

Auditor's Review Report and  
Consolidated Interim Financial Statements of

**General Engineering Public Company Limited  
and subsidiaries**

For the Three - Month Period Ended 31 March 2016

## **REVIEW REPORT OF INDEPENDENT AUDITOR**

To the shareholders of General Engineering Public Company Limited

I have reviewed the consolidated statement of financial position as at 31 March 2016, the related consolidated statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the three-month period ended 31 March 2016, and condensed notes to consolidated financial statements of General Engineering Public Company Limited and subsidiaries. I have also reviewed the separate statement of financial position as at 31 March 2016, the related separate statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the three-month period ended 31 March 2016, and condensed notes to financial statements of General Engineering Public Company Limited. Management is responsible for the preparation and presentation of these interim financial information in accordance with Thai Accounting Standard No. 34, "Interim financial reporting". My responsibility is to issue a concluding report on these interim financial information based on my review.

### **Scope of Review**

I conducted my review in accordance with Thai Standard on Review Engagements Code 2410 "Review of Interim Financial Information performed by the Independent Auditor of the Entity". A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion on the interim financial information.

**Conclusion**

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 “Interim financial reporting”.

**Mr. Somckid Tiatragul**

Certified Public Accountant

Registration No. 2785

Bangkok, Thailand

12 May 2016

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF FINANCIAL POSITION

		(Unit : Thousand Baht)			
		Consolidated F/S		Separate F/S	
		31 March 2016	31 December 2015	31 March 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
ASSETS	Notes				
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	3	115,613	85,619	113,884	83,119
Fixed deposits	4	100,000	90,171	100,000	90,171
Trade accounts receivable - net	6	441,347	383,034	441,347	383,034
Trade accounts receivable - related companies	5	20,489	13,453	20,489	13,453
Deposit and others - related companies	5	-	-	79	135
Inventories - net	7	287,253	269,042	287,253	269,042
Accrued dividend income	9	52,407	-	52,407	-
Other current assets		24,401	20,034	24,130	19,857
<b>Total Current Assets</b>		<b>1,041,510</b>	<b>861,353</b>	<b>1,039,589</b>	<b>858,811</b>
<b>NON - CURRENT ASSETS</b>					
Restricted deposits with banks		62,500	62,500	62,500	62,500
Investments in subsidiaries	8	-	-	2,837	2,837
Investment in associated company	8	233,039	227,779	185,633	185,633
Investment in joint venture	8	176,382	176,383	177,661	177,661
Investment in available - for - sales securities	9	926,973	889,261	926,973	889,261
Property, plant and equipment - net	10	2,812,624	2,784,880	2,812,624	2,784,880
Deferred income tax assets		66,387	74,707	75,868	83,136
Deposit for machineries		79,253	-	-	-
Investment property		8,697	8,697	8,697	8,697
Income tax withheld at sources		5,732	5,715	5,732	5,715
Other non - current assets		19,106	28,805	18,774	28,805
<b>Total Non - Current Assets</b>		<b>4,390,693</b>	<b>4,258,727</b>	<b>4,277,299</b>	<b>4,229,125</b>
<b>TOTAL ASSETS</b>		<b>5,432,203</b>	<b>5,120,080</b>	<b>5,316,888</b>	<b>5,087,936</b>

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF FINANCIAL POSITION

		Consolidated F/S		Separate F/S	
		31 March 2016	31 December 2015	31 March 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Notes					
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
	Short - term loans from financial institutions	80,304	816	1,051	816
	Trade accounts payable	190,394	173,037	190,394	173,037
	Trade accounts payable - related companies	17,249	1,882	17,249	1,882
	Other payables - related companies	10,179	10,268	10,179	10,268
	Construction payable - related company	-	2,330	-	2,330
	Income tax payable	707	-	707	-
	Advances received from customers	66,050	59,027	66,050	59,027
	Current portion of long - term loans from financial institution	78,000	78,000	78,000	78,000
	Other current liabilities	68,699	62,235	68,239	61,873
	<b>Total Current Liabilities</b>	<b>511,582</b>	<b>387,595</b>	<b>431,869</b>	<b>387,233</b>
<b>NON - CURRENT LIABILITIES</b>					
	Long - term loans from financial institution - net	271,109	82,234	271,109	82,234
	Employee benefits obligation	27,210	25,838	27,210	25,838
	Other non - current liabilities	2,698	2,633	2,698	2,633
	<b>Total Non - Current Liabilities</b>	<b>301,017</b>	<b>110,705</b>	<b>301,017</b>	<b>110,705</b>
	<b>TOTAL LIABILITIES</b>	<b>812,599</b>	<b>498,300</b>	<b>732,886</b>	<b>497,938</b>

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

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF FINANCIAL POSITION

		(Unit : Thousand Baht)			
		Consolidated F/S		Separate F/S	
		31 March 2016	31 December 2015	31 March 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Notes					
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)</b>					
<b>SHAREHOLDERS' EQUITY</b>					
	Share capital				
	- Common shares, Baht 0.85 par value				
	Authorized share capital				
	- 7,505,964,239 shares	6,380,070	6,380,070	6,380,070	6,380,070
	Issued and fully paid-up share capital				
	- 5,562,876,782 shares	4,728,445	4,728,445	4,728,445	4,728,445
	Surplus on capital reduction	71,131	71,131	71,131	71,131
	Retained earnings				
	- Appropriated for legal reserve	8,600	8,600	8,600	8,600
	- Appropriated for treasury shares	13 91,070	-	91,070	-
	- Unappropriated	93,106	125,462	57,528	93,694
	<u>Less</u> Treasury shares - Common shares	14 (91,070)	-	(91,070)	-
	Other components of shareholders' equity	(281,678)	(311,858)	(281,702)	(311,872)
	<b>Equity attributable to the Company's shareholders - net</b>	<b>4,619,604</b>	<b>4,621,780</b>	<b>4,584,002</b>	<b>4,589,998</b>
	Non - controlling interests	-	-	-	-
	<b>Total Shareholders' Equity</b>	<b>4,619,604</b>	<b>4,621,780</b>	<b>4,584,002</b>	<b>4,589,998</b>
	<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>5,432,203</b>	<b>5,120,080</b>	<b>5,316,888</b>	<b>5,087,936</b>

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE - MONTH PERIODS ENDED 31 MARCH

	Notes	(Unit : Thousand Baht)			
		Consolidated F/S		Separate F/S	
		2016	2015	2016	2015
<b>REVENUES</b>					
Revenues from sales	5	357,354	689,853	357,354	392,300
<b>Costs of Sales</b>					
Costs of sales	5	(297,555)	(652,710)	(297,555)	(316,092)
<b>Gross profit</b>		59,799	37,143	59,799	76,208
Reversal of allowance for doubtful accounts		303	350	303	350
Dividend income	9	52,407	-	52,407	-
Interest income		165	4,547	165	6,229
Gain on exchange rate		-	13,071	-	13,071
Other income		4,675	9,717	4,675	9,502
<b>Profit before expenses</b>		117,349	64,828	117,349	105,360
Selling expenses		(1,060)	(4,835)	(1,060)	(3,391)
Administrative expenses		(51,589)	(46,222)	(51,192)	(36,198)
Loss on exchange rate		(69)	-	(69)	-
Management benefit expenses	5	(6,289)	(4,554)	(6,289)	(4,374)
Financial costs		(3,250)	(576)	(3,250)	(183)
<b>Total Expenses</b>		(62,257)	(56,187)	(61,860)	(44,146)
<b>Profit from operations</b>		55,092	8,641	55,489	61,214
Share of profit from investments in associated company and joint venture	8	5,259	3,721	-	-
<b>Profit before income tax</b>		60,351	12,362	55,489	61,214
Income tax		(1,637)	(12,357)	(585)	(12,200)
<b>Profit for the period</b>		58,714	5	54,904	49,014
<b>Other comprehensive income for the period</b>					
<b>Items that will be reclassified subsequently to profit or loss</b>					
Unrealized loss on valuation of available - for - sales securities		(30,170)	(53,526)	(30,170)	(130)
Translation adjustments for foreign currency financial statements		10	-	-	-
<b>Total comprehensive income (loss) for the period</b>		28,554	(53,521)	24,734	48,884
<b>Attribution of income for the period :</b>					
Portion of the Company's shareholders		58,714	5	54,904	49,014
Portion of non-controlling interests in subsidiaries		-	-	-	-
		58,714	5	54,904	49,014
<b>Attribution of comprehensive income (loss) for the period :</b>					
Portion of the Company's shareholders		28,554	(53,521)	24,734	48,884
Portion of non-controlling interests in subsidiaries		-	-	-	-
		28,554	(53,521)	24,734	48,884
<b>Basic earnings per share</b>					
Profit (Baht per share)		0.01076	0.00000	0.01006	0.00881
Weighted average number of common shares (shares)		5,456,259,493	5,562,876,782	5,456,259,493	5,562,876,782
<b>Diluted earnings per share</b>					
Profit (Baht per share)		0.01076	0.00000	0.01006	0.00881
Weighted average number of common shares (shares)		5,456,259,493	5,562,876,782	5,456,259,493	5,562,876,782

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
 STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
 FOR THE THREE - MONTH PERIODS ENDED 31 MARCH

(Unaudited but reviewed)

(Unit : Thousand Baht)

	Equity attributable to the Company's shareholders											Other components of shareholders' equity				
	Notes	Issued and paid-up share capital	Premium on share capital	Discount on share capital	Capital surplus on share reduction	Retained earnings (deficits)			Treasury shares - Common shares	Unrealized gain (loss) on valuation of available - for - sales securities	Translation adjustments for foreign currency financial statements	Total	Total other components of shareholders' equity	Non - controlling interests	Total	
						Legal reserve	Appropriated for									Unappropriated
							treasury shares	Unappropriated								
<b>Consolidated F/S</b>																
Balance as at 1 January 2015		112,433,073	31,729	(108,663,577)	-	-	-	(109,786)	-	130	-	130	3,691,569	1	3,691,570	
Comprehensive income (loss) for the period		-	-	-	-	-	-	78,869	-	(130)	-	(130)	78,739	-	78,739	
Balance as at 31 March 2015		112,433,073	31,729	(108,663,577)	-	-	-	(30,917)	-	-	-	-	3,770,308	1	3,770,309	
Balance as at 1 January 2016		4,728,445	-	-	71,131	8,600	-	125,462	-	(311,872)	14	(311,858)	4,621,780	-	4,621,780	
Appropriated for treasury shares	13	-	-	-	-	-	91,070	(91,070)	-	-	-	-	-	-	-	
Treasury shares - Common shares	14	-	-	-	-	-	-	-	(91,070)	-	-	-	(91,070)	-	(91,070)	
Comprehensive income for the period		-	-	-	-	-	-	58,714	-	30,170	10	30,180	88,894	-	88,894	
Balance as at 31 March 2016		4,728,445	-	-	71,131	8,600	91,070	93,106	(91,070)	(281,702)	24	(281,678)	4,619,604	-	4,619,604	



GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
 STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
 FOR THE THREE - MONTH PERIODS ENDED 31 MARCH

(Unaudited but reviewed)

(Unit : Thousand Baht)

	Notes	Issued and				Retained earnings (deficits)			Other components of shareholders' equity				
		paid-up share capital	Premium on share capital	Discount on share capital	Capital surplus on share reduction	Appropriated for			Treasury shares - Common shares	Unrealized gain (loss) on		Total	Total
						Legal reserve	treasury shares	Unappropriated		valuation of available- for-sale securities	Total		
<b>Separate F/S</b>													
Balance as at 1 January 2015		112,433,073	31,729	(108,663,577)	-	-	-	(123,469)	-	-	130	130	3,677,886
Comprehensive income (loss) for the period		-	-	-	-	-	-	102,214	-	-	(130)	(130)	102,084
<b>Balance as at 31 March 2015</b>		<b>112,433,073</b>	<b>31,729</b>	<b>(108,663,577)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(21,255)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,779,970</b>
Balance as at 1 January 2016		4,728,445	-	-	71,131	8,600	-	93,694	-	-	(311,872)	(311,872)	4,589,998
Appropriated for treasury shares	13	-	-	-	-	-	91,070	(91,070)	-	-	-	-	-
Treasury shares - Common shares	14	-	-	-	-	-	-	-	(91,070)	-	-	-	(91,070)
Comprehensive income for the period		-	-	-	-	-	-	54,904	-	-	30,170	30,170	85,074
<b>Balance as at 31 March 2016</b>		<b>4,728,445</b>	<b>-</b>	<b>-</b>	<b>71,131</b>	<b>8,600</b>	<b>91,070</b>	<b>57,528</b>	<b>(91,070)</b>	<b>-</b>	<b>(281,702)</b>	<b>(281,702)</b>	<b>4,584,002</b>

## STATEMENTS OF CASH FLOWS

FOR THE THREE - MONTH PERIODS ENDED 31 MARCH

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
<b>Cash flows from operating activities</b>				
Profit before income tax	60,351	12,362	55,489	61,214
<b>Adjustments to reconcile profit before income tax to net cash provided from (used in) operating activities:</b>				
Depreciation	10,784	10,857	10,784	5,350
Unrealized loss (gain) on exchange rate	(13)	(12,761)	(13)	(12,761)
Share of profit from investments in associated company and joint venture	(5,259)	(3,721)	-	-
Reversal of allowance for doubtful accounts	(303)	(350)	(303)	(350)
Provisions for employee benefits obligation	1,193	974	1,193	678
Interest income	(165)	(4,547)	(165)	(6,229)
Interest expense	3,250	576	3,250	183
Accrued dividend income	(52,407)	-	(52,407)	-
<b>Cash flows provided from operations before changes in operating Assets and Liabilities</b>	17,431	3,390	17,828	48,085
<b>Decrease (Increase) in operating assets</b>				
Trade accounts receivable	(57,983)	(94,953)	(57,983)	(64,324)
Trade accounts receivable - related companies	(7,036)	(56,345)	(7,036)	(17,253)
Deposit and others - related companies	-	-	56	-
Inventories	(18,211)	91,822	(18,211)	19,465
Other current assets	(4,402)	(2,449)	(4,308)	(1,871)
Other non - current assets	9,699	54,739	10,031	54,815
<b>Increase (Decrease) in operating liabilities</b>				
Trade accounts payable	17,357	(39,975)	17,357	(24,651)
Trade accounts payable - related companies	15,367	45,960	15,367	11,803
Other payables - related companies	(89)	9,176	(89)	9,176
Construction payable	-	(11,585)	-	(11,585)
Construction payable - related company	(2,330)	4,840	(2,330)	4,093
Advances received from customers	7,023	(12,620)	7,023	(12,620)
Other current liabilities	5,283	(7,015)	5,185	(18,993)
Employee retirement benefits obligation	-	(234)	-	-
Other non - current liabilities	65	-	65	-
<b>Cash used in operating activities</b>	(17,826)	(15,249)	(17,045)	(3,860)
Interest payment	(1,890)	(316)	(1,890)	(4)
Income tax payment	(169)	(280)	(169)	(268)
<b>Net cash used in operating activities</b>	(19,885)	(15,845)	(19,104)	(4,132)

## STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE THREE - MONTH PERIODS ENDED 31 MARCH

	(Unit : Thousand Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2016	2015	2016	2015
<b>Cash flows from investing activities</b>				
Increase in fixed deposits	(9,829)	(3,103)	(9,829)	(3,103)
Purchase of investment in associated company	-	(1)	-	(1)
Purchases of fixed assets	(38,528)	(164,461)	(38,528)	(160,221)
Interest received	200	3,579	200	3,570
Deposit for machineries	(79,253)	-	-	-
<b>Net cash used in investing activities</b>	<b>(127,410)</b>	<b>(163,986)</b>	<b>(48,157)</b>	<b>(159,755)</b>
<b>Cash flows from financing activities</b>				
Increase in short - term loans from financial institutions	79,474	9,147	221	9,147
Repayments of long - term loans from financial institution	(19,500)	-	(19,500)	-
Proceeds from long - term loans from financial institution	208,375	-	208,375	-
Repayments of liabilities under finance lease agreement	-	(1,853)	-	(452)
Payment for treasury shares - common shares	(91,070)	-	(91,070)	-
<b>Net cash provided from financing activities</b>	<b>177,279</b>	<b>7,294</b>	<b>98,026</b>	<b>8,695</b>
<b>Translation adjustments for foreign currency financial statements</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>29,994</b>	<b>(172,537)</b>	<b>30,765</b>	<b>(155,192)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>85,619</b>	<b>496,787</b>	<b>83,119</b>	<b>476,677</b>
<b>Cash and cash equivalents at end of period</b>	<b>115,613</b>	<b>324,250</b>	<b>113,884</b>	<b>321,485</b>
<b>Supplemental disclosures for cash flows information</b>				
Non - cash items :				
- Unrealized loss (gain) on available - for - sales securities	(37,712)	66,908	(37,712)	66,908

**GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**CONDENSED NOTES TO INTERIM FINANCIAL STATEMENTS**

**31 MARCH 2016 (Unaudited but reviewed)**

(With comparative information for 2015 (Audited))

**1. NATURE OF OPERATIONS**

The core businesses of the Company are the manufacturing and distribution of concrete products, such as concrete pile, glass fiber reinforced concrete (GRC), electric concrete pole, diaphragm wall and barrette pile. The subsidiaries have not yet started the business operations.

**2. BASIS FOR INTERIM FINANCIAL STATEMENT PREPARATION**

**2.1 Basis for interim financial statements preparation**

The condensed interim financial statements are for the three-month period ended 31 March 2016 and are presented in Thai Baht. They have been prepared in accordance with TAS No. 34 'Interim Financial Reporting' which do not include all information required in annual financial statements in accordance with TFRSs. These should be read in conjunction with the financial statements for the year ended 31 December 2015.

The interim financial statements are officially prepared in Thai language. The translation of these statutory financial statements to other language must conform to the Thai financial report.

These interim financial statements have been approved by the Company's Board of Directors on 12 May 2016.

**2.2 Significant accounting policies**

These interim financial statements have been prepared by using the same accounting policies and methods of computation as were used in the preparation of the financial statements for the year ended 31 December 2015.

**2.3 Estimation**

When preparing the interim financial statements, management undertake judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management.

The judgments, estimates and assumptions applied in the interim financial statements, including the key sources of estimation are the same as those applied in the preparation of annual financial statements for the year ended 31 December 2015.

### 3. CASH AND CASH EQUIVALENTS

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
Cash on hand	459	339	454	339
Cash at banks	115,154	85,280	113,430	82,780
Total	115,613	85,619	113,884	83,119

### 4. FIXED DEPOSITS

As at 31 March 2016 and 31 December 2015, the Company has fixed deposits for 3 - 6 months with a local bank of Baht 100 million and Baht 90.17 million, respectively. These bear interest at the rates 1.75 percent per annum and 2.25 percent per annum, respectively.

### 5. TRANSACTIONS WITH RELATED PARTIES

The Company has significant accounting transactions with related parties that are related through common shareholding and/or directorship. Thus, the financial statements reflect the effects of those transactions on the basis agreed upon between the Company and related parties, which basis might be different from the basis used for transactions with unrelated parties.

Entity name	Type of business	Type of relationship
World Wire Processing Co., Ltd.	Metal business	Related company**
Suntech Metals Co., Ltd.	Metal business	Related company**
Seven Wire Co., Ltd.	Metal business	Subsidiary
General Engineering Mauritius Limited	Investment business	Subsidiary
Metric Public Company Limited	Construction and System installation services	Associated
Mill Con Steel Public Company Limited	Manufacturing and trading steel products	Invested company
Mill Con Burapa Co., Ltd.	Manufacture and distribution of round bars and deformed bars	Invested company's subsidiary
Kobelco Millcon Steel Company Limited (Formerly "Millcon Special Steel Company Limited")	Manufacturing metal	Invested company's subsidiary
Zentra - Watung Engineering Co., Ltd.	Wholesales of steel products	Invested company's subsidiary
Millcon Steel Pipe Company Limited	Manufacturing metal	Invested company's subsidiary
IBCI – Metric Joint Venture	Construction of tissue plant	Associated's joint venture
Wisdom Tree Investment (S) PTE. Limited	Investment in overseas	Joint venture
Million Miles Co., Ltd.	Road transport services of freight by other goods, and lend machinery and vehicle not elsewhere classified	Related company of invested company

\*\* On 21 September 2015, the Company sold all its investments in shares capital of two subsidiaries (World Wire Processing Co., Ltd. and Suntech metal Co., Ltd.) to a related company which caused the change of status of such companies to related companies.

Significant transactions with related parties for the three-month periods ended 31 March 2016 and 2015 are as follows:

		(Unit : Thousand Baht)			
		Consolidated F/S		Separate F/S	
		For the three-month periods ended 31 March			
Pricing policy		2016	2015	2016	2015
<u>Revenue from sales and services and others</u>	Market price				
World Wire Processing Co., Ltd.		-	-	-	30
Metric Public Company Limited		12,050	33,102	12,050	33,102
Mill Con Burapa Co., Ltd.		-	121,986	-	-
IBCI – Mctric Joint Venture		-	4	-	4
Mill Con Steel Public Company Limited		-	59,310	-	-
Total		<u>12,050</u>	<u>214,402</u>	<u>12,050</u>	<u>33,136</u>
<u>Purchase of raw materials</u>	Market price				
Suntech Metals Co., Ltd.		261	-	261	40,893
Mill Con Steel Public Company Limited		24,226	83,782	24,226	35,029
Millcon Steel Pipe Company Limited		393	-	393	-
Total		<u>24,880</u>	<u>83,782</u>	<u>24,880</u>	<u>75,922</u>
<u>Rental expense</u>	Negotiated price				
World Wire Processing Co., Ltd.		-	-	-	93
Million Miles Co., Ltd.		-	19	-	19
Total		<u>-</u>	<u>19</u>	<u>-</u>	<u>112</u>
<u>Purchase of machinery</u>	Market price				
Zentra - Watung Engineering Co., Ltd.		-	18,750	-	18,750
<u>Construction</u>	Market price				
Metric Public Company Limited		-	80,438	-	80,438
<u>Other purchase</u>	Market price				
Million Miles Co., Ltd.		-	276	-	276
<u>Interest income</u>	3 percent p.a.				
World Wire Processing Co., Ltd.		-	-	-	1,694
<u>Management's compensations</u>					
Current employment benefits		6,033	4,501	6,033	4,321
Post-employment benefits		256	53	256	53
Total		<u>6,289</u>	<u>4,554</u>	<u>6,289</u>	<u>4,374</u>

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

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
<u>Trade accounts receivable - related companies</u>				
Metric Public Company Limited	20,489	13,205	20,489	13,205
Mill Con Steel Public Company Limited	-	248	-	248
Total	<u>20,489</u>	<u>13,453</u>	<u>20,489</u>	<u>13,453</u>
<u>Deposit and others – related companies</u>				
Seven Wire Co., Ltd.	-	-	-	56
General Engineering Mauritius Limited	-	-	79	79
Total	<u>-</u>	<u>-</u>	<u>79</u>	<u>135</u>
<u>Trade accounts payable – related companies</u>				
Suntech Metals Co., Ltd.	280	-	280	-
Mill Con Steel Public Company Limited	15,576	-	15,576	-
Kobelco Millcon Steel Company Limited	972	1,882	972	1,882
Millcon Steel Pipe Company Limited	421	-	421	-
Total	<u>17,249</u>	<u>1,882</u>	<u>17,249</u>	<u>1,882</u>
<u>Other payables – related companies</u>				
Metric Public Company Limited	10,043	10,043	10,043	10,043
Zentra - Watung Engineering Co., Ltd.	136	225	136	225
Total	<u>10,179</u>	<u>10,268</u>	<u>10,179</u>	<u>10,268</u>
<u>Construction payable – related company</u>				
Metric Public Company Limited	-	2,330	-	2,330

## 6. TRADE ACCOUNTS RECEIVABLE - NET

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

	(Unit : Thousand Baht)	
	Consolidated F/S and Separate F/S	
	31 March 2016	31 December 2015
Trade accounts receivable	396,561	338,159
Retentions receivable	44,072	45,564
Postdated cheques	2,076	976
Total	442,709	384,699
<u>Less</u> Allowance for doubtful accounts	(1,362)	(1,665)
Net	441,347	383,034

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

	(Unit : Thousand Baht)	
	Consolidated F/S and Separate F/S	
	31 March 2016	31 December 2015
Retentions receivable - not yet due	43,921	45,307
Retentions receivable - outstanding over 12 months	152	257
Not yet due	271,049	183,560
Past due :		
Not over 3 months	50,673	102,437
3 - 6 months	40,668	27,462
6 - 12 months	24,133	14,558
Over 12 months	10,037	10,142
Total	440,633	383,723
Postdated cheques	2,076	976
Total	442,709	384,699
<u>Less</u> Allowance for doubtful accounts	(1,362)	(1,665)
Trade accounts receivable – net	441,347	383,034

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

The management believes that the recorded allowance for doubtful accounts is adequate to cover possible loss which may arise from non-collection of trade receivables.



## 7. INVENTORIES - NET

(Unit : Thousand Baht)

	Consolidated F/S and Separate F/S	
	31 March 2016	31 December 2015
Finished goods	180,137	179,381
Work in process	60,324	54,242
Raw materials and spare parts	50,913	39,540
Total	<u>291,374</u>	<u>273,163</u>
<u>Less</u> Allowance for defective inventories	(4,121)	(4,121)
Net	<u>287,253</u>	<u>269,042</u>

## 8. INVESTMENTS IN SUBSIDIARIES, ASSOCIATED COMPANY AND JOINT VENTURE – NET

Condensed movements in investments in subsidiaries, associated company and joint venture - net, which are accounted for by the equity method in the consolidated financial statements for the three-month period ended 31 March 2016 are as follows:

(Unit : Thousand Baht)

	Consolidated F/S	Separate F/S
Balance as at 1 January 2016	404,162	366,132
Share of profit from associated company	5,260	-
Share of loss from joint venture	(1)	-
Balance as at 31 March 2016	<u>409,421</u>	<u>366,132</u>

### Investments in subsidiary companies

(Unit : Thousand Baht)

	Paid - up capital		Percentage of shareholding		Cost method	
	31 Mar	31 Dec	31 Mar	31 Dec	31 Mar	31 Dec
	2016	2015	2016	2015	2016	2015
General Engineering Mauritius Limited	338	338	99.99	99.99	338	338
Seven Wire Co., Ltd.	2,500	2,500	99.99	99.99	2,499	2,499
Total					<u>2,837</u>	<u>2,837</u>

Investments in associated company

(Unit : Thousand Baht)

	Paid - up capital		Percentage of shareholding		Cost method		Equity method	
	31 Mar	31 Dec	31 Mar	31 Dec	31 Mar	31 Dec	31 Mar	31 Dec
	2016	2015	2016	2015	2016	2015	2016	2015
Metric Public Company Limited	300,000	300,000	32.65	32.65	185,633	185,633	233,039	227,779

Investment in joint venture

(Unit : Thousand USD)

(Unit : Thousand Baht)

	Paid - up capital		Percentage of shareholding		Cost method		Equity method	
	31 Mar	31 Dec	31 Mar	31 Dec	31 Mar	31 Dec	31 Mar	31 Dec
	2016	2015	2016	2015	2016	2015	2016	2015
Wisdom Tree Investment (S) PTE. Limited	5,400	5,400	45	45	177,661	177,661	176,382	176,383

**9. INVESTMENT IN AVAILABLE – FOR –SALES SECURITIES**

(Unit : Thousand Baht)

	Consolidated F/S and Separate F/S	
	31 March 2016	31 December 2015
<b>Investment in available - for - sales securities</b>		
Security – Mill Con Steel Public Company Limited	1,279,101	1,279,101
<u>Add</u> Unrealized loss on available - for - sales securities	(352,128)	(389,840)
Net	926,973	889,261

Movements during the three-month period ended 31 March 2016 and for the year ended 31 December 2015 of investment in available-for-sales security are as follows :

(Unit : Thousand Baht)

	Consolidated F/S and Separate F/S	
	31 March 2016	31 December 2015
Book value – beginning balance	889,261	1,372,212
Unrealized gain (loss)	37,712	(482,951)
Book value - ending balance	926,973	889,261

During the period, the Company recognized an accrued dividend from investment in available-for-sales security at Baht 0.21 per share, totalling Baht 52.41 million.

## 10. PROPERTY, PLANT AND EQUIPMENT - NET

During the three-month period ended 31 March 2016, condensed movements in property, plant and equipment are as follows:

	(Unit : Thousand Baht)
	Consolidated F/S and Separate F/S
	<hr/>
Net book value as at 1 January 2016	2,784,880
Additions for the period	38,528
Depreciation during the period	(10,784)
Net book value as at 31 March 2016	<hr/> <hr/> 2,812,624

Parts of the Company's land and buildings have been mortgaged as collaterals for credit facilities with a bank as mentioned in Note 19.

## 11. SHORT – TERM LOANS FROM FINANCIAL INSTITUTIONS

	(Unit : Thousand Baht)					
	Interest rate per annum		Consolidated F/S		Separate F/S	
	(Percentage)					
	31 Mar	31 Dec	31 Mar	31 Dec	31 Mar	31 Dec
	2016	2015	2016	2015	2016	2015
	<hr/>		<hr/>		<hr/>	
Liabilities under trust receipt agreements	3.75	3.75 - 6.03	80,304	816	1,051	816
			<hr/>	<hr/>	<hr/>	<hr/>

As at 31 March 2016, the Company has outstanding credit facility in the form of liabilities under trust receipt agreements totaling Baht 1.05 million. These credit facility is collateralized by the mortgages of the Company's machine and land and construction thereon, and cash at bank as mentioned in Note 10 and 19.

## 12. LONG – TERM LOANS FROM FINANCIAL INSTITUTION - NET

	(Unit : Thousand Baht)	
	Consolidated F/S and Separate F/S	
	31 March 2016	31 December 2015
	<hr/>	<hr/>
Long – term loans	349,109	160,234
<u>Less</u> Current portion due within one year	(78,000)	(78,000)
Net	<hr/> <hr/> 271,109	<hr/> <hr/> 82,234

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

	(Unit : Thousand Baht)	
	Consolidated F/S and Separate F/S	
	31 March 2016	31 December 2015
Balance - beginning balance	160,234	-
<u>Add</u> Additional borrowings	208,375	-
Transferred from short - term loan from financial institution	-	160,234
<u>Less</u> Repayment	(19,500)	-
Balance - ending balance	349,109	160,234

These credit facilities are collateralized by the mortgages of the Company's machine and land and construction thereon, and cash at bank as mentioned in Notes 10 and 19.

#### 13. RESERVE FOR TREASURY SHARES

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

#### 14. TREASURY SHARES - COMMON SHARES

At the Board of Director Meeting No. 9/2015 held on 22 December 2015, the board passed a resolution to purchase treasury shares not exceeding 10 percent of total stock which are not exceeding 556,287,678 shares. During the period, the Company repurchase its own shares (treasury stocks) up to the end of the period totaling 165,000,000 shares for Baht 91.07 million (2.97% of paid in share capital).

#### 15. PROMOTIONAL PRIVILEGES

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

## 16. FINANCIAL INSTRUMENTS

### 16.1 Foreign currency risk

The Company and subsidiaries have some transactions in foreign currencies that cause their exposure for changes in exchange rates. However, the management believes that the foreign exchange rate risk is minimal.

As at 31 March 2016, the Company and subsidiaries had the following financial assets and financial liabilities denominated in foreign currency that have not been hedged as follow:

Currency	Consolidated F/S		Separate F/S	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
JPY	-	3,320,000	-	3,320,000
USD	90,189	-	90,189	-

## 17. FAIR VALUES MEASUREMENT

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

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

The following table present assets that are measured at fair value as at 31 March 2016.

	Thousand Baht		
	Level 1	Level 2	Level 3
<u>Assets</u>			
Investment in available-for-sales securities	926,973	-	-

## 18. SEGMENT REPORTING

Below are revenues and gross profit of the Company and subsidiaries for the three-month periods ended 31 March 2016 and 2015.

(Unit : Thousand Baht)

	For the three-month periods ended 31 March									
	Manufacturing and sales of concrete products		Metals products		Others		Elimination		Consolidated F/S	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Revenues from sales and services										
Revenue from external customers	357,354	392,300	-	338,613	-	93	-	(41,153)	357,354	689,853
Cost of sales	297,555	316,092	-	373,366	-	-	-	(36,749)	297,555	652,710
Gross profit (loss)	59,799	76,208	-	(34,753)	-	93	-	(4,404)	59,799	37,143
Other income									62,644	26,859
Interest income									165	4,547
Interest expense									(3,250)	(576)
Selling and administrative expenses									(59,006)	(55,611)
Profit before income tax									60,352	12,362
Property, plant and equipment – net									2,812,624	1,934,236
Other assets									1,870,491	3,794,696
<b>Total assets</b>									<b>5,423,203</b>	<b>5,728,932</b>

## 19. COMMITMENTS AND CONTINGENT LIABILITIES

19.1 The Company and subsidiaries have commitments under contracts with customers for sales and services for which goods or services have not been delivered or rendered totaling Baht 1,667 million.

19.2 The Company and subsidiaries are liable for letters of guarantee issued by a bank to customers for the performance bonds and for the use of electricity totaling Baht 152.77 million. The Company's fixed deposits of Baht 62.50 million and part of the Company's land and construction thereon are mortgaged/pledged as collaterals for such letters of guarantee.

19.3 The Company has outstanding lease commitments regarding plant and car rental under non-cancelable agreements as follows :

	(Unit : Thousand Baht)
	Consolidated F/S and Separate F/S
	<hr/>
Due within 1 year	17,782
Due after 1 year but within 5 years	61,732
Total	<hr/> <hr/> 79,514

19.4 The Company has commitment for purchase of equipment amounting to Baht 1.96 million.

19.5 The subsidiary has commitment for purchase of machinery amounting to Euro 3,000,480.

19.6 The Company has commitment for construction agreements from an associated amounting to Baht 6.51 million.

## 20. EARNINGS PER SHARE

There is no potential dilution in earnings per share arose from GEL-W4 (stock warrant no.4) because the average share price during this period was lower than the exercise price. The Company therefore has not computed the diluted earnings per share from GEL-W4 (stock warrant no.4).

However, the Company repurchased treasury stock as described in Note 14. The weighted average number of ordinary shares outstanding during the period is calculated for the purpose of calculating basic earnings per share. (The number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares bought back or issued during the period multiplied by a time – weighting factor.)