

REPORT OF INDEPENDENT AUDITOR

To the Shareholders of General Engineering Public Company Limited

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

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

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

Emphasis of Matter

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

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

Comparative financial statements

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

Mr. Somckid Tiatragul

Certified Public Accountant

Registration No. 2785

Bangkok, Thailand

18 February 2013

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2012 AND 2011

(Unit : Baht)

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

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

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2012 AND 2011

(Unit : Baht)

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

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2012 AND 2011

(Unit : Baht)

	Notes	CONSOLIDATED F/S		SEPARATE F/S	
		2012	2011	2012	2011
LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)					
SHAREHOLDERS' EQUITY					
Share capital - common shares, Baht 10 par value					
Authorized share capital					
		- 2,470,503,859 shares in 2012			
		(3,286,109,331 shares in 2011)			
	21	24,705,038,590	32,861,093,310	24,705,038,590	32,861,093,310
Issued and fully paid-up share capital					
		- 1,531,384,554 shares			
		15,313,845,540	15,313,845,540	15,313,845,540	15,313,845,540
Premium on share capital	22	31,729,260	31,729,260	31,729,260	31,729,260
Discount on share capital		(14,012,330,038)	(14,012,330,038)	(14,012,330,038)	(14,012,330,038)
Deficit		(368,419,570)	(528,500,819)	(365,921,886)	(526,547,610)
Other components of shareholders' equity		16,495,255	(60,589,363)	10,615,545	(65,281,073)
Equity attributable to the Company's shareholders - net		981,320,447	744,154,580	977,938,421	741,416,079
Non - controlling interests in subsidiaries		1,406	8,228,706	-	-
Total Shareholders' Equity		981,321,853	752,383,286	977,938,421	741,416,079
TOTAL LIABILITIES AND					
SHAREHOLDERS' EQUITY					
		1,194,261,542	1,122,674,819	1,190,077,437	944,941,356

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER 2012 AND 2011

		(Unit : Baht)			
		CONSOLIDATED F/S		SEPARATE F/S	
Notes		2012	2011	2012	2011
REVENUES					
	6				
Revenues from sales		837,647,673	694,533,841	837,647,673	694,533,842
Construction and installation services income		45,138,110	152,330,862	43,698,304	147,369,865
Real estate rental and leasehold right assignment income		-	78,488,122	-	-
Total Revenues		882,785,783	925,352,825	881,345,977	841,903,707
Costs of Sales and Services					
	6				
Costs of sales		(687,855,295)	(606,426,775)	(686,849,394)	(606,426,775)
Costs of construction and installation services		(49,424,830)	(156,715,938)	(48,515,926)	(152,132,162)
Costs of real estate rental and leasehold right assignment		-	(33,977,442)	-	-
Total Costs of Sales and Services		(737,280,125)	(797,120,155)	(735,365,320)	(758,558,937)
Gross income		145,505,658	128,232,670	145,980,657	83,344,770
Gain on revaluation of temporary investment	7	112,350,248	-	112,350,248	-
Gain on disposal of investment in subsidiary	12	22,408,677	-	22,408,677	-
Reversal of impairment of assets	17	9,764,829	-	9,584,829	-
Other income		33,232,747	18,714,792	33,605,621	19,181,080
Income before expenses		323,262,159	146,947,462	323,930,032	102,525,850
Selling expenses		(9,210,856)	(7,789,697)	(9,210,856)	(7,789,698)
Administrative expenses		(145,771,610)	(207,546,013)	(145,894,954)	(155,620,613)
Loss on revaluation of temporary investments and others	7	-	(168,903,604)	-	(168,903,604)
Management benefit expenses	6	(8,484,570)	(11,074,140)	(8,484,570)	(11,074,140)
Total Expenses		(163,467,036)	(395,313,454)	(163,590,380)	(343,388,055)
Income (loss) before financial costs and income tax		159,795,123	(248,365,992)	160,339,652	(240,862,205)
Financial costs		(473,653)	(20,355,198)	(473,653)	(910,940)
Income (loss) before income tax		159,321,470	(268,721,190)	159,865,999	(241,773,145)
Income tax		-	(4,668,719)	-	-
Income (loss) for the year		159,321,470	(273,389,909)	159,865,999	(241,773,145)
Other comprehensive income (loss)					
Unrealized gain (loss) on available - for - sales investments		56,790,014	(95,814,250)	56,790,014	(95,814,250)
Total comprehensive income (loss) for the year		216,111,484	(369,204,159)	216,656,013	(337,587,395)
Income (loss) for the year attributable to :					
Portion of the Company's shareholders		159,321,524	(272,136,104)	159,865,999	(241,773,145)
Portion of non-controlling interests		(54)	(1,253,805)	-	-
		159,321,470	(273,389,909)	159,865,999	(241,773,145)
Total comprehensive income (loss) for the year attributable to :					
Portion of the Company's shareholders		216,111,538	(367,950,354)	216,656,013	(337,587,395)
Portion of non-controlling interests		(54)	(1,253,805)	-	-
		216,111,484	(369,204,159)	216,656,013	(337,587,395)
Basic earnings per share					
Income (loss) (Baht : share)		0.10	(0.24)	0.10	(0.21)
Weighted average number of common shares (Thousand share)		1,531,384,554	1,141,917,000	1,531,384,554	1,141,917,000

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

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
 FOR THE YEARS ENDED 31 DECEMBER 2012 AND 2011

(Unit : Baht)

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

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

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED 31 DECEMBER 2012 AND 2011

(Unit : Baht)

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

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

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED 31 DECEMBER 2012 AND 2011

	(Unit : Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2012	2011	2012	2011
Cash flows from operating activities				
Income (loss) before income tax	159,321,470	(268,721,190)	159,865,999	(241,773,145)
Adjustments to reconcile income (loss) before income tax to net cash provided from (used in) operating activities:				
Depreciation and amortization	10,459,420	39,594,164	10,459,420	12,453,519
Withholding tax written off	-	826,980	-	-
Impairment loss on non - current assets held for sale	-	60,940,538	-	-
Income from amortisation of deferred leasehold right and rental income	-	(934,579)	-	-
Other income	(14,197,311)	-	(14,197,311)	-
Penalty fee	30,000,000	-	30,000,000	-
Loss (gain) on disposals of investments	(22,408,677)	1,038,786	(22,408,677)	1,038,786
Loss (gain) on revaluation of temporary investments	(112,350,248)	167,864,818	(112,350,248)	167,864,818
Allowance (Reversal of allowance) for doubtful accounts	(14,610,852)	18,959,832	(14,610,852)	2,678,480
Allowance (Reversal of allowance) for obsolete and damaged inventories	(13,869,879)	13,827,191	(13,869,879)	13,827,191
Loss on impairment of investment in subsidiary	-	-	-	26,302,710
Gain on disposals of fixed assets	(438,456)	(2,606,934)	(438,456)	(2,328,432)
Reversal of impairment of assets	(9,764,829)	-	(9,584,829)	-
Provisions for employee benefits obligation	2,262,876	1,948,844	2,262,876	1,948,844
Interest income	(2,035,362)	(2,752,849)	(2,287,307)	(2,837,638)
Interest expense	473,653	20,355,198	473,653	910,940
Cash Flows provided from (use in) operations before changes in operating Assets and Liabilities	12,841,805	50,340,799	13,314,389	(19,913,927)
Decrease (Increase) in operating assets				
Trade accounts receivable - net	706,177	(58,683,894)	(1,991,619)	15,685,610
Trade accounts receivable - related company	-	-	(8,451,352)	-
Unbilled construction work in progress	(3,370,577)	(14,824,466)	(3,370,577)	(22,679,724)
Other receivables and accrued interest - subsidiary	-	-	3,607,700	(3,145,529)
Inventories	(32,358,184)	19,664,503	(32,379,854)	19,532,087
Assets not used in operations	(381,000)	-	(381,000)	-
Other current assets	(7,202,640)	15,283,925	(19,379,840)	12,347,308
Other non - current assets	5,471,402	(1,561,243)	5,649,117	(1,135,496)
Increase (Decrease) in operating liabilities				
Trade accounts payable	14,672,293	3,598,881	14,347,211	3,642,935
Other payable - subsidiary	-	-	(5,000,000)	(10,700)
Other current liabilities	(18,842,487)	22,562,957	(12,601,585)	(9,610,427)
Employee benefits obligation	(2,321,301)	(1,321,830)	(2,321,301)	(1,321,830)
Other non - current liabilities	(1,867,644)	(6,445,580)	(1,868,644)	(6,445,580)
Cash provided from (used in) operations activities	(32,652,156)	28,614,052	(50,827,355)	(13,055,273)
Refunded income tax	4,295,050	-	4,295,050	-
Interest payment	(174,904)	(19,831,007)	(174,904)	(386,528)
Income tax payment	(1,262,578)	(3,385,310)	(1,124,937)	(1,927,468)
Net cash provided from (used in) operating activities	(29,794,588)	5,397,735	(47,832,146)	(15,369,269)

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

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEARS ENDED 31 DECEMBER 2012 AND 2011

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

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 2012 AND 2011

1. GENERAL INFORMATION

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

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

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

2. BASIS OF FINANCIAL STATEMENT PREPARATION AND CONSOLIDATION

2.1 Basis of financial statement preparation

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

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

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

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

(Revised 2009)

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

2.2 Basis of consolidation

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenue recognition

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

Sale of goods and services rendered

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

Service income from construction and installation contracts

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

Rental and related service income

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

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

Interest and dividend income

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

3.2 Expense recognition

Operating leases

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

Finance costs

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

3.3 Cash and cash equivalents

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

3.4 Trade accounts receivable

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

3.5 Inventories

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

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

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

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

3.6 Investments

Investments in subsidiaries and associated companies

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

Investments in other equity securities

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

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

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

Disposal of investments

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

Other investments in lease rights and buildings for lease

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

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

3.7 Property, Plant and Equipment

Owned assets

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

Leased assets

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

Revalued assets

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

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

Depreciations

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

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

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

3.8 Assets not used in operations

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

3.9 Non - current assets held for sale

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

3.10 Intangible assets

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

3.11 Impairment of Assets

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

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

3.12 Interest-bearing liabilities

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

3.13 Foreign currency transactions

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

3.14 Income tax

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

3.15 Related parties

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

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

3.16 Employee benefits

Short-term employment benefits

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

Post-employment benefits

Defined contribution plan

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

Defined benefit plan

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

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

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

3.17 Earnings per share

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

3.18 Use of accounting estimates

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

3.19 Provisions for liabilities and expenses, and contingent assets

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

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

4.1 Critical accounting estimates, assumption and judgments

4.1.1 Impairment of receivables

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

4.1.2 Allowance for obsolete, slow-moving and defective inventories

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

4.1.3 Plant and equipment and intangible assets

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

4.1.4 Impairment of assets

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

4.1.5 Post – employee benefits

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

4.2 Capital risk management

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

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

5. CASH AND CASH EQUIVALENTS

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

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

6. TRANSACTIONS WITH RELATED PARTIES

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

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

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

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

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

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

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

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

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

7. TEMPORARY INVESTMENTS AND AVAILABLE - FOR - SALE INVESTMENTS

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

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

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

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

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

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

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

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

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

8. TRADE ACCOUNTS RECEIVABLE - NET

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

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

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

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2012	2011	2012	2011
<u>Receivables from construction and installation services</u>				
Retentions receivable - Not yet due	258	161	258	161
Retentions receivable - Past due over				
12 months	15	6,850	15	6,850
Not yet due	4,037	9,542	4,018	9,542
Past due :				
Not over 3 months	726	1,856	118	1,856
3 months to 6 months	9	3,335	9	10
6 months to 12 months	197	156	197	156
12 months	3,079	19,380	3,079	19,380
	<u>8,321</u>	<u>41,280</u>	<u>7,694</u>	<u>37,955</u>
<u>Receivables from sales of concrete products</u>				
Retentions receivable - Not yet due	17,456	16,770	17,456	16,770
Retentions receivable - Past due over				
12 months	939	966	939	966
Not yet due	101,812	64,256	101,812	64,256
Past due :				
Not over 3 months	19,017	25,746	19,017	25,746
3 months to 6 months	6,566	6,105	6,566	6,105
6 months to 12 months	3,016	3,688	3,016	3,688
12 months	17,075	16,145	17,075	16,145
	<u>165,881</u>	<u>133,676</u>	<u>165,881</u>	<u>133,676</u>
Total	<u>174,202</u>	<u>174,956</u>	<u>173,575</u>	<u>171,631</u>
Postdated cheques	48	-	48	-
Total	<u>174,250</u>	<u>174,956</u>	<u>173,623</u>	<u>171,631</u>
Less : Allowance for doubtful accounts	(17,640)	(44,251)	(17,640)	(44,251)
Trade accounts receivable - net	<u>156,610</u>	<u>130,705</u>	<u>155,983</u>	<u>127,380</u>

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

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

9. UNBILLED CONSTRUCTION WORK IN PROGRESS

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

10. INVENTORIES - NET

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

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

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

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

11. OTHER CURRENT ASSETS

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

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

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

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

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

- 1) Assignment of long term lease right with main buildings; 6 Floors Building No. 225/2, part of area beside Pattaya Sai 2 Road with the area approximately 15-0-90 Rais to Sputnik Co., Ltd., with the total compensation of Baht 240 million. The payment shall be made by cash of Baht 70 million and repayment of loan to the financial institution instead of the subsidiary of approximately Baht 170 million. If there is any balance left from the said payment, the subsidiary will not claim from the assignee which has addition condition as follow:
 - 1.1) The assignee has to make payment for the transfer of leasehold right of Baht 10 million. The payment shall be made by 2 cheques, the first cheque of Baht 5 million to be dated 30 April 2012 and the second cheque of Baht 5 million to be dated 31 December 2012.
 - 1.2) On 31 May 2012, the assignee will pay the remaining amount Baht 50 million and register the transfer of leasehold right and/or assigned new leasehold with the proprietor.
- 2) Assignments of all long term lease right with main buildings; 8 Floors Building No. 225, part of area attached to Pattaya Sai 1 Road, with the area of 8 Rais to Beer The Beach Co., Ltd., with the compensation of Baht 150 million. The assignee agrees to pay the compensation of lease right together with buildings thereon 31 May 2012 and will arrange for the registration of the assignment of lease right or to make the new leasing contract with the proprietor.

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

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

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

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

13. ADVANCE PAYMENT FOR PURCHASE INVESTMENT

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

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

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

14. INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES - NET

(Unit : Thousand Baht)

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

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

15. OTHER LONG - TERM INVESTMENT

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

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

16. PROPERTY, PLANT AND EQUIPMENT - NET

(Unit : Thousand Baht)

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

(Unit : Thousand Baht)

Consolidated F/S

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

(Unit : Thousand Baht)

Separated F/S

	2011	Increase	Decrease	Transfer in	
				(out)	2012
Cost :					
Land and land improvement	26,856	6,714	-	-	33,570
Building and building improvement	47,413	-	(7,333)	422	40,502
Machinery and equipment	219,438	1,270	(70,386)	482	150,804
Furniture, fixtures and office equipment	35,732	1,972	(15,083)	-	22,621
Vehicles	37,350	4,709	(10,218)	-	31,841
Construction in progress	-	955	-	(904)	51
Total	366,789	15,620	(103,020)	-	279,389
Accumulated depreciation :					
Building and building improvement	31,888	2,003	(20,485)	-	13,406
Machinery and equipment	211,209	2,635	(70,094)	-	143,750
Furniture, fixtures and office equipment	32,220	1,372	(15,000)	-	18,592
Vehicles	24,394	4,450	(5,599)	-	23,245
Total	299,711	10,460	(111,178)	-	198,993
Net book value - Net	67,078				80,396
Depreciation allocation for the year:					
Cost of goods sold	4,461				4,148
Selling and administrative expenses	7,992				6,312
Total	12,453				10,460

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

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

(Unit : Thousand Baht)

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

(Unit : Thousand Baht)

2012

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

17. OTHER NON - CURRENT ASSETS

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

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

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

18. LIABILITIES UNDER FINANCE LEASE

(Unit : Thousand Baht)

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

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

19. OTHER CURRENT LIABILITIES

(Unit : Thousand Baht)

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

20. EMPLOYEE BENEFITS OBLIGATION

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

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

Principal actuarial assumptions at the reporting date are as follows :

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

21. SHARE CAPITAL

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

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

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

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

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

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

22. PREMIUM ON SHARE CAPITAL AND LEGAL RESERVE

Premium on share capital

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

Fair value changes and revaluation surpluses

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

Legal reserve

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

23. WARRANTS

On 16 May 2011, the Company issued and offered free warrants (GEN-W3) totaling 939,119,305 units to the existing shareholders whose name appears on the share register on 16 February 2011. The warrants are allowed to be traded in the Stock Exchange of Thailand totaling 577,868,385 units and the outstanding 361,250,920 units had been cancelled. The warrants are specific to holders and are transferable with the term of 3 years commencing from 16 May 2011. The warrants can be exercised on the last business day of December of each year until the date of maturity. The first exercise date is on 30 December 2011 and the last exercise is on 14 May 2014. One warrant will be entitled to purchase one new common share at the exercise price of Baht 1 per share.

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

24. EXPENSES BY NATURE

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

25. OTHER INCOME

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

26. FINANCIAL INSTRUMENTS

26.1 Financial risk management policies

The Company and its subsidiaries is exposed to normal business risks from changes in market interest rates and foreign currency rates and from non-performance of contractual obligations by counterparties. The Company and its subsidiaries does not hold or issue derivative financial instruments for speculative or trading purposes.

26.2 Liquidity risk

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

26.3 Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Company and its subsidiaries as and when they fall due. The Company and it subsidiaries has policy for this risk by controlled the application of credit approvals, limits and monitoring procedures. The maximum credit risk exposure is represented at carrying amount at the date of statement of financial position.

26.4 Foreign currency risk

The Company and its subsidiaries has some transaction in foreign currency as resulted of exposure in changing in exchange rates. However, the management believes that the foreign exchange rate risk is minimal.

26.5 Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the Company and its subsidiaries cash flows because loan interest rates are mainly floating. The Company and its subsidiaries is primarily exposed to interest rate cash flows risk from its borrowings. Interest rate risk will arise from a change of interest rates in the market.

As at 31 December 2012 and 2011, significant financial assets and financial liabilities with exposures to value and cash flows risk arising from changes in interest rates are as follows:

(Unit : Thousand Baht)

2012

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

(Unit : Thousand Baht)

2011

	Consolidated F/S					Separate F/S				
	Principal		Average Interest Rate (%)			Principal		Average Interest Rate (%)		
	Floating	Fixed	Total	Floating	Fixed	Floating	Fixed	Total	Floating	Fixed
	Interest	Interest		Interest	Interest	Interest	Interest			
Rate	Rate				Rate	Rate				
Assets										
Cash at banks										
- saving deposits	20,541	-	20,541	0.75	-	19,999	-	19,999	0.75	-
Restricted term deposits at bank	56,581	-	56,581	1.87	-	55,181	-	55,181	1.87	-
Long-term loan receivable from related parties	-	-	-	-	-	-	17,000	17,000	-	4.00,12.00
Liabilities										
Overdrafts and short-term loans from financial institutions	-	-	-	-	-	-	-	-	-	-
Short-term loans from minority interests	-	298	298	-	4.00,5.00	-	298	298	-	4.00,5.00
Short-term loans from related parties and other	-	-	-	-	-	-	-	-	-	-
Long-term loans from financial institutions	-	-	-	-	-	-	-	-	-	-

26.6 Fair values of financial instruments

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

27. SEGMENT INFORMATION

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

(Unit : Thousand Baht)

	For the years ended 31 December									
	Manufacturing and sales of concrete products		Construction and installation services		Rental of real-estate and related services		Elimination		Consolidated F/S	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Revenues from sales, rental and services	837,648	694,534	45,138	152,331	371	78,879	(371)	(391)	882,786	925,353
Other income									177,756	18,715
Total revenues									1,060,542	944,068
Costs of sales, rent and services	688,005	606,427	49,425	156,716	-	30,686	(150)	3,292	737,280	797,121
Selling and administrative expenses									163,467	395,313
Total expenses									900,747	1,192,434
Income (loss) before financial costs and income tax									159,795	(248,366)
Financial costs									474	20,355
Income (loss) before income tax									159,321	(268,721)
Income tax									-	4,669
Income (loss) for the year									159,321	(273,390)
Unrealized gain (loss) on available-for-sell securities									56,790	(95,814)
Total comprehensive income (loss) for the year									216,111	(369,204)
Trade accounts receivable - net	148,289	112,679	8,332	18,027	-	-	(11)	-	156,610	130,706
Trade accounts receivable - related company	8,451	-	-	-	-	-	-	-	8,451	-
Inventories	137,505	91,255	-	22	-	-	-	-	137,505	91,277
Property, plant and equipment - net	80,396	67,078	8,316	7,128	-	-	-	-	88,712	74,206
Unallocated assets									802,984	826,486
Total assets									1,194,262	1,122,675

28. COMMITMENTS AND CONTINGEN LIABILITIES

As at 31 December 2012, the Company has

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

	(Unit : Thousand Baht)
	Consolidated and Separate F/S
	<u>2012</u>
Due within 1 year	7,800
Due after 1 year but within 3 years	9,000
Total	<u>16,800</u>

- 28.5 Other commitments

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Bank guarantees not used	6,730	3,715	5,848	2,750
Total	<u>6,730</u>	<u>3,715</u>	<u>5,848</u>	<u>2,750</u>

29. RECLASSIFICATION

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

30. APPROVAL OF FINANCIAL STATEMENTS

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