



GEL.CS.009/2564

17 May 2021

Subject: Management Discussion and Financial Analysis for the operating results of the first quarter of 2021, ended March 31, 2021

To: Director and Manager  
The Stock Exchange of Thailand

The Board of Director's meeting No. 3/2021 of General Engineering Public Company Limited ("the Company") held on May 17, 2021 has approved and verified the financial statements of the Company and its subsidiaries for the first quarter of 2021 which reviewed by the auditor of the Company. Details are as follows.

**1. The Operating Results Analysis**

**For the first quarter of 2021, ended March 31, 2021**

The financial statement showing net loss at the amount of Baht 23 million, comparing with the same period of previous year, the net loss at the amount of Baht 55 million which was decreased by Baht 32 million which details are as following;

(1) Revenue from sales

The Company and its subsidiaries had total revenue from sales at the amount of Baht 388 million, which decreased from the same period of previous year by Baht 11 million or 2.75%. The decrease was still affected by the outbreak of the coronary virus 2019 or Covid-19, causing the construction of private sector to be affected both the real estate sector and large public building. As a result, the real estate sector has slowed along with customer was delayed the delivery of many projected even it has been hired.

(2) Cost of sales

The Company and its subsidiaries had total cost of sales at the amount of Baht 349 million, which decreased from the same period of previous year by Baht 44 million or 11.19% due to the effective of cost control and budget control and the Company and its subsidiaries was reorganization which resulted in lower cost per unit.

(3) Gross profit

The Company and its subsidiaries' total gross profit were Baht 39 million, which increased from the same period of previous year by Baht 33 million due to effective of cost control as mentioned above.

(4) Administrative and Selling expenses

The Company and its subsidiaries had selling expenses at the amount of Baht 55 million, decreased from the same period of previous year by Baht 9 million or 14.06% due to reorganization to be more suitable.

(5) Financial cost

The Company and its subsidiaries' financial cost from loan and permission note were Baht 17 million or decreased from the same period of previous year by Baht 4 million or 19.04% due to due to the decrease in interest rates and the repayment of promissory notes that are due.

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

In the first quarter of 2021, the Company recognized the profit sharing from Mctric Public Company Limited for the amount of Baht 7 million and the profit sharing amount of Baht 2 million from Wisdom Tree Investment (S) PTE. Limited, which the Company recognized the total net profit sharing Baht 9 million, comparing with the same period of previous year, which the Company recognized the profit sharing from Mctric Public Company at the amount of Baht 1 million and the profit sharing from Wisdom Tree Investment (S) PTE. Limited. at the amount of Baht 2 million.

(7) Dividend income

In the first quarter of 2022, the Company recognized the dividend income for the amount of Baht 15.57 million from equity investment (MILL) but this period the Company didn't received the dividend income.

**2. Financial Analysis**

(Unit: Million Baht)

Items	31 March 2021	31 March 2020	Increase (Decrease)	%
Net Assets	6,752	6,211	541	8.71
Net Liabilities	2,562	2,432	130	5.34
Shareholders' equity	4,190	3,779	411	10.87

**Assets**

As at March 31, 2021, the Company and its subsidiaries had total assets of Baht 6,752 million, increased by Baht 541 million or 8.71% comparing with December 31, 2020 due to

1. An increase in cash and cash equivalents at amount of Baht 15 million
2. An increase in inventories at amount of Baht 34 million which was due to delay of project on hand
3. An increase in contract assets at amount of Baht 24 million
4. A decrease in trade accounts receivable at amount of Baht 20 million
5. An increase in investment in available-for-sales securities (MILL) at amount of Baht 537 million due to market price was increased from 0.91 Baht/share at 31 December 2020 to 1.60 Baht/share in first quarter of 2021 which will affect to a decrease in deferred tax asset at amount of Baht 107 million.
6. An increase in investments in associated company and joint venture at amount of Baht 9 million due to sharing from profit on investment in associated company and joint venture and recorded gain in exchange rate on investment joint venture, Wisdom Tree Investment (S) PTE. Limited, at amount of Baht 3 million.



### **Liabilities**

As at 31 March 2021, the Company and its subsidiaries' liabilities was Baht 2,562 million, increased by Baht 130 million or 5.34% comparing with 31 December 2020 due to

1. An increase in trade and other payable at amount of Baht 79 million due to an increase in supplier and contractor.
2. An increase in advance payment of customer at amount of Baht 19 million.
3. An increase in recorded current portion of liabilities under leases agreement at amount of Baht 6 million due to purchase in machine and tools.
4. A decrease in current portion of long - term loans from financial institutions at amount of Bath 24 million due to repayment.
5. An increase in recorded of liabilities under leases agreement at amount of Bath 12 million due to purchase in machine and tools.

### **Shareholders' equity**

As at 31 March 2021, the shareholders' equity of the Company and its subsidiaries were Bath 4,190 million, increased by Baht 411 million or 10.87% from 31 December 2020 due to the Company and its subsidiaries in the first quarter of 2021 showing net loss Baht 20 million and an increase in investment in available-for-sales securities (MILL) at amount of Baht 429 million due to market price was increased from 0.91 Baht/share at 31 December 2020 to 1.60 Baht/share in first quarter of 2021 and the Company recorded gain in exchange rate on investment joint venture, Wisdom Tree Investment (S) PTE. Limited, at amount of Baht 3 million.

Yours sincerely,

General Engineering Public Company Limited

*-signed-*

(Mr. Wuttichai Sresthabutra)  
Director