



GEL.CS.004/2562

14 May 2019

Subject: Management Discussion and Financial Analysis for the operating results of the first quarter of 2019, ended March 31, 2019

To: Director and Manager  
The Stock Exchange of Thailand

The Board of Director's meeting No. 3/2019 of General Engineering Public Company Limited ("the Company") held on May 14, 2019 has approved and verified the financial statements of the Company and its subsidiaries for the first quarter of 2019 which reviewed by the auditor of the Company. Details are as follows.

### **1. The Operating Results Analysis**

#### **For the first quarter of 2019, ended March 31, 2019**

The operating results of the Company and its subsidiaries for the first quarter of 2019, ended March 31, 2019 was described in the financial statement showing net loss at the amount of Baht 24.52 million, comparing with the same period of previous year, the net loss at the amount of Baht 40.40 million. In the first quarter of 2019, the net loss was decreased by Baht 15.89 million which details are as following;

#### (1) Revenue from sales

In the first quarter of 2019, the Company and its subsidiaries had total revenue from sales at the amount of Baht 659.92 million, which increased from the same period of previous year by Baht 224.75 million or 51.65%. The increase was affected by an increase in the delivery volume of pre-stressed concrete piles, precast concrete, glass-fiber reinforced concrete and special cement which were Baht 148.79 million. In addition, revenue from its subsidiaries was increased by Baht 89.61 million.

#### (2) Cost of sales

In the first quarter of 2019, the Company and its subsidiaries had total cost of sales at the amount of Baht 614.91 million, which increased from the same period of previous year by Baht 189.97 million or 44.70%. The increase in cost of sales varies according to the increase in revenue from sales, but the ratio of increasing of cost of sales was lower than the ratio of increasing of revenue from sales because of the increased in production volume of pre-stressed concrete pile and precast concrete resulting in lower of cost per unit of such product comparing with the same period of previous year.

#### (3) Gross profit

The Company and its subsidiaries' total gross profit were Baht 45.01 million, which decreased from the same period of previous year by Baht 34.78 million or 339.84%, due to an increased in production volume of pre-stressed concrete pile and precast concrete resulting to decrease in cost of production.

#### (4) Selling expenses

The Company and its subsidiaries had selling expenses at the amount of Baht 11.29 million, decreased from the same period of previous year by Baht 0.88 million or 7.25%.



(5) Administrative expenses

The Company and its subsidiaries' administrative expenses were Baht 41.78 million, which increased from the same period of previous year by Baht 9.92 million or 31.13% due to increased in the company and its subsidiaries employee's expenses.

(6) Financial cost

The Company and its subsidiaries' financial cost from loan and permission note were Baht 12.97 million or increased from the same period of previous year by Baht 6.51 million or 100.70% due to long term loan for construction and working capital.

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

In the first quarter of 2019, the Company recognized the profit sharing from Mctric Public Company Limited for the amount of Baht 5.26 million and the loss sharing amount of Baht 8.73 million from Wisdom Tree Investment (S) PTE. Limited comparing with the same period of previous year, which the Company recognized the profit sharing from Mctric Public Company at the amount of Baht 2.33 million and loss sharing from Wisdom Tree Investment (S) PTE. Limited. at the amount of Baht 2.29 million.

**2. Financial Analysis**

(Unit: Thousand Baht)

Items	31 March 2019	31 December 2018	Increase (Decrease)	%
Net Assets	6,528,967	6,724,090	(195,123)	(2.90)
Net Liabilities	2,113,168	2,078,079	35,089	1.69
Shareholders' equity	4,415,799	4,646,010	(230,211)	(4.96)

**Assets**

As at March 31, 2019, the Company and its subsidiaries had total assets of Baht 6,528.97 million, decreased by Baht 195.12 million or 2.90% comparing with December 31, 2018 due to the Company was adjusting in investment in available-for-sales securities to market price which decreased by Baht 256.93 million from ended December 31, 2018 and deferred tax assets increased by Baht 52.17 million due to such investment in available-for-sales securities prices were decreased.

**Liabilities**

As at 31 March 2019, the Company and its subsidiaries' liabilities was Baht 2,113.17 million, increased by Baht 35.09 million or 1.69% comparing with 31 December 2018 due to short term loan for working capital was increased by Baht 84.57 million and the Company's account payable was decreased by Baht 30.28 million. In addition, the Company was repayment in advanced receivable which amount of Baht 23.40 million to customer.

**Shareholders' equity**

As at 31 March 2019, the shareholders' equity of the Company and its subsidiaries were Bath 4,415.80 million, decreased by Baht 230.21 million or 4.96% from 31 December 2018 due to an increase in market price of investment in available-for-sales securities which amount of Baht 256.93 million effecting to deferred tax assets increased by Baht 52.17 million. In addition, the operating result of the Company and its subsidiaries in the first quarter of 2019 showing net loss Baht 24.52 million resulting in a decrease in shareholders' equity.



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Yours sincerely,

General Engineering Public Company Limited

(Mr. Wuttichai Sresthabutra)  
Director