



GEL.CS.002/2565

28 February 2022

Subject: Management Discussion and Financial Analysis for the operating results of the year 2021, ended December 31, 2021

To: Director and Manager  
The Stock Exchange of Thailand

The Board of Director's meeting No. 2/2022 of General Engineering Public Company Limited ("the Company") held on February 28, 2022, has approved and verified the financial statements of the Company and its subsidiaries for the year 2021 which reviewed by the auditor of the Company. Details are as follows.

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

#### **For the year 2021, ended December 31, 2021**

The financial statement showing net loss at the amounted of Baht 107 million, comparing with the same period of previous year, the net loss at the amount of Baht 156 million which the net loss was decreased by Baht 49 million which details are as following;

#### (1) Revenue from sales

The Company and its subsidiaries had total revenue from sales at the amounted of Baht 1,662 million, which increase from the same period of previous year by Baht 66 million or 4%. The increase was due to the increase in revenue from completion of construction that is recognized by the method of measuring the level of progress of completion of the construction and increased of income from working from contractual goods.

#### (2) Cost of sales

The Company and its subsidiaries had total cost of sales at the amounted of Baht 1,604 million, which increased from the same period of previous year by Baht 41 million or 2.6% due to increase in proportion to the revenue volume.

#### (3) Gross profit

The Company and its subsidiaries' total gross profit were Baht 58 million, which increased from the same period of previous year by Baht 25 million due to effective of cost control and increase in proportion to the revenue volume.

#### (4) Administrative and Selling expenses

The Company and its subsidiaries had administrative and selling expenses at the amounted of Baht 198 million, which decreased from the same period of previous year by Baht 4 million or 2%.



(5) Financial cost

The Company and its subsidiaries' financial cost from loan and permission note were Baht 66 million or decreased from the same period of previous year by Baht 2 million or 3% due to decrease in interest rate and repayment term loan.

(6) Profit from the sale of warrants (MILL-W6)

In the year 2021, the Company recognized the profit from the sale of warrants (MILL-W6) for the amount of Baht 61 million.

(7) Profit from the valuation of warrants (MILL-W6)

In the year 2021, the Company recognized the profit from the valuation of warrants (MILL-W6) for the amount of Baht 6 million from 17 million units which is 0.33 Baht per unit.

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

In the year 2021, the Company has recognized the profit sharing from Mctric Public Company Limited amount of Baht 17 million and the profit sharing amount of Baht 4 million from Wisdom Tree Investment (S) PTE. Limited, which the Company recognized the total net profit sharing Baht 21 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 28 million and the loss sharing from Wisdom Tree Investment (S) PTE. Limited. at the amount of Baht 1 million.

(9) Tax expense (income)

In the year 2021, the Company had tax expenses for the amount of Baht 3 million, increase from the same period of previous years by Baht 16 million due to allowance for doubtful accounts and allowance for diminution in product value.

**2. Financial Analysis**

Items	31 December 2021	31 December 2020	(Unit: Million Baht)	
			Increase (Decrease)	%
Net Assets	6,544	6,213	331	5.33
Net Liabilities	2,590	2,433	158	6.50
Shareholders' equity	3,954	3,780	175	4.60

**Assets**

As at December 31, 2021, the Company and its subsidiaries had total assets of Baht 6,544 million, increased by Baht 331 million or 5.33% comparing with December 31, 2020 due to

1. An increase in inventories at amount of Baht 26 million which was due to delay of project on hand and trade terms which some projects that have to be produced according to the number of conditions in order to deliver the work
2. An increase in other current asset at amount of Baht 6 million due to the valuation of warrants (MILL-W6) at amount of 17 million units at Baht 0.33 Baht per unit.

3. An increase in current contract assets at amounted of Baht 230 million increased by Baht 215 million from the same period of previous due to there are more finishes goods which not yet delivered
4. A decrease in trade accounts receivable at amounted of Baht 23 million
5. An increase in investment in available-for-sales securities (MILL) at amount of Baht 100 million due to
  - 5.1. market price was increased from 0.91 Baht/share at 31 December 2020 to 1.21 Baht/share at 31 December 2021 which affect to an increase in investment in available-for-sales by Baht 350 million
  - 5.2. sales in investment in available-for-sales at amount of Baht 250 million in this quarter.
6. Due to an increase in investment in available-for-sales securities above effecting to a decrease in current income tax assets at amounted of Baht 70 million
7. An increase in investments in associated company and joint venture at amount of Baht 17 million due to sharing from profit on investment in associated company and joint venture in the amounted of Baht 20 million and the reduction in the difference in exchange rates of the financial statements of Baht 3 million
8. An increase in right-of-use-assets at amounted of Baht 18 million
9. An increase in restricted deposit at amounted of Baht 18 million
10. An increase in current retention receivables at amounted of Baht 16 million

### **Liabilities**

As at December 31, 2021, the Company and its subsidiaries' liabilities was Baht 2,590 million, increased by Baht 158 million or 6.50% comparing with 31 December 2020 due to

1. An increase in short term loan from financial institution and related company at amounted of Baht 31 million
2. An increase in trade and other payable at amounted of Baht 85 million due to an increase in accounts payable for purchasing raw materials and subcontractor
3. An increase in advance payment of customer at amounted of Baht 40 million
4. An increase in recorded current portion of liabilities under leases agreement at amounted of Baht 14 million due to purchase in machine and tools.
5. A decrease in current portion of long - term loans from financial institutions at amount of Bath 27 million

### **Shareholders' equity**

As at December 31 2021, the shareholders' equity of the Company and its subsidiaries were Bath 3,954 million, increased by Baht ๓ million from 31 December 2020 due to

1. An increase in investment in available-for-sales securities (MILL) at amount of Baht 350 million due to market price was increased from 0.91 Baht/share at 31 December 2020 to 1.21 Baht/share in December 31, 2021 and effect to a decrease in shareholder's equity at amount of 70 million from recorded tax income
2. A recorded profit of investment in available-for-sales securities at amount of Baht 4 million
3. A recorded loss in exchange rate on investment joint venture, Wisdom Tree Investment (S) PTE. Limited, increased by Baht 3 million.
4. A decrease in loss from non-controlling interest at amounted of Baht 14 million
5. Record loss from parent company at amounted of Baht 93 million



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Yours sincerely,

General Engineering Public Company Limited

*-signed-*

(Mr. Wuttichai Sresthabutra)  
Director