits)		Gains (losses) on investment in equity designated at fair value through other comprehensive income
				Appropriated	Unappropriated	
				legal reserve		
Note						Total Shareholders' equity
Beginning balance as at January 1, 2020	4,588,195,611	71,131,343	49,179,549	13,600,000	(82,771,084)	4,045,819,546
Loss for the year	-	-	-	-	(84,764,434)	(84,764,434)
Other comprehensive income (expense) for the year - net of tax	-	-	-	-	21,955,240	158,981,799
Ending balance as at December 31, 2020	4,588,195,611	71,131,343	49,179,549	13,600,000	(145,580,278)	4,120,036,911
Profit for the year	-	-	-	-	5,501,520	5,501,520
Other comprehensive income (expense) for the year - net of tax	-	-	-	-	3,101,294	283,142,218
Ending balance as at December 31, 2021	4,588,195,611	71,131,343	49,179,549	13,600,000	(136,977,464)	4,408,680,649

**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>2021</b>	<b>2020</b>	<b>2019</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Cash flows from operating activities</b>						
Profit before income tax	(106,708)	(156,330)	(284,958)	5,502	(84,764)	(139,608)
Adjusted by						
Depreciation	159,254	138,467	112,456	108,851	90,284	70,953
Unrealized gain on exchange rate	775	128	-	(61)	-	-
Share of gain from investments in associated company and joint venture	(20,936)	(29,034)	24,658	-	-	-
Dividend income	(6,585)	(2,521)	20,523	(4,470)	(11,195)	20,523
Provision (reversal of allowance) for doubtful accounts	(60,929)	-	-	(60,929)	-	-
Gain on disposal of other investment	(5,599)	-	-	(5,599)	-	-
Allowance (reversal of allowance) for defective inventories	(5,693)	(25,728)	21,572	(7,151)	(17,497)	12,730
Gain on disposal of investment in associated company		-	-	(2,080)	(5,359)	22,245
Loss on write-off fixed assets	1,230	13	6,864	-	2	5,943
Gain on disposal of fixed assets	(635)	(2,137)	(2)	(635)	(2,137)	(2)
Loss on withholding tax written - off	269	-	-		-	-
Provisions for employee benefits obligation	(31)	-	-	-	-	-
Gain from change in other long-term benefits	4,392	4,107	17,467	3,431	3,413	15,674
Interest income	89	(1,440)	-	146	(1,486)	-
Interest expense	(145)	(291)	(171)	(2,501)	(707)	(245)
<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	3,444	(16,600)	(3,247)	3,444	(15,240)	(2,982)

	(Unit : Thousand Baht)					
	Consolidated F/S			Separate F/S		
	2021	2020	2019	2021	2020	2019
Contract assets – current	26,178	(38,641)	(38,726)	72,361	(24,117)	22,237
Inventories						
Other current assets	27,293	15,846	62,441	(18,440)	10,634	79,311
Retention receivables	(215,072)	(15,416)	-	(215,072)	(15,416)	-
Other non - current assets	(20,310)	114,159	147,012	(5,218)	94,354	133,022
<b>Increase (Decrease) in operating liabilities</b>	(2,687)	(1,988)	(1,796)	(4,336)	(1,453)	7,420
Trade and other accounts payable	(18,341)	6,053	(15,250)	(16,916)	11,749	(15,239)
Advances received - general customers	(3,031)	(4,372)	(932)	(1,953)	(4,372)	(932)
Advances received - related companies						
Employee retirement benefits obligation	75,109	152,566	(134,857)	128,281	113,863	(193,939)
Other current liabilities	39,093	113,166	(36,987)	37,051	115,730	(40,198)
Other non - current liabilities	(673)	(2,495)	(1,795)	(673)	(2,495)	(1,795)
<b>Cash provided from (used in) operations</b>	328	1,768	(4,270)	408	1,818	(4,751)
Refunded income tax	-	(59)	-	-	(59)	-
Interest payment	(92,113)	340,588	(25,160)	(24,507)	300,237	(14,864)
Income tax payment	(11,292)	(4,202)	(4,954)	(10,622)	(3,329)	(4,560)
<b>Net cash used in operating activities</b>	<b>(103,405)</b>	<b>336,386</b>	<b>(30,114)</b>	<b>(35,129)</b>	<b>269,340</b>	<b>(19,424)</b>
<b>Cash flows from investing activities</b>						
Decrease (increase) in restricted deposits with banks	(7,360)	(10,000)	-	(7,360)	(10,000)	-
Decrease in fixed deposits	-	-	-	(51,165)	(33,918)	-
Paid for investment in subsidiary company	-	-	-	3,037	9,861	-
Paid for loan to subsidiary	60,929	-	-	60,929	-	-
Receipt from loan to subsidiary	(96)	-	-	(96)	-	-
Proceeds from disposal of other investment	254,231	-	-	254,231	-	-
Purchases of fixed assets	(122,328)	(302,107)	(73,711)	(114,741)	(301,124)	(30,603)
Purchases of software program	(6,519)	--		(6,519)	-	-
Dividend received	-	-	(70)	-	-	(70)
Proceeds from sales of fixed assets	2,435	15,571	23,357	2,435	15,571	23,357
Interest received	1,030	2,944	57	1,030	2,944	57

	(Unit : Thousand Baht)					
	Consolidated F/S			Separate F/S		
	2021	2020	2019	2021	2020	2019
<b>Net cash used in investing activities</b>	145	291	171	2,080	632	245
<b>Cash flows from financing activities</b>	<b>182,467</b>	<b>(293,301)</b>	<b>(50,196)</b>	<b>143,861</b>	<b>(316,034)</b>	<b>(7,014)</b>
Increase (decrease) in short - term loan from financial institution						
Repayments of long - term loans from financial institutions	27,551	9,766	300,790	32,359	15,359	176,585
Transaction costs related to loan	10,122	-	-	10,122	-	-
Proceeds from long - term loans from financial institutions	-	-	-	(56,425)	-	-
Repayments of fixed asset payabl	(55,666)	(100,809)	(180,000)	(55,666)	(83,709)	(111,600)
Proceeds from loans from subsidiary	-	(920)	-	-	(920)	-
Repayments of liabilities under finance lease agreement	22,700	140,200	68,390	22,700	140,200	-
Purchase of treasury shares - common shares	-	-	(64,106)	-	-	-
Increase in non - controlling interests	-	-	-	-	-	(26,311)
<b>Net cash provided from (used in) financing activities</b>	<b>(17,350)</b>	<b>(19,303)</b>	<b>(264)</b>	<b>(15,423)</b>	<b>(17,239)</b>	<b>(264)</b>
Translation adjustments for foreign currency financial statements	(68,455)	(64,859)	(72,738)	(48,521)	(27,568)	(39,781)
<b>Net decrease in cash and cash equivalents</b>	<b>(81,098)</b>	<b>35,925</b>	<b>52,072</b>	<b>(110,854)</b>	<b>26,123</b>	<b>(1,371)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>(43)</b>	<b>(175)</b>	<b>32</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at end of year</b>	<b>(2,036)</b>	<b>7,159</b>	<b>(28,238)</b>	<b>(2,122)</b>	<b>6,997</b>	<b>(27,808)</b>
<b>Supplemental disclosures for cash flows information</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>
Non - cash items :	<b>15,128</b>	<b>17,207</b>	<b>10,223</b>	<b>15,029</b>	<b>17,151</b>	<b>10,154</b>
- Purchase of assets under finance lease agreements						
- Unrealized gain (loss) on available - for -						

	(Unit : Thousand Baht)					
	Consolidated F/S			Separate F/S		
	2021	2020	2019	2021	2020	2019
sales securities						
- Purchased fixed assets which have not been paid yet	350,051	171,283	(669,562)	350,051	171,283	(669,562)
	15,628	-	32,283	15,157	-	-
-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	45,980	-	-	45,321	-	-
-Rent assets during the year	40,421	6,840	-	39,762	5,668	-
-Transferred right-of-use assets to liabilities under lease agreements due to change in estimation	-	34,834	2,554	-	33,134	1,840
- Actuarial gains from employee benefit	-	100,918	-	-	100,918	-
-Increase in loss allowance	(58)	29,188	(4,231)	(797)	28,959	(4,231)
-Increase in right-of-use assets						
-Decrease in investments in associated company	-	22,194	-	-	22,194	-
-Increase in liabilities under lease agreement	-	177,476	-	-	172,310	-
-Increase in estimate decommissioning costs	-	1,882	-	-	-	-
- Increase in deficits	-	175,383	-	-	170,232	-
<b>Cash flows from operating activities</b>	-	3,000	-	-	3,000	-
Profit before income tax	-	24,982	-	-	23,115	-

## Summary of Key Financial Ratios

As of 31 December

	Unit	Consolidated Financial Statement			Separate Financial Staement		
		2021	2020	2019	2021	2020	2019
<b>Liquidity ratio</b>							
Liquidity ratio	time(s)	0.59	0.50	0.69	0.71	0.56	0.76
Quick liquidity ratio	time(s)	0.38	0.30	0.30	0.50	0.34	0.37
Account receivable turnover	time(s)	4.22	3.80	5.10	4.43	3.65	4.80
Average collection period	day(s)	86	96	72	82	100	76
Inventory turnover	time(s)	5.00	4.29	3.88	5.28	3.89	3.96
Average sale period	day(s)	73	85	94	69	94	92
Trade receivable turnover	time(s)	2.44	2.94	3.71	2.87	3.32	4.31
Average payment period	day(s)	150	123	98	127	110	85
Cash cycle	day(s)	10	57	67	24	84	84
<b>Profitability Ratio</b>							
Gross profit margin	%	3.52	2.02	1.48	6.32	2.47	3.85
Operating profit margin	%	(3.48)	(12.66)	(12.95)	2.93	(7.79)	(6.42)
Net profit margin	%	(5.37)	(8.90)	(13.62)	0.33	(6.37)	(7.18)
Return On Equity (ROE)	%	(2.36)	(3.84)	(7.48)	0.12	(2.06)	(3.43)
<b>Efficiency Ratio</b>							
Return on assets	%	(1.43)	(2.34)	(4.84)	0.09	(1.50)	(2.65)
Return on fixed assets	%	(2.25)	(3.50)	(7.26)	0.17	(2.65)	(4.76)
Assets Turnover	time(s)	0.25	0.26	0.35	0.26	0.23	0.36
<b>Leverage Ratio or Financial Ratio</b>							
Debt/Equity Ratio	time(s)	0.65	0.64	0.55	0.38	0.37	0.29
Interest Coverage	time(s)	(0.55)	(1.53)	(3.15)	1.24	(1.77)	(2.53)
<b>Per Share Data</b>							
Book Value	Baht	(0.73)	0.70	0.70	0.82	0.76	0.75
Profit (Loss) per Share	Baht	(0.02)	(0.03)	(0.05)	0.00	(0.02)	(0.03)

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

#### Overview of Business Operations and Significant Changes

Due to the Coronavirus 2019 (COVID-19) epidemic situation, some constructions were halted, which effect to slowdown of production, distribution and installation of the company's products. Because of the Covid-19, the company have prepared the plan for public health proactive within the organization, such as the separation of operational group in factory and construction sites, personnel inspection and precautions for infection improving cleanliness and disinfection measures in working area including procurement and monitoring of vaccinations for all employees etc.

In addition, another important situation is the cost of material (steel) has increased since the second quarter of 2021. It was extremely affects the production cost. The projects of the company would get the lower profit.

However, from the above situation, the management has adjusted the short-term and medium-term strategic plans in accordance with the situation. Both in terms of corporate cost reduction standards, optimal management diversification of the nature and type of projects, reduct the risk of negotiating with customers to request a restructuring of the new offering price to be in line with the increase of raw material prices as well as assessing the financial impact especially on cash flow and debt repayment throughout the system

#### Operating Results

The operating results of the Company and its subsidiaries for the year ended December 31, 2021 is described in the financial statement showing net loss at the amount of Baht 106.71 million, comparing with the same period in 2020, the net loss is decrease by Baht 49.62 million which details are as follows;

Unit: Million Baht	2021	2020	Increase (decrease)
Revenues from sales	1,661.99	1,595.56	66.43
Costs of sales	(1,603.53)	(1,563.32)	40.21
<b>Gross profit</b>	<b>58.46</b>	<b>32.24</b>	<b>26.22</b>
Other income	82.67	36.17	4.65
associated company and joint venture	20.94	29.03	(8.09)
Selling and Administrative expenses	(198.92)	(202.08)	(3.16)
Finance costs	(66.42)	(68.29)	(1.87)
Income tax benefit (expense)	(3.44)	16.60	20.04
<b>Net Profit</b>	<b>(106.71)</b>	<b>(156.33)</b>	<b>(49.62)</b>



## (1) Revenue from sales

In 2021, the Company and its subsidiaries had total revenue from sales at the amount of Baht 1,662 million, which increase from the year 2020 by Baht 66 million or 44% due to revenue from construction project and acknowledge in year and revenue from contractual

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

Type of revenue	2021		2020		2019	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Revenue from sales and services</b>						
Pre-stressed concrete piles	410.16	23.51	589.55	36.13	806.91	38.57
Precast Concrete	495.76	28.42	494.02	30.28	826.61	39.51
Post-Tention	62.43	3.58	139.60	8.56	94.91	4.54
GLASSFIBER REINFORCED CONCRETE	33.32	1.91	26.34	1.61	91.08	4.35
Concrete Product	86.04	4.93	47.81	2.93	88.87	4.25
Special Product (Segmenr, Girder)	275.45	15.79	41.19	2.52	-	-
Steel Product	25.11	1.44	177.72	10.89	119.47	5.71
Other products	273.72	15.69	79.33	4.86	6.58	0.31
<b>Total</b>	<b>1,661.99</b>	<b>95.26</b>	<b>1,595.56</b>	<b>97.78</b>	<b>2,034.44</b>	<b>97.25</b>

## (2) Cost of sales

In 2021, the Company and its subsidiaries had total cost of sales at the amount of Baht 1,604 million, which increase from the year 2020 by Baht 41 million or 2.6% due to the cost of sales varies according to the increase in revenue

## (3) Gross profit

The Company and its subsidiaries' total gross profit were Baht 58 million, which increased from the year 2020 by Baht 26 million due to the Company have more effieciency to contraol cost of production and can, sold the products on stock.

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

In 2021, the Company recognized the profit sharing from Mctric Public Company Limited for Baht 17 million and Wisdom Tree Investment (S) PTE. Limited, which the Company the amount of Baht 4 million, total amount of Baht 21 million, comparing with the same period of previous year, which the Company recognized the profit sharing from

Metric Public Company at the amount of Baht 28 million and loss sharing from Wisdom Tree Investment (S) PTE. Limited. at the amount of Baht 1 million.

(5) Income Tax benefit (expense)

In the year 2021, the Company and its subsidiaries has tax expense Baht 3 million increase from the last year which has a tax revenue Baht 16 million because of Allowance for doubtful accounts and allowance for diminution of inventories

(6) Financial Cost

The Company and its subsidiaries have financial costs from loans and promissory notes from financial institution amounting to Baht 66 million, decrease Baht 2 million or 3% from the same period of last year because of lower interest rates and partial repayment of principal.

(7) Profit from selling the warrants (MILL-W6)

In 2021, the company receive warrant from Millcon steel public company limited (MILL-W6) amount 147.57 million unit and sale MILL-W6 amount 130.60 million unit via stock exchange of Thailand. The company receive the profit Baht 60.93 million

(8) Profit from the valuation of warrant (MILL-W6)

The company receive the profit from MILL-W6 amount Baht 6 million from 17 million unit at 0.33 Baht per unit

### Financial Analysis

(Unit: Thousand Baht)

Items	30 December 2021	31 December 2020	Increase (Decrease)	%
Net Assets	6,543,401	6,213,438	329,963	5.31
Net Liabilities	2,589,278	2,433,353	155,925	6.41
Shareholders' equity	3,954,123	3,780,085	174,038	4.60

### Assets

As at December 31, 2021, the Company had total assets of Baht 6,544 million Baht, increased by Baht 331 million or 5.31% from December 31, 2020 due to

#### 1. Inventories

As of December 31, 2021, the Company and it subsidiaries have inventories of Baht 334 million, increase Baht 26 million compared to the previous year due to the delay to delivery and condition of trading in some project

#### 2. Trade and other current accounts receivables

As of December 31, 2021, the Company and it subsidiaries Trade and other current accounts receivable were Baht 382 million, a decrease of Baht 23 million or 5.68% from the previous year

#### 3. Current contract assets

As of December 31, 2021, the Company has current contract asset amount Baht 230 million increase from last year Baht 215 million

#### 4. Equity investment

As of December 31, 2021, the equity investment increase THB 100 million because

4.1 the market price at 1.21 baht per share as of December 31, 2021 compared to December 31, 2020 at price 0.91 baht per share cause to equity investment increase to THB 350 million

4.2 the company sell equity investment of Millcon Steel PLC amount THB 159.92 million at 1.17-2.19 Baht per share by stock exchange Thailand cause to equity investment decrease to THB 254.23 million

#### 5. Right-of-use assets

As of December 31, 2021, recorded of right-of-use assets at the amount of Baht 80 million by invest in machine amount THB 18 million

#### 6. Deferred income tax assets

Unit : Thousand Baht	Increase (Decrease)	31 December 2021	31 December 2020
Employee benefits obligation	-	6,333	6,333
Allowance for expected credit loss	(894)	9,762	10,656
Allowance for devaluation of inventories	(1,431)	3,083	4,514
Lease assets	-	(12,646)	(12,646)
Lease liabilities	-	13,002	13,002
Provisions from decommissioning	-	630	630
Equity investment	(70,010)	44,112	114,122
Other Current Financial Asset	(1,120)	(1,120)	
<b>รวม</b>	<b>(73,455)</b>	<b>63,156</b>	<b>136,611</b>

#### Liabilities

As at 31 December 2021, the Company and its subsidiaries' liabilities was Baht 2,590 million, increased by Baht 156 million or 6.41% from 31 December 2020.

1. Bank overdrafts and short-term loans from financial institutions was Baht 613 million, increase from last year by Baht 37 million
2. Account payable was Baht 699 million, increased by Baht 85 million from the same period of previous year. The increase come from supplier of raw materials and contractor
3. Contract liabilities was Baht 216 million, increased by Baht 40 million

4. Liabilities under lease agreements within 1 year was Baht 33 million, increased by Baht 16 million due to invest in machine and equipment
5. Long-term loans from financial institutions was Baht 116 million, decrease Baht 27 million from the same period of previous year

### **Shareholders' equity**

As at 31 December 2021, the shareholders' equity of the Company and its subsidiaries were Baht 3,954 million, increase by Baht 175 million compare with 31 December 2020;

1. Recording investment in available-for-sale security (MILL), the value increase from last year by Baht 350 million by prepare with market price at 1.21 baht per share (as at 31 December 2021) compare with 31 december 2020 at 0.91 baht per share
2. Recording profit from the sale of available-for-sale security increase Baht 4 million
3. Recording loss from exchange rate in investment in Wisdom Tree Investment (S) PTE. Limited decreased by Baht 3 million
4. NON-CONTROLLING INTERESTS loss amount Baht 14 million
5. Recording loss of large company amount Baht 93 million

### **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 473 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 obligation for service and lease contract, the company has to pay minimum amount Baht 2.3 million in the future
- The obligation about service and lease contract of customer which not deliver or service amount Baht 4,124 million
- 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 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 Company has commitments to provide a guarantee and advance received in the amount of Baht 2.86 million.

**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 item is not yet due for payment. The debt collection is 30 to 60 days from the billing date. Nevertheless, 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. Moreover, 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, post-tensioned, Bored Pile, Segment&Girder for infrastructure and Soil Cement Column
Register Number	: 0107536001338
Contact numbers	: Tel 02-501-2020, 02-501-1055 Fax 02-501-2468, 02-501-2134
Website	: www.gel.co.th
Registered Share Capital	: 4,588,195,610.65 Baht
Paid up Share Capital	: 4,588,195,610.65 Baht
Paid up ordinary shares	: 5,397,877,189 shares
Par value	: 0.85 Baht
Accounting period	: 1 January - 31 December

#### Share Registrar

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

Name		Number of
1) Mr.Tanawut	Piboonsawat	Certified Public Accountants no. 6699
2) Ms.Rungnapa	Sangchan	Certified Public Accountants no. 10142
3) Ms.Podjarat	Siripipat	Certified Public Accountants no. 9012
4) Ms.Taechinee	Pornpenpob	Certified Public Accountants no. 10769

From Dharmniti Auditing Co., Ltd 178 Dharmniti Building 6-7<sup>th</sup> Floor, Soi Permsap (Prachachuen 20), Prahachuen Road, Bangsue, Bangkok, 10800

## **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, 2021, 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 <sup>1</sup>	Independent Director
8.	Mr. Wuttichai	Sresthabutra	Director
9.	Msr. Wisadja	Kochsena <sup>2</sup>	Director

Note : 1. Resign from independent director on October 7, 2021

2. Elected be a director on November 15, 2021

### **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 2021, 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
  - 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.
- 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 2021, 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 (Resign from the member of risk oversight committee on October 7, 2021)
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.

**d) Nomination & Remuneration Committee**

As of 31 December 2021, the Nomination & Remuneration Committee consisted of 4 directors;

Member of Nomination & Remuneration Committee		Position
1. Mr. Vipoota	Trakulhoon	Chairman of the Nomination & Remuneration Committee (Resign on October 7, 2021)
2. Mr. Sophon	Pholprasit	Chairman of the Nomination & Remuneration Committee (Elected on November 15, 2021)
3. Mr. Thitipong	Tangpoonphonvivat	Member of the Nomination & Remuneration Committee
4. Dr. Vichya	Krea-Ngam	Member of the Nomination & Remuneration Committee

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

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

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

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

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

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

---

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

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

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

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

**2. Remuneration**

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

**3. Others**

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 (Resign on October 7, 2021)
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 2021, the Executive Committee consisted of 3 members;

Member of Executive Committee		Position
1. Mr. Thitipong	Tangpoonphonvivat	Chairman Executive Committee/ Chief Executive Officer
2. Mr. Wuttichai	Sresthabutra	Executive Committee
3. Mrs. Wisadja	Kochsena	Executive Committee (Elected on November 15, 2021)

**Term and Retirement from the Executive Committee**

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

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

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

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

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

- 1) To propose the strategic plan, yearly business plan, cost budget, business targets, and project plans to the Board of Directors for approval
  - 2) To manage the Company's business to achieve the established objectives and targets; to control the business operations in compliance with laws and policies of the Company; and to oversee the Company's business management as determined
  - 3) To perform general business-related matters of the Company; to study, consider, and monitor the Company's business activities, e.g. investment which requires a considerable amount of money, launch of new products, joint-investment, loan offering or guarantee
  - 4) To supervise and monitor the operating performance results and financial status of the Company and its associate companies and report to the Board of Directors for acknowledgement every quarter
  - 5) To seek and assess new investment opportunities
  - 6) To consider and provide suggestions about the Company's dividend policy to the Board of Directors
  - 7) To review transactions relating to investment and disposal of assets, human resources management, general administration, and other business-related transactions of the Company within the scope of authority as assigned by the Board of Directors
  - 8) To supervise and manage the Company's investment budget, and to contemplate the important matters of the Company before raising the matters for consideration in the meeting of the management of each business sector
  - 9) To consider and provide comments on the matters which are not the Company's normal business affairs and shall be approved by the Board of Directors
  - 10) To consider and review the risk management and internal control system of the Company
  - 11) The Executive Committee may authorize an executive or a person to perform any act or all acts as it deems appropriate. Approval of the Executive Committee and/or empowerment shall not involve Connected Transactions or the transactions that may lead to conflict of interests or transactions that any member of the Executive Committee has interest in as stipulated in the Articles of Association of the Company and the notification of the Capital Market Supervisory Board. Approval of any transactions shall be in compliance with the policy and procedures stipulated by the Board of Directors and the regulatory compliance unit.
  - 12) To consider employment of independent advisors or persons to provide opinions or suggestions as necessary
  - 13) To invite management team or related persons of the Company to provide opinions, attend the meeting or give related information
-



- 14) To report important operation results to the Board of Directors on a regular basis, including significant issues that the Board of Directors should be aware of
- 15) To consider, review, and amend the charter of the Executive Committee and propose to the Board of Directors for approval
- 16) To perform any other duties as assigned by the Company's Board of Directors

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

- 1) The Executive Committee shall arrange or call a meeting as it deems appropriate at least once a month and all members shall regularly attend the meeting.
- 2) In each meeting, the presence of not less than one half of the total number of the Executive Committee members is required to constitute a quorum.
- 3) A resolution of the Executive Committee's meeting shall be made by a majority of votes of the members in attendance to form a quorum. Any member of the Executive Committee who has an interest in the matter to be considered shall not be present during the consideration of the matter or abstain from voting in such matter.
- 4) The Chairman of the Executive Committee or the secretary by order of the Chairman of the Executive Committee shall deliver meeting notice via email to the committee members not less than 7 days in advance of the date of meeting. This is except for the case of necessity or urgency, the Chairman of the Executive Committee shall call a meeting without delivery of the notice of meeting in advance. The minutes of the meeting shall be recorded and prepared within 14 days after the date of meeting. Other responsibilities include keeping of the minutes of the meeting and supplementary documentation for the meeting; providing support to the Executive Committee to ensure performance of duties in compliance with laws and regulations; and coordinating with related parties.

#### **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 2021

Name	Position	Number of Securities held			
		As of December 31, 2021	As of December 31, 2020	Increase (Decrease)	Share holding in the Company (%) As of December 31, 2021
1. Professor Dr. Borwornsak Uwanno	Chairman of the Board of Directors	-	-	-	-
Spouse and underage children		-	-	-	-

Name	Position	Number of Securities held			
		As of December 31, 2021	As of December 31, 2020	Increase (Decrease)	Share holding in the Company (%) As of December 31, 2021
2. Mr. Sophon Pholprasit	Vice Chairman of the Board of Directors	-	-	-	-
Spouse and underage children		-	-	-	-
3. Mr. Thitipong Tangpoonphonvivat	Director	942,658,400	917,658,400	0.46	17.46
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 <sup>1</sup>	Independent Director	-	-	-	-
Spouse and underage children		-	-	-	-
8. Mr. Wuttichai Sresthabutra	Director	-	-	-	-
Spouse and underage children		-	-	-	-
9. Mr. Amornsak Torot <sup>2</sup>	Deputy Chief Executive Officer – Production	-	-	-	-
Spouse and underage children		-	-	-	-
10. Mrs. Wisadja Kochsena <sup>3</sup>	Director and VP – Accounting & Finance	-	-	-	-
Spouse and underage children		-	-	-	-
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		-	-	-	-

- Note :
1. Resign from Independent Director on October 7, 2021
  2. Resign from Deputy Chief Executive Officer – Production on December 31, 2021
  3. Elected be a director on November 15, 2021

### **Nomination of Directors and high level Executives**

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

### **Remuneration of Directors and high level Executives**

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

### **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”

### **Supervision of Operations of Subsidiaries and Associated Companies**

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

### **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 2021

	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)	-	5	5	-	3	3	0	8	8
2. Number of accidents (people)	-	3	3	-	1	1	-	4	4

The Company has provided a booth to listen any comments from employees, when they have seen unusual things or things should not, and send that comments directly to the Managing Director. The Company also provided e-mail address [independentdirector@gel.co.th](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 59 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 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

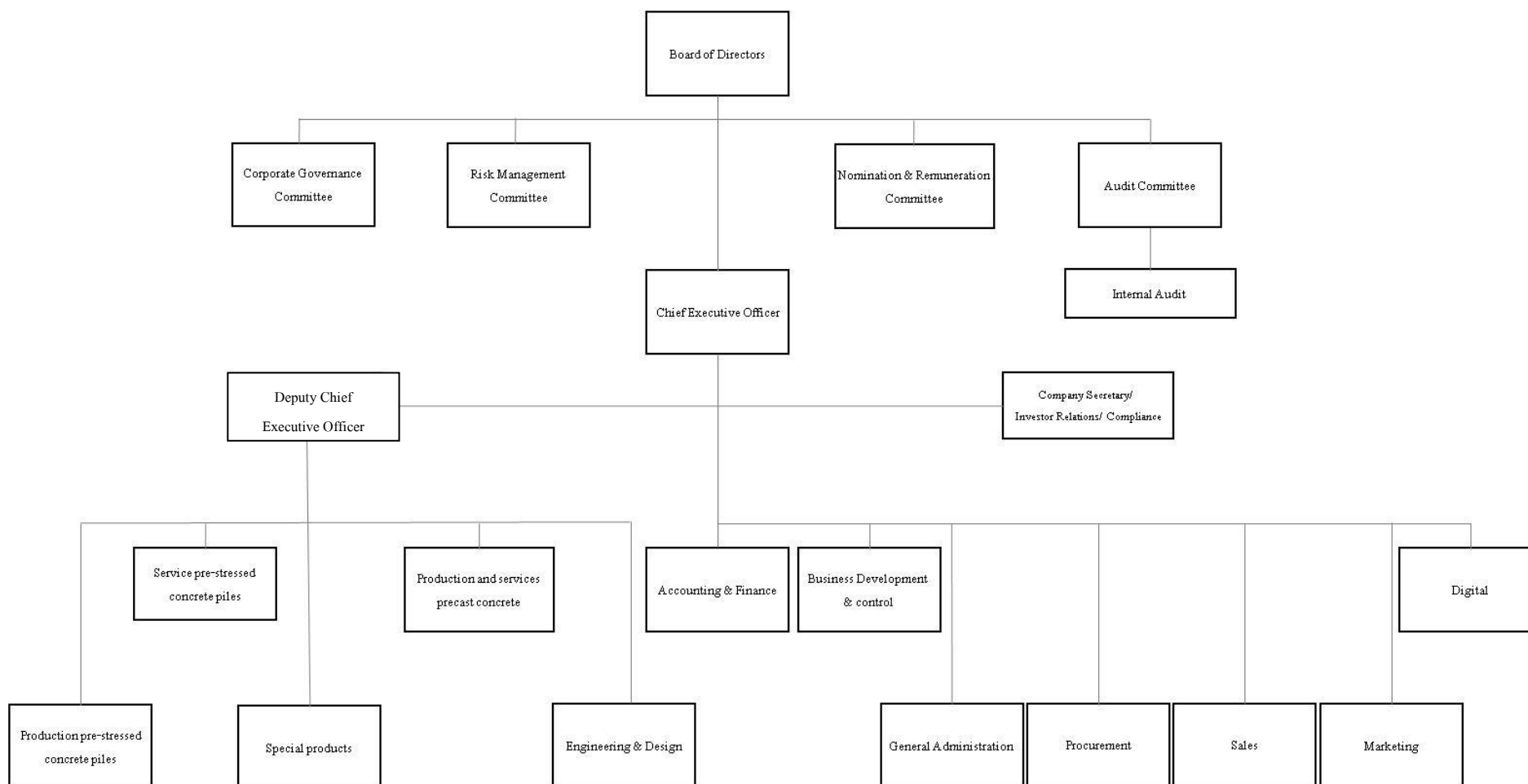
For 2021 board of corporate governance held 4 meetings for monitor the corporate governance progress. The results are summarized as follows:

1. The company has received a CG Score with 4-star rating (decrease from last year) which is Excellent. It received a total of 260 company out of 716 listed companies.
2. The company was assessed for quality of the 2021 Annual General Meeting of Shareholders by the Thai Investors Association with a score of 100 points.
3. The Company provides an opportunity for shareholders to propose agenda and nominate persons to be elected as directors between October 1, 2021 - December 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 2021 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 2021, 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. The company was certified as a member of CAC on December 31, 2021
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.
7. The company has prepared the consent form for collection and disclose the personal information according to the Provisions of the Personal Data Protection Act B.E. 2019 for employees, business partners, customers and related person. It has been announced
8. The company has done for revise the corporate governance policy according to CG code.
9. The company has prepared tax policy and propose to board of director to drive the impartial business

## 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 (Resigned from Board of director on October 7, 2021) |
| 8. | Mr. Wuttichai Sresthabutra      | Director and Company Secretary  |
| 9. | Mrs. Wisadja Kochsena           | Director (Elected to be board of director on November 15, 2021)           |

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 6 March 2022.

### 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, 2021, 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 Karnjanaparakob 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, 2021, the Risk Management Committee comprises 4 members whose names are as follows:

- |    |               |            |                                       |
|----|---------------|------------|---------------------------------------|
| 1. | Mr. Sophon    | Pholprasit | Chairman of Risk Management Committee |
| 2. | Mr. Chainarin | Sairungsri | Risk Management Committee             |
| 3. | Mrs. Wisadja  | Kochsena   | Risk Management Committee             |

Mr. Wuttichai Sresthabutra is a secretary to the Risk Management Committee. (Act on behalf of)

**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. Sophon    | Pholprasit        | Chairman of the Nomination & Remuneration Committee<br>(Elected on November 15, 2021) |
| 2. | Mr. Vipoota   | Trakulhoon        | Chairman of the Nomination & Remuneration Committee<br>(Resign on October 7, 2021)    |
| 3. | Mr. Thitipong | Tangpoonphonvivat | Nomination and Remuneration Committee   |
| 4. | Mr. Vichya    | KreaNgam          | Nomination and Remuneration Committee   |

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

### **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 (Resign on October 7, 2021) |
| 3. | Mr. Wuttichai | Sresthabutra | Corporate Governance Committee                             |
| 4. | Mrs. Wisadja  | Kochsena     | Corporate Governance Committee                             |

Ms. Wanwisa Ruenlapa 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 (Resign on December 31, 2021)
4.	Mrs. Wisadja	Kochsena	Director and VP – Accounting and Finance (Elected on November 15, 2021)
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 2021		Year 2020		Year 2019	
	Number	Amount (Baht)	Number	Amount (Baht)	Number	Amount (Baht)
Salary	8	22,456,320.00	8	22,188,660.00	11	17,952,370.64
Bonus and remuneration	8	-	8	-	11	-
Total	8	22,456,320.00	8	22,188,660.00	11	17,952,370.64

**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 2021		Years 2020		Year 2019	
	Number	Amount (Baht)	Number	Amount (Baht)	Number	Amount (Baht)
Provident Fund	8	307,430.40	8	466,509.95	11	485,093.32
Total	8	307,430.40	8	466,509.95	11	485,093.32

## 7.5 EMPLOYEES INFORMATION

### Number of employees

As of December 31, 2021, the Company has in total 678 employees, who are in the main lines of activities as follows:-

Main Lines of Activities	Number of Employees
Office and support	143
Production	535
<b>Total</b>	<b>678</b>

As of December 31, 2021, 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	33
Production	117
<b>Total</b>	<b>150</b>

**Remuneration for company personnel or employees**

In year 2020 and in year 2021 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 228,949,970.15 in year 2020 and Baht 213,272,434.76 in year 2021 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. The company has paid to provident fund every month the amount is 2 percentage. For Year 2020 the Company had contributed to the fund was amounted by Baht 4.56 million and Year 2021 the Company has contributed to the fund was amounted by Baht 3.25 million.

Company	Provident fund	Number of employees attend	% of employees attend
General Engineering PLC.	Yes	468	69
Seven Wire Co., Ltd.	Yes	35	60
General Nippon Concrete Industries Limited	Yes	49	53

**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****7.6.1 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.

### **7.6.2 Investor Relation**

The company are emphasized in investor relation. The objective of this division is responsibility in company information. It has to disclose the information as possible. If you are interest to invest in the company, you can contact Ms.Wanwisa Ruenrapa, Investor Relation Officer Tel 02-501-2020 # 775 on Monday-Friday 8.00-18.00

### **7.6.3 Compensation of auditor**

#### **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. 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 2021 on May 13, 2021 had the resolution to approve the appointment of

- |                           |  |
|---------------------------|--|
| 1) Mr.Tanawut Piboonsawad | Certified Public Accountant License No. 6699 or  |
| 2) Ms.Runnapa Sangchan    | Certified Public Accountant License No. 10142 or |
| 3) Ms.Pojnarat Siripipat  | Certified Public Accountant License No. 9012 or  |
| 4) Ms.Techinee Pornpenpob | Certified Public Accountant License No. 10769    |

From Dharmniti Auditing Co., Ltd, 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, 2021, the audit fee was determined at Baht 2,400,000 and authorized the Board of Directors to approve if Dharmniti Auditing Co., Ltd 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)	2021	2020	2019
Audit fee	2,400,000	2,600,000	3,450,000
Non-audit fee	200,117	36,211	480,207

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	12
9. Knowledge on products and services	4	16
10. Personal features	6	24
<b>Total</b>	<b>54</b>	<b>216</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 2021 has been concluded and presented to the Board of Directors' Meeting 2/2022 on 28 February 2021. This is to highlight the performance of the Board of Directors, subcommittee and Chief Executive Officer for the year 2021. 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 1 March 2021	Monday 1 March 2021
2	Monday 26 April 2021	Monday 17 May 2021
3	Monday 17 May 2021	Monday 16 August 2021
4	Friday 1828 May 2021	Monday 15 November 2021
5	Friday 28 July 2021	
6	Monday 16 August 2021	
7	Monday 15 November 2021	

#### 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	7/7	1/1
2. Mr. Sophon Pholprasit	7/7	1/1
3. Mr. Thitipong Tangpoonphonvivat	7/7	1/1
4. Mr. Wirach Morakotkarn	7/7	1/1
5. Mrs. Pannee Jarusombat	7/7	1/1

Board of Directors	Number of attending to the Board of Director Meeting	Number of attending to the Annual General of Shareholders Meeting
6. Dr. Vichya Kreangam	7/7	1/1
7. Mr. Vipoota Trakulhoon <sup>1</sup>	7/7	1/1
8. Mr. Wuttichai Sresthabutra	7/7	1/1
9. Mrs. Wisadja Kochsena <sup>2</sup>	1/7	1/1

Note: <sup>1</sup> resign from board of director on October 7, 2021

<sup>2</sup> Elected to be board of director on November 15, 2021

### 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 2021, in which the 2021 Annual General Meeting of Shareholders held on 13 May 2021 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 2021 (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 20201 (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	70,000	-	-	-	30,000	-	700,000
3. Mr. Thitipong Tangpoonphonvivat	Chief Executive officer	-	-	-	-	-	-	-	-
4. Mr.Wirach Morakotkarn	Independent Director	-	70,000	600,000	40,000	-	-	-	710,000
5. Mrs. Pannee Jarusombat	Independent Director and Audit Committee	-	70,000	240,000	40,000	-	-	-	350,000
6. Dr. Vichya Kreangam	Independent Director and Audit Committee	-	70,000	240,000	40,000	30,000	-	20,000	400,000
7. Mr. Vipoota Trakoonhun <sup>1</sup>	Independent Director	240,000	60,000	-	-	20,000	30,000	10,000	360,000
8. Mr. Wuttichai Sresthabutra	Director and Executive Committee/Secretary	-	-	-	-	-	-	-	-
9. Mrs. Wisadja Kochsena <sup>2</sup>	Director	-	-	-	-	-	-	-	-
Total		1,800,000	410,000	1,080,000	120,000	50,000	60,000	30,000	3,550,000

Note: <sup>1</sup> resign from board of director on October 7, 2021<sup>2</sup> Elected to be board of director on November 15, 2021

### 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 reports 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 reports 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).
- On December 22, 2021, the company has received the certificate of CAC certification in Thailand National Conference on Collective Action Against Corruption No.11, 2021

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 6 January 2022 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 2021 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 2021, 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. On December 22, 2021, the company has received the certificate of CAC certification in Thailand National Conference on Collective Action Against Corruption No.11, 2021

### **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 Dharmniti Auditing Co., Ltd, represented by

- |                           |  |
|---------------------------|--|
| 1) Mr.Tanawut Piboonsawad | Certified Public Accountant License No. 6699 or  |
| 2) Ms.Rungnapa Sangchan   | Certified Public Accountant License No. 10142 or |
| 3) Ms.Pojnarat Siripipat  | Certified Public Accountant License No. 9012 or  |
| 4) Ms.Techinee Pornpenpob | Certified Public Accountant License No. 10769    |

as the auditor of the Company for the accounting period ended on 31 December 2021. The audit fee was determined at 2,400,000 baht with the approval of the Company's Board of Directors and the shareholders' meeting.

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

In 2021, 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**

Risk Management Committee	Times of the meeting
1. Mr. Sophon Pholprasit	3/3
2. Mr. Vipoota Trakulhoon <sup>1</sup>	3/3
4. Mr. Chainarin Sairungsri	3/3
5. Mrs. Wisadja Kochsena	3/3

Note : <sup>1</sup> resign from risk management committee on October 7, 2021

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

For the year 2021, the Risk Management Committee held 3 meetings, summarizing the results of the 2021 risk assessment as follows:

There were 41 risks, 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 <sup>1</sup>	2/2

Nomination and Remuneration Committee	Times of the meeting
2. Mr. Sophon Pholprasit <sup>2</sup>	1/2
3. Mr. Thitipong Tangpoonphonvivat	2/2

Note : <sup>1</sup> resign from nomination and remuneration committee on October 7, 2021

<sup>2</sup>Elected to be nomination and remuneration committee on November 15, 2021

#### 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 October 1, 2021 - December 31, 2021, where no shareholder proposed agenda.

In the year 2021, the Nomination and Remuneration Committee held a meeting in total 2 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 <sup>1</sup>	4/4
3. Mr. Wuttichai Sresthabutra	4/4
4. Mrs. Wisaja Kochsena	4/4

Note : <sup>1</sup> resign from nomination and remuneration committee on October 7, 2021

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

In year 2021, the corporate governance committee held a meeting in total 4 time to consider the agenda for corporate governance, summarizing the results as follows:

1. The Good Corporate Governance Committee has performed for the Company to receive a 4-star CG Score of Excellent (Decrease from last year). There are 260 companies received 4-star CG out of 716 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.

3. The Good Corporate Governance Committee has provided opportunities for shareholders to propose agenda and nominate persons to be elected as directors during October 1, 2021 – December 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 continue from 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. The company receive the certificate to be a CAC member on December 22, 2021

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.

7. The company has prepared the consent form for collection and disclose the personal information according to the Provisions of the Personal Data Protection Act B.E. 2019 for employees, business partners, customers and related person. It has been announced

8. The company has done for revise the corporate governance policy according to CG code.

9. The company has prepared tax policy and propose to board of director to drive the impartial business

## 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. 1/2022 on 6 January 2022, 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, Dharmniti Auditing Co., Ltd which is the Company's auditor for the year 2021 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. 1/2021 on 1 March 2021, 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 2021.

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 2019 – 2021 as follows.**

■ Items related to the subsidiary companies

Related person	Relationship	Type	Consolidated (Thousand Bath)			Separate (Thousand Bath)			Nature of transaction	Pricing policy
			2021	2020	2019	2021	2020	2019		
Metric Public Company Limited	Associated, holds 32.65 percent.	Revenue from sales	2,293	7,515	2,853	95	1,006	2,853	Revenue from sale of steel and ready-mix Cement.	Market Price
		Trade accounts receivables	-	3,036	1,870	-	2,946	1,870	Trade accounts receivables.	Contract price
		Other purchase –construction	-	-	401	-	-	-	Construction plant	
		Purchase machine	-	-	428	-	-	-	Purchase machine	
		Construction payable	8,222	20,643	28,992	-	-	-	Payables for plant construction	
		Other payable	7,989	13,689	12,380	-	5,700	4,391	Guarantee the construction of the plant	
		Other receivables	267	1,325	1,325	-	-	-	Electricity and others from construction	
		Retention	-	2	2	-	2	2	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	-	-	-	9,175	7,391	10,469	Revenue from sale of steel and concrete pile	Market Price
		Purchase of raw material	-	-	-	-	-	-	Purchase of steel	Market Price
		Interest income	-	-	-	56,046	81,985	135,336	Loan	MLR -0.1 percent p.a.
		Interest expense	-	-	-	-	-	141	Loan	MLR -0.1 percent p.a.
		Account payable	-	-	-	6,148	8,564	10,571	Purchase of steel	
		Other receivables	-	-	-	12,743	7,141	4,161	Land rental, management fee	
		Loans and accrued interest expense	-	-	-	2,150	9,553	5,705	Loans and accrued interest	
				-	-	116,123	182,005	176,307	Construction	

Related person	Relationship	Type	Consolidated (Thousand Bath)			Separate (Thousand Bath)			Nature of transaction	Pricing policy
			2021	2020	2019	2021	2020	2019		
		Trade Accounts receivable	-	-	-	24,219	22,831	20,493		
General Engineering Mauritius Company Limited	Subsidiaries, holds 100 per cent.	Other receivables	-	-	-	2,922	2,545	2,033	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	-	-	-	506	1,898	1,015	Sale of pre-stressed pile products and	Market Price
		Other service	-	-	-	1,342	(99)	45,883	management fee	Negotiated price
		Trade Accounts receivable	-	-	-	2	-	-	Sales of spun pile and services	MLR -0.1 percent p.a.
		Other receivables	-	-	-	394	3,038	3,727	Sales of special cement	MLR -0.1 percent p.a.
		Interest income	-	-	-	2,465	670	3	Management fee	
		Interest expenses	-	-	-	-	-	-	Loan	
		Trade account payable	-	-	-	164	-	2,893	Loan	
		Other account payable	-	-	-	-	-	2,167	Purchase of spun piles	
		Loans and accrued interest income	-	-	-	72,682	-	-	Retention	
Millcon Steel Public Company Limited	Invested company	Purchase of raw materials	77,715	115,884	28,967	77,018	19,214	10,823	Purchase of Steel	market price
		Trade accounts payables	51,722	50,333	14,826	18,673	13,617	-	Purchase steel	market price
Suntech Metals Company Limited	Invested company's subsidiary	Purchase of raw materials	-	-	1,821	-	-	1,821	Purchase of Steel	market price
		Trade accounts payables	-	-	-	-	-	-	Purchase of Steel	
Millcon Steel Pipe Company Limited	Invested company's subsidiary	Purchase of raw materials		165	3,621		165	3,621	Purchase of steel	market price
		Trade accounts payable		-	1,330		-	1,330	Purchase of steel	

## INTERNAL CONTROL AND RELATED TRANSACTION

Related person	Relationship	Type	Consolidated (Thousand Bath)			Separate (Thousand Bath)			Nature of transaction	Pricing policy
			2021	2020	2019	2021	2020	2019		
		es								
Millcon Thiha Company Limited	Invested company's subsidiary	Revenue from sale and services	-	-	199	-	-	199	Sales of special cement products	market price
		and other	-	-	-	-	-	-		
		Trade accounts receivable	-	63	-	-	63	-	Sales of special cement products	
		Retention receivables		-	-	-	-	-	Retention receivables	
Complete Transport Company Limited	Invested company's associate	Transportation		-	-		-	10,823	Transportation	market price
		Trade accounts payables		-	-		-	-	Transportation	
IBCI – Metric Joint Venture	Associate's joint venture	Revenue from sale and services		-	-		-	1,821	The sale of Cement products and steel	market price
		and other		-	-		-	-	products	
		Trade Accounts receivable							Trade Accounts receivable	

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

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

**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.

## **INDEPENDENT AUDITOR'S REPORT**

To The Shareholders and Board of Directors of  
GENERAL ENGINEERING PUBLIC COMPANY LIMITED

### **Qualified Opinion**

I have audited the consolidated financial statements of General Engineering Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and I have audited the separate financial statements of General Engineering Public Company Limited (the Company), which comprise the statement of financial position as at December 31, 2021, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of 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 effects of the matter described in the basic for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of General Engineering Solutions Public Company Limited and its subsidiaries as at December 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended and the separate financial position of General Engineering Solutions Public Company Limited as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### **Basis for Qualified Opinion**

Investment of the group in Mctric Public Company Limited, an associated company in the country and Wisdom Tree Investment (S) PTE Limited, a foreign joint venture, is accounted for by the equity method and presented in the consolidated statement of financial position as at December 31, 2021 in the amount of Baht 310.57 and share of profit (loss) attributable to company for profit (loss) of Mctric Public Company Limited and Wisdom Tree Investment (S) PTE. Limited included in profit (loss) of the Group for the year ended by the same amount Baht 20.94 I was unable to obtain sufficient appropriate audit evidence about the carrying amount of investment in Mctric Public Company Limited and Wisdom Tree Investment (S) PTE Limited as at December 31, 2021 and share of profit (loss) of the Mctric Public Company Limited and Wisdom Tree Investment (S) PTE Limited in profit (loss) of Mctric Public Company Limited and Wisdom Tree Investment (S) PTE Limited for the year due to the following situation:

\*\*\*\*\*/2

- In the case of investment in the associate, Mctric Public Company Limited, I was unable to assess the effect that may arise (if any) from the recovery amount of the loan and accrued interest from an associated company Baht 138.49 million (net from the allowance for impairment loss Baht 159.35 million). The pay back depends on the debt collection with the associated company that is not yet concluded.

- In case of investment in joint venture, Wisdom Tree Investment (S) PTE Limited, I was denied access to the financial information, the management and auditor of Wisdom Tree Investment (S) PTE Limited (joint venture in Singapore) and Milcon Thida GEL Limited (subsidiary of the joint venture in Myanmar). Therefore, I was unable to determine whether any adjustments to those amounts were necessary.

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

### **Key Audit Matters**

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

- **Revenue recognition**

The Group and the Company had revenues from sales and services for the year ended December 31, 2021 in the amount of Baht 1,661.99 million and Baht 1,564.41 million. The Group and the Company entered into agreements with many customers and the conditions specified in the agreement are different in the scope of work, method and period of delivery in each agreement, which affects the measurement and timing of revenue recognition. However, the revenue from sales and services of the Group and the Company of such amount includes revenue from providing services by means of measuring progress towards complete satisfaction of a performance obligation at the significant amount at 34.12 percent and 36.25 percent of revenue from sales and services of the Group and the Company, respectively. The Group and the Company recognises such revenue by the measuring progress towards complete satisfaction of a performance obligation. The management has to estimate the progress of performance obligation against such services. Such process, the management has to exercise significant judgment in preparing and reviewing the cost estimates of the project and set the progress of performance obligation throughout the service period. This causes the risk related to the measurement and timing of revenue recognition.



Therefore, I identified the revenue recognition from sales and services as significant risk that requires special attention in the audit. The Group and the Company had disclosed the accounting policy and amount related to revenue recognition in Notes 4.1 and 33, respectively.

I understood the internal control system of revenue cycle and related accounting transactions, tested the design and effectiveness of the internal control with respect to revenue recognition and related accounting transactions especially the control of measurement and timing of revenue recognition from sales and services, preparation and review of project cost estimate and defining the progress of performance obligation. I had sampling revenue to test the details with the agreements or related documents to check the accuracy of revenue recognition in accordance with the conditions of the agreement, preparation and review of project cost estimate and defining the progress of performance obligation as at the end of the accounting period end from related documents, checking the progress of performance obligation by the obligation through work survey, inquire management of the project and letter certifying the progress of performance obligation from the project management, review of the reasonableness that supports the difference between progress of performance obligation set from the cost that arises and progress of performance obligation assessed by the project management, including verifying the revenue cut-off on sales and services during before and after the period end, analysis and consideration of the adequacy and appropriateness of the information disclosure in the financial statements and notes.

- Impairment of investment in the associate and joint venture

The Company had investment in associate and joint venture Baht 329.43 million or 5.40 percent of the total assets as at December 31, 2021, which are investments that indicate impairment. The Group and the Company have to test for impairment of investment in accordance with the Thai Financial Reporting Standards. The impairment test is significant to the audit because such amount is significant to the financial statements. In addition, the process of impairment testing by the management is complex and requires using considerable judgment as well as relying on assumptions, especially the estimates of future cash flows to be received and paid that are expected to generate from the continuing operation of the cash generating unit, and the use of appropriate discount rate in order to discount future cash flow which can change according to the economic conditions and market conditions in the future.

Therefore, I identified that the impairment of investment in the associate and joint venture is a significant risk that requires special attention in the audit. The group and company had disclosed the significant accounting policies, amounts and assumptions used in testing the impairment in Notes 4.5, 4.11 and 16, respectively.

In my audit approach, I have considered the reasonableness of the assumptions and methods used by the management in calculating the estimates of future cash flows to be received and paid that are expected to be generated by auditing the supporting evidence which presents the best estimate of the management, especially on the revenue forecast and gross profit and profit from operation of the business segments of the Company, the use of appropriate discount rate to discount future cash flow, as well as testing the calculation of the recovery amount. In addition, I have paid attention on the adequacy of the information disclosure relating to the assumptions which are most sensitive that may affect the testing result of impairment and has significant effect on the measurement of recovery amount of investment in the associate and joint venture.

#### **Other Matter**

The consolidated statement of financial position of General Engineering Public Company Limited and its subsidiaries and the separate statement of financial position of General Engineering Public Company Limited as at December 31, 2020, presented as comparative information, were audited by another auditor, who issued his audit report dated March 1, 2021 expressed an qualified opinion since he was unable to obtain sufficient appropriate audit evidence regarding to carrying amount of investment in associate and joint venture and share of profit (loss) of associate and joint venture under the equity method in the consolidated financial statements.

#### **Other Information**

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the 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 financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance in order for those charged with governance to correct the misstatement.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

My objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 financial statements 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 financial statements 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 and the Company'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 and the Company'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 financial statements 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 and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and separate financial statements, including the disclosures, and whether the consolidated financial statements 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 we 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 financial statements 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.

The engagement partner responsible for the audit resulting in this independent auditor's report is Mr. Thanawut Piboonsawat.

(Mr. Thanawut Piboonsawat)

Certified Public Accountant

Registration No. 6699

Dharmniti Auditing Company Limited

Bangkok, Thailand

February 28, 2022

**GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION**

**AS AT DECEMBER 31, 2021**

		<b>ASSETS</b>			
		Baht			
		Consolidated financial statements		Separate financial statements	
Note		2021	2020	2021	2020
<b>Current assets</b>					
Cash and cash equivalents	8	15,127,754	17,207,488	15,028,961	17,151,157
Restricted deposits with financial institutions	13	-	10,000,000	-	10,000,000
Trade and other current receivables	6, 4, 9	381,928,783	405,259,597	362,909,726	342,621,809
Current contract assets	10	230,487,918	15,416,049	230,487,918	15,416,049
Current retention receivables	11	23,698,783	19,439,255	23,067,769	18,068,394
Short-term loan and interest receivable to subsidiary	6	-	-	72,681,827	24,131,975
Inventories	12	333,650,811	307,647,035	283,764,273	271,396,252
Other current financial asset	7	5,598,846	-	5,598,846	-
Other current assets		12,491,985	11,035,569	8,688,556	4,351,753
Total current assets		1,002,984,880	786,004,993	1,002,227,876	703,137,389
<b>Non-current assets</b>					
Restricted deposits with financial institutions	13	17,360,000	-	17,360,000	-
Investment in equity	14	808,129,755	708,489,598	808,129,755	708,489,598
Investments in subsidiaries	15	-	-	445,337,168	445,337,168
Investments in associate and joint venture	16	310,567,186	292,638,804	329,443,740	327,363,740
Non-current retention receivables	11	76,603,251	59,900,121	74,439,634	59,900,121
Investment property	17	996,626,500	996,626,500	1,289,346,500	1,289,346,500
Property, plant and equipment	18	3,133,447,524	3,129,369,557	1,939,447,584	1,887,912,966
Right-of-use assets	19	80,836,507	63,227,686	78,232,464	58,851,548
Intangible assets	20	17,581,343	19,477,155	17,544,631	19,428,133
Current income tax assets		11,292,365	4,221,870	10,621,552	3,348,921
Refundable withholding tax		14,317,842	10,364,645	13,050,259	9,701,338
Deferred tax assets	21	63,156,637	136,610,765	61,379,061	134,833,188
Other non-current assets		10,496,739	6,506,542	9,419,640	6,506,542
Total non-current assets		5,540,415,649	5,427,433,243	5,093,751,988	4,951,019,763
<b>TOTAL ASSETS</b>		<b>6,543,400,529</b>	<b>6,213,438,236</b>	<b>6,095,979,864</b>	<b>5,654,157,152</b>

Notes to the financial statements form an integral part of these financial statements.

**GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION (CONT.)**

**AS AT DECEMBER 31, 2021**

**LIABILITIES AND SHAREHOLDERS' EQUITY**

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	22	631,420,034	603,107,702	427,737,994	395,440,000
Trade and other current payables	6, 23	698,702,197	614,970,181	582,625,181	439,129,782
Current contract liabilities	24	215,964,854	176,872,071	213,276,336	176,225,280
Current portion of long-term loans					
from financial institutions	26	115,694,936	142,572,083	25,358,390	52,296,632
Current portion of lease liabilities	27	33,038,533	17,076,209	31,846,951	15,210,522
Short-term loans from other person	25	10,122,028	-	10,122,028	-
Short-term loan and interest payable					
from subsidiary	6	-	-	116,122,942	182,005,425
Current provisions for employee benefit	28	4,858,475	615,200	4,858,475	615,200
Other current liabilities		3,945,240	3,617,419	3,903,379	3,495,375
Total current liabilities		1,713,746,297	1,558,830,865	1,415,851,676	1,264,418,216
Non-current liabilities					
Long-term loans from financial institutions	26	786,650,674	792,394,086	188,822,065	194,635,025
Lease liabilities	27	54,516,656	47,932,579	52,939,973	45,237,320
Non-current provisions for employee benefit	28	31,050,541	31,046,829	26,372,043	26,680,735
Provision for decommissioning costs		3,313,458	3,148,945	3,313,458	3,148,945
Total non-current liabilities		875,531,329	874,522,439	271,447,539	269,702,025
TOTAL LIABILITIES		2,589,277,626	2,433,353,304	1,687,299,215	1,534,120,241

Notes to the financial statements form an integral part of these financial statements.

**GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION (CONT.)**

**AS AT DECEMBER 31, 2021**

**LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)**

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Shareholders' equity					
Share capital					
Authorized share capital					
5,397,877,189 ordinary shares of Baht 0.85 each		4,588,195,611	4,588,195,611	4,588,195,611	4,588,195,611
Issued and paid-up share capital					
5,397,877,189 ordinary shares of Baht 0.85 each		4,588,195,611	4,588,195,611	4,588,195,611	4,588,195,611
Premium on ordinary shares		71,131,343	71,131,343	71,131,343	71,131,343
Premium on treasury shares		49,179,549	49,179,549	49,179,549	49,179,549
Retained earnings (deficits)					
Appropriated					
Legal reserve		13,600,000	13,600,000	13,600,000	13,600,000
Unappropriated		(561,610,675)	(471,200,643)	(136,977,464)	(145,580,278)
Other components of shareholders' equity		(201,757,099)	(479,360,435)	(176,448,390)	(456,489,314)
TOTAL EQUITY ATTRIBUTABLE TO OWNERS					
OF THE PARENT		3,958,738,729	3,771,545,425	4,408,680,649	4,120,036,911
NON-CONTROLLING INTERESTS		(4,615,826)	8,539,507	-	-
TOTAL SHAREHOLDERS' EQUITY		3,954,122,903	3,780,084,932	4,408,680,649	4,120,036,911
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		6,543,400,529	6,213,438,236	6,095,979,864	5,654,157,152

Notes to the financial statements form an integral part of these financial statements.



**GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENTS OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Revenues					
Revenues from sales and services		1,661,988,632	1,595,560,715	1,564,412,683	1,283,755,753
Gain from sale of warrants	14	60,928,747	235,322	60,928,747	235,322
Dividend income	14	2,434,872	15,571,200	2,434,872	15,571,200
Other incomes	6, 31	13,726,168	20,363,490	28,425,664	33,909,478
Total revenues		1,739,078,419	1,631,730,727	1,656,201,966	1,333,471,753
Expenses					
Costs of sales and services	6	1,603,533,209	1,563,315,431	1,465,589,928	1,252,095,262
Distribution costs		31,341,621	27,835,680	29,508,597	24,456,180
Administrative expenses		167,580,942	174,246,323	120,908,857	120,784,048
Other (gains) losses	14	(5,598,846)	-	(5,598,846)	-
Total expenses		1,796,856,926	1,765,397,434	1,610,408,536	1,397,335,490
Profit (loss) from operating activities		(57,778,507)	(133,666,707)	45,793,430	(63,863,737)
Finance costs	6	66,421,086	68,296,525	36,848,014	36,140,548
Share of profit (loss) of associate and joint venture		20,935,954	29,033,765	-	-
Profit (loss) before income tax expense		(103,263,639)	(172,929,467)	8,945,416	(100,004,285)
Tax expense (income)	32	3,443,896	(16,599,641)	3,443,896	(15,239,851)
Profit (loss) for the year		(106,707,535)	(156,329,826)	5,501,520	(84,764,434)
Other comprehensive income					
Components of other comprehensive income that will be reclassified to profit or loss:					
Exchange differences on translating financial statements		(2,437,588)	(4,968,254)	-	-
Total components of other comprehensive income that will be reclassified to profit or loss		(2,437,588)	(4,968,254)	-	-
Components of other comprehensive income that will not be reclassified to profit or loss :					
Gains (losses) on investment in equity designated at fair value through other comprehensive income	14	353,775,571	171,283,199	353,775,571	171,283,199
Gains (losses) on re-measurements of defined benefit plans	28	(582,246)	26,562,907	(623,122)	27,473,075
Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss	32	(70,010,231)	(39,829,558)	(70,010,231)	(39,774,475)
Total components of other comprehensive income that will not be reclassified to profit or loss		283,183,094	158,016,548	283,142,218	158,981,799
Other comprehensive income (expense) for the year, net of tax		280,745,506	153,048,294	283,142,218	158,981,799
Total comprehensive income (expense) for the year		174,037,971	(3,281,532)	288,643,738	74,217,365

Notes to the financial statements form an integral part of these financial statements.

**GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENTS OF COMPREHENSIVE INCOME (CONT.)**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Profit (loss) attributable to					
Owners of the parent		(93,441,839)	(144,750,539)	5,501,520	(84,764,434)
Non-controlling interests		(13,265,696)	(11,579,287)	-	-
		<u>(106,707,535)</u>	<u>(156,329,826)</u>	<u>5,501,520</u>	<u>(84,764,434)</u>
Total comprehensive income (expense) attributable to					
Owners of the parent		187,193,304	8,254,689	288,643,738	74,217,365
Non-controlling interests		(13,155,333)	(11,536,221)	-	-
		<u>174,037,971</u>	<u>(3,281,532)</u>	<u>288,643,738</u>	<u>74,217,365</u>
Basic earnings (loss) per share	39				
Profit attributable to owners of the parent (Baht)		<u>(0.01731)</u>	<u>(0.02682)</u>	<u>0.00102</u>	<u>(0.01570)</u>
Weighted average number of ordinary shares (Thousand 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>

Notes to the financial statements form an integral part of these financial statements.

**GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

	Baht										
	Consolidated financial statements										
	Equity attributable to owners of the parent									Non - controlling	Total
	Ordinary shares, issued and paid-up	Premium on ordinary shares	Premium on treasury shares	Retained earnings (deficits)		Other components of shareholders' equity		Total	Total equity	interests	Shareholders'
				Appropriated legal reserve	Unappropriated	Gains (losses) on investment in equity designated at fair value through other comprehensive income	Exchange differences on translating financial statements		attributable to owners of the parent		equity
Note											
Beginning balance as at January 1, 2020	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
Loss for the year	-	-	-	-	(144,750,539)	-	-	-	(144,750,539)	(11,579,287)	(156,329,826)
Other comprehensive income (expense)											
for the year - net of tax	-	-	-	-	20,946,923	137,026,559	(4,968,254)	132,058,305	153,005,228	43,066	153,048,294
Ending balance as at December 31, 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
Loss for the year	-	-	-	-	(93,441,839)	-	-	-	(93,441,839)	(13,265,696)	(106,707,535)
Other comprehensive income (expense)											
for the year - net of tax	-	-	-	-	3,031,807	280,040,924	(2,437,588)	277,603,336	280,635,143	110,363	280,745,506
Ending balance as at December 31, 2021	4,588,195,611	71,131,343	49,179,549	13,600,000	(561,610,675)	(176,448,390)	(25,308,709)	(201,757,099)	3,958,738,729	(4,615,826)	3,954,122,903

Notes to the financial statements form an integral part of these financial statements.

**GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	Baht					
	Separate financial statements					
	Ordinary shares, issued and paid-up	Premium on ordinary shares	Premium on treasury shares	Retained earnings (deficits)		Gains (losses) on investment in equity designated at fair value through other comprehensive income
				Appropriated	Unappropriated	
				legal reserve		
Note						Total Shareholders' equity
Beginning balance as at January 1, 2020	4,588,195,611	71,131,343	49,179,549	13,600,000	(82,771,084)	4,045,819,546
Loss for the year	-	-	-	-	(84,764,434)	(84,764,434)
Other comprehensive income (expense) for the year - net of tax	-	-	-	-	21,955,240	158,981,799
Ending balance as at December 31, 2020	4,588,195,611	71,131,343	49,179,549	13,600,000	(145,580,278)	4,120,036,911
Profit for the year	-	-	-	-	5,501,520	5,501,520
Other comprehensive income (expense) for the year - net of tax	-	-	-	-	3,101,294	283,142,218
Ending balance as at December 31, 2021	4,588,195,611	71,131,343	49,179,549	13,600,000	(136,977,464)	4,408,680,649

Notes to the financial statements form an integral part of these financial statements.

**GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

	Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from operating activities				
Profit (loss) for the year	(106,707,535)	(156,329,826)	5,501,520	(84,764,434)
Reconciliations of profit (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	159,254,066	138,466,793	108,851,259	90,284,147
Actuarial (gains) losses in other long-term employment benefit	89,132	(1,439,949)	146,429	(1,486,183)
Expected credit losses (reversal)	(6,584,702)	(2,521,142)	(4,470,113)	(11,195,105)
Loss on diminution in value of inventories (reversal)	(5,693,331)	(25,728,092)	(7,150,521)	(17,497,140)
Gain from sale of warrants	(60,928,747)	-	(60,928,747)	-
Gain from valuation of warrants	(5,598,846)	-	(5,598,846)	-
Gain on disposal of fixed assets	(635,434)	(2,137,203)	(635,434)	(2,137,203)
Loss from write-off of fixed assets	1,230,169	13,188	-	2,346
Write off withholding tax	268,674	-	-	-
Reversal estimates of right of use assets	(30,997)	-	-	-
Reversal of allowance for impairment of investments in associates and joint venture	-	-	(2,080,000)	(5,359,124)
Share of (profit) loss of associate and joint venture	(20,935,954)	(29,033,765)	-	-
Unrealized loss on exchange rate	775,234	127,526	(60,577)	-
Dividend income	(2,434,873)	(15,571,200)	(2,434,872)	(15,571,200)
Interest income	(145,300)	(290,912)	(2,501,363)	(707,428)
Employee benefit expense	4,391,190	4,106,858	3,431,455	3,413,497
Interest expenses	66,421,086	68,296,525	36,848,014	36,140,548
Tax expense (income)	3,443,896	(16,599,641)	3,443,896	(15,239,851)
Profit (loss) from operating activities before changes in operating assets and liabilities	26,177,728	(38,640,840)	72,362,100	(24,117,130)
(Increase) decrease in operating assets				
Trade and other current receivable	27,293,420	15,846,346	(18,439,899)	10,634,017
Current contract assets	(215,071,869)	(15,416,049)	(215,071,869)	(15,416,049)
Inventories	(20,310,445)	114,158,824	(5,217,500)	94,354,413
Other current assets	(2,686,590)	(1,988,408)	(4,336,805)	(1,452,656)
Retention receivables	(18,340,563)	6,053,115	(16,916,793)	11,749,958
Other non-current assets	(3,030,664)	(4,372,743)	(1,953,565)	(4,372,743)
Increase (decrease) in operating liabilities				
Trade and other current payable	75,108,874	152,566,158	128,281,429	113,862,727
Current contract liabilities	39,092,784	113,166,892	37,051,057	115,730,265
Other current liabilities	327,821	1,768,794	408,004	1,817,683
Provisions for employee benefit	(673,393)	(2,494,652)	(673,393)	(2,494,652)
Other non-current liabilities	-	(59,123)	-	(59,123)

Notes to the financial statements form an integral part of these financial statements.

**GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS (CONT.)**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash received (paid) from operations	(92,112,897)	340,588,314	(24,507,234)	300,236,710
Income tax expense paid	(11,292,365)	(4,202,164)	(10,621,552)	(3,329,216)
Net cash provided by (used in) operating activities	(103,405,262)	336,386,150	(35,128,786)	296,907,494
Cash flows from investing activities				
Cash payment for short-term loan to subsidiary	-	-	(51,165,000)	(33,918,384)
Cash receipts from short-term loan to subsidiary	-	-	3,036,854	9,860,963
Cash receipts from sale of warrants	60,928,747	-	60,928,747	-
(Increase) decrease in restricted deposits with financial institutions	(7,360,000)	(10,000,000)	(7,360,000)	(10,000,000)
Cash payment for purchase of investment in equity	(95,621)	-	(95,621)	-
Cash receipts from disposal of investment in equity	254,231,034	-	254,231,035	-
Cash payments for purchase of equipment	(122,328,417)	(302,106,825)	(114,740,739)	(301,124,166)
Cash receipts from disposal of equipment	1,029,907	2,943,925	1,029,907	2,943,925
Cash payments for purchase of right-of-use assets	(6,518,692)	-	(6,518,692)	-
Dividend received	2,434,872	15,571,200	2,434,872	15,571,200
Interest received	145,300	290,912	2,079,657	632,874
Net cash provided by (used in) investing activities	182,467,130	(293,300,788)	143,861,020	(316,033,588)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	27,550,720	9,766,296	32,358,570	15,359,579
Cash receipts from short-term loan from other person	10,122,028	-	10,122,028	-
Cash payment for short-term loan from subsidiary	-	-	(56,425,338)	-
Cash receipts from long-term loan from financial institutions	22,700,000	140,200,000	22,700,000	140,200,000
Cash payments for repayment of long-term loans from financial institutions	(55,666,000)	(100,809,433)	(55,666,000)	(83,709,433)
Cash payments for lease liabilities	(17,349,535)	(19,303,442)	(15,423,147)	(17,239,054)
Transaction costs related to loan	-	(920,010)	-	(920,010)
Interest expense paid	(68,454,907)	(64,859,023)	(48,520,543)	(27,567,599)
Net cash provided by (used in) financing activities	(81,097,694)	(35,925,612)	(110,854,430)	26,123,483
Net increase (decrease) in cash and cash equivalents	(2,035,826)	7,159,750	(2,122,196)	6,997,389
Cash and cash equivalents - beginning of year	17,207,488	10,223,420	17,151,157	10,153,768
Effects of exchange rate changes on cash and cash equivalents	(43,908)	(175,682)	-	-
Cash and cash equivalents - ending of year	15,127,754	17,207,488	15,028,961	17,151,157

Notes to the financial statements form an integral part of these financial statements.

**GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS (CONT.)**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

	Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Supplemental cash flows informations				
Non-cash items				
- Unrealised gain on investment in equity	350,051,155	171,283,199	350,051,155	171,283,199
- Actuarial loss from employee benefit	(57,523)	29,188,437	(796,551)	28,959,258
- Purchased assets which have not been paid yet	15,627,984	-	15,157,140	-
- 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
- Increase in right-of-use assets	45,979,768	-	45,321,387	-
- Increase in lease liabilities	40,420,609	6,840,097	39,762,228	5,668,202
- Transferred inventories to fix assets	-	34,834,432	-	33,133,632
- 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 lease liabilities	-	175,382,584	-	170,232,076
- Increase in provision for decommissioning costs	-	3,000,000	-	3,000,000
- Increase in deficits	-	24,982,245	-	23,115,504

Notes to the financial statements form an integral part of these financial statements.

**GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO**  
**THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**1. GENERAL INFORMATION**

**1.1 Legal status and address of the Company**

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 November 5, 1993.

The address of its registered office is as follows:

Head office is located at 44/2 Moo2 Tivanont Road, Bangkadi, Muang Pathumthani,  
Pathumthani

Branch offices are located at

(1) 99, 99/1-5 Moo4 Chiang Rak Noi, Samkhok, Pathumthani

(2) 99/9 Moo1 Banlang, Muang Rayong, Rayong

**1.2 Nature of the Company's operations**

The Group's principal activities are manufacturing and selling of construction material, prestressed concrete piles, precast concrete, glass fiber reinforced concrete, cementation products and post-tensioned slab, prestressed spun concrete piles, the special qualified PC wire and PC Strand and providing the construction and installation services for such products.

**1.3 Significant events during the period**

The latest situation of the COVID-19 pandemic affecting construction slowdown resulted in the slowdown of production, distribution and installation of the Company's products at the construction unit.

Such pandemic has caused the Company to be ready and prepare support plans and public health proactive plan within the organization such as separating operation work group in the factory and construction unit, inspection and monitoring infection among personnel, upgrading cleaning and disinfection standards in office area, including arrangement and follow-up on vaccination to employees at all levels, etc.

In addition, another significant event is the unavoidable cost situation of steel materials that has been adjusted upward from the beginning of the second quarter affecting the cost of production of the Company's products as the adjustment of steel material price in this period is a significant adjustment. As a result, most projects under production by the Company had decreasing profit level.



From such situation, the management has adjusted the short-term and mid-term plan to conform with the situation both in respect of continual cost reduction standards, most efficient management and diversification of nature and type of project, customer group, and products to reduce risk, negotiation with customer to adjust the new offering sales price structure to conform with raw material price increase along with assessing the financial impact especially current cash flow and debt settlement in the whole system.

## 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, gain (loss) for the year of the Company's portion in the consolidated financial statements as at December 31, 2021 and 2020 are Baht (93.44) million and Baht (144.75) million respectively, and the separate financial statements are Baht 5.50 million and Baht (84.76) million respectively. The Group also has unappropriated deficits in the consolidated financial statements as at December 31, 2021 and 2020 are Baht 561.61 million and Baht 471.20 million respectively, and the separate financial statements are Baht 136.98 million and Baht 145.38 million respectively. Moreover, current liabilities exceed current assets in the consolidated financial statements at Baht 710.76 million and Baht 772.82 million respectively, and the separate financial statements (net of short-term loan and interest receivable-subsiary) are Baht 297.50 million and Baht 379.27 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. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS

### 3.1 Basis for the preparation of financial statements

The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E. 2547 by complying with the Thai Financial Reporting Standards. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, re : the financial statements presentation for public limited company, issued under the Accounting Act B.E. 2543.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

The financial statements in Thai language are the official statutory financial statement of the Company. The financial statements in English language have been translated from such financial statement in Thai language.

### 3.2 Basis for the preparation of consolidated financial statements

#### 3.2.1 The consolidated financial statements have included the financial statements of General Engineering Public Company Limited and its subsidiaries as follows;

Company's name	Type of business	Country of	Percentage of shareholding (%)	
		Incorporation	2021	2020
Direct shareholding				
Seven Wire Company Limited	Manufacturing of the special qualified PC Wire and PC Strand	Thailand	99.99	99.99
General Nippon Concrete Industries Company Limited	Manufacturing of concrete spun pile	Thailand	82.50	82.50
General Engineering Mauritius Limited	Investment business	Mauritius	99.99	99.99

3.2.2 The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

3.2.3 Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

3.2.4 The financial statements of foreign subsidiary are translated into Thai Baht using the average exchange rate ruling at the statement of financial position date for assets and liabilities or the average exchange rate during the year for income and expenses. Differences arising from such conversions have been shown under the caption of “Exchange Difference on translating financial statements” in shareholders’ equity.

3.2.5 The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

3.2.6 Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.

3.2.7 Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

#### 3.3 Financial reporting standards that became effective in the current period

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after January 1, 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the financial statements in the current year.

3.4 Financial reporting standards that will become effective in the future

The Federation of Accounting Professions has issued several revised financial reporting standards and has been published in the Government Gazette, which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and for some financial reporting standards, providing temporary reliefs or temporary exemptions for users.

The management of the Company and its subsidiaries have assessed that these revised standards will not have any significant impact on the financial statements in the year when they are adopted.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Revenue and expenses recognition

**Sale of goods**

Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns and discounts.

**Revenue from construction and service**

Service revenue from construction and service is recognized over time in accordance with the measuring progress towards complete satisfaction of a performance obligation. The progress of performance obligation is assessed by input method based on the cost incurred to the satisfaction of a performance obligation relative to the total expected cost to the satisfaction of that performance obligation. When the outcome of a service rendering contract cannot be estimated reliably, Revenue from construction and service is recognized only to the extent of contract costs incurred that are likely to be recoverable.

The recognized revenue which is not yet due per the contracts has been presented as “Contract assets” in the statement of financial position, which is classified as trade receivables when the Group has right to receive without condition such as upon completion of services and acceptance by the customer.

The obligation to transfer goods or service to a customer for which the Group have received consideration or an amount of consideration is due from the customer is presented as “Contract liabilities” in the statement of financial position. Deferred income will be recognized as revenue when the Group completely perform the obligation stated in the contract.

For sale with warranties to assure that the goods comply with agree-upon specifications, the Group recognized the warranty as provisions, contingent liabilities and contingent assets.

The service-type warranties provided customers with a service in addition to the assurance that the product complies with agree-upon specifications is recognized as revenue over the period in which the service is provided.

**Sales of goods that are conditional on instullation and inspection**

Sales of goods that are conditional on installation and inspection are recognised as revenue upon the buyer accepting the goods, when installation is complete and the goods is passed inspection.

**Rental income**

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

**Interest income**

Interest income is recognised on an accrual basis based on the effective interest rate.

**Dividends**

Dividends are recognised when the right to receive the dividends is established.

**Other incomes and expenses**

Other incomes and expenses are recognized on the accrual basis.

**4.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

**4.3 Trade and others current receivables**

Trade and others current receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at its present value.

Trade and other current receivables are stated at the amount expected to be collectible, The Company and its subsidiaries apply the TFRS 9 simplified approach to measuring expected credit losses which uses a simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure the expected credit losses, trade receivables have been grouped based on the days past due. The expected loss rates are based on the payment profiles and the corresponding historical credit losses which are adjusted to reflect the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company and its subsidiaries have identified the GDP, the unemployment rate and the consumer price index of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. The impairment losses are recognised in profit or loss within administrative expenses.

#### 4.4 Inventories

Inventories are presented at the lower of cost or net realizable value, cost of inventories is calculated using the first-in first-out method.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The costs of conversion above include an appropriate share of production overheads based on normal production capacity.

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties, transportation charges and other direct costs incurred in acquiring the inventories less all trade discounts, allowances or rebates.

The net realizable value of inventory is estimated from the selling price in the ordinary course of business less the estimated costs to complete production and the estimated costs to complete the sale

#### 4.5 Investments

##### **Investments in subsidiaries, associates and joint venture**

Subsidiaries are those companies in which the Company has the power to control the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights.

Associates are those companies in which the Company has significant influence over the associates, that is the Company has power to participate in determining relating to the financial and operating policies of the enterprise but not up to the level of governing such policies.

Joint venture is these company in which the Company has rights to the net assests of the arrangement.

Investments in subsidiaries, associates and joint venture are stated at cost net from allowance on impairment (if any). Loss on impairment of investment will be recognized as loss in the statement of comprehensive income in the separate financial statements and investments in subsidiaries, associates and joint venture are stated at equity in the consolidated financial statements.

##### **Disposal of investments**

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognised in profit or loss.

If the Company and its subsidiaries dispose of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

#### 4.6 Property, plant and equipment and depreciation

Land is stated at cost, plant and equipment are stated at cost less accumulated depreciation and impairment loss (if any).

Cost is initially recognized upon acquisition of assets along with other direct costs attributing to acquiring such assets in the condition ready to serve the objectives, including the costs of asset demolition, removal and restoration of the asset location, which are the obligations of the company.

Allowance for impairment loss of assets will be made when there is any event or circumstance indicating that the recoverable values of these assets are less than their carrying values.

Expenditure incurred in addition, renewal or betterment are recorded add in involve fixed asset, if it is certainly probable the future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Repair and maintenance costs are recognized as an expense when incurred.

Depreciation is calculated by cost less residual value on the straight-line method over the estimated useful life of the assets (except for some of equipment, calculated by using production unit method) as follows:

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

The Company and its subsidiaries have reviewed the residual value and useful life of the assets every year.

The depreciation for each asset component is calculated on the separate components when each component has significant cost compared to the total cost of that asset.

Depreciation is included in determining income.

No depreciation is provided on construction in progress and equipment under installation.

Property, plant and equipment are written off at disposal. Gains or losses arising from sale or write-off of assets are recognized in the statement of comprehensive income.

#### 4.7 Borrowing costs

Borrowing costs directly attributed to the acquisition or construction of an asset that necessarily takes long time to put in ready to use or available for sale state are capitalized as part of the cost of the respective asset until that asset condition is ready for its intended use. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs arising from such borrowing.

#### 4.8 Leases

At inception of a contract, the Company and its subsidiaries assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company and its subsidiaries assess the lease term for the non-cancellable period as stipulated in lease contract or the remaining period of active leases at the date of initial application (as at January 1, 2020) together with any period covered by an option to extend the lease if it is reasonably certain to be exercised or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercise by considering the effect of changes in technology and/or the other circumstance relating to the extension of the lease term.

##### **Right-of-use assets-as a lessee**

Right-of-use assets are recognized at the commencement date of the lease. Right-of-use assets are stated at cost, less any accumulated depreciation and impairment losses (if any), and adjusted for any remeasurement of lease liabilities (if any). The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

The cost of right-of-use assets also includes an estimate of costs to be incurred by the lessee 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.

Right-of-use assets are calculated by reference to their costs on a straight-line basis over the shorter of the lease term and the estimated useful lives for each of right-of-use assets.

##### **Lease liabilities**

At the commencement date of the lease, lease liabilities are stated at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable (if any) and amount expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and its subsidiaries and payments of penalties for terminating the lease, if the lease term reflects the Company and its subsidiaries exercising the option to terminate.

In calculating the present value of lease payments, the Company and its subsidiaries use its incremental borrowing rate, which is determined by referring to the government bond yield adjusted with risk premium depending on the lease term, at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of the interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

#### **Short-term leases and leases of low-value assets**

The Company and its subsidiaries apply the short-term lease recognition exemption to its short-term leases (those leases that have a lease term of 12 months or less from the commencement date and not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term and leases of low-value assets are recognized as expense in profit and loss on a straight-line basis over the lease term.

#### **4.9 Intangible assets**

Intangible assets that are acquired by the Company and its subsidiaries and have finite useful life are stated at cost less accumulated amortization and allowance on impairment (if any).

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortization is calculated by cost less residual value on the straight-line method over the estimated useful life of the assets as follows:

Computer software	5 - 30 years
-------------------	--------------

The Company and its subsidiaries have reviewed the residual value and useful life of the assets every year.

#### **4.10 Investment property**

Investment property is stated at cost less accumulated depreciation and allowance on impairment (if any).

No depreciation is provided on investment properties in the category of land. Depreciation of investment properties in the category of buildings and building improvements is calculated on the basis of their costs on the straight-line basis over the estimated useful lives of the assets.

Depreciation is included in determining income.

#### **4.11 Impairment of assets**

As at the statement of financial position date, the Company and its subsidiaries assesses whether there is an indication of asset impairment. If any such indication exists, the Company and its subsidiaries will make an estimate of the asset's recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the statement of comprehensive income. In addition, impairment loss is reversed if there is a subsequent increase in the recoverable amount. The reversal shall not exceed the carrying value that would have been determined net of accumulated depreciation or amortization. The recoverable amount of the asset is the asset's value in use or fair value less costs to sell.



#### 4.12 Employee benefits

##### **Short-term employment benefits**

The Company and its subsidiaries recognize salary, wage, bonus and contributions to social security fund and provided fund as expenses 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 benefits (Defined contribution plans)**

The Company and its subsidiaries and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by The Company and its subsidiaries. The fund's assets are held in a separate trust fund and the Company's and its subsidiaries' contributions are recognized as expenses when incurred.

##### **Post-employment benefits (Defined benefit plans)**

The Company and its subsidiaries have obligations in respect of the severance payments that it must pay to the employees upon retirement under the Company's and its subsidiaries's article and the labor law and other employee benefit plans. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is calculated based on the actuarial principles by a qualified independent actuary using the projected unit credit method. Such estimates are made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rate.

Actuarial gains and losses for post-employment benefits of the employees will be recognized immediately in other comprehensive income as a part of retain earing.

#### 4.13 Provisions

A provision is recognized in the statement of financial position when the Company and its subsidiaries have a present legal or constructive obligation as a result of a past event. It is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

#### 4.14 Foreign currency transactions

Transactions in foreign currencies throughout the years are recorded in Baht at prevailing Bank of Thailand rates at the transaction dates. Outstanding monetary assets and liabilities denominated in foreign currencies at the statement of financial position dates are translated into Baht at the prevailing rates at those dates. Gain or loss arising from translation are credited or charged against current operations.

#### 4.15 Income tax

Income tax comprises current income tax and deferred tax.

##### **Current tax**

The Company and its subsidiaries record income tax expense, if any, based on the amount currently payable under the Revenue Code at the income tax rates (20%) of net profit before income tax, after adding back certain expenses which are non-deductible for income tax computation purposes, and less certain transactions which are exemption or allowable from income tax.

##### **Deferred tax**

Deferred tax assets and liabilities are provided on the temporary differences between the carrying amount and the tax bases of assets and liabilities at the end of the reporting period. Changes in deferred tax assets and liabilities are recognized as deferred tax income or deferred tax expense which are recognized in the profit or loss except to the extent that it relates to items recognized directly in shareholders' equity or in other comprehensive income.

The deductible temporary differences are recognized as deferred tax assets when it is probable that the Company and its subsidiaries will have future taxable profit to be available against which the deferred tax assets can be utilized. The taxable temporary differences on all taxable items are recognized as deferred tax liabilities. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that the Company and its subsidiaries expect to apply to the period when the deferred tax assets are realised or the deferred tax liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

At the end of each reporting period, the carrying amount of deferred tax assets are reviewed and reduced the value when it is probable that the Company and its subsidiaries will have no longer the future taxable profit that is sufficient to be available against which all or some parts of deferred tax assets are utilized.

Deferred tax assets and deferred tax liabilities are offset when there is the legal right to settle on a net basis and they relate to income taxes levied by the same tax authority on the same taxable entity.

#### 4.16 Earnings (loss) per share

Basis earnings (loss) per share is determined by dividing profit (loss) for the year by the weighted average number of ordinary shares held by outsiders and outstanding during the year.

#### 4.17 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

#### 4.18 Financial instruments

##### **Classification and measurement of financial assets**

Financial assets are classified, at initial recognition, as to be subsequently measured at amortized cost, fair value through other comprehensive income, or fair value through profit or loss. The classification of financial assets at initial recognition is driven by the Company and its subsidiaries' business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Equity instruments can be classified and cannot be changed by two types of measurement which are measuring fair value through profit or loss or measuring fair value through other comprehensive income that without recycling to profit or loss.

The initial recognition of financial assets that are not measured at fair value through profit or loss with fair value plus or deduct transaction cost directly related to the acquisition or issuance. Financial assets that are measured at fair value through profit or loss, transaction costs are recognized as expense in profit or loss.

Subsequent measurement of debt instruments by 3 methods depend on the classification of debt instruments.

- Financial assets measured at amortized cost when financial assets are held to receive cash flow under the agreement and condition of the agreement of the financial assets that generate cash flow to pay the principal and interest from the principal balance on the specified date only. Such financial assets have to be calculated using the effective rate and are subject to impairment assessment. Profit or loss arising from derecognized, modified or impaired will be recognized in profit or loss.
- Financial assets measured at fair value through other comprehensive income when financial assets are held to receive cash flow under the agreement and to sell financial assets and the agreement condition of financial assets generating cash flow that only pays the principal and interest from the principal balance on the specified date. The change of value of financial assets is recognized through other comprehensive income except loss on impairment and interest income and gain and loss on exchange rate are recognized as profit or loss upon recognized of financial assets. Earning or deficit previously recognized in other comprehensive income has to be reclassified into profit or loss. Such financial asset has to be calculated using the effective interest rate same as financial assets measured at amortized cost.

- Financial assets measured at fair value through profit or loss when financial assets that do not meet the criteria for amortized cost or financial assets measured at fair value through other comprehensive income will be presented in the statement of financial position at fair value by recognizing the net change of fair value in profit or loss.

Subsequent valuation of equity instruments must present equity instruments using the fair value and record profit/loss from change in fair value through profit or loss or other comprehensive income depending on equity instruments classification.

#### **Classification and valuation of financial liabilities**

The Company and its subsidiaries are recognized initially of financial liabilities at fair value net of transaction costs and classified as financial liabilities as financial liabilities subsequently measured at amortized cost using the effective rate. The amortized cost is calculated taking into account fees or costs that are an integral part of the effective rate. Amortization by the effective rate is presented as part of financial costs in profit or loss.

#### **Derivative**

Derivative is recognized at fair value and measured fair value at the end of the reporting period. Profit or loss from fair value remeasurement is recognized in profit or loss immediately unless that derivative is used for hedge.

#### **Derecognition of financial instruments**

Financial assets will be derecognized from the account when the right to receive cash flow of such asset has ended or when the right to receive cash flow of the assets is transferred including upon the transfer of all risk and consideration of that asset or transfer of internal control in that asset although there is no transfer or maintaining of nearly all risk and consideration of such asset.

Financial liabilities will be derecognized from the account when the obligation of such liabilities has been complied, the obligation is cancelled or the obligation has ended. In case existing financial liabilities are changed to new liabilities from one single lender with considerably different requirements or there is a significant amendment in the requirements of existing liabilities, these are considered as recognition old liabilities and recognizing new liabilities by recognizing the difference of such carrying value under profit or loss.

### **Impairment of financial assets**

Expected credit loss for financial assets measured at amortized cost or debt instrument financial asset measured at fair value through other comprehensive income and assets arising from credit facility obligation and financial guarantee agreement are assessed without having to wait for the credit event to occur first. The Company and its subsidiaries use the general approach in considering the allowance for loss on impairment. For trade receivables, the Company and its subsidiaries apply a simplified approach in calculating ECLs. The Company and its subsidiaries recognize a loss based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

### **Offset of financial instruments**

Financial assets and liabilities will be offset and presented at net balance in the statement of financial position in the case legally enforced in offsetting the recognized amount. The Company and its subsidiaries intend to pay the net balance or intends to receive assets and settle payment of liabilities at the same time.

## **5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES**

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect amounts reported in the financial statements and disclosures and actual results could differ from these estimates. Significant judgements and estimates are as follows:

### **Construction and services contract revenue**

The Company and its subsidiaries recognise construction and services income by reference to the progress of performance obligation of the construction contract activity, when the outcome of a construction contract can be estimated reliably. The progress of performance obligation is measured by the cost incurred to the satisfaction of a performance obligation relative to the total expected cost to the satisfaction of that performance obligation and consider the suitability by comparing with the progress of performance obligation measured by reference to surveys of works and estimates performed by the project engineer. The management is required to exercise judgement and make estimates based on past experience and information obtained from the project engineer.

**Construction and services costs estimation**

In calculating cost of construction projects, the Company and its subsidiaries have to estimate all project construction costs, comprising design, material and labor costs for construction, subcontracting costs and other related costs. The management estimates these costs based on business experience and taking into account the tendency of prices of construction supplies, wages and other expenses to change, and revisits the estimations on a periodical basis or when the actual costs incurred differ significantly from the estimates.

**Provision for loss on projects**

The management estimates loss incurred on each project based on estimates of future costs, taking into account the progress of actual costs incurred, changes in prices of construction supplies and wages and current circumstances.

**Leases**

In determining the lease term of contracts with renewal and termination options, the Company and its subsidiaries determine the lease term as the non-cancellable term of the lease, together with any period covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The management is required to use judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease, considering all relevant factors that create an economic incentive to exercise either the renewal or termination. After the commencement date, the Company and its subsidiaries reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

**Allowance for expected credit losses**

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates the expected credit loss based on the payment profiles and the corresponding historical credit losses which are adjusted to reflect the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables such as GDP, the unemployment rate and the consumer price index.

**Allowance for declining in value of inventory**

The determination of allowance for declining in the value of inventory, requires management to make judgements and estimates of the loss expected to occur. The allowance for decline in net realizable value is estimated based on the selling price expected in the ordinary course of business less selling expense.

**Property, plant and equipment, right-of-use assets and intangible assets /Depreciation and amortization**

In determining depreciation of plant and equipment and right-of-use assets and amortization of intangible asset, the management is required to make estimates of the useful lives and residual values of the Company's and its subsidiaries' plant and equipment and to review estimate useful lives and residual values when there are any changes.

**Allowance for 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.

**Deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

**Estimating the incremental borrowing rate**

The Company and its subsidiaries cannot readily determine the interest rate implicit of the lease. Therefore, the incremental borrowing rate of the Company and its subsidiaries are used to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Company and its subsidiaries would have to pay for necessary borrowing to acquire the assets, or assets with close value to right-of-use assets in similar economic environment, borrowing period and borrowing security.

**Post-employment benefits under defined benefit plans**

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.



## 6. RELATED PARTIES TRANSACTION

6.1 The nature of relationship with related parties were summarized as follows:

Related parties name	Country of incorporation / nationality	Relationship
<u>Subsidiaries</u>		
Seven Wire Company Limited	Thailand	Direct major shareholder
General Engineering Mauritius Limited	Mauritius	Direct major shareholder
General Nippon Concrete Industries Company Limited	Thailand	Direct major shareholder
<u>Associate 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 company</u>		
Millcon Steel Public Company Limited	Thailand	Invested company
Millcon Thiha Limited	Myanmar	Invested company's subsidiary
Kobelco Millcon steel Company Limited	Thailand	Invested company's joint venture
Nippon Concrete Industries Company Limited	Japan	Shareholder of the subsidiary
<u>Related person</u>		
Key management personnel	Thailand	Persons having authority and responsibility for management

## 6.2 Pricing policies

The Company and its subsidiaries have pricing policy for transaction with related parties as follows:

Transactions	Pricing policies
Revenue from sales and services	Market price
Rental income	Agreed price
Other service income	Agreed price
Interest income	MLR - 0.5, MOR and MLR - 1 percent p.a.
Penalty for late payment	7.5 percent p.a.
Purchase of raw materials	Market price
Purchase of finished goods and services	Agreed price
Construction cost	Agreement price
Interest expense	MLR - 0.5 and MLR - 1 percent p.a.
Purchase of assets	Market price
Compensation to management	According to be approved by director and/or shareholders

### 6.3 Transactions during the periods

The Group had significant business transactions with related parties. Such transactions, which arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company, its subsidiary and those related parties.

Revenues and expenses with the related parties for the year ended December 31, 2021 and 2020 were summarized as follows:

#### Transactions with subsidiaries

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Rental income	-	-	5,000	5,000
Other service income	-	-	8,123	9,323
Interest income	-	-	2,465	670
Penalty for late payment	-	-	1,559	-
Interest expense	-	-	6,148	8,564
Purchase of raw materials	-	-	56,058	81,885
Purchase of finished goods and services	-	-	1,342	123
Other expenses	-	-	109	-

#### Transactions with associate

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Revenue from sales	2,293	7,515	95	1,006

#### Transactions with related parties

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Revenues from sales and services	184	-	184	-
Purchase of raw materials	77,715	116,050	77,018	19,379
Penalty for late payment	3	-	-	-
Other expense	272	-	272	-

### Management's compensations

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Short-term employee benefit	34,359	38,098	26,339	27,868
Post-retirement benefits	1,052	1,532	688	846
Other long-term benefits	5	8	2	2
Total	35,416	39,638	27,029	28,716

#### 6.4 Balances of the account at ending of year

Balances of the accounts with the related parties As at December 31, 2021 and 2020 were summarized as follows:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>Trade receivables and other current receivables</b>				
Subsidiaries	-	-	29,688	37,966
Associate	268	4,362	-	2,946
Related companies	-	73	-	63
Total	268	4,435	29,688	40,975
<b>Retention receivables</b>				
Associate	-	2	-	2
Total	-	2	-	2
<b>Loans and accrued interest income</b>				
Subsidiary	-	-	72,682	24,132
Total	-	-	72,682	24,132

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>Trade and other current payables</b>				
Subsidiaries	-	-	12,908	9,311
Associate	16,211	34,332	-	5,700
Related companies	51,722	66,756	18,674	13,617
Total	67,933	101,088	31,582	28,628
<b>Loans and accrued interest expense</b>				
Subsidiary	-	-	116,123	182,005
Total	-	-	116,123	182,005
<b>Provision for employee benefits</b>				
Key management	10,841	9,784	7,315	6,625
Total	10,841	9,784	7,315	6,625

#### Loan and interest receivable to subsidiary

Chages in loan and interest receivable to subsidiary for the year ended December 31, 2021 and 2020 was as follows:

	Thousand Baht			
	Separate financial statements			
	As at December	During the year		As at December
	31, 2020	Increase	Decrease	31, 2021
Loan	24,057	51,165	(3,037)	72,185
Interest receivable	75	2,465	(2,043)	497
Total	24,132	53,630	(5,080)	72,682

	Thousand Baht			
	Separate financial statements			
	As at December	During the year		As at December
	31, 2019	Increase	Decrease	30, 2020
Loan	-	33,918	(9,861)	24,057
Interest receivable	-	670	(595)	75
Total	-	34,588	(10,456)	24,132

Loans to subsidiary are carrying interest rates of MLR - 0.5, MOR and MLR - 1 per annum. The loans are unsecured and repayable at call.

### Loan and interest payable from subsidiary

Chages in loan and interest payable from subsidiary for the year ended December 31, 2021 and 2020 was as follows:

Thousand Baht				
Separate financial statements				
	As at December	During the year		As at December
	31, 2020	Increase	Decrease	31, 2021
Loan	171,689	-	(56,425)	115,264
Interest payable	10,316	6,148	(15,605)	859
Total	182,005	6,148	(72,030)	116,123

Thousand Baht				
Separate financial statements				
	As at December	During the year		As at December
	31, 2019	Increase	Decrease	31, 2020
Loan	171,689	-	-	171,689
Interest payable	4,618	8,564	(2,866)	10,316
Total	176,307	8,564	(2,866)	182,005

Loans from subsidiary are carrying interest rates of MLR - 0.5 and MLR - 1 per annum. The loans are unsecured and repayable at call.

## 7. FAIR VALUE

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.

As at December 31, 2021 and 2020, financial assets measured at fair value were as follows:

	Thousand Baht	
	Level 1	
	Consolidated financial statements / Separate financial statements	
	2021	2020
<b>Financial assets</b>		
Derivative - Warrant	5,599	-
Investment in equity	808,130	708,490
	<u>813,729</u>	<u>708,490</u>

As at December 31, 2021 and 2020, fair value and carrying amount of financial assets and financial liabilities measured were as follows:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>Financial assets</b>				
<b>Financial assets at amortised cost</b>				
Cash and cash equivalents	15,128	17,207	15,029	17,151
Restricted deposits with financial institutions	17,360	10,000	17,360	10,000
Trade and other current receivables	294,506	348,925	317,278	329,941
Retention receivables	100,302	79,339	97,507	77,968
Loan and interest receivable to subsidiary	-	-	72,682	24,132
<b>Financial assets measured at fair value through profit or loss</b>				
Derivative - Warrant	5,599	-	5,599	-
<b>Financial assets at fair value through other comprehensive income</b>				
Investment in equity	808,130	708,490	808,130	708,490
<b>Financial liabilities</b>				
<b>Liabilities at amortised cost</b>				
Bank overdrafts and short-term loan from financial institutions	631,420	603,108	427,738	395,440
Trade and other current payables	630,480	536,449	528,668	362,601
Short-term loans from other person	10,122	-	10,122	-
Loans and interest payable from subsidiary	-	-	116,123	182,005
Long-term loans from financial institutions	902,346	934,966	214,180	246,932
Lease liabilities	87,555	65,009	84,787	60,448

## 8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash	208	257	159	207
Bank deposits - current accounts	3,694	4,010	3,691	4,005
- savings accounts	11,167	12,881	11,120	12,880
- fixed deposits	59	59	59	59
Total	15,128	17,207	15,029	17,151

As at December 31, 2021 and 2020, bank deposits in savings accounts and fixed deposits carried interests between 0.05% - 0.15% per annum and 0.05% - 0.375% per annum, respectively.

## 9. TRADE AND OTHER CURRENTS RECEIVABLES

Trade and other current receivables consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>Trade receivable</b>				
<u>Trade receivable - related parties</u>				
Not yet due	-	63	6,833	6,774
Past due				
Not over 3 months	-	-	17,386	-
3 - 6 months	-	-	2	-
6 - 12 months	-	1,300	-	1,317
More than 12 months	-	1,736	-	17,749
Total	-	3,099	24,221	25,840
<u>Less</u> Allowance for expected credit losses	-	-	-	-
Total	-	3,099	24,221	25,840
<u>Trade receivable - other companies</u>				
Unbilled receivables				
Not yet due	213,072	258,081	209,054	219,051
Past due				
Not over 3 months	51,696	60,010	49,352	47,646
3 - 6 months	3,415	6,319	3,415	5,975
6 - 12 months	15,992	11,594	15,992	9,902
More than 12 months	44,225	44,300	42,003	40,307
Total	328,400	380,304	319,816	322,881
Postdated cheque	-	2,162	-	-
Total	328,400	382,466	319,816	322,881
<u>Less</u> Allowance for expected credit losses	(42,436)	(46,398)	(40,213)	(42,061)
Total	285,964	336,068	279,603	280,820
Total trade receivables - net	285,964	339,167	303,824	306,660

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>Other current receivables</b>				
Other current receivables - related parties	267	1,336	5,467	15,135
Other current receivable - other companies				
Prepaid expenses	8,127	12,614	7,462	9,715
Advance	4,174	3,125	3,990	2,966
Revenue Department receivables	41,471	39,650	924	-
Deposit	609	6,880	573	6,858
Prepayment for goods and services	33,650	935	33,255	-
Others	7,667	1,553	7,415	1,288
Total	95,698	64,757	53,619	20,827
Other current receivables - net	95,965	66,093	59,086	35,962
Total trade and other current receivables - net	381,929	405,260	362,910	342,622

Movement of the allowance for expected credit losses of trade and other currents receivables for the years ended December 31, 2021 and 2020 were summarized as follows :

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Beginning balance of the year	46,398	56,113	42,061	56,113
Additional during the year	-	-	-	-
Deduction during the year	(3,962)	(9,715)	(1,848)	(14,052)
Ending balance at end of year	42,436	46,398	40,213	42,061

#### 10. CURRENT CONTRACT ASSETS - CURRENT

Current contract assets - current consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>Construction and service contracts</b>				
Unbilled receivables	230,488	15,416	230,488	15,416
Total	230,488	15,416	230,488	15,416



# 11. RETENTION RECEIVABLES

Retention receivables consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Retention receivables				
- Other companies	104,564	86,221	101,770	84,850
- Related parties	-	2	-	2
Total	104,564	86,223	101,770	84,852
<u>Less</u> : Allowance for expected credit loss	(4,262)	(6,884)	(4,262)	(6,884)
Net	100,302	79,339	97,508	77,968
<u>Less</u> : Current portion	(23,699)	(19,439)	(23,068)	(18,068)
Receive more than one year	76,603	59,900	74,440	59,900

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.

Movement of the allowance for expected credit losses of retention receivables for the years ended December 31, 2021 and 2020 were summarized as follows:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Beginning balance of the year	6,884	4,028	6,884	4,028
Additional during the year	-	2,856	-	2,856
Deduction during the year	(2,622)	-	(2,622)	-
Ending balance at end of year	4,262	6,884	4,262	6,884

## 12. INVENTORIES

Inventories consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Finished goods	198,950	217,356	163,191	191,025
Work in process	30,434	31,931	24,681	27,899
Raw materials and spare parts	121,755	81,542	111,309	75,040
Total	351,139	330,829	299,181	293,964
<u>Less</u> : Allowance for defective inventories	(13,784)	(19,478)	(11,713)	(18,864)
Allowance for devaluation of				
inventories	(3,704)	(3,704)	(3,704)	(3,704)
Net	333,651	307,647	283,764	271,396

The movements in the allowance for defective inventories and devaluation on inventories for the year ended December 31, 2021 and 2020 were as follows:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Beginning Balance	23,182	48,907	22,568	40,065
Increase	1,457	5,840	-	3,930
Decrease	(7,151)	(31,565)	(7,151)	(21,427)
Ending Balance	17,488	23,182	15,417	22,568

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Reversal of the decline in value of inventory				
for the years	5,694	25,725	7,151	17,497

## 13. RESTRICTED DEPOSITS WITH FINANCIAL INSTITUTIONS

As at December 31, 2021 and 2020, saving accounts and fixed deposits pledged with financial institutions to secure credit facilities (Note 22 and 26) and bank guarantee facilities issued by the banks on behalf of the Company (Note 40 and 41).

#### 14. INVESTMENT IN EQUITY AND DERIVATIVE

##### 14.1 Investment in equity consisted of:

	Consolidated financial statements / Separate financial statements					
	Number of shares		Proportion of shareholding		Investment value	
	(Thousand Share)		(Percentage)		(Thousand Baht)	
	2021	2020	2021	2020	2021	2020
Millcon Steel Public Company Limited						
Investment in common share	667,876	778,560	14.43	17.20	1,028,690	1,279,101
Unrealized gain (loss)					(220,560)	(570,611)
Net					808,130	708,490

Movements of investment in equity for the year ended December 31, 2021 and 2020 were as follows:

	Thousand Baht	
	Consolidated financial statements / Separate financial statements	
	2021	2020
Book value - beginning balance of the year	708,490	537,206
Purchase of investment	95	-
Disposal of investment (Book value)	(250,506)	-
Unrealized gain	350,051	171,284
Book value - ending balance of the year	808,130	708,490

For the year ended December 31, 2021, the Company sold 159.92 shares of Millcon Steel Public Company Limited at the price of Baht 1.17 -2.19 per share, amounting to Baht 254.23 million through the stock exchange of Thailand. The Company had a gain from the disposal of investments amounting to Baht 3.73 million, included in other comprehensive income.

For the year ended December 31, 2021 and 2020, the Company received dividend from Mill Con Steel Public Company Limited at Baht 0.0033 and Baht 0.0200 per share amounting to Baht 2.43 million and Baht 15.57 million, respectively and for the year ended december 31, 2021 the Company received stock dividend at the ratio of 1:15 per share totaling 49.19 million shares

##### 14.2 Derivative

As at December 31, 2021, the Company has warrants of Mill Con Steel Public Company Limited as follows:

Warrants	Consolidated financial statements / Separate financial statements					
	Numbers	Exercise price (Baht	Exercise ratio		Fair value	Fair value (Thousand
			per common	share		
	(Million unit)	per shares)		Expire date	(Baht per unit)	Baht)
MILL-W6	16.97	1.50	1:1	May 23, 2024	0.33	5,599

During the year ended December 31, 2021, the Company receipt warrants (MILL-W6) of Mill Con Steel Public Company Limited of 147.57 million unit and sold of 130.60 million unit. The Company sold warrants via the Stock Exchange of Thailand. The Company had gain from sale of warrants in the amount of Baht 60.93 million.

## 15. INVESTMENT IN SUBSIDIARIES

Investment in subsidiaries consisted of:

Company's name	Nature of business	Country of incorporation	Registered share capital		Proportion of Shareholding		Cost	
			(Thousand Baht)		(Percentage)		(Thousand Baht)	
			2021	2020	2021	2020	2021	2020
Seven Wire Company Limited	Manufacturing of the special qualified PC Wire and PC Strand	Thailand	280,000	280,000	99.99	99.99	279,999	279,999
General Nippon Concrete Industries Company Limited	Manufacturing of concrete spun pile	Thailand	200,000	200,000	82.50	82.50	165,000	165,000
General Engineering Mauritius Limited	Investment business	Mauritius	338	338	99.99	99.99	338	338
Total							445,337	445,337

### The subsidiary that have material non-controlling interests

The Company has consolidated 1 subsidiary General Nippon Concrete Industries Company Limited that has material non-controlling interest as follow:

Subsidiary's name	Country of Incorporation	Proportion of ownership interests		Thousand Baht			
		and voting rights held by non-controlling interests (%)		Comprehensive income (expense) allocated to non-controlling interests		Accumulated non-controlling interests	
		interests (%)		non-controlling interests			
		2021	2020	2021	2020	2021	2020
General Nippon Concrete Industries Company Limited	Thailand	17.50	17.50	(13,155)	(11,536)	(4,616)	8,539

Financial information of General Nippon Concrete Industries Company Limited represents amounts before intragroup eliminations as follow

	Thousand Baht	
	2021	2020
Current assets	65,473	103,100
Non-current assets	529,599	552,369
Current liabilities	(263,542)	(244,480)
Non-current liabilities	(357,699)	(361,985)
Net asset	(26,169)	49,004
Non-Controlling interests	(4,616)	8,539
Total revenue	74,738	135,206
Profit attributable to the non-controlling interests	(13,265)	(11,579)
Other comprehensive expense to the non-controlling interests	110	43
Net cash provided by (used in) operating activities	(21,114)	(9,656)
Net cash used in investing activities	(693)	(29,584)
Net cash provided by (used in) financing activities	21,850	39,197
Net cash increase (decrease)	43	(43)

## 16. INVESTMENT IN ASSOCIATE AND JOINT VENTURE

16.1 Investment in associate and joint venture consisted of:

Company's name	Nature of business	Country of incorporation	Proportion of Shareholding (Percentage)		Consolidated financial statements		Separate financial statements	
					Carrying amounts based on equity method (Thousand Baht)		Carrying amounts based on cost method (Thousand Baht)	
					2021	2020	2021	2020
					2021	2020	2021	2020
<b>Associate:</b>								
Metric Public Company Limited	Construction and System installation services	Thailand	32.65	32.65	206,731	190,538	185,633	185,633
<u>Less</u> : Allowance for impairment					-	-	(8,513)	(10,593)
Net					206,731	190,538	177,120	175,040
<b>Joint Venture:</b>								
Wisdom Tree Investment (S) PTE.Limited	Investment business	Singapore	45.00	45.00	103,836	102,101	177,661	177,661
<u>Less</u> : Allowance for impairment					-	-	(25,337)	(25,337)
Net					103,836	102,101	152,324	152,324
Total					310,567	292,639	329,444	327,364

16.2 Movements of investment in associate and joint venture for year ended December 31, 2021 and 2020 were as follows:

**Investment in associate**

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Opening net book value	190,538	165,684	175,041	166,589
Additions	-	-	-	-
Share of profit	16,807	26,040	-	-
Share of other comprehensive income	(614)	(1,186)	-	-
Dividend	-	-	-	-
Allowance for impairment of investment	-	-	2,079	8,452
Closing net book value	206,731	190,538	177,120	175,041

**Investment in joint venture**

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Opening net book value	102,101	105,781	152,323	155,416
Additions	-	-	-	-
Share of profit	4,129	1,112	-	-
Share of other comprehensive income	-	-	-	-
Dividend	-	-	-	-
Translation adjustment	(2,394)	(4,792)	-	-
Allowance for impairment of investment	-	-	-	(3,093)
Closing net book value	103,836	102,101	152,323	152,323

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.

16.3 Summarization of financial information of associate and joint venture

**Summarization of information about financial position**

	Thousand Baht			
	Investment in associate		Investment in joint venture	
	2021	2020	2021	2020
Current assets	1,059,698	1,473,509	203,538	145,205
Non-current assets	355,400	272,455	425,975	394,133
Current liabilities	(1,112,003)	(1,463,496)	(352,649)	(271,859)
Non-current liabilities	(36,915)	(54,336)	(46,118)	(40,588)
Net assets	266,180	228,132	230,746	226,891

**Summarization of information about comprehensive income**

	Thousand Baht			
	Investment in associate		Investment in joint venture	
	2021	2020	2021	2020
Revenue	2,121,066	2,113,473	232,381	346,755
Profit (loss)	38,412	(31,724)	9,175	2,472
Other comprehensive income (expense)	(364)	(3,631)	-	-
Total comprehensive income (expense)	38,048	(35,355)	9,175	2,472

**Reconciliation of the summarized financial information to the carrying amount of the interest**

	Thousand Baht			
	Investment in associate		Investment in joint venture	
	2021	2020	2021	2020
Net assets	266,180	228,132	230,746	226,891
Non - controlling interests	191,793	178,728	-	-
Net	457,973	406,860	230,746	226,891
Proportion of the interest (%)	32.65	32.65	45.00	45.00
Goodwill	83,322	83,322	-	-
Adjustments relating to the different of accounting's policies	(26,119)	(25,624)	-	-
Carrying amount of the interest	206,731	190,538	103,835	102,101

#### 16.4 Impairment of investments in associate and joint venture

As at December 31, 2021 and 2020, the Company assesses the recoverable amounts of investments in associate and joint venture by independent experts using the Discounted Cash Flow Approach. The key assumptions were as follows:

Assumption	Associated company		Joint venture	
	2021	2020	2021	2020
Discount rate (percentage per annum)	10.44 - 10.49	10.27-11.04	9.51 -15.13	13.75-29.27
Revenue growth rate (percentage per annum)	3	2-3	15	5-10

#### 16.5 Pledge

##### Investment in associate

The Company has pledged its ordinary shares in Mctric Public Company Limited to secure credit facilities for purchase raw material to a subsidiary with a related trade payables.

##### Investment in joint venture

The Company has pledged its ordinary shares in Wisdom Tree Investment (S) PTE. Limited to secure credit facilities for foreign joint venture.

### 17. INVESTMENT PROPERTY

Investment property consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
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 December 31, 2021 and 2020 are as follows:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Rental income from investment property	-	-	5,000	5,000

As at December 31, 2021 and 2020, the whole amount of investment property is pledged as collateral of bank overdraft as disclosed in note 22 and 41

As at December 31, 2019, fair value of the investment properties based on market approach are determined by independent valuers. The fair value level 2 are Baht 1,331.31 million.

## 18. PROPERTY PLANT AND EQUIPMENT

Movements of the property, plant and equipment for the year ended December 31, 2021 and 2020 were summarized as follows:

	Thousand Baht						
	Consolidated financial statements						
	Land and land improvement	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Construction in progress	total
<b>At cost</b>							
Balance as at January 1, 2020	1,064,675	738,538	1,468,325	68,240	87,345	45,162	3,472,285
Acquisitions during the year	91,693	104,878	49,329	1,341	115	54,933	302,289
Transferred in (out)	-	1,319	(16,517)	(4,492)	-	35,481	15,791
Disposals and write-off during the year	-	(2,736)	(4,749)	(967)	(6,393)	(19)	(14,864)
Balance as at December 31, 2020	1,156,368	841,999	1,496,388	64,122	81,067	135,557	3,775,501
Acquisitions during the year	-	135	52,957	5,966	8,379	63,459	130,896
Capitalised borrowing costs	-	-	-	-	-	3,057	3,057
Transferred in (out)	-	803	32,951	63	-	(33,817)	-
Disposals and write-off during the year	-	(317)	(1,909)	(8,130)	(1,874)	-	(12,230)
Balance as at December 31, 2021	1,156,368	842,620	1,580,387	62,021	87,572	168,256	3,897,224
<b>Accumulated depreciation</b>							
Balance as at January 1, 2020	(608)	(82,395)	(343,126)	(46,662)	(76,026)	-	(548,817)
Depreciation for the year	(387)	(29,618)	(74,972)	(7,272)	(4,587)	-	(116,836)
Transferred in (out)	-	-	2,062	3,416	-	-	5,478
Disposals and write-off during the year	-	2,736	4,744	952	5,612	-	14,044
Balance as at December 31, 2020	(995)	(109,277)	(411,292)	(49,566)	(75,001)	-	(646,131)
Depreciation for the year	(385)	(34,399)	(84,275)	(6,442)	(3,979)	-	(129,480)
Transferred in (out)	-	-	-	-	-	-	-
Disposals and write-off during the year	-	121	1,871	8,124	1,719	-	11,835
Balance as at December 31, 2021	(1,380)	(143,555)	(493,696)	(47,884)	(77,261)	-	(763,776)
<b>Net book value</b>							
Balance as at December 31, 2020	1,155,373	732,722	1,085,096	14,556	6,066	135,557	3,129,370
Balance as at December 31, 2021	1,154,988	699,065	1,086,691	14,137	10,311	168,256	3,133,448

	Thousand Baht						
	Seperate financial statements						
	Land and land improvement	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Construction in Progress	total
<b>At cost</b>							
Balance as at January 1, 2020	664,089	432,465	892,511	57,909	87,344	2,469	2,136,787
Acquisitions during the year	91,693	104,878	49,790	414	115	54,234	301,124
Transferred in (out)	-	1,319	(18,668)	(6,637)	-	38,337	14,351
Disposals and write-off during the year	-	(2,736)	(4,749)	(953)	(6,393)	(19)	(14,850)
Balance as at December 31, 2021	755,782	535,926	918,884	50,733	81,066	95,021	2,437,412
Acquisitions during the year	-	135	52,661	5,498	8,379	63,228	129,901
Capitalised borrowing costs	-	-	-	-	-	3,057	3,057
Transferred in (out)	-	802	32,138	-	-	(32,940)	-
Disposals and write-off during the year	-	(317)	(1,909)	(8,130)	(1,873)	-	(12,229)
Balance as at December 31, 2021	755,782	536,546	1,001,774	48,101	87,572	128,366	2,558,141
<b>Accumulated depreciation</b>							
Balance as at January 1, 2020	-	(64,330)	(314,134)	(43,883)	(76,026)	-	(498,373)
Depreciation for the year	-	(16,765)	(44,563)	(4,712)	(4,587)	-	(70,627)
Transferred in (out)	-	-	2,062	3,397	-	-	5,459
Disposals and write-off during the year	-	2,736	4,744	948	5,613	-	14,041
Balance as at December 31, 2020	-	(78,359)	(351,891)	(44,250)	(75,000)	-	(549,500)
Depreciation for the year	-	(19,931)	(53,521)	(3,596)	(3,979)	-	(81,027)
Transferred in (out)	-	-	-	-	-	-	-
Disposals and write-off during the year	-	121	1,871	8,124	1,718	-	11,834
Balance as at December 31, 2021	-	(98,169)	(403,541)	(39,722)	(77,261)	-	(618,693)
<b>Net book value</b>							
Balance as at December 31, 2020	755,782	457,567	566,993	6,483	6,066	95,021	1,887,912
Balance as at December 31, 2021	755,782	438,377	598,233	8,379	10,311	128,366	1,939,448

	Thousand Baht			
	Consolidated financial statements		Seperate financial statements	
	2021	2020	2021	2020
Depreciation for the year				
Cost of sales and service	121,886	107,061	77,428	64,840
Selling and administrative expenses	7,594	9,775	3,599	5,787
Total	<u>129,480</u>	<u>116,836</u>	<u>81,027</u>	<u>70,627</u>
Gain from sale of assets	<u>635</u>	<u>2,137</u>	<u>635</u>	<u>2,137</u>

As at December 31, 2021 and 2020, the Company and the subsidiary had building and equipment, which were fully depreciated but they are still in use with gross carrying amounts of Baht 327.43 million and Baht 281.93 million, (for the Company: Baht 327.43 million and Baht 281.93 million), respectively.

As at December 31, 2021 and 2020, partial of land and its construction and machinery of the group company are pledged for credit line with a local bank (Note 22, 26, 40 and 41)

#### 19. RIGHT-OF-USE ASSETS

Movements of the right-of-use assets for the year ended December 31, 2021 and 2020 were summarized as follows

	Thousand Baht			
	Consolidated financial statements			
	Land and building	Machinery and equipment	Vehicles	Total
<b>At cost</b>				
As at January 1, 2020	166,081	-	19,731	185,812
Addition	-	-	6,840	6,840
Change rental rate / term of contract	(101,512)	-	(5,321)	(106,833)
Transfer	-	-	1,573	1,573
As at December 31, 2020	64,569	-	22,823	87,392
Addition	-	43,458	2,522	45,980
Change in condition/written-off	-	-	(2,458)	(2,458)
As at December 31, 2021	<u>64,569</u>	<u>43,458</u>	<u>22,887</u>	<u>130,914</u>

	Thousand Baht			
	Consolidated financial statements			
	Land and building	Machinery and equipment	Vehicles	Total
<b>Accummulated amortization</b>				
As at January 1, 2020	-	-	(8,336)	(8,336)
Amortization for the year	(18,678)	-	(2,124)	(20,802)
Change rental rate / term of contract	2,491	-	3,424	5,915
Transfer	-	-	(942)	(942)
As at December 31, 2020	(16,187)	-	(7,978)	(24,165)
Amortization for the year	(16,142)	(6,616)	(5,120)	(27,878)
Change in condition/written-off	-	-	1,965	1,965
As at December 31, 2021	(32,329)	(6,616)	(11,133)	(50,078)
<b>Net book value</b>				
As at December 31, 2020	48,382	-	14,845	63,227
As at December 31, 2021	32,240	36,842	11,754	80,836

	Thousand Baht			
	Seperate financial statements			
	Land and building	Machinery and equipment	Vehicles	Total
<b>At cost</b>				
As at January 1, 2020	166,081	-	12,943	179,024
Addition	-	-	5,668	5,668
Change rental rate / term of contract	(101,512)	-	(5,321)	(106,833)
Transfer	-	-	1,573	1,573
As at December 31, 2020	64,569	-	14,863	79,432
Written-off	-	43,458	1,864	45,322
As at December 31, 2021	64,569	43,458	16,727	124,754
<b>Accummulated amortization</b>				
As at January 1, 2020	-	-	(6,713)	(6,713)
Amortization for the year	(18,678)	-	(162)	(18,840)
Change rental rate / term of contract	2,491	-	3,424	5,915
Transfer	-	-	(942)	(942)
As at December 31, 2020	(16,187)	-	(4,393)	(20,580)
Amortization for the year	(16,142)	(6,616)	(3,184)	(25,942)
As at December 31, 2021	(32,329)	(6,616)	(7,577)	(46,522)
<b>Net book value</b>				
As at December 31, 2020	48,382	-	10,470	58,852
As at December 31, 2021	32,240	36,842	9,150	78,232

	Thousand Baht			
	Consolidated financial statements		Seperate financial statements	
	2021	2020	2021	2020
Amortization for the year				
Cost of sales and service	24,905	17,184	24,066	16,932
Selling and administrative expenses	2,972	3,617	1,874	1,908
Total	27,877	20,801	25,940	18,840

## 20. INTANGIBLE ASSETS

Movements of the intangible assets for the year ended December 31, 2021 and 2020 were summarized as follows

	Thousand Baht	
	Computer software	
	Consolidated financial statements	Seperate financial statements
<b>At cost</b>		
As at January 1, 2020	8,071	8,071
Transferred in	18,864	18,783
Additions	-	-
As at December 31, 2020	26,935	26,854
Additions	-	-
Written off	(20)	(20)
As at December 31, 2021	26,915	26,834
<b>Accummulated amortization</b>		
As at January 1, 2020	(1,148)	(1,148)
Transferred in	(5,478)	(5,459)
Amortization for the year	(830)	(818)
As at December 31, 2020	(7,456)	(7,425)
Amortization for the year	(1,896)	(1,883)
Written off	19	19
As at December 31, 2021	(9,333)	(9,289)
<b>Net book value</b>		
As at December 31, 2020	19,479	19,429
As at December 31, 2021	17,582	17,545

	Thousand Baht			
	Consolidated financial statements		Seperate financial statements	
	2021	2020	2021	2020
Amortization for the year				
Administrative expenses	1,896	830	1,883	818
Total	1,896	830	1,883	818

As at December 31, 2021 and 2020, the Company and the subsidiary had intangible assets which were fully amortized but they are still in use with gross carrying amounts of Baht 0.58 million and Baht 0.52 million, (for the Company : Baht 0.58 million and Baht 0.52 million), respectively.

## 21. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Deferred tax assets and deferred tax liabilities as follows:

	Thousand Baht			
	Consolidated financial statements		Seperate financial statements	
	2021	2020	2021	2020
Deferred tax assets	64,276	136,611	62,498	134,833
Deferred tax liabilities	(1,119)	-	(1,119)	-
	63,157	136,611	61,379	134,833

Changes in deferred tax assets and deferred tax liabilities for the year ended December 31, 2021 and 2020, were summarized as follows:

	Thousand Baht			
	Consolidated financial statements			
	As at	Income (expense) during the year		As at
	December	In profit or loss	In other	December
	31, 2020		comprehensive	31, 2021
			income	
Deferred tax assets:				
Allowance for expected credit losses	10,656	(894)	-	9,762
Loss on diminution in value of inventories	4,514	(1,431)	-	3,083
Investment in equity	114,122	-	(70,010)	44,112
Lease agreement	356	-	-	356
Employee benefit obligation	6,333	-	-	6,333
Provision for decommissioning costs	630			630
	136,611	(2,325)	(70,010)	64,276
Deferred tax liabilities				
Other current financial asset	-	(1,119)	-	(1,119)
	-	(1,119)	-	(1,119)
Deferred tax assets (liabilities), net	136,611	(3,444)	(70,010)	63,157

	Thousand Baht			
	Consolidated financial statements			
	As at	Income (expense) during the year		As at
	December	In profit or loss	In other	December
	31, 2019		comprehensive	31, 2020
			income	
Deferred tax assets:				
Allowance for expected credit losses	-	10,656	-	10,656
Loss on diminution in value of inventories	-	4,514	-	4,514
Investment in equity	148,379	-	(34,257)	114,122
Lease agreement	-	356	-	356
Employee benefit obligation	11,462	444	(5,573)	6,333
Provision for decommissioning costs	-	630	-	630
Deferred tax assets (liabilities), net	159,841	16,600	(39,830)	136,611

	Thousand Baht			
	Separate financial statements			
	As at	Income (expense) during the year		As at
	December	In profit or loss	In other	December
	31, 2020		comprehensive	31, 2021
			income	
Deferred tax assets:				
Allowance for expected credit losses	9,789	(894)	-	8,895
Loss on diminution in value of inventories	4,514	(1,431)	-	3,083
Investment in equity	114,122	-	(70,010)	44,112
Lease agreement	320	-	-	320
Employee benefit obligation	5,458	-	-	5,458
Provision for decommissioning costs	630	-	-	630
	134,833	(2,325)	(70,010)	62,498
Deferred tax liabilities				
Other current financial asset	-	(1,119)	-	(1,119)
	-	(1,119)	-	(1,119)
Deferred tax assets (liabilities), net	134,833	(3,444)	(70,010)	61,379

	Thousand Baht			
	Separate financial statements			
	As at	Income (expense) during the year		As at
	December	In profit or loss	In other	December
	31, 2019		comprehensive	31, 2020
			income	
Deferred tax assets :				
Allowance for expected credit losses	-	9,789	-	9,789
Loss on diminution in value of inventories	-	4,514	-	4,514
Investment in equity	148,379	-	(34,257)	114,122
Lease agreement	-	320	-	320
Employee benefit obligation	10,989	(13)	(5,518)	5,458
Provision for decommissioning costs	-	630	-	630
Deferred tax assets (liabilities), net	159,368	15,240	(39,775)	134,833

## 22. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Bank overdrafts and short-term loans from financial institutions consisted of:

	Thousand Baht					
	Interest rate per annum (%)		Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020	2021	2020
Bank overdrafts	5.875	5.875 - 6.875	28,220	26,910	-	-
Short-term loans	4.250 - 5.570	4.25 - 5.00	578,152	554,450	421,550	395,440
Trust receipts	3.097 - 5.250	3.25 - 6.00	25,048	21,748	6,188	-
Total			<u>631,420</u>	<u>603,108</u>	<u>427,738</u>	<u>395,440</u>

As at December 31, 2021, the Group had credit facilities mentioned above from two financial institutions amounting to Baht 914 million (for the Company of Baht 689 million).

The credit facilities were secured by partial of the land with construction and machinery of the Group (Note 18 and 41), bank deposit and including the parent company jointly guarantees the subsidiary's credit line and some such credit lines are guaranteed by the company's directors.



## 23. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>Trade payables</b>				
- Other companies	456,183	363,826	406,662	281,318
- Related parties	51,722	65,254	31,582	20,758
Total trade payables	507,905	429,080	438,244	302,076
<b>Other current payables</b>				
Retention payables				
- Other companies	16,621	12,678	14,146	11,609
- Related parties	7,989	13,689	-	7,870
Construction payable				
- Other companies	15,628	200	15,157	-
- Related parties	8,222	20,643	-	-
Accrued expensed and other payables				
- Other companies	85,219	58,657	61,121	41,046
- Related parties	-	1,502	-	-
Accrued costs of projects	49,352	72,501	49,332	71,455
Others	7,767	6,020	4,625	5,074
Total other current payables	190,798	185,890	144,381	137,054
Total	698,703	614,970	582,625	439,130

## 24. CURRENT CONTRACT LIABILITIES

Current contract liabilities consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>Sales of concrete products and of PC wire and PC strand contracts</b>				
Advance received from customers	141,221	174,332	138,533	173,685
<b>Construction and service contracts</b>				
Advance received from customers	72,186	2,540	72,185	2,540
Accrued cost of contracts	2,558	-	2,558	-
Total	215,965	176,872	213,276	176,225

## 25. SHORT-TERM LOANS FROM OTHER PERSON

Short - term loans from other person are loans for purchasing materials and others for use in a project. The interest are charged at the rate of 7.00% per annum. Principal and interest are repaid by deducting money received from the project starting from January 2022 onwards until the loan is completely repaid. The collateral will be received from the project in the amount equal to the loan. Short-term loans guaranteed by the Company's directors and the money that will be received from the work under such project in the amount equal to the loans.

## 26. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

Long-term loans from financial institutions consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Long-term loans from financial institution	904,134	937,100	214,834	247,800
<u>Less: Deferred financial fee</u>	<u>(1,788)</u>	<u>(2,134)</u>	<u>(654)</u>	<u>(868)</u>
Net	902,346	934,966	214,180	246,932
<u>Less: Portion due within one year</u>	<u>(115,695)</u>	<u>(142,572)</u>	<u>(25,358)</u>	<u>(52,297)</u>
Long-term loans, net	786,651	792,394	188,822	194,635

Movements of long-term loans from financial institutions for the year ended December 31, 2021 and 2020 were as follows:

	Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Book value at the beginning of the year	934,966	896,246	246,932	191,309
Addition	22,700	140,200	22,700	140,200
Amortization of financial fee	346	250	215	52
Payment for financial fee	-	(921)	-	(920)
Loan repayment	(55,666)	(100,809)	(55,666)	(83,709)
Book value at the end of the period	902,346	934,966	214,181	246,932

As at December 31, 2021 and 2020, the Group had long-term loans mentioned above from financial institutions representing long-term loans from a financial institution for their operations, factory construction and purchase of machines. The aforementioned long-term loan facilities amounted to Baht 1,217 million (for the Company, amounting to Baht 380 million), secured by partial of land and buildings and machinery of the Group (Note 18 and 41) and benefits under the credit protection group life insurance policy in which the company's directors are insured members. The Group and the Company are required to comply with the conditions stipulated in the credit facility agreements and including maintaining certain financial ratios and transfer rights to receive benefits from building insurance policies to financial institutions.

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

Credit facilities (million Baht)		Interest (%)	Repayment Period		Repayment term	Objective
2021	2020		old	new		
140	140	MLR-1	Apr. 18 - Mar. 24	Apr. 18 - Nov. 24	- 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
60	60	MLR-1	Apr. 18 - Mar. 24	Apr. 18 - Nov. 24	- 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
109	109	MLR	Apr. 21 - Sep. 27	Apr. 21 - May. 28	- 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
71	71	MLR	Jun. 21 - Nov. 27	Jun. 21 - Jul. 28	- 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
380	380					

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:

Credit facilities (million Baht)		Interest (%)	Repayment Period		Repayment term	Objective
2021	2020		old	new		
174.50	174.50	MLR-2	Apr 21 - Apr 25	Apr 22 - May 26	repayment of Baht 2.50 million per month	Plant construction for special qualified PC Wire and PC Stand
225.50	225.50	MLR-2	Apr 21 - Feb 25	Apr 22 - Mar 26	repayment of Baht 3.20 million per month	Purchase of machinery and equipment related with manufacturing of special qualified PC Wire and PC Stand
150.00	150.00	MLR-1	May 21 - Mar 27	May 22 - Apr 28	- 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> (the last) repayment of remaining	Plant construction for spun pile concrete.
250.00	250.00	MLR-1	May 21 - Mar 27	May 22 - Apr 28	- 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>th</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.
37.00	37.00	MLR-2	Jun 21 - Nov. 27	Jun 22 - Nov. 28	repayment of Baht 0.48 million per month	Purchase of machinery and equipment related with manufacturing of special qualified
<u>837.00</u>	<u>837.00</u>					

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 2021, 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.

## 27. LEASES LIABILITIES

The movement of lease liabilities for the year ended December 31, 2021 and 2020 are presented below

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
As at January 1,	65,009	452	60,448	452
Addition	40,421	83,860	39,762	77,235
Cancellation of contract	(525)	-	-	-
Repayments	(17,350)	(19,303)	(15,423)	(17,239)
As at December 31,	87,555	65,009	84,787	60,448
<u>Less: Portion due within one year</u>	<u>(33,039)</u>	<u>(17,076)</u>	<u>(31,847)</u>	<u>(15,211)</u>
Lease liabilities - net of current portion	<u>54,516</u>	<u>47,933</u>	<u>52,940</u>	<u>45,237</u>

The following are the amounts recognized in profit or loss for the year ended December 31, 2021 and 2020

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Depreciation of right-of-use assets	27,877	20,802	25,940	18,840
Interest expense on lease liabilities	4,555	3,382	4,332	3,091
Expense relating to short-term lease	7,469	3,261	7,469	870
Total	<u>39,901</u>	<u>27,445</u>	<u>37,741</u>	<u>22,801</u>

## 28. PROVISIONS FOR EMPLOYEE BENEFIT

Provisions for employee benefit consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Post - employee benefits	34,636	28,179	30,121	24,016
Other long-term employee benefits	1,273	3,483	1,109	3,280
Total	35,909	31,662	31,230	27,296
<u>Less Current portion</u>	<u>(4,858)</u>	<u>(615)</u>	<u>(4,858)</u>	<u>(615)</u>
Net	<u>31,051</u>	<u>31,047</u>	<u>26,372</u>	<u>26,681</u>

Movement of provisions for employee benefit for the year ended December 31, 2021 and 2020 were as follow:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Beginning balance	31,662	58,754	27,296	54,914
Benefits paid by the plan during the period	(673)	(2,495)	(673)	(2,495)
Current service costs	4,391	3,125	3,431	2,434
Interest during the year	472	1,466	407	1,402
Actuarial (gains) losses on re-measurement of defined benefit plans	(32)	(27,748)	623	(27,473)
Actuarial (gains) losses of other long-term employee benefit	89	(1,440)	146	(1,486)
<u>Less</u> Provision for employee benefit due within one year	(4,858)	(615)	(4,858)	(615)
Ending balance	31,051	31,047	26,372	26,681

Expense recognized in the statements of comprehensive income:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Actuarial (gains) losses of other long-term employment benefit	89	(1,440)	146	(1,486)
Current service costs				
Cost of sales	2,124	1,886	1,752	1,667
Selling and administrative expenses	2,267	1,239	1,679	767
Interest on obligation	472	1,466	407	1,402
	4,863	4,591	3,838	3,836
Total	4,952	3,151	3,984	2,350

Actuarial (gain) losses on re-measurement of defined benefit plans

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Actuarial (gain) losses arising from				
Changes in demographic assumptions	-	27,813	-	27,473
Changes in financial assumptions	580	-	522	-
Experience adjustments	(612)	-	101	-
Total	(32)	27,813	623	27,473

Sensitivity analysis

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2021 and 2020 are summarized below:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Discount rate				
1% increase	(2,961)	(2,552)	(2,486)	(2,202)
1% decrease	3,449	2,961	2,875	2,543
Salary increase rate				
1% increase	3,560	2,746	2,975	2,353
1% decrease	(3,109)	(2,417)	(2,616)	(2,081)
Turnover rate				
20% increase	(3,244)	(2,470)	(2,858)	(2,224)
20% decrease	4,003	3,008	3,542	2,714

Principal actuarial assumptions at the reporting date

	%			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Discount rate	1.17 - 1.82	1.50 - 1.98	1.17 - 1.49	1.50 - 1.71
Salary increase rate	4.00	4.00	4.00	4.00
Employee turnover rate	1.91 - 30.08	1.91 - 30.08	3.34 - 30.08	3.34 - 30.08
Disability rate	Included in mortality	Included in mortality	Included in mortality	Included in mortality
Mortality rate	105.00 of Thai mortality table 2017	105.00 of Thai mortality table 2017	105.00 of Thai mortality table 2017	105.00 of Thai mortality table 2017

## 29. SHARE CAPITAL

### 29.1 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.

### 29.2 Legal Reserve

Section 116 of the Public Companies Act B.E. 2535 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.

## 30. OTHER INCOMES

Other incomes consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Revenue from sales of steel and concrete	-	-	443	-
Revenue from sales of construction material	-	8,284	-	8,283
Management fee income	-	-	6,750	6,750
Rental income	-	175	5,000	5,175
Revenue from sales - supply used	7,183	1,492	7,782	2,031
Gain on disposal of fixed assets	635	2,137	635	2,137
Interest income	145	291	2,501	707
Others	5,763	7,985	5,315	8,826
Total	13,726	20,364	28,426	33,909



### 31. EXPENSES BY NATURE

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Changes in finished goods and work in progress	19,903	99,652	31,052	109,920
Purchase of finished goods	78,795	47,425	65,644	17,568
Raw materials and supplies used	719,592	726,379	673,904	488,250
Employee benefit expenses	234,203	282,943	208,851	237,968
Service fees	154,298	74,141	151,439	66,446
Installation costs	108,277	144,247	94,937	118,161
Labor costs	133,116	116,136	128,162	108,958
Depreciation and amortization expenses	159,254	138,467	108,851	90,284
Transportation expenses	64,591	78,256	58,165	66,361
Reversal of allowance for expected credit loss	(6,585)	(2,521)	(4,470)	(11,195)
Reversal of allowance for devaluation on inventories	(5,694)	(25,728)	(7,151)	(17,497)
Reversal of losses from impairment of investment	-	-	(2,080)	(5,359)

### 32. TAX EXPENSE (INCOME)

32.1 Major component of tax expense (income) for the year ended December 31, 2021 and 2020 included:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Tax expense (income) shown in profit or loss:				
Current tax expense:				
Tax expense for the year	-	-	-	-
Deferred tax expense (income):				
Changes in temporary differences relating to the original recognition and reversal	3,444	(16,600)	3,444	(15,240)
Total	<u>3,444</u>	<u>(16,600)</u>	<u>3,444</u>	<u>(15,240)</u>

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Income tax relating to components of other comprehensive income:				
Gain (loss) on re-measurement of defined benefit plans	-	5,573	-	5,518
Gain (loss) from re-measurement of investment	70,010	34,257	70,010	34,257
Total	70,010	39,830	70,010	39,775

32.2 A numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate for the years ended December 31, 2021 and 2020 which were summarized as follows

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Accounting profit (loss) for the year	(103,264)	(172,929)	8,945	(100,004)
The applicable tax rate (%)	20	20	20	20
Tax expense (income) at the applicable tax rate	(20,653)	(34,586)	1,789	(20,001)
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit	772	14,626	241	12,059
Tax effect of income or profit that are not required in determining taxable profit:				
- Exemption of non-taxable dividend income	(487)	(3,114)	(487)	(3,114)
Tax effect of additional expense deductions allowed	(19)	(3,120)	(15)	(3,070)
Unrecognized tax losses on deferred tax assets	23,831	9,594	1,916	-
The amount of previously unrecognized tax losses for a prior period that is used to reduce current tax expense	-	-	-	(1,114)
Total reconciliation items	24,097	17,986	1,655	4,761
Total tax expense (income)	3,444	(16,600)	3,444	(15,240)

As at December 31, 2021 and 2020, the Company and its subsidiaries had an accumulated loss (in tax) that was still unused of approximately Baht 682.31 million and Baht 386.36 million, respectively (for the Company : Baht 343.80 million and Baht 206.46 million), respectively. The Company and its subsidiaries above did not record deferred tax assets from such loss because there was an uncertainty whether the Company and its subsidiaries would have enough profit to utilize the benefits from deferred tax assets or not.

32.3 A numerical reconciliation between tax average effective tax rate and the application tax rate for the years ended December 31, 2021 and 2020 were summarized as follows:

	Consolidated financial statements			
	2021		2020	
	Tax amount	Tax rate	Tax amount	Tax rate
	(Thousand Baht)	(%)	(Thousand Baht)	(%)
Accounting profit (loss) before tax expense for the year	(103,264)		(172,929)	
Tax expense (income) at the applicable tax rate	(20,653)	(20.00)	(34,586)	(20.00)
Reconciliation items	24,097	23.33	17,986	10.40
Tax expense (income) at the average effective tax rate	3,444	3.33	(16,600)	9.60

	Separate financial statements			
	2021		2020	
	Tax amount	Tax rate	Tax amount	Tax rate
	(Thousand Baht)	(%)	(Thousand Baht)	(%)
Accounting profit (loss) before tax expense for the year	8,945		(100,004)	
Tax expense (income) at the applicable tax rate	1,789	20.00	(20,001)	(20.00)
Reconciliation items	1,655	18.50	4,761	4.76
Tax expense (income) at the average effective tax rate	3,444	38.50	(15,240)	15.24

### 33. OPERATING SEGMENT

Operating segment information is reported in a manner consistent with the internal reports of the Group that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as Board of directors.

For management purposes, the Group is organised into business units based on its projects and have three reportable segments as follows:

- Manufacturing and distribution of concrete products
- Construction services
- Manufacturing and distribution of PC wire and PC strand

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

## Revenue and profit (loss) by segment operations

Details of revenue and profit (loss) by segment operations for the year ended December 31, 2021 and 2020 were as follows:

	Million Baht									
	Consolidated financial statements									
	Manufacturing and distribution of concrete products		Construction services		Manufacturing and distribution of PC wire and PC strand		Eliminated items		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenues from external customers	1,396	1,419	241	-	25	177	-	-	1,662	1,596
Revenues from inter-segments	2	-	-	-	63	92	(65)	(92)	-	-
Total revenue	1,398	1,419	241	-	88	269	(65)	(92)	1,662	1,596
Segment results	63	12	8	-	(19)	14	7	6	59	32
Dividend income									2	15
Gain from sale of warrants									61	-
Other income									14	21
Distribution costs and administrative expenses									(200)	(202)
Other gains (losses)									6	-
Profit (loss) from operating activities									(58)	(134)
Finance costs									(66)	(68)
Share of profit of associate and joint venture									21	29
Profit (loss) before income tax expense									(103)	(173)
Tax (expense) income									(4)	(17)
Profit (loss) for the year									<u>(107)</u>	<u>(156)</u>
Timing of revenue recognition										
At a point in time	1,072	1,419	-	-	88	269	(65)	(92)	1,095	1,596
At a point over time	326	-	241	-	-	-	-	-	567	-
									<u>1,662</u>	<u>1,596</u>

		Million Baht					
		Consolidated financial statements					
	Manufacturing and distribution of concrete products and construction services		Manufacturing and distribution of PC wire and PC strand		Eliminated items		Total
	2021	2020	2021	2020	2021	2020	2021 2020
Total assets	6,691	6,310	630	724	(777)	(820)	6,544 6,214
Total liabilities	2,312	2,143	543	581	(266)	(291)	2,589 2,433

### Geographic information

The Company and its subsidiaries operate in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

### Major customers

For the years ended December 31, 2021 and 2020, the Company and its subsidiaries have revenue from major customers not over 10% of the total revenue.

#### 34. PROMOTIONAL PRIVILEGES

Subsidiaries obtained promotional privileges from the Board of investment under the promotional certificate issued on November 17, 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

#### 35. PROVIDENT FUND

The Company and its subsidiaries established a contributory registered provident fund covering all permanent employees in accordance with the Provident Fund Act B.E.2530.

Under the provident fund plan, employees' and Company's and its subsidiaries' contributions are equivalent to certain percentages of employees' basic salaries. The employees are entitled to the Company's and its subsidiaries' contributions in accordance with the rules and regulations of the fund and on the length of service with the Company and its subsidiaries. The Company and its subsidiaries appointed a fund manager to manage the fund in accordance with the terms and conditions prescribed in the Provident Fund Act.

The Company's and its subsidiaries' contributions for the years ended December 31, 2021 and 2020 were amounted to Baht 3.25 million and Baht 4.56 million (for the Company : Baht 2.82 million and Baht 3.68 million), respectively.

#### 36. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in the liabilities arising from financing activities for the years ended December 31, 2021 and 2020 are as follows:

Thousand Baht				
Consolidated financial statements				
	Balance as at January 1, 2021	Cash flows Increase (decrease)*	Non-cash transaction Increase	Balance as at December 31, 2021
Short-term borrowings from financial institutions	603,108	27,551	761	631,420
Short-term loans from other person	-	10,122	-	10,122
Long-term borrowings from financial institutions	934,966	(32,967)	346	902,345
Liabilities under a finance lease agreement	65,009	(17,349)	39,895	87,555
Total	1,603,083	(12,643)	41,002	1,631,442

Thousand Baht				
Consolidated financial statements				
	Balance as at January 1, 2020	Cash flows Increase (decrease)*	Non-cash transaction Increase	Balance as at December 31, 2020
Short-term borrowings from financial institutions	593,526	9,766	(184)	603,108
Long-term borrowings from financial institutions	896,246	38,471	249	934,966
Liabilities under a finance lease agreement	452	(19,303)	83,860	65,009
Total	1,490,224	28,934	83,925	1,603,083

Thousand Baht				
Separate financial statements				
	Balance as at January 1, 2021	Cash flows Increase (decrease)*	Non-cash transaction Increase	Balance as at December 31, 2021
Short-term borrowings from financial institutions	395,440	32,359	(61)	427,738
Short-term loans from other person	-	10,122	-	10,122
Loan and interest payable from subsidiary	182,005	(65,882)	-	116,123
Long-term borrowings from financial institutions	246,932	(32,967)	215	214,180
Liabilities under a finance lease agreement	60,448	(15,423)	39,762	84,787
Total	884,825	(71,791)	39,916	852,950

Thousand Baht				
Separate financial statements				
	Balance as at January 1, 2020	Cash flows Increase (decrease)*	Non-cash transaction Increase	Balance as at December 31, 2020
Short-term borrowings from financial institutions	380,080	15,360	-	395,440
Loan and interest payable from subsidiary	176,307	-	5,698	182,005
Long-term borrowings from financial institutions	191,309	56,491	(868)	246,932
Liabilities under a finance lease agreement	452	(17,239)	77,235	60,448
Total	748,148	54,612	82,065	884,825

\* Financing cash flows included net proceed and repayment cash transactions in the statements of cash flows.

### 37. FINANCIAL INSTRUMENTS

37.1 Risk management

The Company and its subsidiaries manage their financial risk exposure on financial assets and financial liabilities in the normal business by its internal management and control system, and the Company and its subsidiaries do not hold or issue derivative financial instruments for speculative or trading purposes.

37.2 Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade and other receivables, receivables under installment sale agreements and short-term loans to related party. The management of the Company and its subsidiaries manage this risk by establishing appropriate credit control policies and procedures. Therefore, it does not expect to incur material losses from debt collection more than the amount already provided in the expected credit loss. In addition, credit of the Company and its subsidiaries is not concentrated because the Company and its subsidiaries have a diverse and large customer base. The maximum amount that the Company and its subsidiaries may incur on credit is the carrying amount of the receivable. Other receivables and notes receivable presented in the statement of financial position

37.3 Interest rate risk

The Company and its subsidiaries are exposed to interest rate risk relates primarily to its cash at banks, receivables under installment sale agreements, short-term loan to related party, restricted deposits at financial institution, short-term loans from financial institution, short-term loan from related parties, long-term loans from banks and lease liabilities. However, most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market. However, the management believed that the future fluctuation on market interest rate would not provided significant effect to their operations and cash flows, therefore; no financial derivative was adopted to manage such risks.

As at December 31, 2021 and 2020, the significant financial assets and financial liabilities classified by types of interest rates were as follows:

	Thousand Baht				
	Consolidated financial statements				
	2021				
	Fixed interest rate	Floating interest rate	Interest - free	Total	Interest rate (% per annum)
<u>Financial assets</u>					
Cash and cash equivalents	59	11,167	3,902	15,128	0.05 - 0.15
Trade and other current receivables	-	-	294,506	294,506	-
Retention receivables	-	-	100,302	100,302	-
Other current financial asset	-	-	5,599	5,599	-
Restricted deposits at financial institutions	17,360	-	-	17,360	0.125 - 0.250
Investment in equity	-	-	808,130	808,130	-
<u>Financial liabilities</u>					
Short-term loans from financial institutions	-	631,420	-	631,420	3.097 - 5.250
Trade and other current payables	-	-	630,480	630,480	-
Short-term loans from other person	10,122	-	-	10,122	7.00
Long-term loans from financial institutions	-	902,346	-	902,346	MLR, MLR-1, MLR-2
Lease liabilities	87,555	-	-	87,555	4.250 - 6.100

	Thousand Baht				
	Consolidated financial statements				
	2020				
	Fixed interest rate	Floating interest rate	Interest - free	Total	Interest rate (% per annum)
<u>Financial assets</u>					
Cash and cash equivalents	59	12,881	4,267	17,207	0.05 - 0.375
Restricted deposits at financial institutions	10,000	-	-	10,000	0.125
Trade and other current receivables	-	-	348,925	348,925	-
Retention receivables	-	-	79,339	79,339	-
<u>Financial liabilities</u>					
Short-term loans from financial institutions	-	603,108	-	603,108	3.25 - 6.875
Trade and other current payables	-	-	536,449	536,449	-
Long-term loans from banks	-	934,966	-	934,966	MLR, MLR-1, MLR-2
Liabilities under finance lease agreements	65,009	-	-	65,009	4.250 - 5.525



	Thousand Baht				
	Separate financial statements				
	2021				
	Fixed interest rate	Floating interest rate	Interest - free	Total	Interest rate (% per annum)
<u>Financial assets</u>					
Cash and cash equivalents	59	11,120	3,850	15,029	0.050 -0.150
Trade and other current receivables	-	-	317,278	317,278	-
Retention receivables	-	-	97,507	97,507	-
Other current financial asset	-	-	5,599	5,599	-
Short-term loan and interest receivable to subsidiary	-	72,186	496	72,682	MOR, MLR-0.5, MLR-1
Restricted deposits at financial institutions	17,360	-	-	17,360	0.125 - 0.250
Investment in equity	-	-	808,130	808,130	-
<u>Financial liabilities</u>					
Short-term loans from financial institutions	-	427,738	-	427,738	4.25 - 5.57
Trade and other current payables	-	-	528,668	528,668	-
Short-term loans from other person	10,122	-	-	10,122	7.00
Short-term loan and interest payable from subsidiary	-	115,264	859	116,123	MLR-0.5, MLR-1
Long-term loans from financial institution	-	214,180	-	214,180	MLR, MLR-0.5, MLR-1, MLR-2
Lease liabilities	84,787	-	-	84,787	4.250 - 6.100

	Thousand Baht				
	Separate financial statements				
	2020				
	Fixed interest rate	Floating interest rate	Interest - free	Total	Interest rate (% per annum)
<u>Financial assets</u>					
Cash and cash equivalents	59	12,880	4,212	17,151	0.050 - 0.375
Restricted deposits at financial institutions	10,000	-	-	10,000	0.125
Trade and other current receivables	-	-	342,622	342,622	-
Short-term loans and accrued interest to related party	-	24,057	75	24,132	MLR-0.5
Retention receivables	-	-	77,969	77,969	-
<u>Financial liabilities</u>					
Short-term loans from financial institutions	-	395,440	-	395,440	4.25 - 5.57
Trade and other current payables	-	-	439,130	439,130	-
Short-term loans and accrued interest from related party	-	171,689	10,316	182,005	MLR-0.5
Long-term loans from financial institution	-	246,932	-	246,932	MLR, MLR-0.5, MLR-1
Liabilities under finance lease agreements	60,448	-	-	60,448	4.250 - 5.525

### 37.5 Foreign currency risk

The Company and its subsidiary companies incurred risk foreign currencies exchange due to the Company and its subsidiaries had transaction of purchases or sales which were denominated in foreign currencies. the Company and its subsidiaries did not enter into and forward exchange contract to hedge the risk on exchange rates.

As at December 31, 2021 and 2020, outstanding balances of the Company's and subsidiaries' financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currencies	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	2021	2020	2021	2020	2021	2020
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per foreign currency unit)	
US Dollar	-	2,099	747	-	33.4199	30.0913
Euro	-	-	12	-	37.8948	36.8764
Yen	68	-	-	5,100	0.2906	0.2903

Foreign currencies	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	2021	2020	2021	2020	2021	2020
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per foreign currency unit)	
US Dollar	-	2,099	184	-	33.4199	30.0913

For the years ended December 31, 2021 and 2020, the aggregate net foreign exchange gains (losses) recognized in profit or loss are as follow:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Unrealized gain (loss) on exchange rates	(775)	(128)	61	-
Gain (loss) on exchange rates				
- Income	30	-	-	-
- administrative expense	(918)	(825)	(270)	497
Total net gain (loss) on exchange rate				
recognized in profit before income tax	(1,663)	(953)	(209)	497

### 37.6 Liquidity risk

The Company and its subsidiaries manage its liquidity risk by maintaining adequate level of cash and cash equivalents to support the Company's and its subsidiaries' operations as well as securing short-term credit facilities from financial institutions for reserve as necessary and to reduce the impact of fluctuations in cash flow.

### 37.7 Fair value of financial instruments

The carrying amount of financial assets and financial liabilities as presented in the statement of financial position are mostly bear floating interest rates or fixed interest rates which are close to market rate. The management believes that the fair value of those financial assets and financial liabilities does not materially differ from their carrying amount.

## 38. CAPITAL MANAGEMENT

The primary objective of capital management of the Company and its subsidiaries is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern. According to the statement of financial position as at December 31, 2021, the Group's debt-to-equity ratio was 0.65 : 1 (as at December 31, 2020 was 0.64 : 1) and the Company's was 0.38 : 1 (as at December 31, 2020 was 0.37 : 1).

## 39. EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share is calculated by dividing the profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Profit (loss) for the year of parent company (Thousand Baht)	(93,442)	(144,751)	5,501	(84,764)
Weighted average number of ordinary shares (Thousand shares)	5,397,877	5,397,877	5,397,877	5,397,877
Basic earnings (loss) per share (Baht per share)	(0.01731)	(0.02682)	0.00102	(0.01570)

#### 40. COMMITMENTS AND CONTINGENT LIABILITIES

##### 40.1 Commitments

As at December 31, 2021 and 2020, the Group had opened credit facilities as follows:

	Thousand Baht					
	Consolidated financial statements					
	2021			2020		
	Total	Utilized	Remained	Total	Utilized	Remained
Letters of guarantee	680,160	(499,539)	180,621	819,772	(391,422)	428,350
Bank overdraft and others	2,098,400	(1,833,953)	264,447	1,921,000	(1,772,507)	148,493

	Thousand Baht					
	Separate financial statements					
	2021			2020		
	Total	Utilized	Remained	Total	Utilized	Remained
Letters of guarantee	612,555	(449,274)	163,281	470,000	(321,102)	148,898
Bank overdraft and others	1,071,400	(827,143)	244,257	894,000	(764,497)	129,503

##### 40.2 Service agreement and operating lease commitments

As at December 31, 2021 and 2020, the Group had future minimum lease and service payments required under these service agreements and operating lease agreements were as follows:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Payable:				
In up to 1 year	647	369	618	341
In over 1 and up to 5 years	1,701	1,072	1,647	994

##### 40.3 Sales and service agreement commitments

As at December 31, 2021 and 2020, the Group had sales and service agreements with customers for which the products or services have not yet been delivered in the amount of Baht 4,124 million and Baht 2,865 million (for the company amounting to Baht 3,820 million and Baht 2,735 million), respectively.

#### 40.4 Bank guarantees

As at December 31, 2021 and 2020, there were bank guarantees of approximately Baht 473.11 million and Baht 391.42 million (for the Company: Baht 441.70 million and Baht 321.10 million), respectively. issued by banks on behalf of the Company and the subsidiary in respect of certain performance bonds as required in the normal course of business. Details of bank guarantees were as follows:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Guarantee of advance payment bond and retention	277,930	189,506	272,063	188,223
Guarantee of job auction	2,745	-	600	-
Other guarantees	192,432	201,916	169,040	132,879
Total	473,107	391,422	441,703	321,102

#### 40.5 Other guarantee

As at December 31, 2021 and 2020, the Company had a commitment by issuing a letter of guarantee with a bank together with a related company amounting to Baht 167.10 million (USD 5.00 million) and Baht 174.97 million (USD 5.83 million), respectively to guarantee credit facilities of the joint venture. The credit line is guaranteed by common shares in the joint venture.

40.6 As at December 31, 2021 and 2020, The subsidiary has commitment for training service with a related company which has not recorded into the financial statements yet, amounting to JPY 0.00 million and JPY 5.1 million, respectively.

40.7 On December 31, 2021, the Company has commitments to provide a guarantee and advance received in the amount of Baht 2.86 million.

#### 41. ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for credit facilities were as follow:

		Thousand Baht			
		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
<b>Current assets</b>					
Restricted deposits with financial institutions	13	-	10,000	-	10,000
<b>Non-current assets</b>					
Restricted deposits with financial institutions	13	17,360	-	17,360	-
Investment in equity	14	583,462	358,540	583,462	358,540
Investment in associate and joint venture	16	311,062	292,639	329,444	327,364
Investment property	17	987,930	987,930	1,280,650	1,280,650
Property, plant and equipment	18	1,946,515	2,004,115	760,334	771,940
Total assets pledged as security		<u>3,846,329</u>	<u>3,653,224</u>	<u>2,971,250</u>	<u>2,748,494</u>

#### 42. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company's board of directors on February 28, 2022.

### **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, 2021

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	<b><u>Education History</u></b> <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> <b><u>Training Experience</u></b> -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	<b><u>Education History</u></b> <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	0.014%, Holding 140,000	None	Present	Independent Director and Auditing Director	General Engineering Public Company Limited
						2021-Present	Director / Risk Management Committee / Executive Committee / Chief Commercial and Investment Officer	Sabuy Technology Public Company Limited
						2021-Present	Director / Executive Director / Chief Executive Office	TBSP 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

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			Present	Independent Director and Chairman of the Risk Management Committee	Deestone Corporation Limited
			■ Advance Audit Committee Program (AACP) from Thai Institute of Directors (IOD) Class of No. 18/2015			2021-Present	Chief Executive Office / Director	Vending Plus Co., Ltd
			■ Director Certification (DCP) from Thai Institute of Directors (IOD) Class of No. 190/2014			2021-Present	Auditing Director / Independent Director	Asia Network International Co., Ltd
			■ Chartered Financial Analyst, CFA Institute			2021-Present	Director	Sabuy Mexi Insure Broker Co., Ltd
						2021-Present	Chief Executive Office / Director	Sabuy Money Co., Ltd
						2021-Present	Chief Executive Office / Director	Sabuy Market Plus Co., Ltd
						2021-Present	Director	Sabuy Food Plus Co., Ltd
						2020-Present	Chief Executive Office	Galaxy Venture Co., Ltd
						2020-Present	Independent Director and Chairman of the Risk Management Committee / Independent Director	Deestone Corporation Limited
						2015-Present	Director	Tonraikor Co., Ltd
						2018-2020	Deputy Managing Director	KT ZMICO Securities Company Limited
						2018-2020	Director	KTZ Ruby Hill Securities Company Limited at Myanmar
						2016-2018	Assistant Managing Director	CIMB Thai Bank Public Company Limited
						2009-2015	act on behalf of Chief Executive Office	CIMB THAI Bank

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
5.	Mrs.Panee Jarusombat Independent Director and Audit Committee 2 June 2014	64	<b><u>Education History</u></b> <ul style="list-style-type: none"> <li>Master in Political Science, Politics and Government, Sukhothai Thammathirat Open University</li> <li>Bachelor in Communication Art, Major in Mass Communication (2<sup>nd</sup> Class Honor), Bangkok University</li> </ul> <b><u>Training Experience</u></b> -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 Independent Director Audit Committee / Remuneration and Nomination Committee / Chairman of Corporate Governance Committee 2 October 2014	39	<b><u>Education</u></b> <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>	None	None	Present	Independent Director Audit Committee / Remuneration and Nomination Committee / Chairman of Corporate Governance Committee	General Engineering Public Company Limited
						2021-Present	Independent Director / Remuneration and Nomination Committee	Don Muang Tollway Public Company Limited
						2014-Present	Director/ Member of the Audit Committee/ Member of the Nomination, Compensation and	Namyong Terminal Public Company Limited

No.	Firstname-Lastname/Position/ Date of Appointment	Age (Yr.)	Education and Training History	Percentage in Shareholding (%)	Family Relationship with Board of Directors or Executives	Working Experience		
						Duration	Position	Department/Company
			<b>Training Experience</b> <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 (AAP) 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 of the Constitutional Court</li> <li>Certificate of Senior Executives on Justice Administration Class 16, Office of the Judicial Training Institute</li> <li>Certificate of Administrative Justice for Senior Executives Class 6, Office of the Administrative Courts</li> <li>Certificate of New Era Leadership in the Democratic Systems Class 1, King Prajadhipok's Institute</li> </ul>				Corporate Governance Committee/ Independent Director	
						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
						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

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
								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
						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	The House of Representatives

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
							Telecommunications	
						2006-2010	Associate Lawyer	White & Case (Thailand) Limited
7.	Mr.Vipoota 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
						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	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,</li> </ul>			2014-Present	Director / Executive Director / Corporate Governance Director / Company Secretary	General Engineering Public Company Limited
						2017-Present	Director	General Nippon Concrete Industries

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
	12 May 2014		National University, California, U.S.A <b>Training Experience</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>					Co., Ltd.
						2015-Present	Director	Seven Wire Co. Ltd.
						2015-Present	Director	Metric Public Company Limited Co.,Ltd
						2020-Present	Director	Melon King 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
						2014-Present	Director	Geoform Co. Ltd.
						2013	Executive Director of Investor Relation and Coordination	G Steel (Public) Co. Ltd.
						2011-2013	President of Administrative Office	G Steel (Public) Co. Ltd.
						2010-2013	Executive Director in Accounting & Finance	G Steel (Public) Co. Ltd.
						2008-2013	Company Secretary	G Steel (Public) Co. Ltd.
						2005-2007	Business Development Manager	G Steel (Public) Co. Ltd.
						2004-2005	General Manager	Geoform Co. Ltd.
						1999-2004	Assistant of Managing Director	Geoform Co. Ltd.
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> </ul>	None	None	2019-Present	Deputy CEO-Production	General Engineering Public Company Limited
						1989-2019	Senior Vice President	Siam City Cement 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
			■ Bachelor of Engineering, Chulalongkorn University					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> ■ Master of Accounting, Ramkhamhang	0.00% Holding 334 shares	None	2016-Present	Director of Accounting & Finance	General Engineering Public Company Limited
						2011-2016	Accounting & Finance Consulting	General Engineering Public Company Limited
						1993-2008	Accounting & Finance Manager	P plus P Public Company Limited
						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
						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>Education History</b> ■ B.B.A. in Construction Management, Sukhothai Thammathirat University ■ M.SC. in Civil and Structural Engineering.	None	None	Present	Director of Production and Service of Precast Concrete	General Engineering Public Company Limited
						2011-2015	Assistant Vice President	Prukha Real Estate 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
			Universiti Kebangsaan Malaysia. ■ B.Eng. in Civil Engineering. Rajchamangkala Institute of Technology, Thevaves Campus, Bangkok. <u>Training History</u> ■ Inspection & Construction Supervision of Horizontal Construction, Class 15 Strategies for Managing Generation Y. Pruksa Training School, IT Square, Laksi, Bangkok. ■ Finance for Non Finance. Pruksa Training School, IT Square, Laksi, Bangkok.			2008 -2011	Assistant Vice President	General Engineering Public Company Limited
12.	Mr. Somnuk Puttiwat Vice President Prestressed Concrete Pile Services	61	<u>Education History</u> ■ Bachelors of Engineering, Civil Engineering Khon Kaen University <u>Training Experience</u> -None-	None	None	2017-Present	Vice President Prestressed Concrete Pile Services	General Engineering Public Company Limited
						2004-2017	Director	Mecca and Associates Company Limited
						2003-2004	Manager	Mankong Home and Land Company Limited
						1990-2000	Consulting Engineer	General Engineering Public Company Limited
						1980-1982	Field Engineer	W. Udom Construction Company Limited
13.	Ms. Chuensuk Meeposom	49	<u>Education History</u>	None	None	2019 - Present	Vice President Business	General Engineering Public Company

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
	Vice President Business Development and Control		<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>Training Experience</u> -None-				Development and Control	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>Education History</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>Training Experience</u> -None-	None	None	2019-Present	Vice President Digital	General Engineering Public Company Limited
						2016-2019	Director of IT	Show DC Corp Co., Ltd.
						2011-2016	Director of IT	LCB Container Terminal 1LTD.

**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 2021<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	/, //	/	/	/	/	/	-
4.	Ms. Wisadja Kochasena	/, //	-	-	-	-	-	-

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 Mctric 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 15 November 2021

**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

**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;

Name	Position	Number of Attendance	Appointed
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 2021 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 6 January 2022 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 2021 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 2021, 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. On December 22, 2021 the company are receive The CAC Certification in Thailand National Conference on Collective Action Against Corruption No. 11 Year 2021 of Thai Private Sector Collective Action Against Corruption (CAC)

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

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

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

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

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

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

#### **6. Appointment of External Auditor for the 2021 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 Dharmniti Auditing Co., Ltd, represented as the auditor of the Company for the accounting period ended on 31 December 2021. The audit fee was determined at 2,400,000 baht with the approval of the Company's Board of Directors and the shareholders' meeting, appointing the auditors having names as follows;

- |                   |             |  |
|-------------------|-------------|--|
| 1) Mr. Thanawut   | Piboonsawat | Certified Public Accountant No 6699 or   |
| 2) Ms. Roongnapha | Saengchan   | Certified Public Accountant No. 10142 or |
| 3) Ms. Potjanarat | Siripipat   | Certified Public Accountant No. 9012 or  |
| 4) Ms. Techinee   | Pornpenpob  | Certified Public Accountant No. 10769    |

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

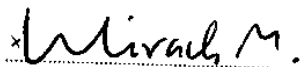
In 2021, the Audit Committee reviewed and revised the charter of the Audit Committee to cover more working rules in aspects of good corporate governance and anti-corruption. The charter was amended as appropriate and approved by the Board of Directors.

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

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

In the performance of its duties as assigned, the Audit Committee opined that the financial statements audited by the Company's auditor were accurate with adequate disclosure in accordance with the generally accepted accounting standards, and that the auditor performed its duties suitably in compliance with the requirements. Nothing was found to significantly affect the accuracy of the financial statements. The Audit Committee viewed that the Company adequately adhered to the law on securities

and exchange, and other laws relating to the Company's business; and also implemented the internal control system in a proper manner in line with the business environment under the enhancement of good corporate governance principles.

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

(Mr. Wirach Morakotkarn)

Chairman of the Audit Committee

**REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITY IN FINANCIAL STATEMENT**

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

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

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

The Company's Board of Directors believes that the Company's overall internal control system is at satisfactory level. Financial statements of General Engineering Public Company Limited and its subsidiaries as at 28 February 2022 substantially portray the Company's financial position, operating performance and cash flow in an accurate and reasonable manner and comply with generally accepted accounting principles and related laws and regulations.



A blue ink signature of Mr. Thitipong Tangpoonphonvivat, consisting of stylized cursive letters.

(Mr. Thitipong Tangpoonphonvivat)

Directors

A blue ink signature of Mr. Wuttichai Sresthabutra, consisting of stylized cursive letters.

(Mr. Wuttichai Sresthabutra)

Directors

# IMAGINEERING YOUR DREAM



**บริษัท เจนเนอรัล เอนจิเนียริ่ง จำกัด (มหาชน)**

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

**GENERAL ENGINEERING PUBLIC COMPANY LIMITED**

44/2 Moo2 Tivanont Road, Bangkadi, Muang,  
Pathumthani, 12000, Thailand

Telephone: 0-2501-1055 | Email: [gel@gel.co.th](mailto:gel@gel.co.th) | Website: [www.gel.co.th](http://www.gel.co.th)  
Facebook: GEL-General Engineering